

Town of LaGrange, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2013

Town of LaGrange, New York

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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, 2013, 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.

O'CONNOR DAVIES, LLP

555 Hudson Valley Avenue, New Windsor, NY 12553 | Tel: 845.220.2400 | Fax: 845.220.2424 | www.odpkf.com

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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, 2013, and the respective changes in financial position, thereof, 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 Schedule of Funding Progress – Other Post Employment Benefits 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 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 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 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.

O'Connor Davies, LLP

O'Connor Davies, LLP
New Windsor, New York
November 26, 2014

Town of LaGrange, New York

Management's Discussion and Analysis December 31, 2013

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, 2013. 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 2013

- On the government-wide financial statements, the Town had net position (assets exceeding liabilities) of \$16,733,358 at calendar year end 2013. Unrestricted net position, which are available to meet the ongoing obligations of the Town totaled a negative \$487,783. The Town's net position decreased by \$970,131. This is a result of many factors, including the post employment benefit cost expense as actuarially determined in accordance with GASB 45.
- The Town's governmental funds combined ending fund balances (deficits) at December 31, 2013 were \$(1,344,667). The total unassigned fund balances for governmental funds was a deficit of (\$4,853,222) at December 31, 2013.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$1,778,254 or 39% of the total General Fund expenditures and other financing uses. This is a decrease of \$297,050 from fiscal year 2012.
- The Town issued \$2,138,317 in new debt during calendar year ending 2013.
- The Town maintained its Aa2 bond rating during the 2013 fiscal year.

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, 2013 was \$16,733,358. Approximately 20% of the Town's 2013 net position are restricted for various purposes (debt service, highway, 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	
	December 31, 2013
Current Assets	\$ 7,863,127
Capital Assets, Net	31,672,339
Total Assets	39,535,466
Current Liabilities	9,371,989
Long-Term Liabilities	13,430,119
Total Liabilities	22,802,108
Net Position	
Net Investment in Capital Assets	13,839,895
Restricted	3,381,246
Unrestricted	(487,783)
Total Net Position	\$ 16,733,358

Restricted assets, which represent resources that are subject to external constraints on how they may be used, are approximately 20% of the total net position. The unrestricted net position

may be used to meet the Town's ongoing financial obligations. However, this amount is negative at December 31, 2013.

In 2013, The Town's net position, which relate solely to governmental activities, decreased by \$970,131 and are discussed in the next section.

Governmental Activities - account for the decrease in the Town's net position. A summary of the Town's change in net position, at December 31, 2013 is as follows:

**Changes in Net Position
Year Ended December 31,**

	2013
Revenues	
Program Revenues	
Charges for Services	\$ 1,888,875
Operating Grants and Contributions	237,870
Capital Grants and Contributions	266,889
General Revenues	
Real Property Taxes	6,515,967
Other Tax Items	115,746
Non-Property Taxes	970,032
Unrestricted Use of Money and Property	7,385
Sale of Property and Compensation for Loss	20,741
State Aid - unrestricted	408,663
Miscellaneous	15,294
Total Revenues	10,447,462
Program Expenses	
General Government Support	3,181,306
Public Safety	33,557
Health	5,126
Transportation	3,305,020
Economic Opportunity and Development	23,170
Culture and Recreation	1,647,570
Home and Community Services	2,590,287
Interest	631,557
Total Expenses	11,417,593
Decrease in Net Position	(970,131)
Net Position - Beginning of Year, as reported	-
Prior Period Adjustment	17,703,489
Net Position - Beginning of Year, as restated	17,703,489
Net Position - End of Year	\$ 16,733,358

The major revenue categories are: Real Property Taxes 62%, Non-Property Taxes 9%, Charges for Services 18%, State Aid 4%, Operating Grants and Contribution for 2%, and Capital Grants and Contributions 3%. The major expenditure categories are:, Transportation 29%, General Government Support 28%, Culture and Recreation 14%, 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 \$5,286,809 (exclusive of Capital Projects deficit of \$6,631,476) and \$5,389,913 (exclusive of Capital Projects deficit of \$5,293,415 at December 31, 2013 and 2012, respectively. Approximately, \$1,778,254 or about 34% of the 2013 total constitutes unassigned fund balance. The reserved fund balances are not available for new spending, because they have been committed for 2013: non-spendable \$80,779, restricted \$712,483, assigned \$2,715,293.

The General Fund is the Town's primary operating fund. At the end of the calendar year, the unassigned fund balance was \$1,778,254 and the total fund balance was \$1,918,022. 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 39% and the total fund balance represents approximately 42% of General Fund expenditures and other financing uses.

The fund balance in the Town's General Fund decreased by \$186,385 during the current calendar year. The primary reason for the decrease was an increase in expenditures in general government support due to costs of repairs and renovations to our Town Hall not covered by insurance or monies funded through debt issuance.

The fund balance in the Town's Highway Fund decreased by \$17,846 during the current calendar year. The primary reason for the fund balance decrease was an increase in current year expenditures.

General Fund Budgetary Highlights

The difference between the original and final budgets for revenues and other financing sources is \$12,000 with the final amended budget more than the original budget. The increase relates to miscellaneous income of \$12,000.

The difference between the original and final budgets for expenditures and other financing uses is also \$312,000 with the final amended budget more than the original budget. The differences relate to General Government Support (increase \$312,000).

Capital Assets and Debt Administration

Capital Assets – The Town's investment in capital assets for governmental activities at December 31, 2013 was \$31,672,339 net of accumulated depreciation of \$9,766,312. 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, 2013

	2013	2012	Difference
Land	\$ 1,519,066	1,519,066	\$ -
Construction-in-progress	71,178	16,361,361	(16,290,183)
Buildings and Improvements	1,123,296	1,194,822	(71,526)
Machinery and Equipment	1,471,631	1,087,617	384,014
Infrastructure	27,487,168	11,562,866	15,924,302
 Total Capital Assets	 \$ 31,672,339	 \$ 31,725,732	 \$ (53,393)

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

Outstanding Debt - at the end of calendar year 2013, the Town had a total of \$11,134,787 of bonded debt outstanding and \$8,402,106 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 \$139,873,916 and the Town has consumed 6.38% 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 rate increases under 3% in 2013 and 2012.

While revenues were limited by the property tax increase, expenses such as retirement benefits, health insurance premiums and worker's compensation insurance increased significantly. All of these factors were considered by management in preparing the Town's 2014 budget, which contained a very small increase over the 2013 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.

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Town of LaGrange, New York

Statement of Net Position

December 31, 2013

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 7,119,544
Receivables	
Accounts	408,131
State and Federal aid	60,856
Due from other governments	193,817
Prepaid expenses	80,779
Capital assets	
Not being depreciated	1,590,244
Being depreciated, net	30,082,095
Total Assets	<u>39,535,466</u>
LIABILITIES	
Accounts payable	402,761
Accrued liabilities	46,180
Due to other governments	1,742
Due to retirement system	347,204
Retainage payable	7,801
Bond anticipation notes payable	8,402,106
Accrued interest payable	164,195
Non-current liabilities	
Due within one year	1,111,131
Due in more than one year	12,318,988
Total Liabilities	<u>22,802,108</u>
NET POSITION	
Net investment in capital assets	13,839,895
Restricted for	
Debt service	282,526
Special districts	1,952,534
Highway	716,229
Special purpose	429,957
Unrestricted	(487,783)
Total Net Position	<u>\$ 16,733,358</u>

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

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Town of LaGrange, New York

Statement of Activities
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 3,181,306	\$ 31,745	\$ 5,321	\$ -	\$ (3,144,240)
Public safety	33,557	246,819	-	-	213,262
Health	5,126	-	-	-	(5,126)
Transportation	3,305,020	41,896	200,043	-	(3,063,081)
Economic opportunity and development	23,170	-	-	-	(23,170)
Culture and recreation	1,647,570	227,011	32,506	-	(1,388,053)
Home and community services	2,590,287	1,341,404	-	266,889	(981,994)
Interest	631,557	-	-	-	(631,557)
Total Governmental Activities	\$ 11,417,593	\$ 1,888,875	\$ 237,870	\$ 266,889	(9,023,959)
General revenues					
Real property taxes					6,515,967
Other tax items					
Payments in lieu of taxes					60,466
Interest and penalties on real property taxes					55,280
Non-property taxes					
Franchise fees					247,679
Non-property tax distribution from County					722,353
Unrestricted use of money and property					7,385
Sale of property and compensation for loss					20,741
Unrestricted State aid					408,663
Miscellaneous					15,294
Total General Revenues					8,053,828
Change in Net Position					(970,131)
Net Position - Beginning of Year, as previously reported					-
Prior Period Adjustment					17,703,489
Net Position - Beginning of Year, as restated					17,703,489
Net Position - Ending					\$ 16,733,358

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

Town of LaGrange, New York

Balance Sheet
 Governmental Funds
 December 31, 2013

	General	Highway	Special Districts	Special Purpose
ASSETS				
Cash and equivalents	\$ 1,653,766	\$ 1,220,713	\$ 1,896,678	\$ 429,957
Receivables				
Accounts	180,098	2,236	225,797	-
State and Federal aid	60,856	-	-	-
Due from other governments	193,817	-	-	-
Due from other funds	15,505	2,259	1,678	-
	<u>450,276</u>	<u>4,495</u>	<u>227,475</u>	<u>-</u>
Prepaid expenditures	<u>80,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 2,184,821</u>	<u>\$ 1,225,208</u>	<u>\$ 2,124,153</u>	<u>\$ 429,957</u>
LIABILITIES AND FUND BALANCE (DEFICITS)				
Liabilities				
Accounts payable	\$ 55,784	\$ 179,939	\$ 44,953	\$ -
Accrued liabilities	23,840	22,340	-	-
Due to other governments	1,742	-	-	-
Due to retirement system	184,018	163,186	-	-
Due to other funds	1,415	-	113	-
Retainage payable	-	-	-	-
Bond anticipation notes payable	-	-	-	-
Total Liabilities	<u>266,799</u>	<u>365,465</u>	<u>45,066</u>	<u>-</u>
Fund balances (deficits)				
Nonspendable	80,779	-	-	-
Restricted	33,989	-	248,537	429,957
Assigned	25,000	859,743	1,830,550	-
Unassigned	1,778,254	-	-	-
Total Fund Balances (Deficits)	<u>1,918,022</u>	<u>859,743</u>	<u>2,079,087</u>	<u>429,957</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 2,184,821</u>	<u>\$ 1,225,208</u>	<u>\$ 2,124,153</u>	<u>\$ 429,957</u>

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

<u>Capital Projects</u>	<u>Total Governmental Funds</u>
\$ 1,918,430	\$ 7,119,544
-	408,131
-	60,856
-	193,817
-	19,442
-	<u>682,246</u>
-	<u>80,779</u>
<u>\$ 1,918,430</u>	<u>\$ 7,882,569</u>
\$ 122,085	\$ 402,761
-	46,180
-	1,742
17,914	347,204
7,801	19,442
8,402,106	7,801
<u>8,402,106</u>	<u>8,402,106</u>
<u>8,549,906</u>	<u>9,227,236</u>
-	80,779
-	712,483
-	2,715,293
<u>(6,631,476)</u>	<u>(4,853,222)</u>
<u>(6,631,476)</u>	<u>(1,344,667)</u>
<u>\$ 1,918,430</u>	<u>\$ 7,882,569</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, 2013

Fund Balances - Total Governmental Funds \$ (1,344,667)

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. 31,672,339

Long-term liabilities that are not due and payable in the current
period are not reported in the funds.

Accrued interest payable	(164,195)
Bonds payable	(11,134,787)
Capital lease payable	(210,181)
Landfill closure costs	(110,485)
Compensated absences	(168,572)
Other post employment benefit obligations payable	<u>(1,806,094)</u>

Net Position of Governmental Activities \$ 16,733,358

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, 2013

	General	Highway	Special Districts	Special Purpose
REVENUES				
Real property taxes	\$ 1,948,188	\$ 3,092,931	\$ 1,474,848	\$ -
Other tax items	73,280	-	42,466	-
Non-property taxes	970,032	-	-	-
Departmental income	418,284	-	1,017,826	-
Use of money and property	7,385	4,672	31,140	859
Licenses and permits	132,024	7,200	-	-
Fines and forfeitures	245,687	-	-	-
Sale of property and compensation for loss	20,741	24,753	-	-
Interfund revenues	72,445	23,208	-	-
State aid	413,984	200,043	-	-
Miscellaneous	31,800	5,271	1,159	16,000
Total Revenues	4,333,850	3,358,078	2,567,439	16,859
EXPENDITURES				
Current				
General government support	1,866,578	3,475	-	-
Public safety	24,421	-	-	-
Health	3,000	-	-	-
Transportation	194,457	2,399,468	-	-
Economic opportunity and development	23,170	-	-	-
Culture and recreation	1,165,487	-	-	52,440
Home and community services	257,012	-	920,224	-
Employee benefits	722,450	679,222	-	-
Debt service				
Principal	100,309	140,770	850,000	-
Interest	48,956	27,649	390,757	-
Capital outlay	-	-	-	-
Total Expenditures	4,405,840	3,250,584	2,160,981	52,440
Excess (Deficiency) of Revenues Over Expenditures	(71,990)	107,494	406,458	(35,581)
OTHER FINANCING SOURCES (USES)				
Transfers in	91,095	-	-	-
Transfers out	(205,490)	(125,340)	(249,750)	(20,000)
Total Other Financing Sources (Uses)	(114,395)	(125,340)	(249,750)	(20,000)
Net Change in Fund Balances	(186,385)	(17,846)	156,708	(55,581)
FUND BALANCES (DEFICITS)				
Beginning of Year, as reported	2,104,407	877,589	1,922,379	-
Prior Period Adjustment	-	-	-	485,538
Beginning of Year, as restated	2,104,407	877,589	1,922,379	485,538
End of Year	<u>\$ 1,918,022</u>	<u>\$ 859,743</u>	<u>\$ 2,079,087</u>	<u>\$ 429,957</u>

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

Capital Projects	Total Governmental Funds
\$ -	\$ 6,515,967
-	115,746
-	970,032
-	1,436,110
-	44,056
-	139,224
-	245,687
-	45,494
-	95,653
-	614,027
266,889	321,119
<u>266,889</u>	<u>10,543,115</u>
-	1,870,053
-	24,421
-	3,000
-	2,593,925
-	23,170
-	1,217,927
-	1,177,236
-	1,401,672
-	1,091,079
-	467,362
2,114,435	2,114,435
<u>2,114,435</u>	<u>11,984,280</u>
<u>(1,847,546)</u>	<u>(1,441,165)</u>
600,580	691,675
(91,095)	(691,675)
<u>509,485</u>	<u>-</u>
<u>(1,338,061)</u>	<u>(1,441,165)</u>
(5,293,415)	(389,040)
-	485,538
<u>(5,293,415)</u>	<u>96,498</u>
<u>\$ (6,631,476)</u>	<u>\$ (1,344,667)</u>

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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, 2013

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

Net Change in Fund Balances - Total Governmental Funds \$ (1,441,165)

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. This is the amount by which depreciation expense exceeded capital outlay in the current period. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold.

Capital outlay expenditures	1,096,990
Depreciation expense	<u>(1,150,383)</u>
	<u>(53,393)</u>

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but 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.

Principal paid on bonds	1,043,893
Principal paid on capital lease	<u>47,186</u>
	<u>1,091,079</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	(164,196)
Compensated absences	(12,455)
Landfill closure cost	37,639
Other post employment benefit obligations	<u>(427,640)</u>
	<u>(566,652)</u>

Change in Net Position of Governmental Activities \$ (970,131)

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, 2013

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,948,186	\$ 1,948,186	\$ 1,948,188	\$ 2
Other tax items	54,000	54,000	73,280	19,280
Non-property taxes	930,000	930,000	970,032	40,032
Departmental income	314,650	314,650	418,284	103,634
Use of money and property	5,000	5,000	7,385	2,385
Licenses and permits	120,900	120,900	132,024	11,124
Fines and forfeitures	220,440	220,440	245,687	25,247
Sale of property and compensation for loss	-	-	20,741	20,741
Interfund revenues	72,445	72,445	72,445	-
State aid	428,000	428,000	413,984	(14,016)
Miscellaneous	-	12,000	31,800	19,800
Total Revenues	4,093,621	4,105,621	4,333,850	228,229
EXPENDITURES				
Current				
General government support	1,245,787	1,557,787	1,866,578	(308,791)
Public safety	25,863	25,863	24,421	1,442
Health	3,000	3,000	3,000	-
Transportation	198,048	198,048	194,457	3,591
Economic opportunity and development	25,400	25,400	23,170	2,230
Culture and recreation	1,217,708	1,217,708	1,165,487	52,221
Home and community services	288,456	288,456	257,012	31,444
Employee benefits	738,478	738,478	722,450	16,028
Debt service				
Principal	100,309	100,309	100,309	-
Interest	57,383	57,383	48,956	8,427
Total Expenditures	3,900,432	4,212,432	4,405,840	(193,408)
Excess (Deficiency) of Revenues Over Expenditures	193,189	(106,811)	(71,990)	34,821
OTHER FINANCING SOURCES (USES)				
Transfers in	47,509	47,509	91,095	43,586
Transfers out	(250,698)	(250,698)	(205,490)	45,208
Total Other Financing Uses	(203,189)	(203,189)	(114,395)	88,794
Net Change in Fund Balances	(10,000)	(310,000)	(186,385)	123,615
FUND BALANCES				
Beginning of Year	10,000	310,000	2,104,407	1,794,407
End of Year	\$ -	\$ -	\$ 1,918,022	\$ 1,918,022

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)
\$ 3,092,931	\$ 3,092,931	\$ 3,092,931	\$ -	\$ 1,578,362	\$ 1,557,323	\$ 1,474,848	\$ (82,475)
-	-	-	-	14,966	36,005	42,466	6,461
-	-	-	-	-	-	-	-
-	-	-	-	950,209	950,209	1,017,826	67,617
5,000	5,000	4,672	(328)	-	-	31,140	31,140
4,000	4,000	7,200	3,200	-	-	-	-
-	-	-	-	-	-	-	-
-	3,000	24,753	21,753	-	-	-	-
-	20,000	23,208	3,208	-	-	-	-
20,000	20,000	200,043	18,368	-	-	-	-
181,675	181,675	200,043	18,368	-	-	-	-
-	-	5,271	5,271	-	-	1,159	1,159
<u>3,303,606</u>	<u>3,306,606</u>	<u>3,358,078</u>	<u>51,472</u>	<u>2,543,537</u>	<u>2,543,537</u>	<u>2,567,439</u>	<u>23,902</u>
3,702	3,702	3,475	227	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,298,388	2,301,388	2,399,468	(98,080)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,048,784	1,048,784	920,224	128,560
707,648	707,648	679,222	28,426	-	-	-	-
140,770	140,770	140,770	-	1,099,752	1,099,752	850,000	249,752
27,758	27,758	27,649	109	395,001	395,001	390,757	4,244
<u>3,178,266</u>	<u>3,181,266</u>	<u>3,250,584</u>	<u>(69,318)</u>	<u>2,543,537</u>	<u>2,543,537</u>	<u>2,160,981</u>	<u>382,556</u>
125,340	125,340	107,494	(17,846)	-	-	406,458	406,458
-	-	-	-	-	-	-	-
(125,340)	(125,340)	(125,340)	-	-	-	(249,750)	(249,750)
(125,340)	(125,340)	(125,340)	-	-	-	(249,750)	(249,750)
-	-	(17,846)	(17,846)	-	-	156,708	156,708
-	-	877,589	877,589	-	-	1,922,379	1,922,379
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 859,743</u>	<u>\$ 859,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,079,087</u>	<u>\$ 2,079,087</u>

Town of LaGrange, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2013

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 1,877,145</u>
LIABILITIES	
Deposits payable	<u>\$ 1,877,145</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 used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than 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 provided to account for the operation and maintenance of the Town's lighting, drainage, sewer and water districts. The major revenues of this fund is 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. A ninety day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. 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, 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Deposits and Risk Disclosure

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

The Town's deposit and 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. 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.

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.

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, 2013.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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, 2013, 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 the 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 two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 funds balance sheet.

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.

As of December 31, 2013, no amounts were required to be reported as deferred outflows/inflows of resources.

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

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, highway, 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Water and Sewer funds. Encumbrances outstanding at year-end are 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 November 26, 2014.

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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- 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.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

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 20 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 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

Note 2 - Stewardship, Compliance and Accountability (Continued)

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. Application of Accounting Standards

For the year ended December 31, 2013, the Town implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows/inflows of resources, certain items that were previously reported as assets and liabilities. This statement also recognizes as outflows of resources (expenses or expenditures) or inflows of resources (revenues), certain items that were previously reported as assets and liabilities.

D. Fund Deficits

The following sub funds in the Special Districts Fund had assigned fund deficits at December 31, 2013:

	<u>Amount</u>
Town of LaGrange Lighting District	\$ 227
Sleight Frank Farms Sewer District	1,696
Mapleview Water District	6,121

The Town will address these deficits in the ensuing year.

E. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects fund of \$6,631,476 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

F. Excess of Actual Expenditures Over Budget

General Fund		
General Government Support		
Town justice	\$	2,917
Fiscal agent fees		1,259
Engineering		381
Buildings		280,712
Judgments and claims		102,132
Taxes and assessments on property		2,991
Transportation		
Street lighting		508
Employee benefits		
State retirement		1,305
Unemployment benefits		2,922
Debt Service		
Serial bonds - Interest		46
Highway Fund		
Transportation		
Repairs and maintenance		213,027
Special Districts Fund		
Transfers out		249,750

G. Prior Period Adjustments

In prior years, the Town was not in compliance with the reporting requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34. The requirement of this statement was effective for the period beginning January 1, 2004 and requires the reporting of a statement of net position and a statement of activities. As a result, a net adjustment to increase the net position of the government-wide financial statements as of January 1, 2013 was required in the amount of \$17,703,489.

Total prior period adjustments are summarized as follows:

Bonds payable	\$	(12,178,680)
Capital lease payable		(257,367)
Compensated absences		(156,117)
Capital assets, net		31,725,733
Other post employment benefits		(1,378,454)
Landfill closure costs		(148,124)
Prior year governmental fund balance		96,498
		<u>17,703,489</u>
	\$	<u>17,703,489</u>

The balance in the Special Purpose Fund as of January 1, 2013 of \$485,538 was omitted from the fund level and government-wide financial statements. Accordingly, both the government-wide and fund financial statements have been adjusted to reflect the inclusion of this amount.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2013

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, 2013 were as follows:

Fund	Due From	Due To
General Fund	\$ 15,505	\$ 1,415
Highway Fund	2,259	-
Special Districts Fund	1,678	113
Capital Projects Fund	-	17,914
	\$ 19,442	\$ 19,442

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, 2013	Additions	Deletions	Balance December 31, 2013
Capital Assets, not being depreciated				
Land	\$ 1,519,066	\$ -	\$ -	\$ 1,519,066
Construction-in-progress	16,361,361	71,178	16,361,361	71,178
Total Capital Assets, not being depreciated	\$ 17,880,427	\$ 71,178	\$ 16,361,361	\$ 1,590,244
Capital Assets, being depreciated				
Buildings and improvements	\$ 2,833,626	\$ -	\$ -	\$ 2,833,626
Machinery and equipment	4,820,484	725,812	435,883	5,110,413
Infrastructure	15,243,007	16,661,361	-	31,904,368
Total Capital Assets, being depreciated	22,897,117	17,387,173	435,883	39,848,407
Less Accumulated Depreciation for				
Building and improvements	1,638,804	71,526	-	1,710,330
Machinery and equipment	3,732,867	341,798	435,883	3,638,782
Infrastructure	3,680,141	737,059	-	4,417,200
Total Accumulated Depreciation	9,051,812	1,150,383	435,883	9,766,312
Total Capital Assets, being depreciated, net	\$ 13,845,305	\$ 16,236,790	\$ -	\$ 30,082,095
Capital Assets, net	\$ 31,725,732	\$ 16,307,968	\$ 16,361,361	\$ 31,672,339

Note 3 - Detailed Notes on All Funds (Continued)

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

General Government Support	\$ 33,296
Transportation	78,072
Culture and Recreation	129,072
Home and Community Services	<u>909,943</u>
Total Depreciation Expense	<u>\$ 1,150,383</u>

C. Accrued Liabilities

Accrued liabilities at December 31, 2013 were as follows:

	<u>Fund</u>		
	<u>General</u>	<u>Highway</u>	<u>Total</u>
Payroll and Employee Benefits	<u>\$ 23,840</u>	<u>\$ 22,340</u>	<u>\$ 46,180</u>

D. Pension Plans

The Town participates in the New York State and Local Employees' Retirement System ("ERS"). This System is a cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The System is non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and a regular pension contribution. Contribution rates for the plans' year's ended March 31, 2014 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	21.0%
	4 A15	21.0
	5 A15	16.9
	6 A15	11.4

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Contributions made to the System for the current and two preceding years were as follows:

2013	\$	442,043
2012		363,105
2011		268,368

The ERS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution for the Town was charged to various functional categories within the funds identified below.

<u>Fund</u>	<u>Amount</u>
General	\$ 234,283
Highway	207,760
	<u>\$ 442,043</u>

E. Short-Term Capital Borrowings

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

<u>Purpose</u>	<u>Year of Original Issue</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Balance January 1, 2013</u>	<u>Issued</u>	<u>Redemptions</u>	<u>Balance December 31, 2013</u>
Installation of a Sewer line	2013	3/28/2014	1.65 %	\$ -	\$ 79,301	\$ -	\$ 79,301
Various improvements	2013	1/03/2014	1.50	2,052,956	-	88,030	1,964,926
Various improvements	2013	3/28/2014	1.00	4,759,620	2,059,016	460,757	6,357,879
Various improvements	2012	-	-	235,000	-	235,000	-
				<u>\$ 7,047,576</u>	<u>\$ 2,138,317</u>	<u>\$ 783,787</u>	<u>\$ 8,402,106</u>

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

Interest expenditures were recorded in the fund financial statements in the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 31,662
Special Districts	68,134
Highway	3,691
	<u>\$ 103,487</u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Interest expense of \$181,484 was recorded in the government-wide financial statements for governmental activities.

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2013:

	Balance January 1, 2013	Prior Period Adjustment	Balance January 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2013	Due Within One Year
Bonds Payable	\$ -	\$ 12,178,680	\$ 12,178,680	\$ -	\$ 1,043,893	\$ 11,134,787	\$ 1,033,893
Other Non-Current Liabilities							
Compensated Absences	-	156,117	156,117	28,455	16,000	168,572	17,000
Landfill Closure Costs	-	148,124	148,124	-	37,639	110,485	11,000
Capital Lease Payable	-	257,367	257,367	-	47,186	210,181	49,238
Other Post Employment Benefit Obligations Payable	-	1,378,454	1,378,454	519,143	91,503	1,806,094	-
	<u>\$ -</u>	<u>\$ 14,118,742</u>	<u>\$ 14,118,742</u>	<u>\$ 547,598</u>	<u>\$ 1,236,221</u>	<u>\$ 13,430,119</u>	<u>\$ 1,111,131</u>

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

Bonds Payable

Bonds payable at December 31, 2013 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2013
Recreation Land Purchase	2010	\$ 268,400	January 2015	4.75 %	\$ 35,787
Landfill Closure	2007	360,000	November, 2017	5.09	144,000
Highway - Road Reconstruction 2004	2004	150,000	May, 2014	4.66	15,000
Highway - Road Reconstruction 2005	2005	150,000	September, 2015	4.45	30,000
Highway - Road Reconstruction 2006	2006	300,000	October, 2016	4.06	90,000
Highway - Road Reconstruction 2007	2007	200,000	October, 2017	4.50	80,000
Refunding Serial Bond	2012	7,305,000	April, 2025	2.00 - 3.00	6,840,000
Public Improvements	2006	5,176,500	March, 2026	3.75 - 4.00	3,900,000
					<u>\$ 11,134,787</u>

Interest expenditures of \$352,679 were recorded in the fund financial statements in the following funds.

Fund	Amount
General	\$ 16,958
Special Districts	322,623
Highway	<u>13,098</u>
	<u>\$ 352,679</u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Interest expense of \$438,877 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 \$11,196 and was recorded in the fund financial statements in the General Fund for \$336 and the Highway Fund for \$10,860 and the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2013, including interest payments of \$1,950,253 are as follows:

Year Ending December 31,	Bonds		Capital Lease		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 1,033,893	\$ 316,778	\$ 49,238	\$ 9,143	\$ 1,083,131	\$ 325,921
2015	1,033,894	285,324	51,380	7,001	1,085,274	292,325
2016	1,031,000	250,118	53,615	4,766	1,084,615	254,884
2017	1,001,000	215,905	55,948	2,434	1,056,948	218,339
2018	830,000	187,316	-	-	830,000	187,316
2019-2023	4,155,000	607,228	-	-	4,155,000	607,228
2024-2026	2,050,000	87,584	-	-	2,050,000	87,584
	<u>\$ 11,134,787</u>	<u>\$ 1,950,253</u>	<u>\$ 210,181</u>	<u>\$ 23,344</u>	<u>\$ 11,344,968</u>	<u>\$ 1,973,597</u>

The above general obligations 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.

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 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 share being \$110,485 at December 31, 2013.

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 accounted for 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.

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
2014	5.50 %	5.50 %	3.00 %	3.00 %
2015	5.30	5.30	3.00	3.00
2016	5.20	5.20	3.00	3.00
2017	5.20	5.20	3.00	3.00
2018	5.20	5.20	3.00	3.00
2019	5.20	5.20	3.00	3.00
2020 +	4.70	4.70	3.00	3.00

The amortization basis is the level dollar of payroll method with an open amortization approach with 25 years remaining in the amortization period. The actuarial assumptions included a 3% 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, 2013 was as follows:

Active Employees	44
Retired Employees and Dependents	<u>15</u>
Total	<u><u>59</u></u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2013

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2013	\$ 5,381,758
Assets at Market Value	-
	<u>5,381,758</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 5,381,758</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 2,512,212</u>
UAAL as a Percentage of Covered Payroll	<u>214.22%</u>
Annual Required Contribution	\$ 531,049
Interest on Net OPEB Obligation	41,354
Adjustment to Annual Required Contribution	<u>(53,260)</u>
Annual OPEB Cost	519,143
Contributions Made	<u>(91,503)</u>
Increase in Net OPEB Obligation	427,640
Net OPEB Obligation - Beginning of Year	<u>1,378,454</u>
Net OPEB Obligation - End of Year	<u>\$ 1,806,094</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 preceding year is as follows:

Fiscal Year Ended 31-Dec-13	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 519,143	17.63 %	\$ 1,806,094
2012	512,451	15.92	1,378,454
2011	506,021	13.54	947,588

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:

Note 3 - Detailed Notes on All Funds (Continued)

Transfer Out	Transfer In		Total
	General Fund	Capital Projects Fund	
General Fund	\$ -	\$ 205,490	\$ 205,490
Capital Projects Fund	91,095	-	91,095
Highway Fund	-	125,340	125,340
Special Districts Fund	-	249,750	249,750
Special Purpose Fund	-	20,000	20,000
	<u>\$ 91,095</u>	<u>\$ 600,580</u>	<u>\$ 691,675</u>

Transfers are used to move 1) move funds from the fund with collection authorization to the funds where additional amounts are needed and 2) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures.

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 Highway - the component of net position that that has been established to be used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

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, 2013

Note 3 - Detailed Notes on All Funds (Continued)

H. Fund Balances

	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total
Nonspendable						
Prepaid expenditures	\$ 80,779	\$ -	\$ -	\$ -	\$ -	\$ 80,779
Restricted						
Special purpose	-	-	-	429,957	-	429,957
Debt service	33,989	-	248,537	-	-	282,526
Total Restricted	33,989	-	248,537	429,957	-	712,483
Assigned						
Subsequent year's expenditures	25,000	15,000	-	-	-	40,000
Major Funds	-	844,743	1,830,550	-	-	2,675,293
Total Assigned	25,000	859,743	1,830,550	-	-	2,715,293
Unassigned	1,778,254	-	-	-	(6,631,476)	(4,853,222)
Total Fund Balances	<u>\$ 1,918,022</u>	<u>\$ 859,743</u>	<u>\$ 2,079,087</u>	<u>\$ 429,957</u>	<u>\$ (6,631,476)</u>	<u>\$ (1,344,667)</u>

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.

Subsequent years' expenditures represent that at December 31, 2013, 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.

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 2013. 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, 2013

Note 5 - Subsequent Events

The Town, in March 2014, issued bond anticipation notes in the amount of \$6,048,691. The notes are due on March 27, 2015, with interest at 1.00%. The proceeds were used to renew bond anticipation notes outstanding as of December 31, 2013 in the amount of \$6,357,879.

The Town, in May 2014, issued bond anticipation notes in the amount of \$430,000. The notes are due on March 27, 2015, with interest at 1.70%.

The Town, in August 2014, issued bond anticipation notes in the amount of \$638,691. The notes are due on March 27, 2015, with interest at 1.85%.

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, 2013	\$ -	\$ 5,381,758	\$ 5,381,758	- %	\$ 2,512,212	214.22 %
January 1, 2012	-	5,381,758	5,381,758	-	2,447,696	219.87
January 1, 2011	-	5,381,758	5,381,758	-	2,528,893	212.81

Town of LaGrange, New York

General Fund
Balance Sheet
December 31, 2013

ASSETS

Cash and equivalents	\$ 1,653,766
Receivables	
Accounts	180,098
State and Federal aid	60,856
Due from other governments	193,817
Due from other funds	15,505
	<u>450,276</u>
Prepaid expenditures	<u>80,779</u>
Total Assets	<u>\$ 2,184,821</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 55,784
Accrued liabilities	23,840
Due to other governments	1,742
Due to retirement system	184,018
Due to other funds	1,415
Total Liabilities	<u>266,799</u>
Fund balance	
Nonspendable	80,779
Restricted	33,989
Assigned	25,000
Unassigned	1,778,254
Total Fund Balance	<u>1,918,022</u>
Total Liabilities and Fund Balance	<u>\$ 2,184,821</u>

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Town of LaGrange, New York

General Fund
 Comparative Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 1,948,186	\$ 1,948,186	\$ 1,948,188	\$ 2
Other tax items	54,000	54,000	73,280	19,280
Non-property taxes	930,000	930,000	970,032	40,032
Departmental income	314,650	314,650	418,284	103,634
Use of money and property	5,000	5,000	7,385	2,385
Licenses and permits	120,900	120,900	132,024	11,124
Fines and forfeitures	220,440	220,440	245,687	25,247
Sale of property and compensation for loss	-	-	20,741	20,741
Interfund revenues	72,445	72,445	72,445	-
State aid	428,000	428,000	413,984	(14,016)
Miscellaneous	-	12,000	31,800	19,800
Total Revenues	4,093,621	4,105,621	4,333,850	228,229
EXPENDITURES				
Current				
General government support	1,245,787	1,557,787	1,866,578	(308,791)
Public safety	25,863	25,863	24,421	1,442
Health	3,000	3,000	3,000	-
Transportation	198,048	198,048	194,457	3,591
Economic opportunity and development	25,400	25,400	23,170	2,230
Culture and recreation	1,217,708	1,217,708	1,165,487	52,221
Home and community services	288,456	288,456	257,012	31,444
Employee benefits	738,478	738,478	722,450	16,028
Debt service				
Principal	100,309	100,309	100,309	-
Interest	57,383	57,383	48,956	8,427
Total Expenditures	3,900,432	4,212,432	4,405,840	(193,408)
Excess (Deficiency) of Revenues Over Expenditures	193,189	(106,811)	(71,990)	34,821
OTHER FINANCING SOURCES (USES)				
Transfers in	47,509	47,509	91,095	43,586
Transfers out	(250,698)	(250,698)	(205,490)	45,208
Total Other Financing Uses	(203,189)	(203,189)	(114,395)	88,794
Net Change in Fund Balance	(10,000)	(310,000)	(186,385)	123,615
FUND BALANCE				
Beginning of Year	10,000	310,000	2,104,407	1,794,407
End of Year	\$ -	\$ -	\$ 1,918,022	\$ 1,918,022

Town of LaGrange, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REAL PROPERTY TAXES	\$ 1,948,186	\$ 1,948,186	\$ 1,948,188	\$ 2
OTHER TAX ITEMS				
Payments in lieu of taxes	-	-	18,000	18,000
Interest and penalties on real property taxes	54,000	54,000	55,280	1,280
	54,000	54,000	73,280	19,280
NON-PROPERTY TAXES				
Franchise fees	230,000	230,000	247,679	17,679
Non-property tax distribution from County	700,000	700,000	722,353	22,353
	930,000	930,000	970,032	40,032
DEPARTMENTAL INCOME				
Tax collector fees	750	750	1,021	271
Town Clerk and other fees	5,500	5,500	4,756	(744)
Police and dog pound fees	-	-	457	457
Safety inspection fees	2,100	2,100	675	(1,425)
Culture and recreation fees	222,050	222,050	224,993	2,943
Planning board and other fees	63,000	63,000	139,487	76,487
Other service fees	21,250	21,250	46,895	25,645
	314,650	314,650	418,284	103,634
USE OF MONEY AND PROPERTY				
Earnings on investments	5,000	5,000	7,385	2,385

LICENSES AND PERMITS

Dog and other licenses	12,000	12,000	10,179	(1,821)
Permits	108,900	108,900	121,845	12,945

	<u>120,900</u>	<u>120,900</u>	<u>132,024</u>	<u>11,124</u>
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FINES AND FORFEITURES

Fines and forfeited bail	220,440	220,440	245,687	25,247
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	<u>220,440</u>	<u>220,440</u>	<u>245,687</u>	<u>25,247</u>
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	-	-	200	200
Insurance recoveries	-	-	19,382	19,382
Sale of scrap	-	-	1,159	1,159

	<u>-</u>	<u>-</u>	<u>20,741</u>	<u>20,741</u>
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INTERFUND REVENUES

	<u>72,445</u>	<u>72,445</u>	<u>72,445</u>	<u>-</u>
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STATE AID

Per capita	53,000	53,000	56,439	3,439
Mortgage tax	375,000	375,000	352,224	(22,776)
Other	-	-	5,321	5,321

	<u>428,000</u>	<u>428,000</u>	<u>413,984</u>	<u>(14,016)</u>
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MISCELLANEOUS

Gifts and donations	-	-	16,506	16,506
Miscellaneous	-	12,000	15,294	3,294

	<u>-</u>	<u>12,000</u>	<u>31,800</u>	<u>19,800</u>
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TOTAL REVENUES

	<u>4,093,621</u>	<u>4,105,621</u>	<u>4,333,850</u>	<u>228,229</u>
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OTHER FINANCING SOURCES

Transfers in				
Capital Projects Fund	47,509	47,509	91,095	43,586

	<u>47,509</u>	<u>47,509</u>	<u>91,095</u>	<u>43,586</u>
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	<u>\$ 4,141,130</u>	<u>\$ 4,153,130</u>	<u>\$ 4,424,945</u>	<u>\$ 271,815</u>
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Town of LaGrange, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
GENERAL GOVERNMENT SUPPORT				
Town Board	\$ 32,200	\$ 32,200	\$ 30,511	\$ 1,689
Town Justice	157,956	157,956	160,873	(2,917)
Supervisor	123,433	123,433	118,769	4,664
Finance	139,018	139,018	131,246	7,772
Audit	15,000	15,000	10,900	4,100
Tax collection	52,026	52,026	51,663	363
Assessor	132,514	132,514	125,128	7,386
Fiscal agent fees	7,000	19,000	20,259	(1,259)
Town Clerk	101,592	101,592	98,045	3,547
Town Attorney	86,000	86,000	51,935	34,065
Personnel	7,500	7,500	5,273	2,227
General Public works	85,679	85,679	85,576	103
Engineering	1,250	1,250	1,631	(381)
Records management	754	754	254	500
Buildings	90,000	390,000	670,712	(280,712)
Central printing and mailing	25,000	25,000	13,251	11,749
Central data processing	12,000	12,000	11,762	238
Unallocated insurance	135,000	135,000	132,335	2,665
Municipal association dues	1,500	1,500	1,500	-
Judgments and claims	30,000	30,000	132,132	(102,132)
Taxes and assessments on property	4,800	4,800	7,791	(2,991)
Metropolitan commuter transportation mobility tax	5,565	5,565	5,032	533
	<u>1,245,787</u>	<u>1,557,787</u>	<u>1,866,578</u>	<u>(308,791)</u>

PUBLIC SAFETY

Traffic control	8,500	8,500	8,157	343
Animal control	16,863	16,863	16,115	748
Other	500	500	149	351

	<u>25,863</u>	<u>25,863</u>	<u>24,421</u>	<u>1,442</u>
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HEALTH

Registrar of Vital Statistics	3,000	3,000	3,000	-
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	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
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TRANSPORTATION

Highway Administration	114,098	114,098	114,009	89
Garage	69,950	69,950	65,940	4,010
Street lighting	14,000	14,000	14,508	(508)

	<u>198,048</u>	<u>198,048</u>	<u>194,457</u>	<u>3,591</u>
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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	25,400	25,400	23,170	2,230
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	<u>25,400</u>	<u>25,400</u>	<u>23,170</u>	<u>2,230</u>
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CULTURE AND RECREATION

Parks	315,467	315,467	300,219	15,248
Recreation administration	308,781	308,781	272,613	36,168
Library	586,240	586,240	586,240	-
Historian	2,220	2,220	2,220	-
Celebrations	3,000	3,000	3,000	-
Band concerts	2,000	2,000	1,195	805

	<u>1,217,708</u>	<u>1,217,708</u>	<u>1,165,487</u>	<u>52,221</u>
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HOME AND COMMUNITY SERVICES

Zoning and appeals	221,762	221,762	193,732	28,030
Planning Board	60,294	60,294	59,530	764
Environmental control	1,400	1,400	1,025	375
Drainage	5,000	5,000	2,725	2,275

	<u>288,456</u>	<u>288,456</u>	<u>257,012</u>	<u>31,444</u>
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(Continued)

Town of LaGrange, New York

General Fund

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

Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
EMPLOYEE BENEFITS - UNDISTRIBUTED				
State retirement	\$ 232,978	\$ 232,978	\$ 234,283	\$ (1,305)
Social security	122,000	122,000	113,212	8,788
Workers' compensation benefits	34,500	34,500	31,518	2,982
Unemployment benefits	3,000	3,000	5,922	(2,922)
Disability	1,500	1,500	1,271	229
Health insurance	341,000	341,000	333,041	7,959
Other	3,500	3,500	3,203	297
	<u>738,478</u>	<u>738,478</u>	<u>722,450</u>	<u>16,028</u>
DEBT SERVICE				
Principal				
Serial bonds	98,893	98,893	98,893	-
Capital lease	1,416	1,416	1,416	-
	<u>100,309</u>	<u>100,309</u>	<u>100,309</u>	<u>-</u>
Interest				
Serial bonds	16,912	16,912	16,958	(46)
Bond anticipation notes	40,135	40,135	31,662	8,473
Capital lease	336	336	336	-
	<u>57,383</u>	<u>57,383</u>	<u>48,956</u>	<u>8,427</u>
	<u>157,692</u>	<u>157,692</u>	<u>149,265</u>	<u>8,427</u>
TOTAL EXPENDITURES	3,900,432	4,212,432	4,405,840	(193,408)
OTHER FINANCING USES				
Transfers out				
Capital Projects Fund	250,698	250,698	205,490	45,208
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,151,130</u>	<u>\$ 4,463,130</u>	<u>\$ 4,611,330</u>	<u>\$ (148,200)</u>

Town of LaGrange, New York

Highway Fund
Balance Sheet
December 31, 2013

ASSETS

Cash and equivalents	\$ 1,220,713
Receivables	
Accounts	2,236
Due from other funds	<u>2,259</u>
	<u>4,495</u>
Total Assets	<u><u>\$ 1,225,208</u></u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 179,939
Accrued liabilities	22,340
Due to retirement system	<u>163,186</u>
Total Liabilities	365,465
Fund balance	
Assigned	<u>859,743</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,225,208</u></u>

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Town of LaGrange, New York

Highway Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance - Budget and Actual
 Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 3,092,931	\$ 3,092,931	\$ 3,092,931	\$ -
Use of money and property	5,000	5,000	4,672	(328)
License and permits	4,000	4,000	7,200	3,200
Sale of property and compensation for loss	-	3,000	24,753	21,753
Interfund revenues	20,000	20,000	23,208	3,208
State aid	181,675	181,675	200,043	18,368
Miscellaneous	-	-	5,271	5,271
Total Revenues	3,303,606	3,306,606	3,358,078	51,472
EXPENDITURES				
Current				
General government support	3,702	3,702	3,475	227
Transportation				
Repairs and maintenance	1,471,035	1,474,035	1,687,062	(213,027)
Snow removal	817,353	817,353	702,606	114,747
Brush and weeds	10,000	10,000	9,800	200
	<u>2,302,090</u>	<u>2,305,090</u>	<u>2,402,943</u>	<u>(97,853)</u>
Employee benefits	<u>707,648</u>	<u>707,648</u>	<u>679,222</u>	<u>28,426</u>
Debt service				
Principal				
Serial bonds	95,000	95,000	95,000	-
Capital lease	45,770	45,770	45,770	-
	<u>140,770</u>	<u>140,770</u>	<u>140,770</u>	<u>-</u>
Interest				
Serial bonds	13,098	13,098	13,098	-
Capital lease	10,860	10,860	10,860	-
Bond anticipation notes	3,800	3,800	3,691	109
	<u>27,758</u>	<u>27,758</u>	<u>27,649</u>	<u>109</u>
Total Expenditures	3,178,266	3,181,266	3,250,584	(69,318)
Excess of Revenues Over Expenditures	125,340	125,340	107,494	(17,846)
OTHER FINANCING USES				
Transfers out	(125,340)	(125,340)	(125,340)	-
Net Change in Fund Balance	-	-	(17,846)	(17,846)
FUND BALANCE				
Beginning of Year	-	-	877,589	877,589
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 859,743</u>	<u>\$ 859,743</u>

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2013

	Town of LaGrange Lighting District	Drainage Districts		
		Dutchess Farms	Frank Farms	Sleight Farms
ASSETS				
Cash and equivalents	\$ 1,039	\$ 51,946	\$ 80,778	\$ 40,770
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 1,039</u>	<u>\$ 51,946</u>	<u>\$ 80,778</u>	<u>\$ 40,770</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 1,266	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	<u>1,266</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)				
Restricted	-	-	-	-
Assigned	(227)	51,946	80,778	40,770
Total Fund Balances (Deficits)	<u>(227)</u>	<u>51,946</u>	<u>80,778</u>	<u>40,770</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 1,039</u>	<u>\$ 51,946</u>	<u>\$ 80,778</u>	<u>\$ 40,770</u>

Drainage Districts (Continued)

H & K Page	Laurel Ridge	MGM Properties	Maloney Woods	Lincoln Ridge	Providence Estates
\$ 14,245	\$ 36,733	\$ 31,345	\$ 21,233	\$ 35,074	\$ 9,033
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 14,245</u>	<u>\$ 36,733</u>	<u>\$ 31,345</u>	<u>\$ 21,233</u>	<u>\$ 35,074</u>	<u>\$ 9,033</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
14,245	36,733	31,345	21,233	35,074	9,033
<u>14,245</u>	<u>36,733</u>	<u>31,345</u>	<u>21,233</u>	<u>35,074</u>	<u>9,033</u>
<u>\$ 14,245</u>	<u>\$ 36,733</u>	<u>\$ 31,345</u>	<u>\$ 21,233</u>	<u>\$ 35,074</u>	<u>\$ 9,033</u>

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2013

	Drainage Districts (Continued)			
	Meadow Ridge	Sunset Ridge Estates	Todd Hill Crossings	SVF Stormwater
ASSETS				
Cash and equivalents	\$ 31,313	\$ 9,187	\$ 15,645	\$ 38,361
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Total Assets	<u>\$ 31,313</u>	<u>\$ 9,187</u>	<u>\$ 15,645</u>	<u>\$ 38,361</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficits)				
Restricted	-	-	-	-
Assigned	31,313	9,187	15,645	38,361
Total Fund Balances (Deficits)	<u>31,313</u>	<u>9,187</u>	<u>15,645</u>	<u>38,361</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 31,313</u>	<u>\$ 9,187</u>	<u>\$ 15,645</u>	<u>\$ 38,361</u>

Drainage Districts (Continued)			Sewer Districts		
Harvest Ridge	Windance Estates	The Reserve	Noxon Knolls	Sleight-Frank Farms	Sunset Ridge
\$ 32,080	\$ 36,496	\$ 21,838	\$ 21,769	\$ 9,878	\$ 15,529
-	-	-	6,358	-	1,101
-	-	-	-	614	-
<u>\$ 32,080</u>	<u>\$ 36,496</u>	<u>\$ 21,838</u>	<u>\$ 28,127</u>	<u>\$ 10,492</u>	<u>\$ 16,630</u>
\$ -	\$ -	\$ -	\$ 1,540	\$ -	\$ -
-	-	-	-	-	-
-	-	-	1,540	-	-
-	-	-	343	12,188	-
32,080	36,496	21,838	26,244	(1,696)	16,630
32,080	36,496	21,838	26,587	10,492	16,630
<u>\$ 32,080</u>	<u>\$ 36,496</u>	<u>\$ 21,838</u>	<u>\$ 28,127</u>	<u>\$ 10,492</u>	<u>\$ 16,630</u>

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2013

	Sewer Districts (Continued)		Water Districts	
	Titusville	Town Center	S.W. EXT. #5	Grandview
ASSETS				
Cash and equivalents	\$ 529,151	\$ 11,082	\$ 5,322	\$ 21,988
Accounts receivable	86,608	-	-	6,023
Due from other funds	167	-	-	407
Total Assets	<u>\$ 615,926</u>	<u>\$ 11,082</u>	<u>\$ 5,322</u>	<u>\$ 28,418</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 8,189	\$ -	\$ -	\$ 838
Due to other funds	113	-	-	-
Total Liabilities	<u>8,302</u>	<u>-</u>	<u>-</u>	<u>838</u>
Fund balances (deficits)				
Restricted	185,110	9,088	9	15,371
Assigned	422,514	1,994	5,313	12,209
Total Fund Balances (Deficits)	<u>607,624</u>	<u>11,082</u>	<u>5,322</u>	<u>27,580</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 615,926</u>	<u>\$ 11,082</u>	<u>\$ 5,322</u>	<u>\$ 28,418</u>

Water Districts				Total
Harvest Ridge	Town Center	Manchester	Mapleview	2013
\$ 11	\$ 529,462	\$ 242,330	\$ 3,040	\$ 1,896,678
-	31,148	94,559	-	225,797
-	-	490	-	1,678
<u>\$ 11</u>	<u>\$ 560,610</u>	<u>\$ 337,379</u>	<u>\$ 3,040</u>	<u>\$ 2,124,153</u>
\$ -	\$ 3,467	\$ 29,653	\$ -	\$ 44,953
-	-	-	-	113
-	3,467	29,653	-	45,066
-	463	16,804	9,161	248,537
11	556,680	290,922	(6,121)	1,830,550
11	557,143	307,726	3,040	2,079,087
<u>\$ 11</u>	<u>\$ 560,610</u>	<u>\$ 337,379</u>	<u>\$ 3,040</u>	<u>\$ 2,124,153</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, 2013

	Town of LaGrange Lighting District	Drainage Districts		
		Dutchess Farms	Frank Farms	Sleight Farms
REVENUES				
Real property taxes	\$ 16,100	\$ -	\$ -	\$ -
Other tax items	-	-	-	-
Departmental income	-	5,000	13,175	10,000
Use of money and property	11	92	143	71
Miscellaneous	-	-	-	-
Total Revenues	16,111	5,092	13,318	10,071
EXPENDITURES				
Current				
Home and community services	14,751	60	72	179
Debt service				
Principal				
Serial bonds	-	-	-	-
Interest				
Serial bonds	-	-	-	-
Bond anticipation notes	-	-	-	-
Total Expenditures	14,751	60	72	179
Excess (Deficiency) of Revenues Over Expenditures	1,360	5,032	13,246	9,892
Other Financing Uses				
Transfers out	-	-	-	-
Net Change in Fund Balances	1,360	5,032	13,246	9,892
FUND BALANCES (DEFICITS)				
Beginning of Year	(1,587)	46,914	67,532	30,878
End of Year	\$ (227)	\$ 51,946	\$ 80,778	\$ 40,770

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	3,000
26	65	55	37	62	16	54
-	-	-	-	-	-	-
<u>2,026</u>	<u>3,565</u>	<u>3,055</u>	<u>3,537</u>	<u>5,062</u>	<u>3,016</u>	<u>3,054</u>
7	17	11	6	36	2	15
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7	17	11	6	36	2	15
2,019	3,548	3,044	3,531	5,026	3,014	3,039
-	-	-	-	-	-	-
2,019	3,548	3,044	3,531	5,026	3,014	3,039
<u>12,226</u>	<u>33,185</u>	<u>28,301</u>	<u>17,702</u>	<u>30,048</u>	<u>6,019</u>	<u>28,274</u>
<u>\$ 14,245</u>	<u>\$ 36,733</u>	<u>\$ 31,345</u>	<u>\$ 21,233</u>	<u>\$ 35,074</u>	<u>\$ 9,033</u>	<u>\$ 31,313</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, 2013

	Drainage Districts (Continued)			
	Sunset Ridge Estates	Todd Hill Crossings	SVF Stormwater	Harvest Ridge
REVENUES				
Real property taxes	\$ -	\$ -	\$ -	\$ -
Other tax items	-	-	-	-
Departmental income	1,500	1,500	6,300	16,000
Use of money and property	17	29	68	54
Miscellaneous	-	-	-	-
Total Revenues	<u>1,517</u>	<u>1,529</u>	<u>6,368</u>	<u>16,054</u>
EXPENDITURES				
Current				
Home and community services	<u>13</u>	<u>11</u>	<u>16</u>	<u>2</u>
Debt service				
Principal				
Serial bonds	-	-	-	-
Interest				
Serial bonds	-	-	-	-
Bond anticipation notes	-	-	-	-
	-	-	-	-
Total Expenditures	<u>13</u>	<u>11</u>	<u>16</u>	<u>2</u>
Excess (Deficiency) of Revenues Over Expenditures	1,504	1,518	6,352	16,052
Other Financing Uses				
Transfers out	-	-	-	-
Net Change in Fund Balances	1,504	1,518	6,352	16,052
FUND BALANCES (DEFICITS)				
Beginning of Year	<u>7,683</u>	<u>14,127</u>	<u>32,009</u>	<u>16,028</u>
End of Year	<u>\$ 9,187</u>	<u>\$ 15,645</u>	<u>\$ 38,361</u>	<u>\$ 32,080</u>

Drainage Districts (Continued)		Sewer Districts				
Windance Estates	The Reserve	Noxon Knolls	Sleight- Frank Farms	Sunset Ridge	Titusville	Town Center
\$ -	\$ -	\$ -	\$ 40,384	\$ -	\$ 321,740	\$ 31,790
-	-	-	35,762	-	5,555	-
3,500	2,500	37,590	-	4,477	348,097	-
66	39	45	5,308	27	13,689	3,458
-	-	-	34	-	-	-
<u>3,566</u>	<u>2,539</u>	<u>37,635</u>	<u>81,488</u>	<u>4,504</u>	<u>689,081</u>	<u>35,248</u>
<u>25</u>	<u>10</u>	<u>43,765</u>	<u>-</u>	<u>3,124</u>	<u>281,217</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,249</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,763</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,241</u>	<u>-</u>	<u>28,582</u>	<u>10,439</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>13,241</u>	<u>-</u>	<u>103,345</u>	<u>10,439</u>
<u>25</u>	<u>10</u>	<u>43,765</u>	<u>13,241</u>	<u>3,124</u>	<u>490,811</u>	<u>10,439</u>
<u>3,541</u>	<u>2,529</u>	<u>(6,130)</u>	<u>68,247</u>	<u>1,380</u>	<u>198,270</u>	<u>24,809</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,883)</u>	<u>-</u>	<u>(111,125)</u>	<u>(21,053)</u>
<u>3,541</u>	<u>2,529</u>	<u>(6,130)</u>	<u>5,364</u>	<u>1,380</u>	<u>87,145</u>	<u>3,756</u>
<u>32,955</u>	<u>19,309</u>	<u>32,717</u>	<u>5,128</u>	<u>15,250</u>	<u>520,479</u>	<u>7,326</u>
<u>\$ 36,496</u>	<u>\$ 21,838</u>	<u>\$ 26,587</u>	<u>\$ 10,492</u>	<u>\$ 16,630</u>	<u>\$ 607,624</u>	<u>\$ 11,082</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, 2013

	Water Districts			
	S.W. EXT. #5	Grandview	Harvest Ridge	Town Center
REVENUES				
Real property taxes	\$ 5,050	\$ 15,483	\$ 6,678	\$ 88,673
Other tax items	-	-	-	-
Departmental income	-	23,413	-	93,622
Use of money and property	11	1,784	11	957
Miscellaneous	-	1,125	-	-
Total Revenues	5,061	41,805	6,689	183,252
EXPENDITURES				
Current				
Home and community services	-	24,291	-	92,490
Debt service				
Principal				
Serial bonds	5,000	-	5,953	79,047
Interest				
Serial bonds	50	-	725	9,625
Bond anticipation notes	-	5,503	-	-
	50	5,503	725	9,625
Total Expenditures	5,050	29,794	6,678	181,162
Excess (Deficiency) of Revenues Over Expenditures	11	12,011	11	2,090
Other Financing Uses				
Transfers out	-	(9,525)	-	-
Net Change in Fund Balances	11	2,486	11	2,090
FUND BALANCES (DEFICITS)				
Beginning of Year	5,311	25,094	-	555,053
End of Year	\$ 5,322	\$ 27,580	\$ 11	\$ 557,143

Water Districts (Continued)

<u>Manchester</u>	<u>Mapleview</u>	<u>Totals</u>
\$ 915,023	\$ 33,927	\$ 1,474,848
1,149	-	42,466
428,152	-	1,017,826
3,186	1,759	31,140
-	-	1,159
<u>1,347,510</u>	<u>35,686</u>	<u>2,567,439</u>
<u>460,104</u>	<u>-</u>	<u>920,224</u>
<u>653,751</u>	<u>-</u>	<u>850,000</u>
237,460	-	322,623
5,733	4,636	68,134
<u>243,193</u>	<u>4,636</u>	<u>390,757</u>
<u>1,357,048</u>	<u>4,636</u>	<u>2,160,981</u>
(9,538)	31,050	406,458
<u>(17,914)</u>	<u>(27,250)</u>	<u>(249,750)</u>
(27,452)	3,800	156,708
<u>335,178</u>	<u>(760)</u>	<u>1,922,379</u>
<u>\$ 307,726</u>	<u>\$ 3,040</u>	<u>\$ 2,079,087</u>

Town of LaGrange, New York

Special Purpose Fund
Balance Sheet
December 31, 2013

ASSETS

Cash and equivalents

\$ 429,957

FUND BALANCE

Restricted

\$ 429,957

Town of LaGrange, New York

Special Purpose Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance
Year Ended December 31, 2013

REVENUES

Use of money and property	\$	859
Miscellaneous		<u>16,000</u>
Total Revenues		16,859

EXPENDITURES

Current		
Culture and recreation		<u>52,440</u>
Deficiency of Revenues Over Expenditures		(35,581)

OTHER FINANCING USES

Transfers out		<u>(20,000)</u>
Net Change in Fund Balance		<u>(55,581)</u>

FUND BALANCE

Beginning of Year, as reported		-
Prior Period Adjustment		<u>485,538</u>
Beginning of Year, as restated		<u>485,538</u>
End of Year	\$	<u><u>429,957</u></u>

Town of LaGrange, New York

Capital Projects Fund

Balance Sheet

December 31, 2013

ASSETS

Cash and equivalents \$ 1,918,430

LIABILITIES AND FUND DEFICIT

Liabilities

Accounts payable \$ 122,085

Due to other funds 17,914

Retainage payable 7,801

Bond anticipation notes payable 8,402,106

Total Liabilities 8,549,906

Fund deficit

Unassigned (6,631,476)

Total Liabilities and Fund Deficit \$ 1,918,430

Town of LaGrange, New York

Capital Projects Fund
Statement of Revenues, Expenditures and Changes
in Fund Balance
Year Ended December 31, 2013

REVENUES

Miscellaneous \$ 266,889

EXPENDITURES

Capital outlay 2,114,435

Deficiency of Revenues Over Expenditures (1,847,546)

OTHER FINANCING SOURCES (USES)

Transfers in 600,580

Transfers out (91,095)

Total Other Financing Sources 509,485

Net Change in Fund Balance (1,338,061)

FUND DEFICIT

Beginning of Year (5,293,415)

End of Year \$ (6,631,476)