

Town of Pound Ridge, New York

**Financial Statements and
Supplementary Information**

Year Ended December 31, 2017

Town of Pound Ridge, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet - Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General and Highway Funds	22
Statement of Assets and Liabilities - Fiduciary Fund	24
Notes to Financial Statements	25
Required Supplementary Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	49
New York State and Local Employees' Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	50
Schedule of Contributions	51
New York State and Local Police and Fire Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	52
Schedule of Contributions	53
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	54
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	55
Schedule of Revenues Compared to Budget	57
Schedule of Expenditures and Other Financing Uses Compared to Budget	58
Highway Fund	
Comparative Balance Sheet	62
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	63
Capital Projects Fund	
Comparative Balance Sheet	65
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	66

Town of Pound Ridge, New York

Table of Contents (Concluded)

Non-Major Governmental Funds	
Combining Balance Sheet	67
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	68
Special Purpose Fund	
Comparative Balance Sheet	69
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	70
Public Parking District Fund	
Comparative Balance Sheet	71
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	72

Independent Auditors' Report

The Honorable Supervisor and Town Board
of the Town of Pound Ridge, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Pound Ridge, New York ("Town") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General and Highway funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit for the year ended December 31, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2017 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated September 7, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2016 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2016.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
February 15, 2019

Town of Pound Ridge, New York

Management's Discussion and Analysis (MD&A) December 31, 2017

Introduction

The management of the Town of Pound Ridge offers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2017 to readers of the Town's financial statements. This document should be read in conjunction with the basic financial statements, which immediately follow this section in order to enhance the understanding of the Town's financial performance.

Financial Highlights

- ❖ On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded the liabilities and deferred inflows of resources at the close of 2017 by \$8,271,351. This reflects a decrease in the total net position of \$846,622.
- ❖ As of the close of 2017, the Town's governmental funds reported combined ending fund balances of \$2,983,796, an increase of \$546,794 from FY 2016. Contributing factors are the reduction of Bond Anticipation Note balances and the reduction in deferred tax revenues.
- ❖ At the end of the current year, unassigned fund balance for the General Fund was \$456,382, which equates to 7.89% of total General Fund expenditures of \$5,785,098 exclusive of Transfers Out of \$157,500. The General Fund reported an ending total fund balance of \$3,630,280 which represents an increase of \$310,361 from FY 2016 ending fund balance of \$3,319,919.
- ❖ At the end of the current year, the Town had outstanding \$262,855 of statutory installment bonds and \$1,040,000 of bond anticipation notes. This represents a decrease in statutory installment bonds of \$131,429 and a decrease of \$315,000 from the FY 2016 bond anticipation notes. No new Bond Anticipation Notes were issued in 2017.
- ❖ For the year ended December 31, 2017 the Town reported in its Statement of Net Position a liability of \$873,220 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in the notes to financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of Net Position presents information on all of the Town's assets, deferred outflows of resources and liabilities, deferred inflows of resources, with the difference between the two reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (ex., uncollected taxes and earned but unused vacation leave).

The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains three major governmental funds: the General Fund, the Highway Fund and the Capital Projects Fund. Major funds have their information presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The Public Parking District and the Special Purpose Fund are grouped together as non-major governmental Funds.

Budgetary comparison statements are provided for the General Fund, the Highway Fund and the Public Parking District. Budgetary comparison statements have been provided for these funds within the basic financial statements to demonstrate compliance with the respective budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Town programs. The Town maintains one type of fiduciary fund, an Agency Fund. Resources in the Agency Fund are held by the Town purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization, or government.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements

Other Information

Additional statements and schedules can be found immediately following the notes to the financial statements and include individual fund financial statements and schedules of "budgets to actual" comparisons.

Government-wide Financial Analysis

In accordance with GASB Statement No. 34, The Town of Pound Ridge has assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$8,271,351 for fiscal year ended 2017. This represents a decrease of \$846,622 or 9.28% below Net Position for the fiscal year ended 2016. Over time, Net Position may serve as a useful indicator of a government's financial position.

The following table reflects the condensed Statement of Net Position:

Statement of Net Position December 31,

	<u>2017</u>	<u>2016</u>
Current Assets	\$ 26,813,793	\$ 24,678,911
Capital Assets, net	<u>12,466,627</u>	<u>12,966,336</u>
Total Assets	<u>39,280,420</u>	<u>37,645,247</u>
Deferred Outflows of Resources*	<u>1,076,459</u>	<u>1,841,218</u>
Current Liabilities	23,047,446	21,517,599
Long-term Liabilities	<u>8,879,111</u>	<u>8,655,533</u>
Total Liabilities	<u>31,926,557</u>	<u>30,173,132</u>
Deferred Inflows of Resources*	<u>158,971</u>	<u>195,360</u>
Net Position		
Net Invested in Capital Assets	11,163,772	11,314,585
Restricted	2,918,788	2,518,596
Unrestricted	<u>(5,811,209)</u>	<u>(4,715,208)</u>
Total Net Position	<u>\$ 8,271,351</u>	<u>\$ 9,117,973</u>

*Detailed information pertaining to the Town's Deferred Outflows/Inflows of Resources is presented in Notes 1 and 3 to the financial statements. The amounts are as follows:

Deferred Amounts on Pensions				
Retirement System	2017	2016	2017	2016
	Outflows		Inflows	
Employee (ERS)	\$ 760,507	\$ 1,370,166	\$ 116,927	\$ 143,019
Police (PFRS)	315,952	471,052	42,044	52,341
	<u>\$ 1,076,459</u>	<u>\$ 1,841,218</u>	<u>\$ 158,971</u>	<u>\$ 195,360</u>

The largest component of the Town's Net Position is Net Invested in Capital Assets of \$11,163,772 in 2017 and \$11,314,585 in 2016 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted Net Position of \$2,918,788 or 35.3% in 2017 and \$2,518,596 or 27.6% in 2016, represent resources that are subject to external restrictions on their use. The restrictions are:

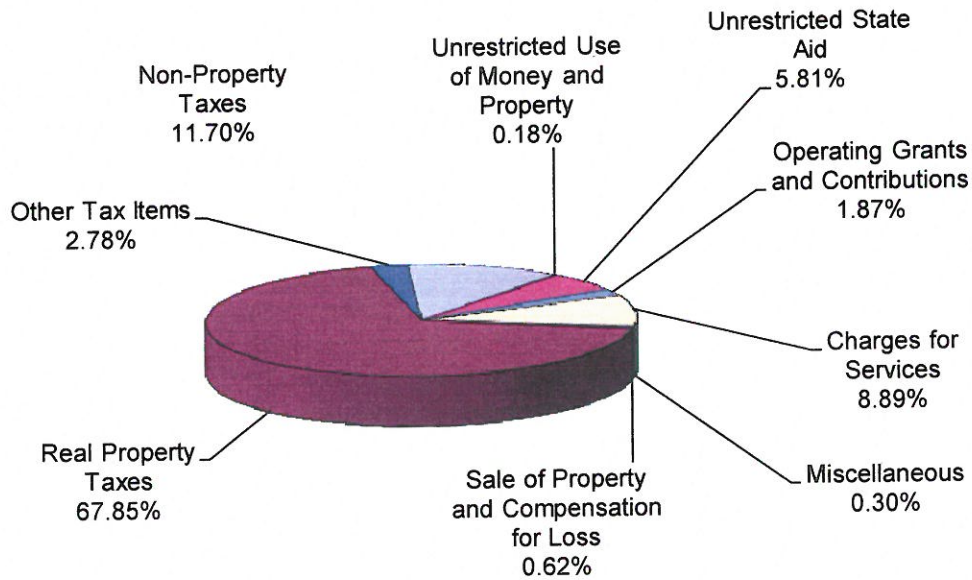
	2017	2016
Open Space	\$ 2,408,355	\$ 2,032,152
Debt Service	131,570	131,242
Special Revenues Funds		
Trusts	221,301	222,190
Public parking	157,562	133,012
	<u>\$ 2,918,788</u>	<u>\$ 2,518,596</u>

The remaining balances represents unrestricted deficits of (\$5,811,209) in 2017 and (\$4,715,208) in 2016. If available, unrestricted Net Position may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.

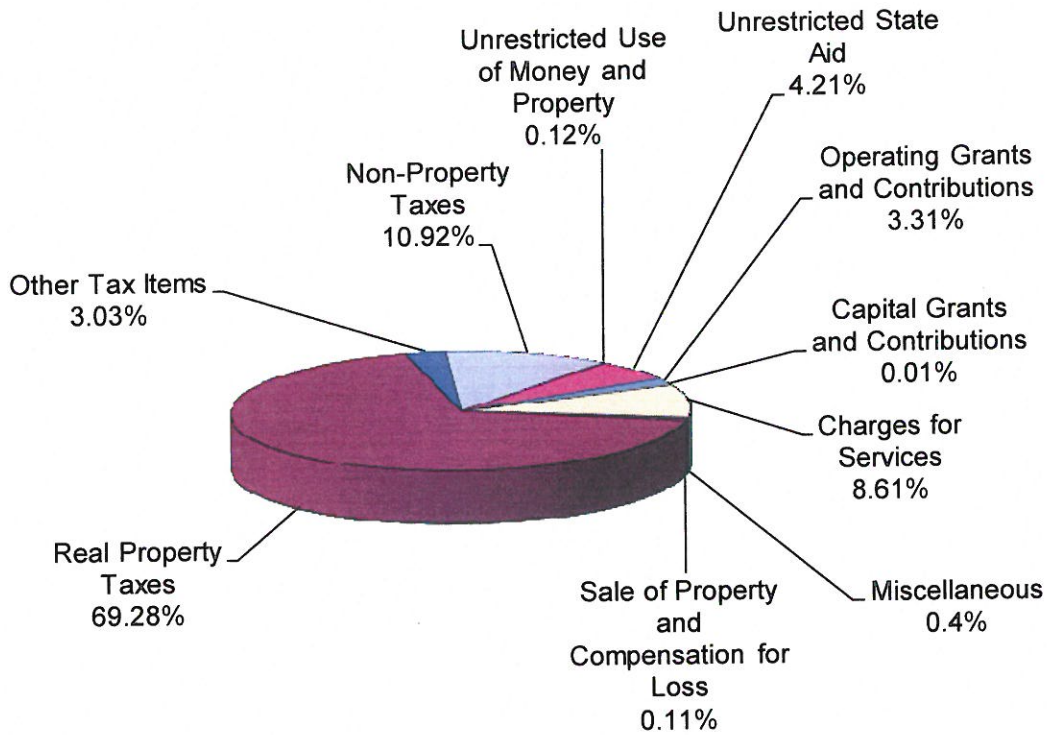
**Change in Net Position
Fiscal Year Ended December 31,**

	2017	2016
REVENUES		
Program Revenues		
Charges for Services	\$ 732,153	\$ 673,207
Operating Grants and Contributions	154,339	257,485
Capital Grants and Contributions	316	608
	886,808	931,300
General Revenues		
Real Property Taxes	5,588,638	5,407,868
Other Tax items	229,238	236,782
Non-Property Taxes	963,532	852,716
Unrestricted Use of Money and Property	14,662	8,809
Sale of Property and Compensation for Loss	51,154	8,521
Unrestricted State Aid	478,848	328,450
Miscellaneous	24,324	31,203
	7,350,396	6,874,349
Total General Revenues		
Total Revenues	8,237,204	7,805,649
EXPENSES		
Program Expenses		
General Government Support	2,384,124	2,618,241
Public Safety	2,340,143	2,184,612
Health	141,892	131,132
Transportation	2,927,048	2,878,840
Economic Opportunity and Development	8,717	6,647
Culture and Recreation	991,713	1,019,559
Home and Community Services	268,406	236,761
Interest	21,783	27,351
	9,083,826	9,103,143
Total Expenses		
Change in Net Position	(846,622)	(1,297,494)
NET POSITION		
Beginning	9,117,973	10,415,467
Ending	\$ 8,271,351	\$ 9,117,973

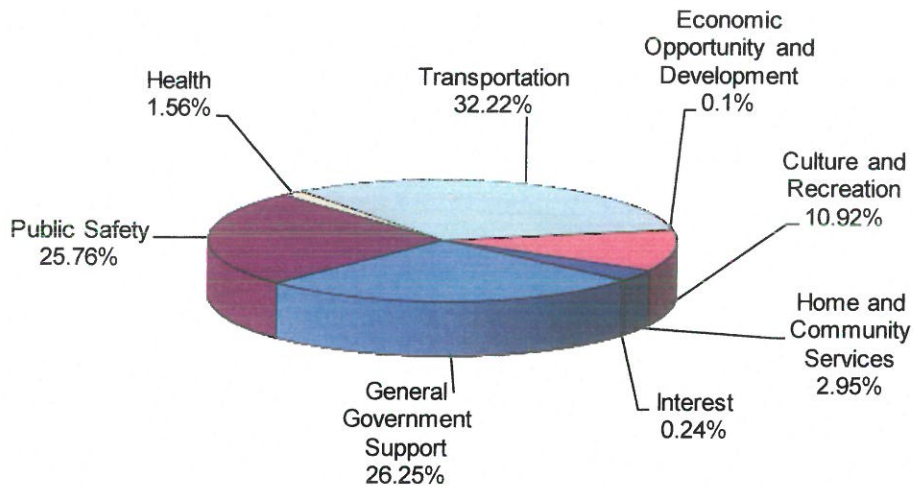
**Sources of Revenue for Year 2017
Governmental Activities**



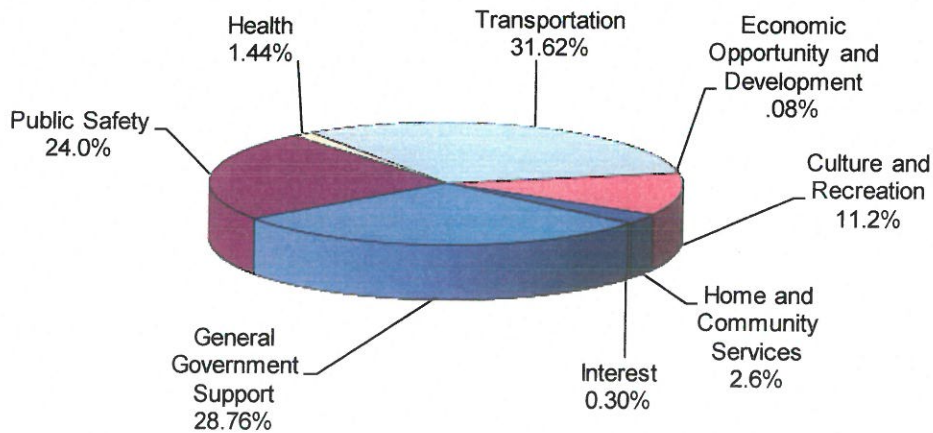
**Sources of Revenue for Year 2016
Governmental Activities**



Sources of Expenses for Year 2017 Governmental Activities



Sources of Expenses for Year 2016 Governmental Activities



Governmental Activities

Governmental activities decreased the Town's Net Position by \$846,622 in 2017 and \$1,297,494 in 2016. For the fiscal year ended December 31, 2017, revenues from governmental activities totaled \$8,237,204. Tax revenues (\$6,781,408), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue source (82.3%).

The largest components of governmental activities' in 2017 expenses are public safety (25.8%), general government support (26.3%) and transportation (32.2%). Public Safety includes the following: Police, Fire, Safety Inspection and Animal Control. General Government Support includes the following: Town Board, Town Justice, Supervisor, Finance, Town Offices, Clerk, Law, Data Processing, Central Printing and Mailing, Unallocated Insurance, Taxes on Town Property, Judgments and Claims and Contingency. Transportation includes the following: Highway Administration, Garage and Street Lighting.

Financial Analysis of the Town's Funds

Fund Balance Reporting

GASB issued its Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (prepaid amounts) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned and unassigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$2,983,796. The unassigned fund balance has a deficit balance in the amount of (\$636,512). The nonspendable fund balance component consists of amounts for prepaid expenditures \$205,595. Fund balance of \$2,761,226 is restricted in its use under the terms of a trust agreement \$221,301, the land reserve for open space \$2,408,355 and dedicated to pay for debt service \$131,570.

The General Fund is the primary operating fund of the Town. At the end of FY 2017, unassigned fund balance of the General Fund was \$456,382, representing 12.6% of the total General Fund balance of \$3,630,280. When the FY 2017 General Fund budget was adopted, it anticipated to use \$480,000 of fund balance. Actual results of operations resulted in a decrease in the Unassigned Fund Balance of \$23,970. Revenues were \$6,252,959, which was \$299,493 or 5.0% more than the final budget. Expenditures were \$5,785,098 which was \$117,193 or 2.0%, less than the final budget.

The Capital Projects Fund has a deficit fund balance of (\$1,092,894). The majority of the capital projects are financed by short-term debt as of December 31, 2017.

General Fund Budgetary Highlights

The appropriations budget for general government support was decreased by \$166,090, public safety was increased by \$66,775, and employee benefits was increased by \$141,000.

When the fiscal 2017 budget was adopted, it anticipated using \$480,000 of the unassigned fund balance of the General Fund while adding \$373,675 to the Open Space Land Reserve for a net reduction in fund balance of \$106,325. Actual results of operations resulted in an increase in fund balance of \$310,361 and a reduction in unassigned fund balance of \$23,970 to a balance of \$456,382. Actual revenues for 2017 were \$299,493 more than the final budget and actual expenses for 2017 were \$117,193 less than the final budget.

Some of the major variances that contributed to the positive variance:

- Real Property Tax revenue was higher than budgeted by \$117,871 due to the collection of liens reducing the balance to \$818,328.
- License and Permit Revenue was \$236,369 resulting in a \$54,369 positive variance.
- Mortgage Tax revenue in 2017 was \$457,596 which was \$137,596 more than the original budget. This revenue surplus was used to pay the deficit balance of the Town's self-insured health plan from 2016 of \$144,665. The actual cost of the health plan in 2017 showed a 5% reduction as compared to 2016.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for governmental activities at December 31, 2017, net of accumulated depreciation, was \$12,466,627, a decrease of \$499,709. This investment in capital assets includes land, buildings, land improvements, machinery and equipment, infrastructure and construction-in-progress.

Major capital asset activity during the current fiscal year included the following:

	Capital Assets December 31,	
	2017	2016
Land	\$ 3,371,929	\$ 3,371,929
Buildings	1,102,700	1,138,061
Land Improvements	1,306,312	1,344,175
Machinery and Equipment	459,241	519,699
Infrastructure	6,226,445	6,592,472
Total	<u>\$ 12,466,627</u>	<u>\$ 12,966,336</u>

Long-term Debt /Short-Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$262,855, as compared to \$394,284 for FY2016. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

The Town did not elect to amortize the allowable ERS and PFRS contribution. The balance from prior years due at December 31, 2017 was \$374,086.

Known as the "constitutional debt limit", and pursuant to New York State Local Finance Law §104, the Town must limit total outstanding long-term debt to no more than 7% of the five-year average full valuation of real property. At December 31, 2017, the Town five year average full valuation was \$371,543,910, thereby establishing a constitutional debt limit of \$26,008,073.

Economic Factors and Next Year's Budgets and Rates

Revenues, primarily mortgage tax revenue, sales tax revenue, and building permit revenue have improved. Mortgage tax revenue remains at lower levels in FY2017 as compared with pre-recession revenue levels. The Town management recognizes the expectations for economic growth have improved but FY2018 budget levels are conservatively set to operate at lower revenue levels in the near term. The amount of long-term uncollected taxes were reduced in 2017 by 10% but remains at high levels and has the potential to affect cash flow for operations and fund balance reserves. Management has a plan in place to address outstanding tax accounts and is monitoring this trend for multi-year forecasting. Due to low interest rates, borrowing has been utilized with short-term and long-term financing. The Town management also is aware that health insurance costs need to be monitored closely as uncertainty in the market conditions exist. All of these factors were taken into consideration in developing the FY 2018 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Pound Ridge's finances. Questions and comments concerning any of the information provided in this report should be addressed to Steven Conti, Director of Finance, Town of Pound Ridge, 179 Westchester Avenue, Pound Ridge, New York 10576.

Town of Pound Ridge, New York

Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 19,283,158
Receivables	
Taxes	6,990,274
Accounts	49,868
Due from other governments	284,898
Prepaid expenses	205,595
Capital assets	
Not being depreciated	3,371,929
Being depreciated, net	9,094,698
	<hr/>
Total Assets	39,280,420
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	
	1,076,459
	<hr/>
LIABILITIES	
Accounts payable	852,312
Due to other governments	21,011,140
Overpayments	2,298
Bond anticipation notes payable	1,040,000
Accrued interest payable	9,779
Claims payable	131,917
Non-current liabilities	
Due within one year	194,891
Due in more than one year	8,684,220
	<hr/>
Total Liabilities	31,926,557
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
	158,971
	<hr/>
NET POSITION	
Net investment in capital assets	11,163,772
Restricted for	
Open space	2,408,355
Debt service	131,570
Special Revenue Funds	
Public parking	157,562
Trusts	221,301
Unrestricted	(5,811,209)
	<hr/>
Total Net Position	\$ 8,271,351
	<hr/> <hr/>

The notes to the financial statements are an integral part of this statement.

Town of Pound Ridge, New York

Statement of Activities
Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 2,384,124	\$ 312,675	\$ 90,148	\$ -
Public safety	2,340,143	31,827	-	-
Health	141,892	-	-	-
Transportation	2,927,048	22,837	63,880	-
Economic opportunity and development	8,717	-	-	-
Culture and recreation	991,713	340,936	311	316
Home and community services	268,406	23,878	-	-
Interest	21,783	-	-	-
Total Governmental Activities	\$ 9,083,826	\$ 732,153	\$ 154,339	\$ 316

General revenues
 Real property taxes
 Other tax items
 Payment in lieu of taxes
 Interest and penalties on real property taxes
 Non-property taxes
 Non-property tax distribution from County
 Cable TV franchise fees
 Unrestricted use of money and property
 Sale of property and compensation for loss
 Unrestricted State aid
 Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION

Beginning

Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense)
Revenue and
Changes in
Net Position

\$ (1,981,301)
(2,308,316)
(141,892)
(2,840,331)

(8,717)
(650,150)

(244,528)
(21,783)

(8,197,018)

5,588,638

5,000
224,238

778,744

184,788

14,662

51,154

478,848

24,324

7,350,396

(846,622)

9,117,973

\$ 8,271,351

Town of Pound Ridge, New York

Balance Sheet
 Governmental Funds
 December 31, 2017

	General	Highway	Capital Projects
ASSETS			
Cash and equivalents	\$ 18,539,259	\$ 111,376	\$ 253,136
Taxes receivable	6,990,274	-	-
Other receivables			
Accounts	49,868	-	-
Due from other funds	-	300,310	-
Due from other governments	284,898	-	-
	334,766	300,310	-
Prepaid expenditures	153,973	51,622	-
Total Assets	<u>\$ 26,018,272</u>	<u>\$ 463,308</u>	<u>\$ 253,136</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 450,307	\$ 395,761	\$ 5,720
Due to other funds	-	-	300,310
Due to other governments	21,011,140	-	-
Overpayments	2,298	-	-
Bond anticipation notes payable	-	-	1,040,000
Total Liabilities	21,463,745	395,761	1,346,030
Deferred inflows of resources			
Deferred tax revenues	924,247	-	-
Total Liabilities and Deferred Inflows of Resources	22,387,992	395,761	1,346,030
Fund balances (deficits)			
Nonspendable	153,973	51,622	-
Restricted	2,539,925	-	-
Assigned	480,000	15,925	-
Unassigned	456,382	-	(1,092,894)
Total Fund Balances (Deficits)	3,630,280	67,547	(1,092,894)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 26,018,272</u>	<u>\$ 463,308</u>	<u>\$ 253,136</u>

The notes to the financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ 379,387	\$ 19,283,158
-	6,990,274
-	49,868
-	300,310
-	284,898
-	635,076
-	205,595
<u>\$ 379,387</u>	<u>\$ 27,114,103</u>

\$ 524	\$ 852,312
-	300,310
-	21,011,140
-	2,298
-	1,040,000
524	23,206,060
-	924,247
524	24,130,307
-	205,595
221,301	2,761,226
157,562	653,487
-	(636,512)
378,863	2,983,796
<u>\$ 379,387</u>	<u>\$ 27,114,103</u>

(This page intentionally left blank)

Town of Pound Ridge, New York

Reconciliation of the Governmental Funds

Balance Sheet to the Government-Wide Statement of Net Position

December 31, 2017

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Fund Balance - Total Governmental Funds	\$ 2,983,796
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>12,466,627</u>
Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amount on net pension assets (liabilities)	<u>917,488</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>924,247</u>
Long-term liabilities and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(9,779)
Claims payable	(131,917)
Bonds payable	(262,855)
Net pension liability	(873,220)
Retirement incentives and other pension obligations	(374,086)
Other post employment benefit obligations payable	<u>(7,368,950)</u>
	<u>(9,020,807)</u>
Net Position of Governmental Activities	<u>\$ 8,271,351</u>

The notes to the financial statements are an integral part of this statement.

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2017

	General	Highway	Capital Projects
REVENUES			
Real property taxes	\$ 3,691,737	\$ 1,958,170	\$ -
Other tax items	229,238	-	-
Non-property taxes	963,532	-	-
Departmental income	402,892	7,456	-
Use of money and property	17,462	147	316
Interfund revenues	-	14,888	-
Licenses and permits	236,369	-	-
Fines and forfeitures	67,255	-	-
Sale of property and compensation for loss	51,154	493	-
State aid	522,593	63,610	-
Miscellaneous	70,727	-	-
Total Revenues	6,252,959	2,044,764	316
EXPENDITURES			
Current			
General government support	1,509,480	-	-
Public safety	1,302,432	-	-
Health	141,892	-	-
Transportation	206,546	1,276,727	-
Economic opportunity and development	8,717	-	-
Culture and recreation	565,269	-	-
Home and community services	168,704	-	-
Employee benefits	1,750,945	536,716	-
Debt service			
Principal	115,000	16,429	-
Interest	16,113	9,193	-
Capital outlay	-	-	150,743
Total Expenditures	5,785,098	1,839,065	150,743
Excess (Deficiency) of Revenues Over Expenditures	467,861	205,699	(150,427)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	315,000
Transfers out	(157,500)	(157,500)	-
Total Other Financing Sources (Uses)	(157,500)	(157,500)	315,000
Net Change in Fund Balances	310,361	48,199	164,573
FUND BALANCES (DEFICITS)			
Beginning of Year	3,319,919	19,348	(1,257,467)
End of Year	<u>\$ 3,630,280</u>	<u>\$ 67,547</u>	<u>\$ (1,092,894)</u>

The notes to the financial statements are an integral part of this statement.

Non-Major Governmental	Total Governmental Funds
\$ 42,128	\$ 5,692,035
-	229,238
-	963,532
-	410,348
434	18,359
-	14,888
-	236,369
-	67,255
-	51,647
-	586,203
-	70,727
42,562	8,340,601
1,200	1,510,680
-	1,302,432
-	141,892
17,701	1,500,974
-	8,717
-	565,269
-	168,704
-	2,287,661
-	131,429
-	25,306
-	150,743
18,901	7,793,807
23,661	546,794
-	315,000
-	(315,000)
-	-
23,661	546,794
355,202	2,437,002
\$ 378,863	\$ 2,983,796

(This page intentionally left blank)

Town of Pound Ridge, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2017

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 546,794</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	223,008
Depreciation expense	<u>(722,717)</u>
	<u>(499,709)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>(103,397)</u>
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position	
Principal paid on bonds	<u>131,429</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	3,523
Claims	158,115
Pension obligations	(48,823)
Retirement incentives and other pension obligations	70,342
Other post employment benefit obligations	<u>(1,104,896)</u>
	<u>(921,739)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (846,622)</u></u>

The notes to the financial statements are an integral part of this statement.

Town of Pound Ridge, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Highway Funds
Year Ended December 31, 2017

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,573,866	\$ 3,573,866	\$ 3,691,737	\$ 117,871
Other tax items	185,000	225,000	229,238	4,238
Non-property taxes	880,000	935,000	963,532	28,532
Departmental income	405,800	405,800	402,892	(2,908)
Use of money and property	24,000	24,000	17,462	(6,538)
Interfund revenues	-	-	-	-
Licenses and permits	182,000	182,000	236,369	54,369
Fines and forfeitures	46,000	46,000	67,255	21,255
Sale of property and compensation for loss	17,200	17,200	51,154	33,954
State aid	369,000	499,600	522,593	22,993
Miscellaneous	45,000	45,000	70,727	25,727
Total Revenues	5,727,866	5,953,466	6,252,959	299,493
EXPENDITURES				
Current				
General government support	1,577,420	1,527,820	1,509,480	18,340
Public safety	1,258,458	1,312,458	1,302,432	10,026
Health	136,891	141,892	141,892	-
Transportation	209,636	210,136	206,546	3,590
Economic opportunity and development	7,302	9,302	8,717	585
Culture and recreation	624,138	606,230	565,269	40,961
Home and community services	186,240	203,940	168,704	35,236
Employee benefits	1,558,000	1,759,400	1,750,945	8,455
Debt service				
Principal	115,000	115,000	115,000	-
Interest	16,106	16,113	16,113	-
Total Expenditures	5,689,191	5,902,291	5,785,098	117,193
Excess of Revenues Over Expenditures	38,675	51,175	467,861	416,686
OTHER FINANCING USES				
Transfers out	(145,000)	(157,500)	(157,500)	-
Net Change in Fund Balances	(106,325)	(106,325)	310,361	416,686
FUND BALANCES (DEFICITS)				
Beginning of Year	106,325	106,325	3,319,919	3,213,594
End of Year	\$ -	\$ -	\$ 3,630,280	\$ 3,630,280

The notes to the financial statements are an integral part of this statement.

Highway Fund

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,958,170	\$ 1,958,170	\$ 1,958,170	\$ -
-	-	-	-
-	-	-	-
11,000	11,000	7,456	(3,544)
200	200	147	(53)
20,000	20,000	14,888	(5,112)
-	-	-	-
-	-	-	-
20,000	20,000	493	(19,507)
128,000	128,000	63,610	(64,390)
-	-	-	-
<u>2,137,370</u>	<u>2,137,370</u>	<u>2,044,764</u>	<u>(92,606)</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,432,254	1,399,748	1,276,727	123,021
-	-	-	-
-	-	-	-
534,500	554,500	536,716	17,784
16,429	16,429	16,429	-
9,187	9,193	9,193	-
<u>1,992,370</u>	<u>1,979,870</u>	<u>1,839,065</u>	<u>140,805</u>
145,000	157,500	205,699	48,199
<u>(145,000)</u>	<u>(157,500)</u>	<u>(157,500)</u>	<u>-</u>
-	-	48,199	48,199
-	-	19,348	19,348
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,547</u>	<u>\$ 67,547</u>

Town of Pound Ridge, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2017

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 98,726
Accounts receivable	<u>707,363</u>
Total Assets	<u><u>\$ 806,089</u></u>
LIABILITIES	
Deposits	<u><u>\$ 806,089</u></u>

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The Town of Pound Ridge, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth in GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than capital projects. The major Special Revenue Fund of the Town is:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental funds.

Special Revenue Funds:

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with terms of a trust agreement.

Public Parking District Fund - The Public Parking District Fund is provided to account for the operation and maintenance of the Town's parking district.

- b. Fiduciary Funds - (Not Included in Government-Wide Statements) - Fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Town's Agency Fund is primarily utilized to account for various deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenue when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain claims, retirement incentives and other pension obligations, net pension liability and other post-employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Town's deposits investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks, which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions and, accordingly, the Town's policy provides for no credit risk on investments.

The Town follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2017.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien and are levied on January 1st. The Town collects county, town and special district taxes, which are due April 1st and payable without penalty to April 30th. School taxes for the period July 1st to June 30th levied on July 1st and are due on September 1st, with the first half payable without penalty until September 30th and the second half due the following January 1st and payable without penalty until January 31st. The Town guarantees the full payment of the County and school district warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting tax lien sales and in rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2017, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land is not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and land improvements	20-50
Machinery and equipment	5-20
Infrastructure	20-50

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Note 1 - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has reported deferred inflows of resources of \$924,247 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town also reported deferred outflows of resources in relation to its pension obligations. The amount is detailed in the discussion of the Town's pension plan note in Note 3F.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The Town does not compensate employees for unused vacation or sick leave upon separation from service.

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date".

Net Position - Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net Position on the Statement of Net Position includes, net investment in capital assets, restricted for open space, debt service and special revenue funds. The balance is classified as unrestricted.

Fund Balance - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a

Note 1 - Summary of Significant Accounting Policies (Continued)

hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (prepaid amounts) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by the policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned and unassigned.

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General and Special Revenue funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is September 20, 2018.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway and the Public Parking District funds.
- i) Budgets for General, Highway and the Public Parking District funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Town Board.
- k) Appropriations in General, Highway and the Public Parking District funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.
- l) On or before November 20th, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.
- m) Formal budgetary integration is employed during the year as a management control device for General, Highway and the Public Parking District funds.

Budgeted amounts are as originally adopted or as amended by the Town Board.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year. The original legislation that established the Tax Levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 2 - Stewardship, Compliance and Accountability (Continued)

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$1,092,894 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2017 consisted of the following:

Town taxes - Current	\$ 107,831
School district taxes - Current	6,064,115
Tax liens and overdue taxes	<u>818,328</u>
	<u>\$ 6,990,274</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2017 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Highway	\$ 300,310	\$ -
Capital Projects	-	300,310
	<u>\$ 300,310</u>	<u>\$ 300,310</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

Changes in the Town's capital assets are as follows:

	<u>Balance January 1, 2017</u>	<u>Additions</u>	<u>Balance December 31, 2017</u>
Capital Assets, not being depreciated			
Land	\$ 3,371,929	\$ -	\$ 3,371,929
Capital Assets, being depreciated			
Buildings	\$ 2,556,435	\$ -	\$ 2,556,435
Land improvements	2,676,870	-	2,676,870
Machinery and equipment	3,172,680	19,797	3,192,477
Infrastructure	25,509,367	203,211	25,712,578
Total Capital Assets, being depreciated	<u>33,347,932</u>	<u>223,008</u>	<u>34,138,360</u>
Less Accumulated Depreciation for			
Buildings	1,418,374	35,361	1,453,735
Land improvements	1,332,695	37,863	1,370,558
Machinery and equipment	2,652,981	80,255	2,733,236
Infrastructure	18,916,895	569,238	19,486,133
Total Accumulated Depreciation	<u>23,395,848</u>	<u>722,717</u>	<u>25,043,662</u>
Total Capital Assets, being depreciated, net	<u>\$ 9,952,084</u>	<u>\$ 945,725</u>	<u>\$ 59,182,022</u>
Capital Assets, net	<u>\$ 13,324,013</u>	<u>\$ 945,725</u>	<u>\$ 62,553,951</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

Depreciation expense was charged to the Town's functions and programs as follows:

General Government Support	\$ 36,136
Public Safety	21,681
Transportation	614,309
Culture and Recreation	<u>50,591</u>
Total Depreciation Expense	<u>\$ 722,717</u>

D. Short-Term Capital Borrowings - Bond Anticipation Notes

The schedule below details the changes in short-term capital borrowings.

	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2017	Redemptions	Balance December 31, 2017
Capital Projects Fund						
Various purposes	10/13	6/15/18	1.45 %	\$ 800,000	\$ 80,000	\$ 720,000
Various purposes	12/12	6/15/18	-	75,000	75,000	-
Various purposes	12/14	6/15/18	1.45	<u>480,000</u>	<u>160,000</u>	<u>320,000</u>
				<u>\$ 1,355,000</u>	<u>\$ 315,000</u>	<u>\$ 1,040,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$8,040 and \$8,040 were recorded in the fund financial statements in the General and Highway funds, respectively. Interest expense of \$14,094 was recorded in the government-wide financial statements.

E. Health Claim Liabilities

The government-wide financial statements reflect the liability for health benefit claims. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on various factors such as inflation, the process used in computing claims liabilities does not necessarily result in an exact amount. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed on both actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers and past experience.

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

An analysis of the activity of unpaid health benefit claim liabilities in the government-wide financial statements is as follows:

	<u>2017</u>	<u>2016</u>
Balance - Beginning of Year	\$ 290,032	\$ 221,019
Provision for Claims and Claims Adjustment Expenses	538,496	941,213
Claims and Claims Adjustment Expenses Paid	<u>(696,611)</u>	<u>(872,200)</u>
Balance - End of Year	<u>\$ 131,917</u>	<u>\$ 290,032</u>

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2017:

	<u>Balance January 1, 2017</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2017</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 394,284	\$ -	\$ 131,429	\$ 262,855	\$ 131,429
Net Pension Liability	1,552,767	-	679,547	873,220	-
Retirement Incentives and Other Pension Obligations	444,428	-	70,342	374,086	63,462
Other Post Employment Benefit Obligations Payable	<u>6,264,054</u>	<u>1,494,610</u>	<u>389,714</u>	<u>7,368,950</u>	<u>-</u>
	<u>\$ 6,507,052</u>	<u>\$ 1,494,610</u>	<u>\$ 1,271,032</u>	<u>\$ 8,879,111</u>	<u>\$ 194,891</u>

Each governmental fund's liability for bonds, retirement incentives and other pension obligations and other post employment benefit obligations are liquidated by the General and Highway funds.

Bonds Payable

Bonds payable at December 31, 2017 is comprised of the following individual issue:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2017</u>
Various	2012	\$ 920,000	June, 2019	2.34 %	<u>\$ 262,855</u>

Interest expenditures of \$8,073 and \$1,153 were recorded in the fund financial statements in the General and Highway Funds, respectively. Interest expense of \$7,688 was recorded in the government-wide financial statements.

Note 3 - Detail Notes on All Funds (Continued)

Retirement Incentives and Other Pension Obligations

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Town elected to amortize the maximum allowable ERS and PFRS contributions as noted in the table below.

Year	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2012	\$ 96,110	\$ 10,133	\$ 33,155	\$ 10,514
2013	162,169	15,921	87,067	16,400
2014	251,158	23,667	161,400	24,535
2015	126,344	11,645	92,464	12,013
	<u>\$ 635,781</u>	<u>\$ 61,366</u>	<u>\$ 374,086</u>	<u>\$ 63,462</u>

Payments to Maturity

The annual requirements to amortize all bonded and retirement incentives and other pension obligations debt outstanding as of December 31, 2017, including interest payments of \$53,130 are as follows:

Year Ended December 31,	Bonds		Retirement Incentives and Other Pension Obligations		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 131,429	\$ 6,151	\$ 63,462	\$ 12,692	\$ 194,891	\$ 18,843
2019	131,426	3,075	65,626	10,526	197,052	13,601
2020	-	-	67,865	8,286	67,865	8,286
2021	-	-	58,857	5,971	58,857	5,971
2022	-	-	60,398	3,997	60,398	3,997
2023-2026	-	-	57,878	2,432	57,878	2,432
	<u>\$ 262,855</u>	<u>\$ 9,226</u>	<u>\$ 374,086</u>	<u>\$ 43,904</u>	<u>\$ 636,941</u>	<u>\$ 53,130</u>

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2017 are as follows

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	2 75I	19.5 %
	4 A15	15.8
	5 A15	13.0
	6 A15	9.2
PFRS	2 384D	24.6

At December 31, 2017, the Town reported a liability of \$656,713 for its proportionate share of the net pension liability of ERS and a liability of \$215,607 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2017, the Town's proportion was .0069891% for ERS and .0104459% for PFRS which was an decrease of

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

.0005283% for ERS and an increase of .0012468% for PFRS, from its proportion measured as of March 31, 2016.

For the year ended December 31, 2017, the Town recognized pension expense in the government-wide financial statements of \$519,710 for ERS and \$153,933 for PFRS. Pension expenditures of \$486,001 for ERS and \$138,819 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 324,163	\$ 138,819
Highway Fund	161,838	-
	<u>\$ 486,001</u>	<u>\$ 138,819</u>

At December 31, 2017, the Town reported deferred outflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,457	\$ 99,726	\$ 28,402	\$ 37,408
Net difference between projected and actual earnings on pension plan investments	131,172	-	32,335	-
Changes of Assumptions	224,357	-	106,664	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	190,934	17,201	66,418	4,636
Town contributions subsequent to the measurement date	197,587	-	82,133	-
	<u>\$ 760,507</u>	<u>\$ 116,927</u>	<u>\$ 315,952</u>	<u>\$ 42,044</u>

The \$197,587 and \$82,133 reported as deferred outflows of resources related to ERS and PFRS, respectively, result from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	<u>ERS</u>	<u>PFRS</u>
2018	\$ 179,437	\$ 57,916
2019	179,437	57,916
2020	156,825	55,503
2021	(69,706)	10,593
2022	-	9,847

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2016 valuation were as follows:

Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)

December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,097,411</u>	<u>\$ 656,713</u>	<u>\$ (561,394)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 613,784</u>	<u>\$ 216,507</u>	<u>\$ (116,712)</u>

The components of the collective net pension liability as of the March 31, 2017 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 177,400,586,000	\$ 31,670,483,000	\$ 209,071,069,000
ERS fiduciary net position	<u>168,004,363,000</u>	<u>29,597,831,000</u>	<u>197,602,194,000</u>
Employers' net pension liability	<u>\$ 9,396,223,000</u>	<u>\$ 2,072,652,000</u>	<u>\$ 11,468,875,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>94.7%</u>	<u>93.5%</u>	<u>94.5%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2017 represent the employer contribution for the period of April 1, 2017 through December 31, 2017 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2017 were \$197,587 and \$82,133, respectively.

Voluntary Defined Contribution Plan

The Town also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 with earnings at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Note 3 - Detail Notes on All Funds (Continued)

Other Post-Employment Health Care Benefits

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds. Separate financial statements are not issued by the plan.

The Town's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance.

As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rate of increase in postretirement benefits is as follows:

Fiscal Year	Pre-65 Medical	Post-65 Medical	Prescription Drug
2018	7.3 %	6.5 %	8.0 %
2018	7.0	6.3	7.5
2019	7.0	6.0	7.0
2020+	5.5	5.5	5.5

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

The amortization basis is the level dollar method with an open amortization approach with 21 years remaining in the amortization period. The actuarial assumptions included a 4.0% investment rate of return and a 2.25% inflation rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2017 was as follows:

Active Employees	34
Retired Employees	<u>25</u>
	<u>59</u>

Amortization Component	
Actuarial Accrued Liability as of January 1, 2017	\$ 18,353,453
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 18,353,453</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 2,280,029</u>
UAAL as a Percentage of Covered Payroll	<u>805%</u>
Annual Required Contribution	\$ 1,606,299
Interest on Net OPEB Obligation	250,562
Adjustments to Annual Required Contribution	<u>(362,251)</u>
Annual OPEB Cost	1,494,610
Contributions Made	<u>(389,714)</u>
Increase in Net OPEB Obligation	1,104,896
Net OPEB Obligation - Beginning of Year	<u>6,264,054</u>
Net OPEB Obligation - End of Year	<u>\$ 7,368,950</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 1,494,610	26.07 %	\$ 7,368,950
2016	1,441,246	26.10	6,264,054
2015	1,387,700	21.11	5,199,021

Town of Pound Ridge, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

G. Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

<u>Transfers Out</u>	<u>Transfers In Capital Projects Fund</u>
General Fund	\$ 157,500
Highway Fund	157,500
	<u>\$ 315,000</u>

Transfers are used to move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Open Space - the component of net position that is established pursuant to New York State law. These amounts represents funds received from the real property taxes and may be used only for the acquisition of land with the Town.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Revenue Funds - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2017					2016				
	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable										
Prepaid expenditures	\$ 153,973	\$ 51,622	\$ -	\$ -	\$ 205,595	\$ 196,173	\$ 69,783	\$ -	\$ -	\$ 265,956
Restricted										
Debt service	131,570	-	-	-	131,570	131,242	-	-	-	131,242
Open Space	2,408,355	-	-	-	2,408,355	2,032,152	-	-	-	2,032,152
Trusts	-	-	-	221,301	221,301	-	-	-	222,190	222,190
Total Restricted	2,539,925	-	-	221,301	2,761,226	2,163,394	-	-	222,190	2,385,584
Assigned										
Subsequent years' expenditures	480,000	-	-	-	480,000	480,000	-	-	-	480,000
Highway Fund	-	15,925	-	-	15,925	-	-	-	-	-
Non Major Funds	-	-	-	-	-	-	-	-	-	-
Parking District	-	-	-	157,562	157,562	-	-	-	133,012	133,012
Total Assigned	480,000	15,925	-	157,562	653,487	480,000	-	-	133,012	613,012
Unassigned										
	456,382	-	(1,092,894)	-	(636,512)	480,352	(50,435)	(1,257,467)	-	(827,550)
Total Fund Balances	\$ 3,630,280	\$ 67,547	\$ (1,092,894)	\$ 378,863	\$ 2,983,796	\$ 3,319,919	\$ 19,348	\$ (1,257,467)	\$ 355,202	\$ 2,437,002

Town of Pound Ridge, New York

Notes to Financial Statements (Concluded)
December 31, 2017

Note 3 - Detail Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements, which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for costs paid in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Subsequent years' expenditures represent that at December 31, 2017, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund and Highway Fund represents the deficit in the fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages occurring from false arrest, property damage or personal injury. All the claims currently pending have been referred to the insurance carrier and none are expected to have a material effect on the Town's financial position, if adversely settled.

There are also currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town if existing assessment rolls are modified based upon the outcome of the litigation proceedings. However, the amount of possible refunds cannot be determined at the present time and any refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Risk Management

The Town purchases conventional insurance coverages to reduce its exposure to loss. The Town maintains general liability coverage up to \$3 million, public officials' liability and police professional liability policies each provide coverage up to \$2 million. The Town also maintains an umbrella policy which provides coverage up to \$30 million. Workers' compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town purchases conventional health insurance from various providers.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Town's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Town of Pound Ridge, New York

Required Supplementary Information - Schedule of Funding Progress
 Other Post Employment Benefits
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2015	\$ -	\$ 16,601,705	\$ 16,601,705	- %	\$ 2,161,557	768.04 %
January 1, 2016	-	17,455,903	17,455,903	-	2,212,451	788.98
January 1, 2017	-	18,353,453	18,353,453	-	2,280,029	804.97

See independent auditors' report.

Town of Pound Ridge, New York

Required Supplementary Information - Schedule of the
 Town's Proportionate Share of the Net Pension Liability
 New York State and Local Employees' Retirement System
 Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	<u>0.0069891%</u>	<u>0.0075174%</u>	<u>0.0073580%</u>
Town's proportionate share of the net pension liability	<u>\$ 656,713</u>	<u>\$ 1,206,571</u>	<u>\$ 248,573</u>
Town's covered payroll	<u>\$ 2,403,073</u>	<u>\$ 2,325,621</u>	<u>\$ 2,343,071</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>27.33%</u>	<u>51.88%</u>	<u>10.61%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Pound Ridge, New York

**Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 431,463	\$ 478,300	\$ 420,382
Contributions in relation to the contractually required contribution	<u>(431,463)</u>	<u>(478,300)</u>	<u>(420,382)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 2,367,251</u>	<u>\$ 2,429,484</u>	<u>\$ 2,460,218</u>
Contributions as a percentage of covered payroll	<u>18.23%</u>	<u>19.69%</u>	<u>17.09%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Pound Ridge, New York

Required Supplementary Information - Schedule of the
 Town's Proportionate Share of the Net Pension Liability
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	<u>0.0104459%</u>	<u>0.0116927%</u>	<u>0.0110130%</u>
Town's proportionate share of the net pension liability	<u>\$ 215,607</u>	<u>\$ 346,196</u>	<u>\$ 30,314</u>
Town's covered payroll	<u>\$ 481,941</u>	<u>\$ 481,713</u>	<u>\$ 532,449</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>44.74%</u>	<u>71.87%</u>	<u>5.69%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Pound Ridge, New York

Required Supplementary Information - Schedule of Contributions
 New York State and Local Police and Fire Retirement System
 Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 124,211	\$ 132,124	\$ 125,950
Contributions in relation to the contractually required contribution	<u>(124,211)</u>	<u>(132,124)</u>	<u>(125,950)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 461,746</u>	<u>\$ 504,431</u>	<u>\$ 530,286</u>
Contributions as a percentage of covered payroll	<u>26.90%</u>	<u>26.19%</u>	<u>23.75%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(This page intentionally left blank)

Town of Pound Ridge, New York

General Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 18,539,259	\$ 12,200,465
Taxes receivable	<u>6,990,274</u>	<u>11,202,209</u>
Other receivables		
Accounts	49,868	16,293
Due from other governments	<u>284,898</u>	<u>279,383</u>
	<u>334,766</u>	<u>295,676</u>
Prepaid expenditures	<u>153,973</u>	<u>196,173</u>
Total Assets	<u>\$ 26,018,272</u>	<u>\$ 23,894,523</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 450,307	\$ 69,846
Due to other funds	-	346,239
Due to other governments	21,011,140	19,116,992
Overpayments	<u>2,298</u>	<u>13,883</u>
Total Liabilities	21,463,745	19,546,960
Deferred inflows of resources		
Deferred tax revenues	<u>924,247</u>	<u>1,027,644</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,387,992</u>	<u>20,574,604</u>
Fund balance		
Nonspendable	153,973	196,173
Restricted	2,539,925	2,163,394
Assigned	480,000	480,000
Unassigned	<u>456,382</u>	<u>480,352</u>
Total Fund Balance	<u>3,630,280</u>	<u>3,319,919</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 26,018,272</u>	<u>\$ 23,894,523</u>

Town of Pound Ridge, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,573,866	\$ 3,573,866	\$ 3,691,737	\$ 117,871
Other tax items	185,000	225,000	229,238	4,238
Non-property taxes	880,000	935,000	963,532	28,532
Departmental income	405,800	405,800	402,892	(2,908)
Use of money and property	24,000	24,000	17,462	(6,538)
Licenses and permits	182,000	182,000	236,369	54,369
Fines and forfeitures	46,000	46,000	67,255	21,255
Sale of property and compensation for loss	17,200	17,200	51,154	33,954
State aid	369,000	499,600	522,593	22,993
Miscellaneous	45,000	45,000	70,727	25,727
Total Revenues	<u>5,727,866</u>	<u>5,953,466</u>	<u>6,252,959</u>	<u>299,493</u>
EXPENDITURES				
Current				
General government support	1,577,420	1,527,820	1,509,480	18,340
Public safety	1,258,458	1,312,458	1,302,432	10,026
Health	136,891	141,892	141,892	-
Transportation	209,636	210,136	206,546	3,590
Economic opportunity and development	7,302	9,302	8,717	585
Culture and recreation	624,138	606,230	565,269	40,961
Home and community services	186,240	203,940	168,704	35,236
Employee benefits	1,558,000	1,759,400	1,750,945	8,455
Debt service				
Principal	115,000	115,000	115,000	-
Interest	16,106	16,113	16,113	-
Total Expenditures	<u>5,689,191</u>	<u>5,902,291</u>	<u>5,785,098</u>	<u>117,193</u>
Excess of Revenues Over Expenditures	38,675	51,175	467,861	416,686
OTHER FINANCING USES				
Transfers out	(145,000)	(157,500)	(157,500)	-
Net Change in Fund Balance	<u>(106,325)</u>	<u>(106,325)</u>	<u>310,361</u>	<u>416,686</u>
FUND BALANCE				
Beginning of Year	106,325	106,325	3,319,919	3,213,594
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,630,280</u>	<u>\$ 3,630,280</u>

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,599,447	\$ 3,599,447	\$ 3,525,133	\$ (74,314)
170,000	170,000	236,782	66,782
878,000	878,000	852,716	(25,284)
405,801	405,801	396,774	(9,027)
26,000	26,000	12,528	(13,472)
171,000	171,000	207,492	36,492
42,000	42,000	52,412	10,412
17,200	17,200	8,521	(8,679)
513,500	513,500	372,067	(141,433)
41,000	41,000	48,588	7,588
<u>5,863,948</u>	<u>5,863,948</u>	<u>5,713,013</u>	<u>(150,935)</u>
1,743,510	1,507,383	1,476,428	30,955
1,191,683	1,250,260	1,226,065	24,195
131,132	131,132	131,132	-
208,555	200,747	191,698	9,049
7,302	7,302	6,647	655
614,371	621,267	602,633	18,634
169,223	155,940	141,952	13,988
1,417,000	1,606,245	1,587,777	18,468
115,000	115,000	115,000	-
20,372	20,372	20,243	129
<u>5,618,148</u>	<u>5,615,648</u>	<u>5,499,575</u>	<u>116,073</u>
245,800	248,300	213,438	(34,862)
<u>(107,500)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
138,300	138,300	103,438	(34,862)
<u>(138,300)</u>	<u>(138,300)</u>	<u>3,216,481</u>	<u>3,354,781</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,319,919</u>	<u>\$ 3,319,919</u>

Town of Pound Ridge, New York

General Fund
 Schedule of Revenues Compared to Budget
 Year Ended December 31, 2017
 (With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
REAL PROPERTY TAXES	\$ 3,573,866	\$ 3,573,866	\$ 3,691,737	\$ 117,871	\$ 3,525,133
OTHER TAX ITEMS	5,000	5,000	5,000	-	10,000
Payment in lieu of taxes	180,000	220,000	224,238	4,238	226,782
Interest and penalties on real property taxes	185,000	225,000	229,238	4,238	236,782
NON-PROPERTY TAXES	740,000	770,000	778,744	8,744	745,254
Non-property tax distribution from County	140,000	165,000	184,788	19,788	107,462
Cable TV franchise fees	880,000	935,000	963,532	28,532	852,716
DEPARTMENTAL INCOME	7,000	7,000	6,251	(749)	5,011
Clerk fees	16,000	16,000	31,827	15,827	11,461
Safety inspection fees	236,800	236,800	228,790	(8,010)	235,297
Parks and recreation charges	110,000	110,000	112,146	2,146	109,315
Pool fees	1,000	1,000	1,600	600	1,440
Zoning fees	6,000	6,000	6,920	920	5,800
Planning board fees	29,000	29,000	15,358	(13,642)	28,450
Refuse and garbage charges	405,800	405,800	402,892	(2,908)	396,774
USE OF MONEY AND PROPERTY	18,000	18,000	14,662	(3,338)	9,228
Interest earnings	6,000	6,000	2,800	(3,200)	3,300
Rental of real property	24,000	24,000	17,462	(6,538)	12,528

LICENSES AND PERMITS

Business and occupational licenses	6,000	6,000	8,385	2,385	5,000
Dog and other licenses	6,000	6,000	4,720	(1,280)	5,240
Permits	170,000	170,000	223,264	53,264	197,252
	<u>182,000</u>	<u>182,000</u>	<u>236,369</u>	<u>54,369</u>	<u>207,492</u>
FINES AND FORFEITURES					
Fines and forfeited bail	46,000	46,000	67,255	21,255	52,412

SALE OF PROPERTY AND COMPENSATION FOR LOSS

Insurance recoveries	-	-	24,814	24,814	2,717
Sale of refuse for recycling	200	200	890	690	259
Miscellaneous	17,000	17,000	25,450	8,450	5,545
	<u>17,200</u>	<u>17,200</u>	<u>51,154</u>	<u>33,954</u>	<u>8,521</u>
STATE AID					
Per capita	20,000	20,000	19,252	(748)	19,252
Mortgage tax	320,000	450,600	457,596	6,996	309,198
Other	29,000	29,000	45,745	16,745	43,617
	<u>369,000</u>	<u>499,600</u>	<u>522,593</u>	<u>22,993</u>	<u>372,067</u>

MISCELLANEOUS

Refund of prior year's expenditures	10,000	10,000	7,214	(2,786)	6,689
Gifts and donations	20,000	20,000	46,403	26,403	17,385
Medicare part D reimbursement	15,000	15,000	17,110	2,110	24,514
	<u>45,000</u>	<u>45,000</u>	<u>70,727</u>	<u>25,727</u>	<u>48,588</u>
TOTAL REVENUES					
	<u>\$ 5,727,866</u>	<u>\$ 5,953,466</u>	<u>\$ 6,252,959</u>	<u>\$ 299,493</u>	<u>\$ 5,713,013</u>

See independent auditors' report.

Town of Pound Ridge, New York

**General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2017
(With Comparative Actuals for 2016)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 50,140	\$ 52,440	\$ 52,427	\$ 13	\$ 60,753
Town Justice	151,280	151,280	148,212	3,068	143,321
Supervisor	120,623	120,623	119,981	642	119,786
Finance	123,070	125,070	123,862	1,208	128,066
Audit	33,200	33,200	33,200	-	32,100
Tax collection	86,462	88,462	88,054	408	81,960
Assessor	107,288	110,288	106,168	4,120	100,201
Town Clerk	94,060	95,460	95,448	12	96,302
Town Attorney	84,430	84,430	78,225	6,205	93,008
Engineering	-	21,000	20,956	44	73,324
Elections	7,100	7,200	7,177	23	6,949
Buildings	398,674	404,674	404,383	291	367,198
Central printing and mailing	17,000	17,000	15,468	1,532	17,806
Data processing	109,093	112,093	112,020	73	79,418
Unallocated insurance	75,000	81,000	80,962	38	66,805
Municipal association dues	2,000	2,000	1,950	50	2,700
Metropolitan commuter transportation mobility tax	8,000	9,000	8,446	554	6,671
Judgments and claims	10,000	12,600	12,541	59	60
Contingency	100,000	-	-	-	-
	<u>1,577,420</u>	<u>1,527,820</u>	<u>1,509,480</u>	<u>18,340</u>	<u>1,476,428</u>
PUBLIC SAFETY					
Administration	8,100	11,100	10,750	350	8,492
Police	934,887	985,887	984,849	1,038	923,377
Communication system	53,300	53,300	48,964	4,336	48,153
Traffic control	1,200	1,200	883	317	783
Animal control	3,200	3,200	1,430	1,770	1,376
Safety inspection	257,771	257,771	255,556	2,215	243,884
	<u>1,258,458</u>	<u>1,312,458</u>	<u>1,302,432</u>	<u>10,026</u>	<u>1,226,065</u>

HEALTH							
Addiction control	13,000	18,000	18,000	-	-	13,000	
Ambulance	123,891	123,892	123,892	-	-	118,132	
	136,891	141,892	141,892	-	-	131,132	
TRANSPORTATION							
Highway administration	163,636	163,636	162,619	1,017	1,017	160,500	
Garage	40,000	40,000	37,573	2,427	2,427	25,292	
Street lighting	6,000	6,500	6,354	146	146	5,906	
	209,636	210,136	206,546	3,590	3,590	191,698	
ECONOMIC OPPORTUNITY AND DEVELOPMENT							
Programs for the aging	6,802	8,802	8,717	85	85	6,647	
Other economic assistance	500	500	-	500	500	-	
	7,302	9,302	8,717	585	585	6,647	
CULTURE AND RECREATION							
Recreation administration	133,833	133,833	131,281	2,552	2,552	130,958	
Parks	262,174	252,466	238,764	13,702	13,702	250,020	
Pool	163,582	155,082	135,027	20,055	20,055	161,309	
Band concerts	6,000	6,000	3,548	2,452	2,452	5,374	
Museum	2,400	2,400	1,894	506	506	2,747	
Historian	3,500	3,500	2,500	1,000	1,000	2,500	
Celebrations	15,000	15,300	15,221	79	79	14,139	
Adult recreation	37,649	37,649	37,034	615	615	35,586	
	624,138	606,230	565,269	40,961	40,961	602,633	
HOME AND COMMUNITY SERVICES							
Zoning and appeals	16,765	16,766	7,158	9,608	9,608	6,791	
Planning Board	85,980	85,980	74,430	11,550	11,550	75,924	
Research - Water and waste	10,000	10,000	8,547	1,453	1,453	2,416	
Recycling	21,500	21,500	19,110	2,390	2,390	21,823	
Water control	9,595	19,594	19,594	-	-	19,107	
Shade trees	10,000	10,000	3,775	6,225	6,225	2,950	
Conservation advisory	25,400	33,100	33,090	10	10	9,941	
Cemeteries	7,000	7,000	3,000	4,000	4,000	3,000	
	186,240	203,940	168,704	35,236	35,236	141,952	

(Continued)

(This page intentionally left blank)

Town of Pound Ridge, New York

**General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended December 31, 2017
(With Comparative Actuals for 2016)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
EMPLOYEE BENEFITS					
State retirement	\$ 315,000	\$ 324,200	\$ 324,163	\$ 37	\$ 291,380
Police and fire retirement	130,000	138,900	138,819	81	125,762
Social security	208,000	208,700	208,686	14	203,603
Workers' compensation benefits	70,000	57,000	56,672	328	70,499
Unemployment benefits	1,000	1,600	1,529	71	-
Hospital, medical and dental benefits	834,000	1,029,000	1,021,076	7,924	896,533
	<u>1,558,000</u>	<u>1,759,400</u>	<u>1,750,945</u>	<u>8,455</u>	<u>1,587,777</u>
DEBT SERVICE					
Principal					
Serial bonds	115,000	115,000	115,000	-	115,000
Interest					
Serial bonds	8,074	8,073	8,073	-	10,734
Bond anticipation notes	8,032	8,040	8,040	-	9,509
	<u>16,106</u>	<u>16,113</u>	<u>16,113</u>	<u>-</u>	<u>20,243</u>
	<u>131,106</u>	<u>131,113</u>	<u>131,113</u>	<u>-</u>	<u>135,243</u>
TOTAL EXPENDITURES	<u>5,689,191</u>	<u>5,902,291</u>	<u>5,785,098</u>	<u>117,193</u>	<u>5,499,575</u>
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	145,000	157,500	157,500	-	110,000
	<u>\$ 5,834,191</u>	<u>\$ 6,059,791</u>	<u>\$ 5,942,598</u>	<u>\$ 117,193</u>	<u>\$ 5,609,575</u>

See independent auditors' report.

(This page intentionally left blank)

Town of Pound Ridge, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 111,376	\$ 117,596
Accounts receivable	-	934
Due from other funds	300,310	479,390
Prepaid expenditures	<u>51,622</u>	<u>69,783</u>
Total Assets	<u>\$ 463,308</u>	<u>\$ 667,703</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	<u>\$ 395,761</u>	<u>\$ 648,355</u>
Fund balance (deficit)		
Nonspendable	51,622	69,783
Assigned	15,925	-
Unassigned	<u>-</u>	<u>(50,435)</u>
Total Fund Balance (Deficit)	<u>67,547</u>	<u>19,348</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 463,308</u>	<u>\$ 667,703</u>

Town of Pound Ridge, New York

Highway Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 1,958,170	\$ 1,958,170	\$ 1,958,170	\$ -
Departmental income	11,000	11,000	7,456	(3,544)
Use of money and property	200	200	147	(53)
Interfund revenues	20,000	20,000	14,888	(5,112)
Sale of property and compensation for loss	20,000	20,000	493	(19,507)
State aid	128,000	128,000	63,610	(64,390)
Total Revenues	<u>2,137,370</u>	<u>2,137,370</u>	<u>2,044,764</u>	<u>(92,606)</u>
EXPENDITURES				
Current				
Transportation	1,432,254	1,399,748	1,276,727	123,021
Employee benefits	534,500	554,500	536,716	17,784
Debt service				
Principal	16,429	16,429	16,429	-
Interest	9,187	9,193	9,193	-
Total Expenditures	<u>1,992,370</u>	<u>1,979,870</u>	<u>1,839,065</u>	<u>140,805</u>
Excess of Revenues Over Expenditures	145,000	157,500	205,699	48,199
OTHER FINANCING USES				
Transfers out	(145,000)	(157,500)	(157,500)	-
Net Change in Fund Balance	-	-	48,199	48,199
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	19,348	19,348
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,547</u>	<u>\$ 67,547</u>

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,765,483	\$ 1,765,483	\$ 1,765,483	\$ -
10,000	10,000	930	(9,070)
-	-	96	96
25,000	25,000	12,299	(12,701)
7,000	7,000	39,735	32,735
128,000	128,000	156,364	28,364
<u>1,935,483</u>	<u>1,935,483</u>	<u>1,974,907</u>	<u>39,424</u>
1,352,417	1,336,209	1,216,484	119,725
472,500	488,708	476,636	12,072
16,429	16,429	16,429	-
9,137	9,137	9,133	4
<u>1,850,483</u>	<u>1,850,483</u>	<u>1,718,682</u>	<u>131,801</u>
85,000	85,000	256,225	171,225
(85,000)	(85,000)	(85,000)	-
-	-	171,225	171,225
-	-	(151,877)	(151,877)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,348</u>	<u>\$ 19,348</u>

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	<u>\$ 253,136</u>	<u>\$ 272,617</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 5,720	\$ 8,955
Due to other funds	300,310	166,129
Bond anticipation notes payable	<u>1,040,000</u>	<u>1,355,000</u>
Total Liabilities	1,346,030	1,530,084
Fund deficit		
Unassigned	<u>(1,092,894)</u>	<u>(1,257,467)</u>
Total Liabilities and Fund Deficit	<u>\$ 253,136</u>	<u>\$ 272,617</u>

Town of Pound Ridge, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
REVENUES		
Use of money and property	\$ 316	\$ 189
EXPENDITURES		
Capital outlay	<u>150,743</u>	<u>417,085</u>
Deficiency of Revenues Over Expenditures	(150,427)	(416,896)
OTHER FINANCING SOURCES		
Transfers in	<u>315,000</u>	<u>195,000</u>
Net Change in Fund Balance	164,573	(221,896)
FUND DEFICIT		
Beginning of Year	<u>(1,257,467)</u>	<u>(1,035,571)</u>
End of Year	<u>\$ (1,092,894)</u>	<u>\$ (1,257,467)</u>

Town of Pound Ridge, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2017
 (With Comparative Totals for 2016)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2017	2016
ASSETS				
Cash and equivalents	\$ 221,301	\$ 158,086	\$ 379,387	\$ 323,458
Due from other funds	-	-	-	32,978
Total Assets	<u>\$ 221,301</u>	<u>\$ 158,086</u>	<u>\$ 379,387</u>	<u>\$ 356,436</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 524	\$ 524	\$ 1,234
Fund balances				
Restricted	221,301	-	221,301	222,190
Assigned	-	157,562	157,562	133,012
Total Fund Balances	<u>221,301</u>	<u>157,562</u>	<u>378,863</u>	<u>355,202</u>
Total Liabilities and Fund Balances	<u>\$ 221,301</u>	<u>\$ 158,086</u>	<u>\$ 379,387</u>	<u>\$ 356,436</u>

Town of Pound Ridge, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2017
 (With Comparative Totals for 2016)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2017	2016
ASSETS				
Cash and equivalents	\$ 221,301	\$ 158,086	\$ 379,387	\$ 323,458
Due from other funds	-	-	-	32,978
Total Assets	\$ 221,301	\$ 158,086	\$ 379,387	\$ 356,436
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 524	\$ 524	\$ 1,234
Fund balances				
Restricted	221,301	-	221,301	222,190
Assigned	-	157,562	157,562	133,012
Total Fund Balances	221,301	157,562	378,863	355,202
Total Liabilities and Fund Balances	\$ 221,301	\$ 158,086	\$ 379,387	\$ 356,436

See independent auditors' report.

Town of Pound Ridge, New York

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Non-Major Governmental Funds
 Year Ended December 31, 2017
 (With Comparative Totals for 2016)

	Special Purpose	Public Parking District	Total Non-Major Governmental Funds	
			2017	2016
REVENUES				
Real property taxes	\$ -	\$ 42,128	\$ 42,128	\$ 42,128
Use of money and property	311	123	434	288
Total Revenues	<u>311</u>	<u>42,251</u>	<u>42,562</u>	<u>42,416</u>
EXPENDITURES				
Current				
Transportation	-	17,701	17,701	16,309
Culture and recreation	1,200	-	1,200	8,250
Total Expenditures	<u>1,200</u>	<u>17,701</u>	<u>18,901</u>	<u>24,559</u>
Excess (Deficiency) of Revenues Over Expenditures	(889)	24,550	23,661	17,857
FUND BALANCES				
Beginning of Year	<u>222,190</u>	<u>133,012</u>	<u>355,202</u>	<u>337,345</u>
End of Year	<u>\$ 221,301</u>	<u>\$ 157,562</u>	<u>\$ 378,863</u>	<u>\$ 355,202</u>

Town of Pound Ridge, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
REVENUES		
Use of money and property	\$ 311	\$ 216
EXPENDITURES		
Current		
Culture and recreation	<u>1,200</u>	<u>8,250</u>
Deficiency of Revenues Over Expenditures	(889)	(8,034)
FUND BALANCE		
Beginning of Year	<u>222,190</u>	<u>230,224</u>
End of Year	<u><u>\$ 221,301</u></u>	<u><u>\$ 222,190</u></u>

See independent auditors' report.

(This page intentionally left blank)

Town of Pound Ridge, New York

Public Parking District Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 158,086	\$ 100,539
Due from other funds	-	32,978
	<hr/>	<hr/>
Total Assets	<u>\$ 158,086</u>	<u>\$ 133,517</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 524	\$ 505
Fund balance		
Assigned	<u>157,562</u>	<u>133,012</u>
Total Liabilities and Fund Balance	<u>\$ 158,086</u>	<u>\$ 133,517</u>

See independent auditors' report.

Town of Pound Ridge, New York

Public Parking District Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 42,128	\$ 42,128	\$ 42,128	\$ -
Use of money and property	100	100	123	23
Total Revenues	42,228	42,228	42,251	23
EXPENDITURES				
Current				
Transportation	42,228	42,228	17,701	24,527
Excess of Revenues Over Expenditures	-	-	24,550	24,550
FUND BALANCE				
Beginning of Year	-	-	133,012	133,012
End of Year	\$ -	\$ -	\$ 157,562	\$ 157,562

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 42,128 100	\$ 42,128 100	\$ 42,128 72	\$ - (28)
42,228	42,228	42,200	(28)
42,228	42,228	16,309	25,919
-	-	25,891	25,891
-	-	107,121	107,121
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,012</u>	<u>\$ 133,012</u>

