

Town of LaGrange, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2017

Town of LaGrange, New York

Table of Contents

	<u>Page No.</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	14
Reconciliation of Governmental Funds Balance Sheet to the Government - Wide Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Highway and Special Districts Funds	20
Statement of Assets and Liabilities - Fiduciary Fund	22
Notes to Financial Statements	23
Required Supplemental Information	
Other Post Employment Benefits	
Schedule of Funding Progress - Last Three Fiscal Years	48
New York State and Local Employees' Retirement System	
Schedule of the Town's Proportionate Share of the Net Pension Liability	49
Schedule of Contributions	50
Combining and Individual Fund Financial Statements and Schedules	
Major Governmental Funds	
General Fund	
Comparative Balance Sheet	51
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	52
Schedule of Revenues and Other Financing Sources Compared to Budget	54
Schedule of Expenditures and Other Financing Uses Compared to Budget	56
Highway Fund	
Comparative Balance Sheet	59
Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	60
Special Districts Fund	
Combining Balance Sheet - Sub Funds	62
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Sub Funds	68
Special Purpose Fund	
Comparative Balance Sheet	74
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	75
Capital Projects Fund	
Comparative Balance Sheet	76
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	77

Independent Auditors' Report

**The Honorable Supervisor and Town Board of the
Town of LaGrange, 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 LaGrange, 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, Highway and Special Districts 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 November 3, 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

September 5, 2018

Town of LaGrange, New York

Management's Discussion and Analysis December 31, 2017

The purpose of Management's Discussion and Analysis (MD&A) is to provide the reader with a summary overview of the financial activities of the Town of LaGrange, New York ("Town") for the calendar year ending December 31, 2017. The MD&A is a summary and in no way is a substitute for the detailed information presented in the basic financial statements and other financial information and the accompanying notes to the financial statements that follow this section.

Financial Highlights for Calendar Year 2017

- On the government-wide financial statements, the Town had net position (assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources) of \$20,679,689 at calendar year end 2017. Unrestricted net position, which is available to meet the ongoing obligations of the Town totaled \$1,124,438. The Town's net position increased by \$1,104,810. This is a result of many factors, including the post employment benefit and pension cost expense as actuarially determined in accordance with GASB Statement Nos. 45 and 68.
- The Town's governmental funds combined ending fund balances (deficits) at December 31, 2017 were \$4,968,400. The total unassigned fund balances for governmental funds was \$487,640 at December 31, 2017. This includes a deficit in the Capital Projects Fund of \$2,368,664.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$2,856,304 or 59% of the total General Fund expenditures and other financing uses. This is an increase of \$136,841 from fiscal year 2016.
- The Town maintained its AA2 bond rating during the 2017 fiscal year.
- At December 31, 2017, the Town reported in its Statement of Net Position a liability of \$781,220 for its proportionate share of the ERS net pension liability. 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

The Town's financial statements are composed of this MD&A and the basic financial statements. The MD&A serves as an introduction to the basic financial statements. The MD&A is an analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also includes other supplementary information as listed in the table of contents.

Government-wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and are presented in a format similar to private sector financial statements.

The components of the government-wide financial statements are as follows:

- The statement of net position reports the Town's total assets, liabilities and deferred inflows/outflows of resources, and the difference, or net position. The intention is that, over time, the changes in net assets will indicate whether the Town's financial position is improving or deteriorating.
- The statement of activities indicates how the Town's net position changed from the prior calendar year. Changes in net position are reported as soon as the underlying event occurs, without regard to the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes.

The statement of activities indicates the functions of the Town that are principally supported by taxes and intergovernmental revenues for governmental services. 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 group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the Town funds can be divided into two categories: governmental funds and fiduciary funds. Governmental funds use the modified accrual basis of accounting.

Governmental Funds - are used to account for the same functions 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 on balances of spendable resources available at the end of the calendar year. This 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 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 the following governmental funds: General Fund, Special Revenue Funds (including Highway Fund, Special Districts Fund and the Special Purpose Fund) and Capital Projects Fund. Information is presented separately for each fund. Individual sub-fund data for the Special Districts Fund is provided in combining statements and schedules.

The Town adopts annual appropriated budgets for the General Fund, Highway Fund and the Special Districts Fund. Budgetary comparisons have been provided in the basic financial statements to demonstrate compliance with those budgets.

Fiduciary Funds - are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of these funds are not available to support the Town's own programs. The Town maintains one type of fiduciary fund, which is the Agency Fund. The Agency Fund maintains assets held for the benefit of others.

Notes to the Financial Statements - provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements.

Government-wide Financial Analysis

As indicated previously, net position and changes to net position over time are expected to be a useful indicator of a government's financial position. The Town's net position at calendar year end December 31, 2017 was \$20,679,689. Approximately 16% of the Town's 2017 net position are restricted for various purposes (debt service, special districts and special purpose). Investments in capital assets, less any outstanding debt used to acquire those assets, account for the majority of the total net position. The Town uses these assets to provide services to citizens. Consequently, the assets cannot be used 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 capital assets cannot be used to liquidate these liabilities.

A summary of the Town's net position is as follows:

Governmental Activities Net Position		
	2017	2016
Current Assets	\$ 13,949,039	\$ 7,887,593
Capital Assets, Net	34,987,478	33,433,698
Total Assets	48,936,517	41,321,291
Deferred Outflows of Resources	828,707	1,533,569
Current Liabilities	9,195,437	7,384,410
Long-Term Liabilities	19,769,985	15,737,715
Total Liabilities	28,965,422	23,122,125
Deferred Inflows of Resources	120,113	157,856
Net Position		
Net Investment in Capital Assets	17,129,003	17,076,347
Restricted	2,426,248	2,358,503
Unrestricted	1,124,438	140,029
Total Net Position	\$ 20,679,689	\$ 19,574,879

Restricted assets, which represent resources that are subject to external constraints on how they may be used, are approximately 16% of the total net position. The unrestricted net position may be used to meet the Town's ongoing financial obligations. This amount is \$1,124,438 at December 31, 2017.

In 2017, The Town's net position, which relate solely to governmental activities, increased by \$1,104,810 and are discussed in the next section.

Governmental Activities - account for the increase in the Town's net position. A summary of the Town's change in net position, at December 31, 2017 is as follows:

	2017	2016
REVENUES		
Program Revenues		
Charges for Services	\$ 1,977,277	\$ 1,891,165
Operating Grants and Contributions	455,683	248,176
Capital Grants and Contributions	362,996	700
General Revenues		
Real Property Taxes	6,957,369	6,879,608
Other Tax Items	76,378	59,029
Non-Property Taxes	1,167,837	1,117,730
Unrestricted Use of Money and Property	24,822	7,629
Sale of Property and Compensation for Loss	9,593	18,494
State Aid - unrestricted	525,147	506,073
Donated land	-	371,200
Miscellaneous	42,358	13,358
Total Revenues	<u>11,599,460</u>	<u>11,113,162</u>
PROGRAM EXPENSES		
General Government Support	2,196,013	2,063,229
Public Safety	19,899	19,216
Health	5,905	4,956
Transportation	3,697,135	3,405,151
Economic Opportunity and Development	27,800	23,148
Culture and Recreation	1,770,079	1,672,794
Home and Community Services	2,364,838	2,389,109
Interest	412,981	338,321
Total Expenses	<u>10,494,650</u>	<u>9,915,924</u>
Change in Net Position	1,104,810	1,197,238
NET POSITION		
Beginning of Year	<u>19,574,879</u>	<u>18,377,641</u>
End of Year	<u>\$ 20,679,689</u>	<u>\$ 19,574,879</u>

The major revenue categories are: Real Property Taxes 60%, Non-Property Taxes 10%, Charges for Services 17%, State Aid 5%, and Operating Grants and Contribution 4%. The major expenditure categories are: Transportation 35%, General Government Support 21%, Culture and Recreation 17%, and Home and Community Services 23%.

Financial Analysis of the Town's Funds

It is still noteworthy to report that the Governmental Accounting Standards Board ("GASB") issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in February 2009. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

As previously indicated, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds - are used to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financing requirements. The unassigned portion of fund balance can provide a useful measure of a government's net resources available for spending at the end of the calendar year. The Town's governmental funds reported total fund balances of \$7,337,064 (exclusive of Capital Projects deficit of \$2,368,664) and \$5,771,153 (exclusive of Capital Projects deficit of \$5,133,528) at December 31, 2017 and 2016, respectively. Approximately \$2,856,304 (exclusive of the Capital Projects Fund deficit), or about 39% of the 2017 total constitutes unassigned fund balance. The remaining fund balance is not available for new spending, because it has been committed for 2017: non-spendable \$70,883, restricted \$1,113,904, assigned \$3,295,973.

The General Fund is the Town's primary operating fund. At the end of the calendar year, the unassigned fund balance was \$2,856,304 and the total fund balance was \$3,038,476. As a measure of the General Fund's liquidity, it is useful to compare both the unassigned fund balance and the total fund balance to total General Fund expenditures and other financing uses. The unassigned fund balance represents approximately 94% and the total fund balance represents approximately 59% of General Fund expenditures and other financing uses.

The fund balance in the Town's General Fund increased by \$239,629 during the current calendar year. The primary reason for the increase was an increase in Non-property Tax and Departmental revenues and a decrease in transfers out.

The fund balance in the Town's Highway Fund increased by \$332,081 during the current calendar year. The primary reason for the fund balance increase was an increase in State and Federal Aid and a decrease in Transportation expenses.

General Fund Budgetary Highlights

The difference between the original and final budgets for revenues and other financing sources is \$105,834 with the final amended budget more than the original budget. The increase relates to Non-Property Tax items (increase \$13,440), departmental income (increase \$11,000), sale of property and compensation for loss (increase \$6,000), miscellaneous income (increase \$12,025), and transfers in from Special Purpose Fund and Capital Projects (increase \$63,369).

The difference between the original and final budgets for expenditures and other financing uses is \$497,761 with the final amended budget more than the original budget. The differences relate to General Government Support (increase \$326,880), Public Safety (increase \$1,676), Transportation (increase \$4,027), Economic opportunity and development (increase \$921), Culture and Recreation (increase \$152,147), Home and Community Services (increase \$38,404), and Employee Benefits (decrease \$26,294).

Capital Assets and Debt Administration

Capital Assets – The Town's investment in capital assets for governmental activities at December 31, 2017 was \$34,987,478 net of accumulated depreciation of \$13,405,828. The investment in capital assets includes: land, construction-in-progress, buildings and improvements, machinery and equipment and infrastructure.

**Capital Assets
(Net of Accumulated Depreciation)
December 31,**

	2017	2016	Difference
Land	\$ 1,957,919	\$ 1,953,521	\$ 4,398
Construction-in-progress	3,053,580	1,314,248	1,739,332
Buildings and Improvements	967,234	979,732	(12,498)
Machinery and Equipment	1,774,884	1,885,869	(110,985)
Infrastructure	27,233,861	27,300,328	(66,467)
 Total Capital Assets	 \$ 34,987,478	 \$ 33,433,698	 \$ 1,553,780

Additional information on the Town's capital assets is available in the Notes to Financial Statements.

Outstanding Debt - at the end of calendar year 2017, the Town had a total of \$15,401,259 of bonded debt outstanding and \$8,344,243 of bond anticipation notes outstanding. All of the general obligation bonds are backed by the full faith and credit of the Town.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property. The Town's current constitutional debt limitation is \$125,766,478 and the Town has consumed 11.29% of the debt contracting capacity.

Additional information on the Town's debt is available in the Notes to Financial Statements.

Economic Factors and Next Year's Budget and Rates

The economic downturn continues to effect resident of the Town of LaGrange. In consideration of this and in response to the Property Tax Cap, which established a tax levy limit, the Town of LaGrange kept property tax levy increases under 1.15% in 2017 and under 1.25% in 2016.

While revenues were limited by the property tax increase, expenses such as health insurance premiums, personal services and debt service increased significantly. All of these factors were considered by management in preparing the Town's 2018 budget, which contained an increase over the 2017 budget.

Requests for Information

This financial report is designed to provide a general overview of the finances of the Town of LaGrange, New York. Questions about this report should be addressed to Mr. Alan Bell, Town Supervisor, Town of LaGrange, 120 Stringham Road, LaGrangeville, New York 12540.

Town of LaGrange, New York

Statement of Net Position
December 31, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 12,859,484
Receivables	
Accounts	420,428
State and Federal aid	205,723
Due from other governments	392,521
Prepaid expenses	70,883
Capital assets	
Not being depreciated	5,011,499
Being depreciated, net	<u>29,975,979</u>
Total Assets	<u>48,936,517</u>
 DEFERRED OUTFLOWS OF RESOURCES	
	<u>828,707</u>
 LIABILITIES	
Accounts payable	303,407
Accrued liabilities	66,010
Due to retirement system	266,979
Bond anticipation notes payable	8,344,243
Accrued interest payable	214,798
Non-current liabilities	
Due within one year	1,261,755
Due in more than one year	<u>18,508,230</u>
Total Liabilities	<u>28,965,422</u>
 DEFERRED INFLOWS OF RESOURCES	
	<u>120,113</u>
 NET POSITION	
Net investment in capital assets	17,129,003
Restricted for	
Debt service	983,794
Special districts	1,312,344
Special purpose	130,110
Unrestricted	<u>1,124,438</u>
Total Net Position	<u>\$ 20,679,689</u>

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

Town of LaGrange, 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	\$ 2,196,013	\$ 39,945	\$ -	\$ -
Public safety	19,899	184,790	-	-
Health	5,905	-	-	-
Transportation	3,697,135	60,099	455,683	-
Economic opportunity and development	27,800	-	-	-
Culture and recreation	1,770,079	212,294	-	-
Home and community services	2,364,838	1,480,149	-	362,996
Interest	412,981	-	-	-
Total Governmental Activities	\$ 10,494,650	\$ 1,977,277	\$ 455,683	\$ 362,996

General revenues

- Real property taxes
- Other tax items
 - Payments in lieu of taxes
 - Interest and penalties on real property taxes
- Non-property tax
 - Franchise fees
 - Non-property tax distribution from County
- 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.

<u>Net (Expense)</u>	
<u>Revenue and</u>	
<u>Changes in</u>	
<u>Net Position</u>	
\$	(2,156,068)
	164,891
	(5,905)
	(3,181,353)
	(27,800)
	(1,557,785)
	(521,693)
	(412,981)
	<u>(7,698,694)</u>
	6,957,369
	7,767
	68,611
	288,272
	879,565
	24,822
	9,593
	525,147
	42,358
	<u>8,803,504</u>
	1,104,810
	<u>19,574,879</u>
\$	<u><u>20,679,689</u></u>

Town of LaGrange, New York

Balance Sheet
 Governmental Funds
 December 31, 2017

	General	Highway	Special Districts	Special Purpose
ASSETS				
Cash and equivalents	\$ 3,504,069	\$ 1,787,044	\$ 4,102,072	\$ 130,110
Receivables				
Accounts	146,351	17,745	256,332	-
State and Federal aid	103,248	102,475	-	-
Due from other governments	392,521	-	-	-
Due from other funds	115	1,103	1,000	-
	<u>642,235</u>	<u>121,323</u>	<u>257,332</u>	<u>-</u>
Prepaid expenditures	<u>70,883</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,217,187</u>	<u>\$ 1,908,367</u>	<u>\$ 4,359,404</u>	<u>\$ 130,110</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 64,540	\$ 140,578	\$ 67,864	\$ -
Accrued liabilities	50,185	15,825	-	-
Due to retirement system	148,726	118,253	-	-
Due to other funds	915,260	778,171	978,602	-
Bond anticipation notes payable	-	-	-	-
Total Liabilities	<u>1,178,711</u>	<u>1,052,827</u>	<u>1,046,466</u>	<u>-</u>
Fund balances (deficits)				
Nonspendable	70,883	-	-	-
Restricted	81,289	-	902,505	130,110
Assigned	30,000	855,540	2,410,433	-
Unassigned	<u>2,856,304</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>3,038,476</u>	<u>855,540</u>	<u>3,312,938</u>	<u>130,110</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 4,217,187</u>	<u>\$ 1,908,367</u>	<u>\$ 4,359,404</u>	<u>\$ 130,110</u>

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

Capital Projects	Total Governmental Funds
\$ 3,336,189	\$ 12,859,484
-	420,428
-	205,723
-	392,521
<u>2,670,332</u>	<u>2,672,550</u>
<u>2,670,332</u>	<u>3,691,222</u>
-	70,883
<u>\$ 6,006,521</u>	<u>\$ 16,621,589</u>

\$ 30,425	\$ 303,407
-	66,010
-	266,979
517	2,672,550
<u>8,344,243</u>	<u>8,344,243</u>
<u>8,375,185</u>	<u>11,653,189</u>
-	70,883
-	1,113,904
-	3,295,973
<u>(2,368,664)</u>	<u>487,640</u>
<u>(2,368,664)</u>	<u>4,968,400</u>
<u>\$ 6,006,521</u>	<u>\$ 16,621,589</u>

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Town of LaGrange, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2017

Fund Balances - Total Governmental Funds	\$ 4,968,400
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>34,987,478</u>
Governmental funds report the effect of losses on refunding bonds and assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on refunding bonds	95,362
Deferred amounts on net pension liability	<u>613,232</u>
	<u>708,594</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(214,798)
Bonds payable	(15,585,173)
Compensated absences	(170,322)
Net pension liability	(781,220)
Landfill closure costs	(98,315)
Other post employment benefit obligations payable	<u>(3,134,955)</u>
	<u>(19,984,783)</u>
Net Position of Governmental Activities	<u>\$ 20,679,689</u>

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

Town of LaGrange, New York

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

	General	Highway	Special Districts	Special Purpose
REVENUES				
Real property taxes	\$ 2,153,202	\$ 3,386,772	\$ 1,417,395	\$ -
Other tax items	62,044	-	7,874	-
Non-property taxes	1,167,837	-	-	-
Departmental income	461,321	-	1,008,302	-
Use of money and property	24,822	3,600	19,541	280
Licenses and permits	215,062	7,200	-	-
Fines and forfeitures	181,065	-	-	-
Sale of property and compensation for loss	9,593	28,052	8,528	-
Interfund revenues	92,532	16,074	-	-
Federal aid	-	87,835	-	-
State aid	525,147	367,848	-	-
Miscellaneous	40,754	19,783	28,607	4,000
Total Revenues	4,933,379	3,917,164	2,490,247	4,280
EXPENDITURES				
Current				
General government support	1,604,875	3,472	-	-
Public safety	19,899	-	-	-
Health	3,500	-	-	-
Transportation	211,350	2,537,057	34,215	-
Economic opportunity and development	27,800	-	-	-
Culture and recreation	1,447,844	-	-	-
Home and community services	394,158	-	1,104,590	-
Employee benefits	811,113	743,094	-	-
Debt service				
Principal	171,474	152,141	898,333	-
Interest	52,330	46,267	243,351	-
Capital outlay	-	-	-	-
Total Expenditures	4,744,343	3,482,031	2,280,489	-
Excess (Deficiency) of Revenues Over Expenditures	189,036	435,133	209,758	4,280
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Transfers in	110,231	3,326	1,104,048	-
Transfers out	(59,638)	(106,378)	(192,495)	(131,390)
Total Other Financing Sources (Uses)	50,593	(103,052)	911,553	(131,390)
Net Change in Fund Balances	239,629	332,081	1,121,311	(127,110)
FUND BALANCES (DEFICITS)				
Beginning of Year	2,798,847	523,459	2,191,627	257,220
End of Year	<u>\$ 3,038,476</u>	<u>\$ 855,540</u>	<u>\$ 3,312,938</u>	<u>\$ 130,110</u>

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

Capital Projects	Total Governmental Funds
\$ -	\$ 6,957,369
-	69,918
-	1,167,837
-	1,469,623
-	48,243
-	222,262
-	181,065
-	46,173
-	108,606
-	87,835
-	892,995
362,996	456,140
362,996	11,708,066
-	1,608,347
-	19,899
-	3,500
-	2,782,622
-	27,800
-	1,447,844
-	1,498,748
-	1,554,207
-	1,221,948
-	341,948
2,331,687	2,331,687
2,331,687	12,838,550
(1,968,691)	(1,130,484)
5,461,259	5,461,259
456,535	1,674,140
(1,184,239)	(1,674,140)
4,733,555	5,461,259
2,764,864	4,330,775
(5,133,528)	637,625
\$ (2,368,664)	\$ 4,968,400

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Town of LaGrange, 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>\$ 4,330,775</u>
<p>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.</p>	
Capital outlay expenditures	2,946,844
Depreciation expense	<u>(1,393,064)</u>
	<u>1,553,780</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized on the statement of activities.</p>	
Bonds issued	(5,461,259)
Amortization of premium and loss on refunding bonds	9,322
Principal paid on bonds	1,166,000
Principal paid on capital lease	<u>55,948</u>
	<u>(4,229,989)</u>
<p>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.</p>	
Accrued interest	(80,356)
Compensated absences	4,269
Pension liability	(106,560)
Landfill closure cost	3,211
Other post employment benefit obligations	<u>(370,320)</u>
	<u>(549,756)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 1,104,810</u></u>

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

Town of LaGrange, New York

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

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,153,203	\$ 2,153,203	\$ 2,153,202	\$ (1)
Other tax items	60,000	60,000	62,044	2,044
Non-property taxes	1,010,000	1,023,440	1,167,837	144,397
Departmental income	481,700	492,700	461,321	(31,379)
Use of money and property	15,800	15,800	24,822	9,022
Licenses and permits	151,809	151,809	215,062	63,253
Fines and forfeitures	210,000	210,000	181,065	(28,935)
Sale of property and compensation for loss	-	6,000	9,593	3,593
Interfund revenues	92,234	92,234	92,532	298
Federal aid	-	-	-	-
State aid	456,439	456,439	525,147	68,708
Miscellaneous	-	12,025	40,754	28,729
Total Revenues	4,631,185	4,673,650	4,933,379	259,729
EXPENDITURES				
Current				
General government support	1,509,326	1,836,206	1,604,875	231,331
Public safety	18,500	20,176	19,899	277
Health	3,500	3,500	3,500	-
Transportation	214,789	218,816	211,350	7,466
Economic opportunity and development	26,907	27,828	27,800	28
Culture and recreation	1,368,077	1,520,224	1,447,844	72,380
Home and community services	370,642	409,046	394,158	14,888
Employee benefits	842,000	815,706	811,113	4,593
Debt service				
Principal	171,474	171,474	171,474	-
Interest	52,332	52,332	52,330	2
Total Expenditures	4,577,547	5,075,308	4,744,343	330,965
Excess (Deficiency) of Revenues Over Expenditures	53,638	(401,658)	189,036	590,694
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Transfers in	-	63,369	110,231	46,862
Transfers out	(59,638)	(59,638)	(59,638)	-
Total Other Financing Sources (Uses)	(59,638)	3,731	50,593	46,862
Net Change in Fund Balances	(6,000)	(397,927)	239,629	637,556
FUND BALANCES				
Beginning of Year	6,000	397,927	2,798,847	2,400,920
End of Year	\$ -	\$ -	\$ 3,038,476	\$ 3,038,476

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

Highway Fund				Special Districts Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,386,772	\$ 3,386,772	\$ 3,386,772	\$ -	\$ 1,417,395	\$ 1,417,395	\$ 1,417,395	\$ -
-	-	-	-	7,767	7,767	7,874	107
-	-	-	-	-	-	-	-
-	-	-	-	985,129	991,603	1,008,302	16,699
3,000	3,000	3,600	600	-	-	19,541	19,541
4,000	4,000	7,200	3,200	-	-	-	-
-	-	-	-	-	-	-	-
-	6,000	28,052	22,052	-	-	8,528	8,528
10,000	10,000	16,074	6,074	-	-	-	-
-	-	87,835	87,835	-	-	-	-
264,466	363,293	367,848	4,555	-	-	-	-
-	-	19,783	19,783	-	-	28,607	28,607
<u>3,668,238</u>	<u>3,773,065</u>	<u>3,917,164</u>	<u>144,099</u>	<u>2,410,291</u>	<u>2,416,765</u>	<u>2,490,247</u>	<u>73,482</u>
3,800	3,800	3,472	328	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,548,966	2,722,793	2,537,057	185,736	27,800	36,099	34,215	1,884
-	-	-	-	-	-	-	-
-	-	-	-	1,064,604	1,289,307	1,104,590	184,717
815,185	746,185	743,094	3,091	-	-	-	-
152,141	152,141	152,141	-	965,249	899,965	898,333	1,632
46,268	46,268	46,267	1	268,507	249,773	243,351	6,422
<u>3,566,360</u>	<u>3,671,187</u>	<u>3,482,031</u>	<u>189,156</u>	<u>2,326,160</u>	<u>2,475,144</u>	<u>2,280,489</u>	<u>194,655</u>
101,878	101,878	435,133	333,255	84,131	(58,379)	209,758	268,137
-	-	-	-	-	2,790,927	-	(2,790,927)
-	-	3,326	3,326	-	-	1,104,048	1,104,048
(106,378)	(106,378)	(106,378)	-	(104,231)	(2,985,676)	(192,495)	2,793,181
<u>(106,378)</u>	<u>(106,378)</u>	<u>(103,052)</u>	<u>3,326</u>	<u>(104,231)</u>	<u>(194,749)</u>	<u>911,553</u>	<u>1,106,302</u>
(4,500)	(4,500)	332,081	336,581	(20,100)	(253,128)	1,121,311	1,374,439
4,500	4,500	523,459	518,959	20,100	253,128	2,191,627	1,938,499
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 855,540</u>	<u>\$ 855,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,312,938</u>	<u>\$ 3,312,938</u>

Town of LaGrange, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2017

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 903,250</u>
LIABILITIES	
Deposits payable	<u>\$ 903,250</u>

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

Note 1 - Summary of Significant Accounting Policies

The Town of LaGrange, New York ("Town") was established in 1832 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 by 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 by 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 primary government 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.

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 segment 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 explains 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 fund 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 and reported in another fund.

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

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.

Special Districts Fund - The Special Districts Fund is used to account for the operation and maintenance of the Town's lighting, drainage, sewer and water districts. The major revenues of this fund are real property taxes and departmental income.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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

D. Measurement Focus, Basis of Accounting and Financial Statement 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 revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability, landfill closure costs and other post employment benefit obligations payable 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.

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

Cash and Equivalents, Investments 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town's 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 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes which are levied and due January 1st and payable without penalty to February 28th. The Town retains the total amount of town, highway and special districts taxes from the total collections and returns the balance plus the uncollected items to the County which assumes collection responsibility.

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 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.

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 methods 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, 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 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

Land and construction-in-progress are not depreciated. Property, plant and equipment 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 improvements	20-40
Machinery and equipment	3-15
Infrastructure	25-40

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 sheets.

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 reported deferred outflows of resources of \$95,362 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town also reports deferred outflows of resources and deferred inflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3E.

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 various collective bargaining agreements provide for the payment of accumulated sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide statement of net position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured

Note 1 - Summary of Significant Accounting Policies (Continued)

through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

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. 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 represent the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 debt service, special districts and special purpose. The balance is classified as unrestricted.

Fund Balances - 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 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 (inventories, prepaid amounts, long-term receivables, advances) 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 the 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 Town 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 policies of the Town Board for amounts assigned for balancing the subsequent year's budget or delegated to the Town Supervisor 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

Note 1 - Summary of Significant Accounting Policies (Continued)

result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

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.

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, Highway and Special Districts 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 5, 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) On or before September 30th, the Supervisor shall submit a tentative budget to the Town Clerk.
- b) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- c) Once the tentative budget is approved by the Town Board, it becomes the preliminary budget. The Town Board files the preliminary budget with the Town Clerk where it is available for inspection. In addition, the Board shall cause to be published a notice specifying a time and place for a public hearing.
- d) At the public hearing, taxpayers may comment on the preliminary budget.
- e) 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.
- f) Formal budgetary integration is employed during the year as a management control device for the General, Highway and Special Districts funds.
- g) Budgets for the General, Highway and Special 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.
- h) 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 modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General, Highway and Special 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 as promulgated by the Office of the State Comptroller.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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.

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. Fund Deficits

The following sub fund in the Special Districts Fund had an assigned fund deficit at December 31, 2017:

	<u>Amount</u>
Mapleview Water District	\$ 593

The Town will address this deficit in the ensuing year.

D. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$2,368,664 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 the 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. This deficit will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds

A. Due From/To Other Funds

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

Fund	Due From	Due To
General Fund	\$ 115	\$ 915,260
Highway Fund	1,103	778,171
Special Districts Fund	1,000	978,602
Capital Projects Fund	2,670,332	517
	<u>\$ 2,672,550</u>	<u>\$ 2,672,550</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.

B. Capital Assets

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

Class	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital Assets, not being depreciated				
Land	\$ 1,953,521	\$ 4,398	\$ -	\$ 1,957,919
Construction-in-progress	1,314,248	1,850,692	111,360	3,053,580
Total Capital Assets, not being depreciated	<u>\$ 3,267,769</u>	<u>\$ 1,855,090</u>	<u>\$ 111,360</u>	<u>\$ 5,011,499</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 2,881,755	\$ 40,817	\$ -	\$ 2,922,572
Machinery and equipment	5,765,694	238,546	89,998	5,914,242
Infrastructure	33,621,242	923,751	-	34,544,993
Total Capital Assets, being depreciated	<u>42,268,691</u>	<u>1,203,114</u>	<u>89,998</u>	<u>43,381,807</u>
Less Accumulated Depreciation for				
Building and improvements	1,902,023	53,315	-	1,955,338
Machinery and equipment	3,879,825	349,531	89,998	4,139,358
Infrastructure	6,320,914	990,218	-	7,311,132
Total Accumulated Depreciation	<u>12,102,762</u>	<u>1,393,064</u>	<u>89,998</u>	<u>13,405,828</u>
Total Capital Assets, being depreciated, net	<u>\$ 30,165,929</u>	<u>\$ (189,950)</u>	<u>\$ -</u>	<u>\$ 29,975,979</u>
Capital Assets, net	<u>\$ 33,433,698</u>	<u>\$ 1,665,140</u>	<u>\$ 111,360</u>	<u>\$ 34,987,478</u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 40,638
Transportation	565,979
Culture and Recreation	62,058
Home and Community Services	<u>724,389</u>
Total Depreciation Expense	<u>\$ 1,393,064</u>

C. Accrued Liabilities

Accrued liabilities at December 31, 2017 were as follows:

	Fund		
	General	Highway	Total
Payroll and Employee Benefits	<u>\$ 50,185</u>	<u>\$ 15,825</u>	<u>\$ 66,010</u>

D. Short-Term Capital Borrowings

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

Purpose	Year of Original Issue	Maturity Date	Rate of Interest	Balance January 1, 2017	Issued	Redemptions	Balance December 31, 2017
Various improvements	2013	-	-	\$ 2,877,215	\$ -	\$ 2,877,215	\$ -
Various improvements	2013	03/01/2018	0.73	3,093,454	-	206,573	2,886,881
Road reconstruction	2015	03/01/2018	0.73	345,334	-	24,667	320,667
Highway equipment	2015	03/01/2018	0.73	507,644	-	39,009	468,635
Various improvements	2017	06/14/2018	2.50	-	4,566,580	-	4,566,580
Sewer improvements	2017	11/14/2018	1.95	-	101,480	-	101,480
				<u>\$ 6,823,647</u>	<u>\$ 4,668,060</u>	<u>\$ 3,147,464</u>	<u>\$ 8,344,243</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.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$64,198 were recorded in the fund financial statements in the following funds:

Fund	Amount
General Fund	\$ 7,255
Highway Fund	7,045
Special District Funds	49,898
	<u>\$ 64,198</u>

Interest expense of \$130,124 was recorded in the government-wide financial statements for governmental activities.

E. Long-Term Liabilities

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

	Balance January 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2017	Due Within One Year
Bonds Payable	\$ 11,106,000	\$ 5,461,259	\$ 1,166,000	\$ 15,401,259	\$ 1,241,259
Plus					
Unamortized premium on bonds	203,274	-	19,360	183,914	-
	11,309,274	5,461,259	1,185,360	15,585,173	1,241,259
Other Non-Current Liabilities					
Capital Lease Payable	55,948	-	55,948	-	-
Net Pension Liability	1,331,741	-	550,521	781,220	-
Compensated Absences	174,591	12,731	17,000	170,322	17,000
Landfill Closure Costs	101,526	-	3,211	98,315	3,496
Other Post Employment Benefit Obligations Payable	2,764,635	512,076	141,756	3,134,955	-
Total Long-Term Liabilities	<u>\$ 15,737,715</u>	<u>\$ 5,986,066</u>	<u>\$ 1,953,796</u>	<u>\$ 19,769,985</u>	<u>\$ 1,261,755</u>

Each governmental fund's liability for bonds, capital leases, net pension liability, compensated absences, landfill closure costs and other post-employment benefit obligations payable is liquidated by the General, Highway and Special Districts funds.

Bonds Payable

Bonds payable at December 31, 2017 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2017
Public Improvements	2017	\$ 5,461,259	March, 2047	3.00 - 3.375 %	\$ 5,461,259
Refunding Serial Bond	2015	3,145,000	March, 2026	2.00 - 4.00	2,865,000
Public Improvements	2015	3,296,084	December, 2032	2.00 - 5.00	2,960,000
Refunding Serial Bond	2012	7,305,000	April, 2025	2.00 - 3.00	4,115,000
					<u>\$ 15,401,259</u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$275,316 were recorded in the fund financial statements in the following funds.

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 45,002
Highway Fund	36,861
Special District Funds	<u>193,453</u>
	<u>\$ 275,316</u>

Interest expense of \$280,423 was recorded in the government-wide financial statements.

Capital Lease Payable

In 2008, The Town entered into a 10 year capital lease agreement for recreational equipment which provided for total annual payments of \$58,381 including interest at 4.35% through the lease maturity date in April 2017.

Interest expense/expenditures for the capital lease agreement aggregated \$2,434 and was recorded in the fund financial statements in the General Fund for \$73 and the Highway Fund for \$2,361 and the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2017, including interest payments of \$3,423,090 are as follows:

<u>Year Ending December 31,</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,241,259	\$ 355,188
2019	1,245,000	367,176
2020	1,250,000	333,976
2021	1,255,000	300,376
2022	1,265,000	266,326
2023-2027	5,065,000	878,641
2028-2032	2,085,000	464,097
2033-2037	750,000	259,875
2038-2042	650,000	151,269
2043-2047	<u>595,000</u>	<u>46,166</u>
	<u>\$ 15,401,259</u>	<u>\$ 3,423,090</u>

The above general obligations bonds are direct obligations of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

Employees' Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. ERS provides retirement benefits as well as death and disability benefits. The net position of the ERS 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 ERS. 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 ERS, 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 ERS 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 ERS 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 ERS'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>
4 A15	16.0 %
5 A15	13.1
6 A15	9.3

At December 31, 2017, the Town reported a liability of \$781,220 for its proportionate share of the net pension liability of ERS. 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 March 31, 2017, the Town's proportion was .0083142%, which was an increase of .0000169% from its proportion measured as of March 31, 2015.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

For the year ended December 31, 2017, the Town recognized pension expense in the government-wide financial statements of \$455,162. Pension expenditures of \$348,601 were recorded in the fund financial statements and were charged to the following funds:

General Fund	\$ 193,740
Highway Fund	<u>154,861</u>
	<u>\$ 348,601</u>

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

	ERS Deferred Outflows of Resources	ERS Deferred Inflows of Resources
Differences between expected and actual experience	\$ 19,577	\$ 118,633
Changes of assumptions	266,893	-
Net difference between projected and actual earnings on pension plan investments	156,041	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	23,855	1,480
Town contributions subsequent to the measurement date	<u>266,979</u>	<u>-</u>
	<u>\$ 733,345</u>	<u>\$ 120,113</u>

\$266,979 is reported as deferred outflows of resources resulting 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Year Ended March 31,	ERS
2017	\$ 155,530
2018	155,530
2019	140,320
2020	(105,127)

The total pension liability for the March 31, 2017 measurement date was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liabilities to March 31, 2017. Significant actuarial assumptions used in the April 1, 2015 valuation were as follows:

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Inflation	2.5%	
Salary scale	3.8%	
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 or 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
	100 %	

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.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

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 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>\$ 2,495,061</u>	<u>\$ 781,220</u>	<u>\$ (667,830)</u>

The component of the collective net pension liability as of the March 31, 2016 measurement date were as follows:

Total pension liability	\$ 177,400,586,000
Fiduciary net position	<u>168,004,363,000</u>
Employers' net pension liability	<u>\$ 9,396,223,000</u>
ERS fiduciary net position as a percentage of total pension liability	<u>94.7%</u>

Employer contributions 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, 2016 through December 31, 2017 based on prior year wages multiplied by the employers' contribution rate, by tier. Retirement contributions for the nine months ended December 31, 2017 were \$266,979.

Voluntary Defined Contribution Plan

The Town can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning 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.

Compensated Absences

Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days a year. Union employees may accumulate one-half of their annual vacation time each year without limit, and non-union employees may accumulate no more than 20 days. Upon separation from service, employees are paid for any vacation time. Employees accrue sick leave at the rate of 13 days per year and may accumulate such credits without limit. Union employees may buy back 100% of sick leave credits accumulated prior to 1997 and 50% of sick leave credits accumulated after 1997 upon retirement at the employees' current pay rate. Non-union employees may not receive settlement for unused sick leave.

Note 3 - Detailed Notes on All Funds (Continued)

Landfill Closure Costs

The Town shares in the monitoring costs of a closed landfill. This joint activity includes the City and Town of Poughkeepsie, the Village of Wappingers Falls, and the Town of Wappinger, as well as the Town of LaGrange. All costs associated with monitoring are recognized as incurred.

It is important to recognize that during the year 2002, violations were documented at the landfill and in 2003 an Order of Consent was issued through the New York State Department of Environmental Conservation ("NYSDEC") to remediate Environmental Conservation Law and New York Codes Rule and Regulations violations. To comply with this order the municipalities were required to perform final closure of the landfill under current regulations by December 31, 2006 and perform post closure care and monitoring for a minimum of thirty years. The estimated cost of final closure is \$10,000,000.

All costs are to be borne proportionately by each participant; the Town of LaGrange's share is 9.5%. Initial funding came from the issuance of debt by each municipality. The Town of LaGrange issued \$900,000 in bond anticipation notes to finance its share. The municipalities also applied for a grant through the NYSDEC's LCSAP program to the extent of \$2,000,000 which will be refunded to participants when received.

Post closure and monitoring costs, which began in 2007 and will continue for 30 years, are estimated to be approximately \$1,163,000, with the Town's remaining share being \$98,315 at December 31, 2017.

Other Post Employment Benefit Obligations Payable

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 other post employment benefit obligations payable is shared between the Town and the retired employees. 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 other post employment benefit obligations payable is recognized as an expenditure in the fund financial statements as claims are paid.

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.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
 December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

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 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 presented below:

Fiscal Year	Health	Pharmacy	Dental	Vision
2017	5.50 %	5.50 %	3.00 %	3.00 %
2018	5.30	5.30	3.00	3.00
2019	5.20	5.20	3.00	3.00
2020	5.20	5.20	3.00	3.00
2021	5.20	5.20	3.00	3.00
2022	5.20	5.20	3.00	3.00
2023 +	4.70	4.70	3.00	3.00

The amortization basis is the level dollar of payroll method with an open amortization approach with 22 years remaining in the amortization period. The actuarial assumptions included a 3.0% annual discount rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the level percentage of payroll.

The number of participants as of January 1, 2016 was as follows:

Active Employees	48
Retired Employees and Dependents	<u>22</u>
Total	<u><u>70</u></u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2017	\$ 5,876,823
Assets at Market Value	-
	<u>5,876,823</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 5,876,823</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 2,572,067</u>
UAAL as a Percentage of Covered Payroll	<u>228.49%</u>
Annual Required Contribution	\$ 546,178
Interest on Net OPEB Obligation	82,939
Adjustment to Annual Required Contribution	<u>(117,041)</u>
Annual OPEB Cost	512,076
Contributions Made	<u>(141,756)</u>
Increase in Net OPEB Obligation	370,320
Net OPEB Obligation - Beginning of Year	<u>2,764,635</u>
Net OPEB Obligation - End of Year	<u>\$ 3,134,955</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	\$ 512,076	27.68 %	\$ 3,134,955
2016	426,906	28.38	2,764,635
2015	430,924	24.42	2,458,886

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

F. Revenues and Expenditures

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 below have been reflected as transfers:

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

Transfer Out	Transfer In				Total
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ -	\$ 59,638	\$ 59,638
Highway Fund	-	-	-	106,378	106,378
Special Districts Fund	1,976	-	-	190,519	192,495
Special Purpose Fund	31,390	-	-	100,000	131,390
Capital Projects Fund	76,865	3,326	1,104,048	-	1,184,239
	<u>\$ 110,231</u>	<u>\$ 3,326</u>	<u>\$ 1,104,048</u>	<u>\$ 456,535</u>	<u>\$ 1,674,140</u>

Transfers are used to move 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures, 2) move revenues from the Special Purpose Fund to the General Fund to fulfill commitments pursuant to the trust and 3) move revenues from the Special Districts Fund for completed Capital Projects.

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

Restricted for Special Purpose - 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".

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2017

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	2017					2016						
	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total
Nonspendable												
Prepaid expenditures	\$ 70,883	\$ -	\$ -	\$ -	\$ -	\$ 70,883	\$ 67,704	\$ -	\$ -	\$ -	\$ -	\$ 67,704
Restricted												
Special purpose	-	-	-	130,110	-	130,110	-	-	-	257,220	-	257,220
Debt service	81,289	-	902,505	-	-	983,794	5,680	-	59,356	-	-	65,036
Total Restricted	81,289	-	902,505	130,110	-	1,113,904	5,680	-	59,356	257,220	-	322,256
Assigned												
Subsequent year's expenditures	30,000	20,000	214,800	-	-	264,800	6,000	4,500	20,100	-	-	30,600
Major Funds	-	835,540	2,195,633	-	-	3,031,173	-	518,959	2,112,171	-	-	2,631,130
Total Assigned	30,000	855,540	2,410,433	-	-	3,295,973	6,000	523,459	2,132,271	-	-	2,661,730
Unassigned	2,856,304	-	-	-	(2,368,664)	487,640	2,719,463	-	-	-	(5,133,528)	(2,414,065)
Total Fund Balances	\$ 3,038,476	\$ 855,540	\$ 3,312,938	\$ 130,110	\$ (2,368,664)	\$ 4,968,400	\$ 2,798,847	\$ 523,459	\$ 2,191,627	\$ 257,220	\$ (5,133,528)	\$ 637,625

Note 3 - Detailed 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 payments made 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.

Purchases on order are assigned and represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

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, committed or assigned. Unassigned fund balance in the Capital Projects Funds represents deficit balances in the projects.

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. 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 and umbrella policies with coverage up to \$3 million and \$20 million, respectively. Workers' compensation coverage is secured at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in 2017. The Town also purchases conventional health insurance coverage for employees 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. 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 LaGrange, New York

Notes to Financial Statements (Concluded)
December 31, 2017

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

D. Tax Abatements

The Town has real property tax abatement agreements exempt under Real Property Tax Law, Section 412-a and General Municipal Law, Section 874. The total tax abatement for the year ended December 31, 2017 is as follows:

<u>Start Date</u>	<u>Agreement</u>	<u>Benefit Units</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>PILOT Revenue</u>	<u>Tax Abated</u>
2017	ESHAA Petroleum Corp.	8.00	346.55	2,772	2,772	0
2017	JFK Properties	2.50	346.55	866	866	0
2017	Joseph Daubman	1.00	346.55	347	347	0
2017	Michael & Melanie Betros	1.00	346.55	347	347	0
2017	Patrick Page Properties	1.54	346.55	534	534	0
2017	Patrick Page Properties	8.00	346.55	2,772	2,772	0
2017	Jody Witze	1.00	128.99	129	129	0

Note 5 - Subsequent Event

The Town, on June 13, 2018, issued a \$5,552,452 bond anticipation note for various purposes. The note matures on June 13, 2019 and bears interest at a rate of 3.00% per annum. Also, in 2018 the Town created three new special districts, the Overlook Place Sewer District, Daley Farm Sewer District and Daley Farm Extension of Manchester Water District.

The Town, on August 24, 2018, issued a \$2,138,271 bond anticipation note for various purposes. The note matures on February 27, 2019 and bears an interest rate of 2.25% per annum.

Town of LaGrange, 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, 2017	\$ -	\$ 5,876,823	\$ 5,876,823	- %	\$ 2,572,067	228.49 %
January 1, 2016	-	4,809,468	4,809,468	-	2,303,218	208.82
January 1, 2015	-	4,809,468	4,809,468	-	2,301,700	208.95

Town of LaGrange, 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 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability	<u>0.0083142%</u>	<u>0.0082973%</u>	<u>0.0074896%</u>
Town's proportionate share of the net pension liability	<u>\$ 781,220</u>	<u>\$ 1,331,741</u>	<u>\$ 253,016</u>
Town's covered payroll	<u>\$ 2,911,976</u>	<u>\$ 2,518,992</u>	<u>\$ 2,183,346</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>26.83%</u>	<u>52.87%</u>	<u>11.59%</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*.
- (2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

Town of LaGrange, 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	\$ 356,075	\$ 326,536	\$ 375,348
Contributions in relation to the contractually required contribution	<u>(356,075)</u>	<u>(326,536)</u>	<u>(375,348)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 2,541,769</u>	<u>\$ 2,280,642</u>	<u>\$ 2,329,679</u>
Contributions as a percentage of covered payroll	<u>14.01%</u>	<u>14.32%</u>	<u>16.11%</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 LaGrange, New York

General Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 3,504,069	\$ 2,322,854
Receivables		
Accounts	146,351	192,074
State and Federal aid	103,248	112,364
Due from other governments	392,521	352,387
Due from other funds	115	2,517
	<u>642,235</u>	<u>659,342</u>
Prepaid expenditures	<u>70,883</u>	<u>67,704</u>
Total Assets	<u>\$ 4,217,187</u>	<u>\$ 3,049,900</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 64,540	\$ 60,345
Accrued liabilities	50,185	42,781
Unearned revenues	-	12,000
Due to retirement system	148,726	135,090
Due to other funds	915,260	837
Total Liabilities	<u>1,178,711</u>	<u>251,053</u>
Fund balance		
Nonspendable	70,883	67,704
Restricted	81,289	5,680
Assigned	30,000	6,000
Unassigned	<u>2,856,304</u>	<u>2,719,463</u>
Total Fund Balance	<u>3,038,476</u>	<u>2,798,847</u>
Total Liabilities and Fund Balance	<u>\$ 4,217,187</u>	<u>\$ 3,049,900</u>

See independent auditors' report.

Town of LaGrange, 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	\$ 2,153,203	\$ 2,153,203	\$ 2,153,202	\$ (1)
Other tax items	60,000	60,000	62,044	2,044
Non-property taxes	1,010,000	1,023,440	1,167,837	144,397
Departmental income	481,700	492,700	461,321	(31,379)
Use of money and property	15,800	15,800	24,822	9,022
Licenses and permits	151,809	151,809	215,062	63,253
Fines and forfeitures	210,000	210,000	181,065	(28,935)
Sale of property and compensation for loss	-	6,000	9,593	3,593
Interfund revenues	92,234	92,234	92,532	298
State aid	456,439	456,439	525,147	68,708
Miscellaneous	-	12,025	40,754	28,729
Total Revenues	4,631,185	4,673,650	4,933,379	259,729
EXPENDITURES				
Current				
General government support	1,509,326	1,836,206	1,604,875	231,331
Public safety	18,500	20,176	19,899	277
Health	3,500	3,500	3,500	-
Transportation	214,789	218,816	211,350	7,466
Economic opportunity and development	26,907	27,828	27,800	28
Culture and recreation	1,368,077	1,520,224	1,447,844	72,380
Home and community services	370,642	409,046	394,158	14,888
Employee benefits	842,000	815,706	811,113	4,593
Debt service				
Principal	171,474	171,474	171,474	-
Interest	52,332	52,332	52,330	2
Total Expenditures	4,577,547	5,075,308	4,744,343	330,965
Excess (Deficiency) of Revenues Over Expenditures	53,638	(401,658)	189,036	590,694
OTHER FINANCING SOURCES (USES)				
Transfers in	-	63,369	110,231	46,862
Transfers out	(59,638)	(59,638)	(59,638)	-
Total Other Financing Sources (Uses)	(59,638)	3,731	50,593	46,862
Net Change in Fund Balance	(6,000)	(397,927)	239,629	637,556
FUND BALANCE				
Beginning of Year	6,000	397,927	2,798,847	2,400,920
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,038,476</u>	<u>\$ 3,038,476</u>

See independent auditors' report.

2016				Variance with Final Budget Positive (Negative)
Original Budget	Final Budget	Actual		
\$ 2,130,046	\$ 2,130,046	\$ 2,130,049	\$	3
57,000	57,000	57,905		905
960,000	960,000	1,117,730		157,730
414,925	457,887	414,570		(43,317)
5,000	5,000	7,629		2,629
119,240	119,240	191,660		72,420
240,000	240,000	193,068		(46,932)
-	17,225	18,494		1,269
90,426	90,426	90,426		-
426,439	426,439	506,073		79,634
-	10,750	13,358		2,608
<u>4,443,076</u>	<u>4,514,013</u>	<u>4,740,962</u>		<u>226,949</u>
1,502,225	1,601,479	1,509,323		92,156
22,324	22,324	17,543		4,781
3,000	3,000	3,000		-
207,275	228,899	197,521		31,378
23,500	23,608	23,148		460
1,258,554	1,308,453	1,282,577		25,876
335,003	335,858	329,428		6,430
826,421	805,458	760,590		44,868
170,952	170,952	170,951		1
62,413	62,413	62,412		1
<u>4,411,667</u>	<u>4,562,444</u>	<u>4,356,493</u>		<u>205,951</u>
<u>31,409</u>	<u>(48,431)</u>	<u>384,469</u>		<u>432,900</u>
-	71,940	71,907		(33)
<u>(59,638)</u>	<u>(277,080)</u>	<u>(277,080)</u>		<u>-</u>
<u>(59,638)</u>	<u>(205,140)</u>	<u>(205,173)</u>		<u>(33)</u>
<u>(28,229)</u>	<u>(253,571)</u>	<u>179,296</u>		<u>432,867</u>
<u>28,229</u>	<u>253,571</u>	<u>2,619,551</u>		<u>2,365,980</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,798,847</u>	<u>\$</u>	<u>2,798,847</u>

Town of LaGrange, New York

General Fund

Schedule of Revenues and Other Financing Sources 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	\$ 2,153,203	\$ 2,153,203	\$ 2,153,202	\$ (1)	\$ 2,130,049
OTHER TAX ITEMS					
Interest and penalties on real property taxes	60,000	60,000	62,044	2,044	57,905
NON-PROPERTY TAXES					
Franchise fees	260,000	260,000	288,272	28,272	280,714
Non-property tax distribution from County	750,000	763,440	879,565	116,125	837,016
	<u>1,010,000</u>	<u>1,023,440</u>	<u>1,167,837</u>	<u>144,397</u>	<u>1,117,730</u>
DEPARTMENTAL INCOME					
Tax collector fees	600	600	528	(72)	518
Town Clerk and other fees	4,500	4,500	6,303	1,803	4,745
Police and dog pound fees	600	600	125	(475)	250
Safety inspection fees	10,000	10,000	3,600	(6,400)	11,550
Culture and recreation fees	206,200	206,200	208,014	1,814	199,570
Planning board and other fees	189,300	200,300	168,922	(31,378)	107,134
Other service fees	70,500	70,500	73,829	3,329	90,803
	<u>481,700</u>	<u>492,700</u>	<u>461,321</u>	<u>(31,379)</u>	<u>414,570</u>
USE OF MONEY AND PROPERTY					
Earnings on investments	15,800	15,800	24,822	9,022	7,629

LICENSES AND PERMITS

Dog and other licenses	9,900	9,900	8,169	(1,731)	8,055
Permits	141,909	141,909	206,893	64,984	183,605
	<u>151,809</u>	<u>151,809</u>	<u>215,062</u>	<u>63,253</u>	<u>191,660</u>

FINES AND FORFEITURES

Fines and forfeited bail	210,000	210,000	181,065	(28,935)	193,068
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	-	-	700	700	181
Insurance recoveries	-	6,000	8,893	2,893	18,313
	<u>-</u>	<u>6,000</u>	<u>9,593</u>	<u>3,593</u>	<u>18,494</u>

INTERFUND REVENUES

	<u>92,234</u>	<u>92,234</u>	<u>92,532</u>	<u>298</u>	<u>90,426</u>
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STATE AID

Per capita	56,439	56,439	56,439	-	56,439
Mortgage tax	400,000	400,000	468,708	68,708	449,634
	<u>456,439</u>	<u>456,439</u>	<u>525,147</u>	<u>68,708</u>	<u>506,073</u>

MISCELLANEOUS

Refund of prior year expenditures	-	-	2,934	2,934	2,253
Miscellaneous	-	12,025	37,820	25,795	11,105
	<u>-</u>	<u>12,025</u>	<u>40,754</u>	<u>28,729</u>	<u>13,358</u>

TOTAL REVENUES

	<u>4,631,185</u>	<u>4,673,650</u>	<u>4,933,379</u>	<u>259,729</u>	<u>4,740,962</u>
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OTHER FINANCING SOURCES

Transfers in					
Capital Projects Fund	-	63,369	110,231	46,862	71,907
	<u>-</u>	<u>63,369</u>	<u>110,231</u>	<u>46,862</u>	<u>71,907</u>

TOTAL REVENUES AND OTHER FINANCING SOURCES

	<u>\$ 4,631,185</u>	<u>\$ 4,737,019</u>	<u>\$ 5,043,610</u>	<u>\$ 306,591</u>	<u>\$ 4,812,869</u>
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50

See independent auditors' report.

Town of LaGrange, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

56

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 36,000	\$ 36,000	\$ 34,445	\$ 1,555	\$ 34,436
Town Justice	194,594	184,689	176,372	8,317	184,458
Supervisor	159,802	162,313	162,141	172	159,073
Finance	140,661	140,774	139,179	1,595	139,190
Audit	19,500	19,500	19,500	-	19,500
Tax collection	64,390	64,390	61,885	2,505	62,056
Assessor	160,974	172,542	166,451	6,091	143,649
Fiscal agent fees	30,000	58,325	58,325	-	20,464
Town Clerk	101,889	107,307	105,333	1,974	101,633
Town Attorney	90,000	62,644	59,618	3,026	91,070
Personnel	5,000	5,000	4,401	599	6,424
General public works	105,210	124,263	122,677	1,586	98,347
Engineering	5,000	37,943	37,943	-	14,413
Records management	904	221,444	83,271	138,173	14,033
Buildings	120,000	196,070	141,240	54,830	108,367
Central printing and mailing	30,000	29,990	29,902	88	22,800
Central data processing	29,902	43,352	41,145	2,207	47,081
Unallocated insurance	145,000	145,689	139,330	6,359	137,055
Municipal association dues	1,500	1,500	1,500	-	1,500
Judgments and claims	16,000	4,432	4,432	-	16,491
Purchase of land	-	4,398	4,398	-	63,255
Taxes and assessments on property	7,000	7,000	5,262	1,738	18,406
Metropolitan commuter transportation mobility tax	6,000	6,125	6,125	-	5,622
Contingency	40,000	516	-	516	-
	<u>1,509,326</u>	<u>1,836,206</u>	<u>1,604,875</u>	<u>231,331</u>	<u>1,509,323</u>
PUBLIC SAFETY					
Traffic control	8,000	8,000	7,731	269	7,731
Animal control	10,000	11,676	11,676	-	9,812
Other	500	500	492	8	-
	<u>18,500</u>	<u>20,176</u>	<u>19,899</u>	<u>277</u>	<u>17,543</u>

HEALTH

Registrar of Vital Statistics	3,500	3,500	3,500	-	3,000
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TRANSPORTATION

Highway Administration	129,489	129,610	129,374	236	124,196
Garage	70,300	70,300	64,145	6,155	59,179
Sidewalks	-	3,906	3,906	-	-
Street lighting	15,000	15,000	13,925	1,075	14,146
	<u>214,789</u>	<u>218,816</u>	<u>211,350</u>	<u>7,466</u>	<u>197,521</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	26,907	27,828	27,800	28	23,148
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CULTURE AND RECREATION

Parks	420,465	552,552	500,324	52,228	375,939
Recreation administration	317,699	337,724	318,922	18,802	284,993
Library	618,693	618,693	618,693	-	611,275
Historian	2,220	2,255	2,255	-	2,220
Celebrations	3,000	3,000	3,000	-	3,000
Band concerts	6,000	6,000	4,650	1,350	5,150
	<u>1,368,077</u>	<u>1,520,224</u>	<u>1,447,844</u>	<u>72,380</u>	<u>1,282,577</u>

HOME AND COMMUNITY SERVICES

Zoning and appeals	299,516	311,916	300,368	11,548	264,303
Planning Board	62,826	62,826	62,731	95	61,295
Environmental control	1,200	1,200	381	819	275
Refuse and garbage	2,100	3,800	3,800	-	-
Beautification	-	24,304	24,303	1	855
Drainage	5,000	5,000	2,575	2,425	2,700
	<u>370,642</u>	<u>409,046</u>	<u>394,158</u>	<u>14,888</u>	<u>329,428</u>

EMPLOYEE BENEFITS

State retirement	188,500	193,740	193,740	-	186,060
Social security	135,000	140,566	140,566	-	128,943
Workers' compensation benefits	50,200	52,210	52,210	-	47,736
Unemployment benefits	3,000	8,000	6,901	1,099	3,015
Disability	1,500	1,500	1,092	408	1,374
Health insurance	459,600	416,411	413,483	2,928	389,396
Other	4,200	3,279	3,121	158	4,066
	<u>842,000</u>	<u>815,706</u>	<u>811,113</u>	<u>4,593</u>	<u>760,590</u>

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Town of LaGrange, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
DEBT SERVICE					
Principal					
Serial bonds	\$ 169,795	\$ 169,795	\$ 169,795	\$ -	\$ 169,343
Capital lease	1,679	1,679	1,679	-	1,608
	<u>171,474</u>	<u>171,474</u>	<u>171,474</u>	<u>-</u>	<u>170,951</u>
Interest					
Serial bonds	45,004	45,004	45,002	2	51,764
Bond anticipation notes	7,255	7,255	7,255	-	10,505
Capital lease	73	73	73	-	143
	<u>52,332</u>	<u>52,332</u>	<u>52,330</u>	<u>2</u>	<u>62,412</u>
	<u>223,806</u>	<u>223,806</u>	<u>223,804</u>	<u>2</u>	<u>233,363</u>
TOTAL EXPENDITURES	4,577,547	5,075,308	4,744,343	330,965	4,356,493
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	59,638	59,638	59,638	-	277,080
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,637,185</u>	<u>\$ 5,134,946</u>	<u>\$ 4,803,981</u>	<u>\$ 330,965</u>	<u>\$ 4,633,573</u>

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Town of LaGrange, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 1,787,044	\$ 582,990
Receivables		
Accounts	17,745	13,045
State and Federal aid	102,475	83,992
Due from other funds	1,103	838
	<u>121,323</u>	<u>97,875</u>
Total Assets	<u>\$ 1,908,367</u>	<u>\$ 680,865</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 140,578	\$ 34,328
Accrued liabilities	15,825	13,254
Due to retirement system	118,253	109,824
Due to other funds	778,171	-
Total Liabilities	1,052,827	157,406
Fund balance		
Assigned	<u>855,540</u>	<u>523,459</u>
Total Liabilities and Fund Balance	<u>\$ 1,908,367</u>	<u>\$ 680,865</u>

See independent auditors' report.

Town of LaGrange, New York

Highway 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	\$ 3,386,772	\$ 3,386,772	\$ 3,386,772	\$ -
Use of money and property	3,000	3,000	3,600	600
License and permits	4,000	4,000	7,200	3,200
Sale of property and compensation for loss	-	6,000	28,052	22,052
Interfund revenues	10,000	10,000	16,074	6,074
Federal aid	-	-	87,835	87,835
State aid	264,466	363,293	367,848	4,555
Miscellaneous	-	-	19,783	19,783
Total Revenues	3,668,238	3,773,065	3,917,164	144,099
EXPENDITURES				
Current				
General government support	3,800	3,800	3,472	328
Transportation				
Repairs and maintenance	1,673,966	1,772,793	1,621,785	151,008
Snow removal	870,000	945,000	910,272	34,728
Brush and weeds	5,000	5,000	5,000	-
	<u>2,548,966</u>	<u>2,722,793</u>	<u>2,537,057</u>	<u>185,736</u>
Employee benefits	815,185	746,185	743,094	3,091
Debt service				
Principal				
Serial bonds	97,872	97,872	97,872	-
Capital lease	54,269	54,269	54,269	-
	<u>152,141</u>	<u>152,141</u>	<u>152,141</u>	<u>-</u>
Interest				
Serial bonds	36,861	36,861	36,861	-
Capital lease	2,361	2,361	2,361	-
Bond anticipation notes	7,046	7,046	7,045	1
	<u>46,268</u>	<u>46,268</u>	<u>46,267</u>	<u>1</u>
Total Expenditures	3,566,360	3,671,187	3,482,031	189,156
Excess (Deficiency) of Revenues Over Expenditures	101,878	101,878	435,133	333,255
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	3,326	3,326
Transfers out	(106,378)	(106,378)	(106,378)	-
Total Other Financing Uses	(106,378)	(106,378)	(103,052)	3,326
Net Change in Fund Balance	(4,500)	(4,500)	332,081	336,581
FUND BALANCE				
Beginning of Year	4,500	4,500	523,459	518,959
End of Year	\$ -	\$ -	\$ 855,540	\$ 855,540

See independent auditors' report.

2016			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,302,294	\$ 3,302,294	\$ 3,302,294	\$ -
3,000	3,000	2,701	(299)
4,000	4,000	8,900	4,900
-	18,000	31,585	13,585
15,000	15,000	12,634	(2,366)
-	-	-	-
264,466	264,466	248,176	(16,290)
-	-	399	399
<u>3,588,760</u>	<u>3,606,760</u>	<u>3,606,689</u>	<u>(71)</u>
<u>3,800</u>	<u>3,800</u>	<u>3,475</u>	<u>325</u>
<u>1,618,366</u>	<u>2,237,364</u>	<u>2,127,133</u>	<u>110,231</u>
<u>842,900</u>	<u>832,599</u>	<u>825,186</u>	<u>7,413</u>
<u>5,000</u>	<u>5,000</u>	<u>4,000</u>	<u>1,000</u>
<u>2,466,266</u>	<u>3,074,963</u>	<u>2,956,319</u>	<u>118,644</u>
<u>774,400</u>	<u>764,019</u>	<u>762,916</u>	<u>1,103</u>
<u>126,074</u>	<u>126,074</u>	<u>126,074</u>	<u>-</u>
<u>52,007</u>	<u>52,007</u>	<u>52,007</u>	<u>-</u>
<u>178,081</u>	<u>178,081</u>	<u>178,081</u>	<u>-</u>
<u>42,067</u>	<u>42,067</u>	<u>42,067</u>	<u>-</u>
<u>4,623</u>	<u>4,623</u>	<u>4,623</u>	<u>-</u>
<u>13,144</u>	<u>13,172</u>	<u>13,172</u>	<u>-</u>
<u>59,834</u>	<u>59,862</u>	<u>59,862</u>	<u>-</u>
<u>3,482,381</u>	<u>4,080,725</u>	<u>3,960,653</u>	<u>120,072</u>
<u>106,379</u>	<u>(473,965)</u>	<u>(353,964)</u>	<u>120,001</u>
<u>(106,379)</u>	<u>(106,379)</u>	<u>(106,379)</u>	<u>-</u>
<u>(106,379)</u>	<u>(106,379)</u>	<u>(106,379)</u>	<u>-</u>
<u>-</u>	<u>(580,344)</u>	<u>(460,343)</u>	<u>120,001</u>
<u>-</u>	<u>580,344</u>	<u>983,802</u>	<u>403,458</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 523,459</u>	<u>\$ 523,459</u>

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2017
 (With Comparative Totals for 2016)

	Lighting Districts		Drainage Districts		
	Town Lighting	Town Center Lighting	Dutchess Farms	Frank Farms	Sleight Farms
ASSETS					
Cash and equivalents	\$ 358	\$ 5,962	\$ 72,307	\$ 132,853	\$ 80,965
Accounts receivable	3,471	-	-	-	-
Due from other funds	-	-	-	-	-
Total Assets	<u>\$ 3,829</u>	<u>\$ 5,962</u>	<u>\$ 72,307</u>	<u>\$ 132,853</u>	<u>\$ 80,965</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 1,312	\$ 758	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total Liabilities	<u>1,312</u>	<u>758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)					
Restricted	-	-	-	-	-
Assigned	<u>2,517</u>	<u>5,204</u>	<u>72,307</u>	<u>132,853</u>	<u>80,965</u>
Total Fund Balances	<u>2,517</u>	<u>5,204</u>	<u>72,307</u>	<u>132,853</u>	<u>80,965</u>
Total Liabilities and Fund Balances	<u>\$ 3,829</u>	<u>\$ 5,962</u>	<u>\$ 72,307</u>	<u>\$ 132,853</u>	<u>\$ 80,965</u>

Drainage Districts (Continued)

H & K Page	Laurel Ridge	MGM Properties	Maloney Woods	Lincoln Ridge	Providence Estates
\$ 22,344	\$ 50,967	\$ 43,554	\$ 35,398	\$ 55,025	\$ 7,704
-	-	-	-	-	-
<u>\$ 22,344</u>	<u>\$ 50,967</u>	<u>\$ 43,554</u>	<u>\$ 35,398</u>	<u>\$ 55,025</u>	<u>\$ 7,704</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
22,344	50,967	43,554	35,398	55,025	7,704
<u>22,344</u>	<u>50,967</u>	<u>43,554</u>	<u>35,398</u>	<u>55,025</u>	<u>7,704</u>
<u>\$ 22,344</u>	<u>\$ 50,967</u>	<u>\$ 43,554</u>	<u>\$ 35,398</u>	<u>\$ 55,025</u>	<u>\$ 7,704</u>

(Continued)

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds (Continued)
 December 31, 2017
 (With Comparative Totals for 2016)

	Drainage Districts (Continued)			
	Meadow Ridge	Sunset Ridge Estates	Todd Hill Crossings	SVF Stormwater
ASSETS				
Cash and equivalents	\$ 43,512	\$ 15,157	\$ 21,736	\$ 63,857
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 43,512</u>	<u>\$ 15,157</u>	<u>\$ 21,736</u>	<u>\$ 63,857</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)				
Restricted	-	-	-	-
Assigned	43,512	15,157	21,736	63,857
Total Fund Balances	<u>43,512</u>	<u>15,157</u>	<u>21,736</u>	<u>63,857</u>
Total Liabilities and Fund Balances	<u>\$ 43,512</u>	<u>\$ 15,157</u>	<u>\$ 21,736</u>	<u>\$ 63,857</u>

Drainage Districts (Continued)			Sewer Districts		
Harvest Ridge	Windance Estates	The Reserve	Noxon Knolls	Sleight-Frank Farms	Sunset Ridge
\$ 96,498	\$ 50,711	\$ 31,985	\$ 18,613	\$ 740,386	\$ 20,712
-	-	-	7,048	-	1,019
-	-	-	16	-	-
<u>\$ 96,498</u>	<u>\$ 50,711</u>	<u>\$ 31,985</u>	<u>\$ 25,677</u>	<u>\$ 740,386</u>	<u>\$ 21,731</u>
\$ -	\$ -	\$ -	\$ 3,506	\$ -	\$ 153
-	-	-	-	429,783	-
-	-	-	3,506	429,783	153
-	-	-	372	300,280	-
96,498	50,711	31,985	21,799	10,323	21,578
96,498	50,711	31,985	22,171	310,603	21,578
<u>\$ 96,498</u>	<u>\$ 50,711</u>	<u>\$ 31,985</u>	<u>\$ 25,677</u>	<u>\$ 740,386</u>	<u>\$ 21,731</u>

(Continued)

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds (Continued)
 December 31, 2017
 (With Comparative Totals for 2016)

	Sewer Districts (Continued)		Water Districts	
	Titusville	Town Center	S.W. Ext. #5	Grandview
ASSETS				
Cash and equivalents	\$ 668,997	\$ 8,081	\$ 5,355	\$ 110,236
Accounts receivable	97,923	-	-	5,886
Due from other funds	-	-	-	-
Total Assets	<u>\$ 766,920</u>	<u>\$ 8,081</u>	<u>\$ 5,355</u>	<u>\$ 116,122</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 22,113	\$ -	\$ -	\$ 1,365
Due to other funds	-	-	-	-
Total Liabilities	<u>22,113</u>	<u>-</u>	<u>-</u>	<u>1,365</u>
Fund balances (deficits)				
Restricted	234,027	1,009	9	3,042
Assigned	510,780	7,072	5,346	111,715
Total Fund Balances	<u>744,807</u>	<u>8,081</u>	<u>5,355</u>	<u>114,757</u>
Total Liabilities and Fund Balances	<u>\$ 766,920</u>	<u>\$ 8,081</u>	<u>\$ 5,355</u>	<u>\$ 116,122</u>

See independent auditors' report.

Water Districts (Continued)						Totals	
Harvest Ridge	Town Center	Manchester	Mapleview	Titusville	Town Center #2	2017	2016
\$ 20	\$ 454,993	\$ 855,038	\$ 247,764	\$ 118,040	\$ 22,944	\$ 4,102,072	\$ 1,963,345
-	29,447	111,538	-	-	-	256,332	248,790
-	-	687	-	-	297	1,000	136
<u>\$ 20</u>	<u>\$ 484,440</u>	<u>\$ 967,263</u>	<u>\$ 247,764</u>	<u>\$ 118,040</u>	<u>\$ 23,241</u>	<u>\$ 4,359,404</u>	<u>\$ 2,212,271</u>
\$ -	\$ 11,967	\$ 26,690	\$ -	\$ -	\$ -	\$ 67,864	\$ 18,144
-	-	303,569	245,250	-	-	978,602	2,500
-	11,967	330,259	245,250	-	-	1,046,466	20,644
-	-	231,211	3,107	106,226	23,222	902,505	59,356
20	472,473	405,793	(593)	11,814	19	2,410,433	2,132,271
20	472,473	637,004	2,514	118,040	23,241	3,312,938	2,191,627
<u>\$ 20</u>	<u>\$ 484,440</u>	<u>\$ 967,263</u>	<u>\$ 247,764</u>	<u>\$ 118,040</u>	<u>\$ 23,241</u>	<u>\$ 4,359,404</u>	<u>\$ 2,212,271</u>

Town of LaGrange, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Sub Funds
 Year Ended December 31, 2017
 (With Comparative Totals for 2016)

	Lighting Districts		Drainage Districts		
	Town Lighting	Town Center Lighting	Dutchess Farms	Frank Farms	Sleight Farms
REVENUES					
Real property taxes	\$ 17,300	\$ 10,500	\$ 5,000	\$ 13,175	\$ 10,000
Other tax items	-	14	-	-	-
Departmental income	-	-	-	-	-
Use of money and property	1,450	-	108	196	119
Sale of property and compensation for loss	-	6,474	-	-	-
Miscellaneous	1,604	-	-	-	-
Total Revenues	20,354	16,988	5,108	13,371	10,119
EXPENDITURES					
Current					
Transportation	15,416	18,799	-	-	-
Home and community services	-	-	-	921	51
	15,416	18,799	-	921	51
Debt service					
Principal					
Serial bonds	-	-	-	-	-
Interest					
Serial bonds	-	-	-	-	-
Bond anticipation notes	-	-	-	-	-
Total Interest	-	-	-	-	-
Total Debt Service	-	-	-	-	-
Total Expenditures	15,416	18,799	-	921	51
Excess (Deficiency) of Revenues Over Expenditures	4,938	(1,811)	5,108	12,450	10,068
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	4,938	(1,811)	5,108	12,450	10,068
FUND BALANCES (DEFICITS)					
Beginning of Year	(2,421)	7,015	67,199	120,403	70,897
End of Year	\$ 2,517	\$ 5,204	\$ 72,307	\$ 132,853	\$ 80,965

Drainage Districts (Continued)

H & K Page	Laurel Ridge	MGM Properties	Maloney Woods	Lincoln Ridge	Providence Estates	Meadow Ridge
\$ 2,000	\$ 3,500	\$ 3,000	\$ 3,500	\$ 5,000	\$ -	\$ 3,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
33	75	64	52	81	12	65
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,033	3,575	3,064	3,552	5,081	12	3,065
-	-	-	-	-	-	-
4	10	6	4	21	4	9
4	10	6	4	21	4	9
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
4	10	6	4	21	4	9
2,029	3,565	3,058	3,548	5,060	8	3,056
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,029	3,565	3,058	3,548	5,060	8	3,056
20,315	47,402	40,496	31,850	49,965	7,696	40,456
\$ 22,344	\$ 50,967	\$ 43,554	\$ 35,398	\$ 55,025	\$ 7,704	\$ 43,512

(Continued)

Town of LaGrange, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Sub Funds (Continued)
 Year Ended December 31, 2017
 (With Comparative Totals for 2016)

	Drainage Districts (Continued)			
	Sunset Ridge Estates	Todd Hill Crossings	SVF Stormwater	Harvest Ridge
REVENUES				
Real property taxes	\$ 1,500	\$ 1,500	\$ 6,300	\$ 16,000
Other tax items	-	-	-	-
Departmental income	-	-	-	-
Use of money and property	22	32	94	141
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,522	1,532	6,394	16,141
EXPENDITURES				
Current				
Transportation	-	-	-	-
Home and community services	-	6	10	-
	-	6	10	-
Debt service				
Principal				
Serial bonds	-	-	-	-
Interest				
Serial bonds	-	-	-	-
Bond anticipation notes	-	-	-	-
Total Interest	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	-	6	10	-
Excess (Deficiency) of Revenues Over Expenditures	1,522	1,526	6,384	16,141
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	1,522	1,526	6,384	16,141
FUND BALANCES (DEFICITS)				
Beginning of Year	13,635	20,210	57,473	80,357
End of Year	\$ 15,157	\$ 21,736	\$ 63,857	\$ 96,498

Drainage Districts (Continued)		Sewer Districts				
Windance Estates	The Reserve	Noxon Knolls	Sleight-Frank Farms	Sunset Ridge	Titusville	Town Center
\$ 3,500	\$ 2,500	\$ -	\$ 36,645	\$ -	\$ 241,160	\$ 22,564
-	-	-	-	-	7,728	-
-	-	38,283	-	4,539	376,108	-
75	48	67	3,119	31	1,423	3,743
-	-	2,054	-	-	-	-
-	-	-	-	-	513	-
<u>3,575</u>	<u>2,548</u>	<u>40,404</u>	<u>39,764</u>	<u>4,570</u>	<u>626,932</u>	<u>26,307</u>
-	-	-	-	-	-	-
15	6	46,395	-	3,236	422,281	-
<u>15</u>	<u>6</u>	<u>46,395</u>	<u>-</u>	<u>3,236</u>	<u>422,281</u>	<u>-</u>
-	-	-	-	-	122,400	-
-	-	-	-	-	47,860	-
-	-	-	6,054	-	23,108	4,611
-	-	-	6,054	-	70,968	4,611
-	-	-	6,054	-	193,368	4,611
15	6	46,395	6,054	3,236	615,649	4,611
<u>3,560</u>	<u>2,542</u>	<u>(5,991)</u>	<u>33,710</u>	<u>1,334</u>	<u>11,283</u>	<u>21,696</u>
-	-	-	302,745	-	233,642	-
-	-	-	(28,727)	-	(70,676)	(21,053)
-	-	-	274,018	-	162,966	(21,053)
3,560	2,542	(5,991)	307,728	1,334	174,249	643
<u>47,151</u>	<u>29,443</u>	<u>28,162</u>	<u>2,875</u>	<u>20,244</u>	<u>570,558</u>	<u>7,438</u>
<u>\$ 50,711</u>	<u>\$ 31,985</u>	<u>\$ 22,171</u>	<u>\$ 310,603</u>	<u>\$ 21,578</u>	<u>\$ 744,807</u>	<u>\$ 8,081</u>

(Continued)

Town of LaGrange, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and
 Changes in Fund Balances - Sub Funds (Continued)
 Year Ended December 31, 2017
 (With Comparative Totals for 2016)

	Water Districts			
	S.W. Ext. #5	Grandview	Harvest Ridge	Town Center
REVENUES				
Real property taxes	\$ -	\$ 4,406	\$ 5,922	\$ 78,534
Other tax items	-	-	-	132
Departmental income	-	21,063	-	114,169
Use of money and property	8	1,706	-	749
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	-	20	-	20
Total Revenues	8	27,195	5,922	193,604
EXPENDITURES				
Current				
Transportation	-	-	-	-
Home and community services	-	24,288	-	199,585
	-	24,288	-	199,585
Debt service				
Principal				
Serial bonds	-	-	5,833	77,500
Interest				
Serial bonds	-	-	88	1,163
Bond anticipation notes	-	1,880	-	-
Total Interest	-	1,880	88	1,163
Total Debt Service	-	1,880	5,921	78,663
Total Expenditures	-	26,168	5,921	278,248
Excess (Deficiency) of Revenues Over Expenditures	8	1,027	1	(84,644)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	107,591	-	-
Transfers out	-	(6,525)	-	-
Total Other Financing Sources (Uses)	-	101,066	-	-
Net Change in Fund Balances	8	102,093	1	(84,644)
FUND BALANCES (DEFICITS)				
Beginning of Year	5,347	12,664	19	557,117
End of Year	<u>\$ 5,355</u>	<u>\$ 114,757</u>	<u>\$ 20</u>	<u>\$ 472,473</u>

See independent auditors' report.

Water Districts (Continued)				Totals	
Manchester	Mapleview	Titusville	Town Center #2	2017	2016
\$ 855,203	\$ 29,240	\$ 36,446	\$ -	\$ 1,417,395	\$ 1,447,265
-	-	-	-	7,874	1,124
454,140	-	-	-	1,008,302	1,002,262
2,698	1,521	221	1,588	19,541	5,312
-	-	-	-	8,528	-
4,797	-	-	21,653	28,607	4,273
1,316,838	30,761	36,667	23,241	2,490,247	2,460,236
-	-	-	-	34,215	21,497
407,738	-	-	-	1,104,590	1,106,802
407,738	-	-	-	1,138,805	1,128,299
692,600	-	-	-	898,333	906,667
144,342	-	-	-	193,453	221,439
2,347	1,989	9,909	-	49,898	48,174
146,689	1,989	9,909	-	243,351	269,613
839,289	1,989	9,909	-	1,141,684	1,176,280
1,247,027	1,989	9,909	-	2,280,489	2,304,579
69,811	28,772	26,758	23,241	209,758	155,657
352,014	-	108,056	-	1,104,048	-
(17,914)	(27,250)	(20,350)	-	(192,495)	(190,519)
334,100	(27,250)	87,706	-	911,553	(190,519)
403,911	1,522	114,464	23,241	1,121,311	(34,862)
233,093	992	3,576	-	2,191,627	2,226,489
\$ 637,004	\$ 2,514	\$ 118,040	\$ 23,241	\$ 3,312,938	\$ 2,191,627

Town of LaGrange, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	<u>\$ 130,110</u>	<u>\$ 257,220</u>
FUND BALANCE		
Restricted	<u>\$ 130,110</u>	<u>\$ 257,220</u>

See independent auditors' report.

Town of LaGrange, 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	\$ 280	\$ 435
Miscellaneous	<u>4,000</u>	<u>36,000</u>
Total Revenues	4,280	36,435
EXPENDITURES	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	4,280	36,435
OTHER FINANCING USES		
Transfers out	<u>(131,390)</u>	<u>(71,907)</u>
Net Change in Fund Balance	(127,110)	(35,472)
FUND BALANCE		
Beginning of Year	<u>257,220</u>	<u>292,692</u>
End of Year	<u><u>\$ 130,110</u></u>	<u><u>\$ 257,220</u></u>

See independent auditors' report.

Town of LaGrange, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and equivalents	\$ 3,336,189	\$ 1,690,828
Due from other funds	<u>2,670,332</u>	<u>-</u>
Total Assets	<u>\$ 6,006,521</u>	<u>\$ 1,690,828</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 30,425	\$ 555
Due to other funds	517	154
Bond anticipation notes payable	<u>8,344,243</u>	<u>6,823,647</u>
Total Liabilities	8,375,185	6,824,356
Fund deficit		
Unassigned	<u>(2,368,664)</u>	<u>(5,133,528)</u>
Total Liabilities and Fund Deficit	<u>\$ 6,006,521</u>	<u>\$ 1,690,828</u>

See independent auditors' report.

Town of LaGrange, 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		
Miscellaneous	\$ 362,996	\$ 700
EXPENDITURES		
Capital outlay	<u>2,331,687</u>	<u>395,338</u>
Deficiency of Revenues Over Expenditures	<u>(1,968,691)</u>	<u>(394,638)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	5,461,259	-
Transfers in	456,535	573,978
Transfers out	<u>(1,184,239)</u>	<u>-</u>
Total Other Financing Sources	<u>4,733,555</u>	<u>573,978</u>
Net Change in Fund Balance	2,764,864	179,340
FUND DEFICIT		
Beginning of Year	<u>(5,133,528)</u>	<u>(5,312,868)</u>
End of Year	<u><u>\$ (2,368,664)</u></u>	<u><u>\$ (5,133,528)</u></u>

See independent auditors' report.