

Town of LaGrange, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2014

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, 2014, 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

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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, 2014, 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
July 29, 2015

Town of LaGrange, New York

Management's Discussion and Analysis December 31, 2014

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, 2014. 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 2014

- On the government-wide financial statements, the Town had net position (assets exceeding liabilities) of \$17,229,760 at calendar year end 2014. Unrestricted net position, which are available to meet the ongoing obligations of the Town totaled \$583,618. The Town's net position increased by \$496,402. 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, 2014 were \$(1,447,598). The total unassigned fund balances for governmental funds was a deficit of (\$5,019,205) at December 31, 2014. This includes a deficit in the Capital Projects Fund of \$7,152,678.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$2,133,473 or 51% of the total General Fund expenditures and other financing uses. This is an increase of \$355,219 from fiscal year 2013.
- The Town issued \$1,033,893 in new debt during calendar year ending 2014.
- The Town maintained its Aa2 bond rating during the 2014 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, 2014 was \$17,229,760. Approximately 14% of the Town's 2014 net position are restricted for various purposes (debt service, special districts and special purpose). Investments in capital assets, less any outstanding debt used to acquire those assets, account for the majority of the total net position. The Town uses these assets to provide services to citizens. Consequently, the assets cannot be used for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

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

Governmental Activities Net Position

	December 31, 2014	December 31, 2013
Current Assets	\$ 9,857,427	\$ 7,863,127
Capital Assets, Net	31,460,919	31,672,339
Total Assets	41,318,346	39,535,466
Current Liabilities	11,451,964	9,371,989
Long-Term Liabilities	12,636,622	13,430,119
Total Liabilities	24,088,586	22,802,108
Net Position		
Net Investment in Capital Assets	14,154,404	13,839,895
Restricted	2,491,738	3,381,246
Unrestricted	583,618	(487,783)
Total Net Position	\$ 17,229,760	\$ 16,733,358

Restricted assets, which represent resources that are subject to external constraints on how they may be used, are approximately 14% of the total net position. The unrestricted net position

may be used to meet the Town's ongoing financial obligations. This amount is \$583,618 at December 31, 2014.

In 2014, The Town's net position, which relate solely to governmental activities, increased by \$496,402 and are discussed in the next section.

Governmental Activities - account for the increase in the Town's net position. A summary of the Town's change in net position, at December 31, 2014 is as follows:

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

	December 31, 2014	December 31, 2013
Revenues		
Program Revenues		
Charges for Services	\$ 1,809,919	\$ 1,888,875
Operating Grants and Contributions	291,779	237,870
Capital Grants and Contributions	4,196	266,889
General Revenues		
Real Property Taxes	6,514,183	6,515,967
Other Tax Items	68,207	115,746
Non-Property Taxes	1,089,962	970,032
Unrestricted Use of Money and Property	6,121	7,385
Sale of Property and Compensation for Loss	18,810	20,741
State Aid - unrestricted	425,568	408,663
Miscellaneous	29,324	15,294
Total Revenues	10,258,069	10,447,462
Program Expenses		
General Government Support	1,932,609	3,181,306
Public Safety	32,643	33,557
Health	4,963	5,126
Transportation	3,371,316	3,305,020
Economic Opportunity and Development	21,695	23,170
Culture and Recreation	1,644,066	1,647,570
Home and Community Services	2,351,020	2,590,287
Interest	402,355	631,557
Total Expenses	9,760,667	11,417,593
Change in Net Position	497,402	(970,131)
Net Position - Beginning of Year, as reported	16,733,358	-
Prior Period Adjustment	-	17,703,489
Net Position - Beginning of Year, as restated	16,733,358	17,703,489
Net Position - End of Year	\$ 17,230,760	\$ 16,733,358

The major revenue categories are: Real Property Taxes 64%, Non-Property Taxes 11%, 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 35%, General Government Support 20%, Culture and Recreation 17%, and Home and Community Services 24%.

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 \$5,705,080 (exclusive of Capital Projects deficit of \$7,152,678) and \$5,286,809 (exclusive of Capital Projects deficit of \$6,631,476) at December 31, 2014 and 2013, respectively. Approximately \$2,133,473, or about 37% of the 2014 total constitutes unassigned fund balance. The remaining fund balance is not available for new spending, because it has been committed for 2014: non-spendable \$89,402, restricted \$478,729, assigned \$3,003,476.

The General Fund is the Town's primary operating fund. At the end of the calendar year, the unassigned fund balance was \$2,133,473 and the total fund balance was \$2,250,958. 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 51% and the total fund balance represents approximately 54% of General Fund expenditures and other financing uses.

The fund balance in the Town's General Fund increased by \$332,936 during the current calendar year. The primary reason for the increase was a decrease in expenditures in general government support over 2013.

The fund balance in the Town's Highway Fund increased by \$110,005 during the current calendar year. The primary reason for the fund balance increase was an increase in state aid revenue and a decrease in employee benefits expenditures.

General Fund Budgetary Highlights

The difference between the original and final budgets for revenues and other financing sources is \$146,540 with the final amended budget more than the original budget. The increase relates to departmental income of \$1,710, fines and forfeitures of \$106,816, sale of property and compensation for loss of \$17,451 and miscellaneous income of \$20,563.

The difference between the original and final budgets for expenditures and other financing uses is \$146,525 with the final amended budget more than the original budget. The differences relate to General Government Support (increase \$247,979), Public Safety (increase \$87), Transportation (increase \$12,633), Economic opportunity and development (decrease \$537), Culture and Recreation (increase \$10,052), Home and Community Services (decrease \$25,061), Employee Benefits (decrease \$77,405), and Debt Service Interest (decrease \$21,223).

Capital Assets and Debt Administration

Capital Assets – The Town's investment in capital assets for governmental activities at December 31, 2014 was \$31,460,919 net of accumulated depreciation of \$10,421,221. 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, 2014

	2014	2013	Difference
Land	\$ 1,519,066	\$ 1,519,066	\$ -
Construction-in-progress	118,624	71,178	47,446
Buildings and Improvements	1,092,034	1,123,296	(31,262)
Machinery and Equipment	1,657,468	1,471,631	185,837
Infrastructure	27,073,727	27,487,168	(413,441)
Total Capital Assets	\$ 31,460,919	\$ 31,672,339	\$ (211,420)

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

Outstanding Debt - at the end of calendar year 2014, the Town had a total of \$10,100,894 of bonded debt outstanding and \$10,808,144 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 \$133,685,946 and the Town has consumed 6.43% of the debt contracting capacity.

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

Economic Factors and Next Year's Budget and Rates

The economic downturn continues to effect resident of the Town of LaGrange. In consideration of this and in response to the Property Tax Cap, which established a tax levy limit, the Town of LaGrange kept property tax levy increases under 3% in 2014 and 2013.

While revenues were limited by the property tax increase, expenses such as health insurance premiums and worker's compensation insurance increased significantly. All of these factors were considered by management in preparing the Town's 2015 budget, which contained a very small increase over the 2014 budget.

Requests for Information

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

Town of LaGrange, New YorkStatement of Net Position
December 31, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 8,874,788
Receivables	
Accounts	419,294
State and Federal aid	163,405
Due from other governments	310,538
Prepaid expenses	89,402
Capital assets	
Not being depreciated	1,637,690
Being depreciated, net	<u>29,823,229</u>
Total Assets	<u>41,318,346</u>
LIABILITIES	
Accounts payable	175,971
Accrued liabilities	33,809
Due to other governments	1,585
Due to retirement system	277,715
Retainage payable	7,801
Bond anticipation notes payable - Capital construction	8,997,278
Bond anticipation notes payable -Other	1,810,866
Accrued interest payable	146,939
Non-current liabilities	
Due within one year	1,101,256
Due in more than one year	<u>11,535,366</u>
Total Liabilities	<u>24,088,586</u>
NET POSITION	
Net investment in capital assets	14,154,404
Restricted for	
Debt service	112,352
Special districts	2,013,009
Special purpose	366,377
Unrestricted	<u>583,618</u>
Total Net Position	<u>\$ 17,229,760</u>

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

Town of LaGrange, New York

Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 1,932,609	\$ 34,710	\$ -	\$ -
Public safety	32,643	212,716	-	-
Health	4,963	-	-	-
Transportation	3,371,316	34,133	291,779	-
Economic opportunity and development	21,695	-	-	-
Culture and recreation	1,644,066	216,316	-	-
Home and community services	2,351,020	1,312,044	-	4,196
Interest	402,355	-	-	-
Total Governmental Activities	\$ 9,760,667	\$ 1,809,919	\$ 291,779	\$ 4,196

General revenues

Real property taxes

Other tax items

Interest and penalties on real property taxes

Non-property taxes

Franchise fees

Non-property tax distribution from County

Unrestricted use of money and property

Sale of property and compensation for loss

Unrestricted State aid

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of Year

Net Position - Ending

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

Net (Expense)
Revenue and
Changes in
Net Position

\$ (1,897,899)
180,073
(4,963)
(3,045,404)

(21,695)
(1,427,750)

(1,034,780)
(402,355)

(7,654,773)

6,514,183

67,207

260,575
829,387
6,121

18,810
425,568
29,324

8,151,175

496,402

16,733,358

\$ 17,229,760

Town of LaGrange, New York

Balance Sheet
 Governmental Funds
 December 31, 2014

	General	Highway	Special Districts	Special Purpose
ASSETS				
Cash and equivalents	\$ 1,842,958	\$ 1,053,729	\$ 3,758,862	\$ 366,377
Receivables				
Accounts	171,292	1,794	246,208	-
State and Federal aid	91,240	72,165	-	-
Due from other governments	310,538	-	-	-
Due from other funds	56	1,067	99	-
	<u>573,126</u>	<u>75,026</u>	<u>246,307</u>	<u>-</u>
Prepaid expenditures	<u>88,846</u>	<u>-</u>	<u>556</u>	<u>-</u>
Total Assets	<u>\$ 2,504,930</u>	<u>\$ 1,128,755</u>	<u>\$ 4,005,725</u>	<u>\$ 366,377</u>
LIABILITIES AND FUND BALANCE (DEFICITS)				
Liabilities				
Accounts payable	\$ 74,288	\$ 24,555	\$ 76,862	\$ -
Accrued liabilities	29,883	3,926	-	-
Due to other governments	1,585	-	-	-
Due to retirement system	147,189	130,526	-	-
Due to other funds	1,027	-	1,810,866	-
Retainage payable	-	-	-	-
Bond anticipation notes payable - Capital construction	-	-	-	-
Bond anticipation notes payable - Other	-	-	-	-
Total Liabilities	<u>253,972</u>	<u>159,007</u>	<u>1,887,728</u>	<u>-</u>
Fund balances (deficits)				
Nonspendable	88,846	-	556	-
Restricted	8,639	-	103,713	366,377
Assigned	20,000	969,748	2,013,728	-
Unassigned	<u>2,133,473</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>2,250,958</u>	<u>969,748</u>	<u>2,117,997</u>	<u>366,377</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 2,504,930</u>	<u>\$ 1,128,755</u>	<u>\$ 4,005,725</u>	<u>\$ 366,377</u>

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

Capital Projects	Total Governmental Funds
\$ 1,852,862	\$ 8,874,788
-	419,294
-	163,405
-	310,538
<u>1,810,866</u>	<u>1,812,088</u>
<u>1,810,866</u>	<u>2,705,325</u>
-	89,402
<u>\$ 3,663,728</u>	<u>\$ 11,669,515</u>

\$ 266	\$ 175,971
-	33,809
-	1,585
-	277,715
195	1,812,088
7,801	7,801
8,997,278	8,997,278
<u>1,810,866</u>	<u>1,810,866</u>
<u>10,816,406</u>	<u>13,117,113</u>
-	89,402
-	478,729
-	3,003,476
<u>(7,152,678)</u>	<u>(5,019,205)</u>
<u>(7,152,678)</u>	<u>(1,447,598)</u>
<u>\$ 3,663,728</u>	<u>\$ 11,669,515</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, 2014

Fund Balances - Total Governmental Funds \$ (1,447,598)

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. 31,460,919

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

Accrued interest payable (146,939)

Bonds payable (10,100,894)

Capital lease payable (160,943)

Landfill closure costs (107,606)

Compensated absences (133,967)

Other post employment benefit obligations payable (2,133,212)

Net Position of Governmental Activities \$ 17,229,760

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, 2014

	General	Highway	Special Districts	Special Purpose
REVENUES				
Real property taxes	\$ 2,014,691	\$ 3,086,540	\$ 1,412,952	\$ -
Other tax items	67,207	-	-	-
Non-property taxes	1,089,962	-	-	-
Departmental income	339,202	-	1,065,967	-
Use of money and property	6,121	3,775	28,347	658
Licenses and permits	128,436	5,800	-	-
Fines and forfeitures	211,091	-	-	-
Sale of property and compensation for loss	18,810	17,752	-	-
Interfund revenues	82,600	19,360	-	-
State aid	425,568	291,779	-	-
Miscellaneous	29,324	6,806	2,085	-
Total Revenues	4,413,012	3,431,812	2,509,351	658
EXPENDITURES				
Current				
General government support	1,399,871	3,495	-	-
Public safety	24,205	-	-	-
Health	3,000	-	-	-
Transportation	204,654	2,395,124	-	-
Economic opportunity and development	21,695	-	-	-
Culture and recreation	1,233,660	-	-	3,970
Home and community services	264,376	-	1,032,716	-
Employee benefits	719,106	703,076	-	-
Debt service				
Principal	100,370	127,761	855,000	-
Interest	43,180	28,456	347,975	-
Capital outlay	-	-	-	-
Total Expenditures	4,014,117	3,257,912	2,235,691	3,970
Excess (Deficiency) of Revenues Over Expenditures	398,895	173,900	273,660	(3,312)
OTHER FINANCING SOURCES (USES)				
Transfers in	108,915	-	-	8,286
Transfers out	(174,874)	(63,895)	(234,750)	(68,554)
Total Other Financing Sources (Uses)	(65,959)	(63,895)	(234,750)	(60,268)
Net Change in Fund Balances	332,936	110,005	38,910	(63,580)
FUND BALANCES (DEFICITS)				
Beginning of Year	1,918,022	859,743	2,079,087	429,957
End of Year	<u>\$ 2,250,958</u>	<u>\$ 969,748</u>	<u>\$ 2,117,997</u>	<u>\$ 366,377</u>

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

Capital Projects	Total Governmental Funds
\$ -	\$ 6,514,183
-	67,207
-	1,089,962
-	1,405,169
-	38,901
-	134,236
-	211,091
-	36,562
-	101,960
-	717,347
4,196	42,411
4,196	10,359,029
-	1,403,366
-	24,205
-	3,000
-	2,599,778
-	21,695
-	1,237,630
-	1,297,092
-	1,422,182
-	1,083,131
-	419,611
950,270	950,270
950,270	10,461,960
(946,074)	(102,931)
473,519	590,720
(48,647)	(590,720)
424,872	-
(521,202)	(102,931)
(6,631,476)	(1,344,667)
\$ (7,152,678)	\$ (1,447,598)

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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, 2014

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

Net Change in Fund Balances - Total Governmental Funds \$ (102,931)

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	939,986
Depreciation expense	<u>(1,151,406)</u>
	<u>(211,420)</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	1,033,893
Principal paid on capital lease	<u>49,238</u>
	<u>1,083,131</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	17,256
Compensated absences	34,605
Landfill closure cost	2,879
Other post employment benefit obligations	<u>(327,118)</u>
	<u>(272,378)</u>

Change in Net Position of Governmental Activities \$ 496,402

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, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,014,691	\$ 2,014,691	\$ 2,014,691	\$ -
Other tax items	59,000	59,000	67,207	8,207
Non-property taxes	935,000	935,000	1,089,962	154,962
Departmental income	353,900	355,610	339,202	(16,408)
Use of money and property	5,000	5,000	6,121	1,121
Licenses and permits	131,000	131,000	128,436	(2,564)
Fines and forfeitures	239,593	346,409	211,091	(135,318)
Sale of property and compensation for loss	-	17,451	18,810	1,359
Interfund revenues	78,005	78,005	82,600	4,595
State aid	406,439	406,439	425,568	19,129
Miscellaneous	-	20,563	29,324	8,761
Total Revenues	4,222,628	4,369,168	4,413,012	43,844
EXPENDITURES				
Current				
General government support	1,360,134	1,608,113	1,399,871	208,242
Public safety	24,844	24,931	24,205	726
Health	3,000	3,000	3,000	-
Transportation	201,172	213,805	204,654	9,151
Economic opportunity and development	25,400	24,863	21,695	3,168
Culture and recreation	1,233,727	1,243,779	1,233,660	10,119
Home and community services	292,693	267,632	264,376	3,256
Employee benefits	798,478	721,073	719,106	1,967
Debt service				
Principal	100,371	100,371	100,370	1
Interest	72,635	51,412	43,180	8,232
Total Expenditures	4,112,454	4,258,979	4,014,117	244,862
Excess (Deficiency) of Revenues Over Expenditures	110,174	110,189	398,895	288,706
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	108,915	68,915
Transfers out	(175,174)	(175,174)	(174,874)	300
Total Other Financing Uses	(135,174)	(135,174)	(65,959)	69,215
Net Change in Fund Balances	(25,000)	(24,985)	332,936	357,921
FUND BALANCES				
Beginning of Year	25,000	24,985	1,918,022	1,893,037
End of Year	\$ -	\$ -	\$ 2,250,958	\$ 2,250,958

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)
\$ 3,086,540	\$ 3,086,540	\$ 3,086,540	\$ -	\$ 1,492,427	\$ 1,492,427	\$ 1,412,952	\$ (79,475)
-	-	-	-	6,383	6,383	-	(6,383)
-	-	-	-	-	-	-	-
-	-	-	-	940,556	940,556	1,065,967	125,411
3,000	2,999	3,775	776	-	-	28,347	28,347
4,000	4,000	5,800	1,800	-	-	-	-
-	-	-	-	-	-	-	-
-	6,921	17,752	10,831	-	-	-	-
20,000	20,000	19,360	(640)	-	-	-	-
231,247	303,267	291,779	(11,488)	-	-	-	-
-	-	6,806	6,806	-	-	2,085	2,085
<u>3,344,787</u>	<u>3,423,727</u>	<u>3,431,812</u>	<u>8,085</u>	<u>2,439,366</u>	<u>2,439,366</u>	<u>2,509,351</u>	<u>69,985</u>
3,700	3,700	3,495	205	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,360,607	2,489,547	2,395,124	94,423	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,035,631	1,150,720	1,032,716	118,004
747,800	723,800	703,076	20,724	-	-	-	-
127,762	127,762	127,761	1	1,038,062	1,038,062	855,000	183,062
56,023	30,023	28,456	1,567	347,984	347,984	347,975	9
<u>3,295,892</u>	<u>3,374,832</u>	<u>3,257,912</u>	<u>116,920</u>	<u>2,421,677</u>	<u>2,536,766</u>	<u>2,235,691</u>	<u>301,075</u>
48,895	48,895	173,900	125,005	17,689	(97,400)	273,660	371,060
-	-	-	-	-	-	-	-
(63,895)	(63,895)	(63,895)	-	(51,689)	(51,689)	(234,750)	(183,061)
(63,895)	(63,895)	(63,895)	-	(51,689)	(51,689)	(234,750)	(183,061)
(15,000)	(15,000)	110,005	125,005	(34,000)	(149,089)	38,910	187,999
15,000	15,000	859,743	844,743	34,000	149,089	2,079,087	1,929,998
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 969,748</u>	<u>\$ 969,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,117,997</u>	<u>\$ 2,117,997</u>

Town of LaGrange, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2014

	<u>Agency</u>
ASSETS	
Cash and equivalents	<u>\$ 866,086</u>
LIABILITIES	
Deposits payable	<u>\$ 866,086</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 are real property taxes and departmental income.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. 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, 2014.

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

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

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31,

Note 1 - Summary of Significant Accounting Policies (Continued)

2014, 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 inventorable 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

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

As of December 31, 2014, 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, special districts and special purpose. The balance is classified as unrestricted.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

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 generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is July 29, 2015.

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

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

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. Fund Deficits

The following sub fund in the Special Districts Fund had an assigned fund deficit at December 31, 2014:

	<u>Amount</u>
Town of LaGrange Lighting District	\$ 172

The Town will address this deficit in the ensuing year.

D. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$7,152,678 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.

E. Excess of Actual Expenditures Over Budget

General Fund	
Transportation	
Street lighting	\$ 1,193
Special Districts	
Transfers out	183,061

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, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General Fund	\$ 56	\$ 1,027
Highway Fund	1,067	-
Special Districts Fund	99	1,810,866
Capital Projects Fund	1,810,866	195
	<u>\$ 1,812,088</u>	<u>\$ 1,812,088</u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

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, 2014	Additions	Deletions	Balance December 31, 2014
Capital Assets, not being depreciated				
Land	\$ 1,519,066	\$ -	\$ -	\$ 1,519,066
Construction-in-progress	71,178	47,446		118,624
Total Capital Assets, not being depreciated	\$ 1,590,244	\$ 47,446	\$ -	\$ 1,637,690
Capital Assets, being depreciated				
Buildings and improvements	\$ 2,833,626	\$ 41,360	\$ -	\$ 2,874,986
Machinery and equipment	5,110,413	511,741	496,497	5,125,657
Infrastructure	31,904,368	339,439		32,243,807
Total Capital Assets, being depreciated	39,848,407	892,540	496,497	40,244,450
Less Accumulated Depreciation for				
Building and improvements	1,710,330	72,622	-	1,782,952
Machinery and equipment	3,638,782	325,904	496,497	3,468,189
Infrastructure	4,417,200	752,880	-	5,170,080
Total Accumulated Depreciation	9,766,312	1,151,406	496,497	10,421,221
Total Capital Assets, being depreciated, net	\$ 30,082,095	\$ (258,866)	\$ -	\$ 29,823,229
Capital Assets, net	\$ 31,672,339	\$ (211,420)	\$ -	\$ 31,460,919

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

General Government Support	\$ 33,276
Transportation	78,065
Culture and Recreation	129,418
Home and Community Services	910,647
Total Depreciation Expense	\$ 1,151,406

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

C. Accrued Liabilities

Accrued liabilities at December 31, 2014 were as follows:

	<u>Fund</u>		
	<u>General</u>	<u>Highway</u>	<u>Total</u>
Payroll and Employee Benefits	<u>\$ 29,883</u>	<u>\$ 3,926</u>	<u>\$ 33,809</u>

D. Pension Plans

The Town participates in the New York State and Local Employees' Retirement System ("System").

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, 2015 are as follows:

<u>Tier/Plan</u>	<u>Rate</u>
3 A14	20.3%
4 A15	20.3
5 A15	16.6
6 A15	10.9

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

2014	\$ 393,450
2013	442,043
2012	363,105

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

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The current ERS contribution for the Town was charged to the funds identified below.

<u>Fund</u>	<u>Amount</u>
General	\$ 208,529
Highway	184,921
	<u>\$ 393,450</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, 2014</u>	<u>Issued</u>	<u>Redemptions</u>	<u>Balance December 31, 2014</u>
Capital construction							
Installation of a Sewer line	2013	-	- %	\$ 79,301	\$ -	\$ 79,301	\$ -
Various improvements	2013	1/02/2015	.74	1,964,926	-	85,030	1,879,896
Various improvements	2013	3/27/2015	1.00	6,357,879	63,740	372,928	6,048,691
Road reconstruction	2014	3/27/2015	1.70	-	430,000	-	430,000
Highway/parks equipment	2014	3/27/2015	1.85	-	638,691	-	638,691
				8,402,106	1,132,431	537,259	8,997,278
Other							
Renewal note	2014	12/23/2015	1.00	-	1,810,866	-	1,810,866
				<u>\$ 8,402,106</u>	<u>\$ 2,943,297</u>	<u>\$ 537,259</u>	<u>\$ 10,808,144</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	\$ 29,597
Special Districts	53,465
Highway	10,648
	<u>\$ 93,710</u>

Interest expense of \$82,986 was recorded in the government-wide financial statements for governmental activities.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2014:

	Balance January 1, 2013	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Bonds Payable	\$ 11,134,787	\$ -	\$ 1,033,893	\$ 10,100,894	\$ 1,033,893
Other Non-Current Liabilities					
Capital Lease Payable	210,181	-	49,238	160,943	51,380
Compensated Absences	168,572	16,178	50,783	133,967	13,000
Landfill Closure Costs	110,485	-	2,879	107,606	2,983
Other Post Employment Benefit Obligations Payable	1,806,094	425,992	98,874	2,133,212	-
	<u>\$ 13,430,119</u>	<u>\$ 442,170</u>	<u>\$ 1,235,667</u>	<u>\$ 12,636,622</u>	<u>\$ 1,101,256</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, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2014
Refunding Serial Bond	2012	\$ 7,305,000	April, 2025	2.00 - 3.00 %	\$ 6,170,000
Recreation Land Purchase	2010	268,400	January 2015	4.75	17,894
Landfill Closure	2007	360,000	November, 2017	5.09	108,000
Highway - Road Reconstruction 2007	2007	200,000	October, 2017	4.50	60,000
Highway - Road Reconstruction 2006	2006	300,000	October, 2016	4.06	60,000
Highway - Road Reconstruction 2005	2005	150,000	September, 2015	4.45	15,000
Public Improvements	2006	5,176,500	March, 2026	3.75 - 4.00	3,670,000
					<u>\$ 10,100,894</u>

Interest expenditures of \$316,758 were recorded in the fund financial statements in the following funds.

Fund	Amount
General	\$ 13,309
Special Districts	294,510
Highway	8,939
	<u>\$ 316,758</u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Interest expense of \$310,226 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 \$9,143 and was recorded in the fund financial statements in the General Fund for \$274 and the Highway Fund for \$8,869 and the government-wide financial statements.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2014, including interest payments of \$1,647,677 are as follows:

Year Ending December 31,	Bonds		Capital Lease		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 1,033,893	\$ 285,324	\$ 51,380	\$ 7,001	\$ 1,085,273	\$ 292,325
2016	1,030,999	250,118	53,615	4,766	1,084,614	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	830,000	165,816	-	-	830,000	165,816
2020-2024	4,160,000	493,853	-	-	4,160,000	493,853
2025-2026	1,215,000	35,144	-	-	1,215,000	35,144
	<u>\$ 10,100,892</u>	<u>\$ 1,633,476</u>	<u>\$ 160,943</u>	<u>\$ 14,201</u>	<u>\$ 10,261,835</u>	<u>\$ 1,647,677</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 off thirty years. The estimated cost of final closure is \$10,000,000.

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

Post closure and monitoring costs, which began in 2007 and will continue for 30 years, are estimated to be approximately \$1,163,000, with the Town's remaining share being \$107,606 at December 31, 2014.

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.

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

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	8.00 %	8.00 %	3.50 %	3.00 %
2015	7.00	7.00	3.00	3.00
2016	6.00	6.00	3.00	3.00
2017	5.50	5.50	3.00	3.00
2018	5.30	5.30	3.00	3.00
2019	5.20	5.20	3.00	3.00
2020	5.20	5.20	3.00	3.00
2021	5.20	5.20	3.00	3.00
2022	5.20	5.20	3.00	3.00
2023 +	4.70	4.70	3.00	3.00

The amortization basis is the level dollar of payroll method with an open amortization approach with 24 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, 2014 was as follows:

Active Employees	42
Retired Employees and Dependents	<u>20</u>
Total	<u><u>62</u></u>

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2014	\$ 4,809,468
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 4,809,468</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 2,186,195</u>
UAAL as a Percentage of Covered Payroll	<u>219.99%</u>
Annual Required Contribution	\$ 448,270
Interest on Net OPEB Obligation	54,183
Adjustment to Annual Required Contribution	<u>(76,461)</u>
Annual OPEB Cost	425,992
Contributions Made	<u>(98,874)</u>
Increase in Net OPEB Obligation	327,118
Net OPEB Obligation - Beginning of Year	<u>1,806,094</u>
Net OPEB Obligation - End of Year	<u>\$ 2,133,212</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
2014	\$ 425,992	23.21 %	\$ 2,133,212
2013	519,143	17.63	1,806,094
2012	512,451	15.92	1,378,454

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.

G. Revenues and Expenditures

Interfund Transfers

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

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Transfer Out	Transfer In			Total
	General Fund	Special Purpose Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ 174,874	\$ 174,874
Capital Projects Fund	40,361	8,286	-	48,647
Highway Fund	-	-	63,895	63,895
Special Districts Fund	-	-	234,750	234,750
Special Purpose Fund	68,554	-	-	68,554
	<u>\$ 108,915</u>	<u>\$ 8,286</u>	<u>\$ 473,519</u>	<u>\$ 590,720</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.

H. Net Position

The components of net position are detailed below:

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

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

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

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

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

Town of LaGrange, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2014						2013					
	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total	General Fund	Highway Fund	Special Districts Fund	Special Purpose Fund	Capital Projects Fund	Total
Nonspendable												
Prepaid expenditures	\$ 88,846	\$ -	\$ 556	\$ -	\$ -	\$ 89,402	\$ 80,779	\$ -	\$ -	\$ -	\$ -	\$ 80,779
Restricted												
Special purpose	-	-	-	366,377	-	366,377	-	-	-	429,957	-	429,957
Debt service	8,639	-	103,713	-	-	112,352	33,989	-	248,537	-	-	282,526
Total Restricted	8,639	-	103,713	366,377	-	478,729	33,989	-	248,537	429,957	-	712,483
Assigned												
Subsequent year's expenditures	20,000	10,000	125,613	-	-	155,613	25,000	15,000	34,000	-	-	74,000
Major Funds	-	959,748	1,888,115	-	-	2,847,863	-	844,743	1,796,550	-	-	2,641,293
Total Assigned	20,000	969,748	2,013,728	-	-	3,003,476	25,000	859,743	1,830,550	-	-	2,715,293
Unassigned	2,133,473	-	-	-	(7,152,678)	(5,019,205)	1,778,254	-	-	-	(6,631,476)	(4,853,222)
Total Fund Balances	\$ 2,250,958	\$ 969,748	\$ 2,117,997	\$ 366,377	\$ (7,152,678)	\$ (1,447,598)	\$ 1,918,022	\$ 859,743	\$ 2,079,087	\$ 429,957	\$ (6,631,476)	\$ (1,344,667)

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, 2014, 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, 2014

Note 5 - Subsequent Events

The Town, in March 2015, issued a public improvement serial bond in the amount of \$3,296,084. The bond is due on March 15, 2032, with interest ranging from 2.125 – 5.000%

The Town, in March 2015, renewed a bond anticipation notes in the amount of \$3,300,025. The notes are due on March 25, 2016, with interest at 1.00%.

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, 2014	\$ -	\$ 4,809,468	\$ 4,809,468	- %	\$ 2,186,195	219.99 %
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

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Town of LaGrange, New York

General Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 1,842,958</u>	<u>\$ 1,653,766</u>
Receivables		
Accounts	171,292	180,098
State and Federal aid	91,240	60,856
Due from other governments	310,538	193,817
Due from other funds	<u>56</u>	<u>15,505</u>
	<u>573,126</u>	<u>450,276</u>
Prepaid expenditures	<u>88,846</u>	<u>80,779</u>
Total Assets	<u><u>\$ 2,504,930</u></u>	<u><u>\$ 2,184,821</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 74,288	\$ 55,784
Accrued liabilities	29,883	23,840
Due to other governments	1,585	1,742
Due to retirement system	147,189	184,018
Due to other funds	<u>1,027</u>	<u>1,415</u>
Total Liabilities	<u>253,972</u>	<u>266,799</u>
Fund balance		
Nonspendable	88,846	80,779
Restricted	8,639	33,989
Assigned	20,000	25,000
Unassigned	<u>2,133,473</u>	<u>1,778,254</u>
Total Fund Balance	<u>2,250,958</u>	<u>1,918,022</u>
Total Liabilities and Fund Balance	<u><u>\$ 2,504,930</u></u>	<u><u>\$ 2,184,821</u></u>

Town of LaGrange, New York

General Fund

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,014,691	\$ 2,014,691	\$ 2,014,691	\$ -
Other tax items	59,000	59,000	67,207	8,207
Non-property taxes	935,000	935,000	1,089,962	154,962
Departmental income	353,900	355,610	339,202	(16,408)
Use of money and property	5,000	5,000	6,121	1,121
Licenses and permits	131,000	131,000	128,436	(2,564)
Fines and forfeitures	239,593	346,409	211,091	(135,318)
Sale of property and compensation for loss	-	17,451	18,810	1,359
Interfund revenues	78,005	78,005	82,600	4,595
State aid	406,439	406,439	425,568	19,129
Miscellaneous	-	20,563	29,324	8,761
Total Revenues	4,222,628	4,369,168	4,413,012	43,844
EXPENDITURES				
Current				
General government support	1,360,134	1,608,113	1,399,871	208,242
Public safety	24,844	24,931	24,205	726
Health	3,000	3,000	3,000	-
Transportation	201,172	213,805	204,654	9,151
Economic opportunity and development	25,400	24,863	21,695	3,168
Culture and recreation	1,233,727	1,243,779	1,233,660	10,119
Home and community services	292,693	267,632	264,376	3,256
Employee benefits	798,478	721,073	719,106	1,967
Debt service				
Principal	100,371	100,371	100,370	1
Interest	72,635	51,412	43,180	8,232
Total Expenditures	4,112,454	4,258,979	4,014,117	244,862
Excess (Deficiency) of Revenues Over Expenditures	110,174	110,189	398,895	288,706
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	108,915	68,915
Transfers out	(175,174)	(175,174)	(174,874)	300
Total Other Financing Uses	(135,174)	(135,174)	(65,959)	69,215
Net Change in Fund Balance	(25,000)	(24,985)	332,936	357,921
FUND BALANCE				
Beginning of Year	25,000	24,985	1,918,022	1,893,037
End of Year	\$ -	\$ -	\$ 2,250,958	\$ 2,250,958

2013				Variance with Final Budget Positive (Negative)
Original Budget	Final Budget	Actual		
\$ 1,948,186	\$ 1,948,186	\$ 1,948,188	\$	2
54,000	54,000	73,280		19,280
930,000	930,000	970,032		40,032
314,650	314,650	418,284		103,634
5,000	5,000	7,385		2,385
120,900	120,900	132,024		11,124
220,440	220,440	245,687		25,247
-	-	20,741		20,741
72,445	72,445	72,445		-
428,000	428,000	413,984		(14,016)
-	12,000	31,800		19,800
<u>4,093,621</u>	<u>4,105,621</u>	<u>4,333,850</u>		<u>228,229</u>
1,245,787	1,557,787	1,866,578		(308,791)
25,863	25,863	24,421		1,442
3,000	3,000	3,000		-
198,048	198,048	194,457		3,591
25,400	25,400	23,170		2,230
1,217,708	1,217,708	1,165,487		52,221
288,456	288,456	257,012		31,444
738,478	738,478	722,450		16,028
100,309	100,309	100,309		-
57,383	57,383	48,956		8,427
<u>3,900,432</u>	<u>4,212,432</u>	<u>4,405,840</u>		<u>(193,408)</u>
<u>193,189</u>	<u>(106,811)</u>	<u>(71,990)</u>		<u>34,821</u>
47,509	47,509	91,095		43,586
(250,698)	(250,698)	(205,490)		45,208
<u>(203,189)</u>	<u>(203,189)</u>	<u>(114,395)</u>		<u>88,794</u>
(10,000)	(310,000)	(186,385)		123,615
<u>10,000</u>	<u>310,000</u>	<u>2,104,407</u>		<u>1,794,407</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,918,022</u>	<u>\$</u>	<u>1,918,022</u>

Town of LaGrange, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
REAL PROPERTY TAXES	\$ 2,014,691	\$ 2,014,691	\$ 2,014,691	\$ -	\$ 1,948,188
OTHER TAX ITEMS					
Payments in lieu of taxes	-	-	-	-	18,000
Interest and penalties on real property taxes	59,000	59,000	67,207	8,207	55,280
	59,000	59,000	67,207	8,207	73,280
NON-PROPERTY TAXES					
Franchise fees	235,000	235,000	260,575	25,575	247,679
Non-property tax distribution from County	700,000	700,000	829,387	129,387	722,353
	935,000	935,000	1,089,962	154,962	970,032
DEPARTMENTAL INCOME					
Tax collector fees	750	750	773	23	1,021
Town Clerk and other fees	5,200	5,200	5,187	(13)	4,756
Police and dog pound fees	-	-	475	475	457
Safety inspection fees	1,000	1,000	1,150	150	675
Culture and recreation fees	222,450	222,450	213,573	(8,877)	224,993
Planning board and other fees	102,500	102,500	58,073	(44,427)	139,487
Other service fees	22,000	23,710	59,971	36,261	46,895
	353,900	355,610	339,202	(16,408)	418,284
USE OF MONEY AND PROPERTY					
Earnings on investments	5,000	5,000	6,121	1,121	7,385

LICENSES AND PERMITS

Dog and other licenses	9,000	9,000	9,391	391	10,179
Permits	<u>122,000</u>	<u>122,000</u>	<u>119,045</u>	<u>(2,955)</u>	<u>121,845</u>
	<u>131,000</u>	<u>131,000</u>	<u>128,436</u>	<u>(2,564)</u>	<u>132,024</u>

FINES AND FORFEITURES

Fines and forfeited bail	<u>239,593</u>	<u>346,409</u>	<u>211,091</u>	<u>(135,318)</u>	<u>245,687</u>
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Sale of equipment	-	-	-	-	200
Insurance recoveries	-	17,451	18,810	1,359	19,382
Sale of scrap	-	-	-	-	1,159
	-	<u>17,451</u>	<u>18,810</u>	<u>1,359</u>	<u>20,741</u>

INTERFUND REVENUES

	<u>78,005</u>	<u>78,005</u>	<u>82,600</u>	<u>4,595</u>	<u>72,445</u>
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STATE AID

Per capita	56,439	56,439	56,439	-	56,439
Mortgage tax	350,000	350,000	369,129	19,129	352,224
Other	-	-	-	-	5,321
	<u>406,439</u>	<u>406,439</u>	<u>425,568</u>	<u>19,129</u>	<u>413,984</u>

MISCELLANEOUS

Refund of prior year expenditures	-	1,695	10,242	8,547	-
Gifts and donations	-	-	-	-	16,506
Miscellaneous	-	18,868	19,082	214	15,294
	-	<u>20,563</u>	<u>29,324</u>	<u>8,761</u>	<u>31,800</u>

TOTAL REVENUES

	<u>4,222,628</u>	<u>4,369,168</u>	<u>4,413,012</u>	<u>43,844</u>	<u>4,333,850</u>
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OTHER FINANCING SOURCES

Transfers in					
Special Purpose Fund	-	-	68,554	68,554	-
Capital Projects Fund	<u>40,000</u>	<u>40,000</u>	<u>40,361</u>	<u>361</u>	<u>91,095</u>

TOTAL OTHER FINANCING SOURCES

	<u>40,000</u>	<u>40,000</u>	<u>108,915</u>	<u>68,915</u>	<u>91,095</u>
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TOTAL REVENUES AND OTHER FINANCING SOURCES

	<u>\$ 4,262,628</u>	<u>\$ 4,409,168</u>	<u>\$ 4,521,927</u>	<u>\$ 112,759</u>	<u>\$ 4,424,945</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, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 35,000	\$ 34,998	\$ 34,554	\$ 444	\$ 30,511
Town Justice	164,513	178,931	178,623	308	160,873
Supervisor	136,555	151,205	146,725	4,480	118,769
Finance	133,250	128,250	124,767	3,483	131,246
Audit	20,000	20,000	19,500	500	10,900
Tax collection	53,037	53,183	53,135	48	51,663
Assessor	154,811	145,821	141,737	4,084	125,128
Fiscal agent fees	30,000	30,000	25,458	4,542	20,259
Town Clerk	96,073	109,572	109,522	50	98,045
Town Attorney	80,000	80,000	76,777	3,223	51,935
Personnel	9,000	5,955	4,843	1,112	5,273
General Public works	88,291	88,638	87,983	655	85,576
Engineering	1,250	7,565	7,565	-	1,631
Records management	554	554	354	200	254
Buildings	85,000	244,552	144,084	100,468	670,712
Central printing and mailing	32,300	32,300	25,688	6,612	13,251
Central data processing	20,000	64,962	57,100	7,862	11,762
Unallocated insurance	135,000	130,639	123,129	7,510	132,335
Municipal association dues	1,500	1,500	1,500	-	1,500
Judgments and claims	73,500	26,956	26,956	-	132,132
Purchase of land	-	62,032	-	62,032	-
Taxes and assessments on property	5,000	5,000	4,633	367	7,791
Metropolitan commuter transportation mobility tax	5,500	5,500	5,238	262	5,032
	<u>1,360,134</u>	<u>1,608,113</u>	<u>1,399,871</u>	<u>208,242</u>	<u>1,866,578</u>

PUBLIC SAFETY

Traffic control	8,000	8,000	7,958	42	8,157
Animal control	16,344	16,344	15,660	684	16,115
Other	500	587	587	-	149
	<u>24,844</u>	<u>24,931</u>	<u>24,205</u>	<u>726</u>	<u>24,421</u>

HEALTH

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

Highway Administration	117,172	117,172	112,483	4,689	114,009
Garage	69,000	81,183	75,528	5,655	65,940
Street lighting	15,000	15,450	16,643	(1,193)	14,508
	<u>201,172</u>	<u>213,805</u>	<u>204,654</u>	<u>9,151</u>	<u>194,457</u>

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Programs for the aging	<u>25,400</u>	<u>24,863</u>	<u>21,695</u>	<u>3,168</u>	<u>23,170</u>
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CULTURE AND RECREATION

Parks	314,475	358,527	355,300	3,227	300,219
Recreation administration	311,511	278,211	271,319	6,892	272,613
Library	597,521	597,521	597,521	-	586,240
Historian	2,220	2,220	2,220	-	2,220
Celebrations	3,000	3,000	3,000	-	3,000
Band concerts	5,000	4,300	4,300	-	1,195
	<u>1,233,727</u>	<u>1,243,779</u>	<u>1,233,660</u>	<u>10,119</u>	<u>1,165,487</u>

HOME AND COMMUNITY SERVICES

Zoning and appeals	225,061	193,796	193,272	524	193,732
Planning Board	61,232	61,365	60,826	539	59,530
Environmental control	1,400	1,400	1,377	23	1,025
Refuse and garbage	-	6,071	6,071	-	-
Drainage	5,000	5,000	2,830	2,170	2,725
	<u>292,693</u>	<u>267,632</u>	<u>264,376</u>	<u>3,256</u>	<u>257,012</u>

(Continued)

Town of LaGrange, New York

General Fund

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

Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
EMPLOYEE BENEFITS - UNDISTRIBUTED					
State retirement	\$ 232,978	\$ 208,978	\$ 208,529	\$ 449	\$ 234,283
Social security	120,000	120,000	119,769	231	113,212
Workers' compensation benefits	34,500	35,014	35,014	-	31,518
Unemployment benefits	6,000	2,917	2,143	774	5,922
Disability	1,500	1,500	988	512	1,271
Health insurance	400,000	349,103	349,103	-	333,041
Other	3,500	3,561	3,560	1	3,203
	<u>798,478</u>	<u>721,073</u>	<u>719,106</u>	<u>1,967</u>	<u>722,450</u>
DEBT SERVICE					
Principal					
Serial bonds	98,893	98,893	98,893	-	98,893
Capital lease	1,478	1,478	1,477	1	1,416
	<u>100,371</u>	<u>100,371</u>	<u>100,370</u>	<u>1</u>	<u>100,309</u>
Interest					
Serial bonds	42,111	20,888	13,309	7,579	16,958
Bond anticipation notes	30,249	30,249	29,597	652	31,662
Capital lease	275	275	274	1	336
	<u>72,635</u>	<u>51,412</u>	<u>43,180</u>	<u>8,232</u>	<u>48,956</u>
	<u>173,006</u>	<u>151,783</u>	<u>143,550</u>	<u>8,233</u>	<u>149,265</u>
TOTAL EXPENDITURES	<u>4,112,454</u>	<u>4,258,979</u>	<u>4,014,117</u>	<u>244,862</u>	<u>4,405,840</u>
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	175,174	175,174	174,874	300	205,490
	<u>175,174</u>	<u>175,174</u>	<u>174,874</u>	<u>300</u>	<u>205,490</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,287,628</u>	<u>\$ 4,434,153</u>	<u>\$ 4,188,991</u>	<u>\$ 245,162</u>	<u>\$ 4,611,330</u>

Town of LaGrange, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 1,053,729	\$ 1,220,713
Receivables		
Accounts	1,794	2,236
State and Federal aid	72,165	-
Due from other funds	<u>1,067</u>	<u>2,259</u>
	<u>75,026</u>	<u>4,495</u>
Total Assets	<u>\$ 1,128,755</u>	<u>\$ 1,225,208</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 24,555	\$ 179,939
Accrued liabilities	3,926	22,340
Due to retirement system	<u>130,526</u>	<u>163,186</u>
Total Liabilities	159,007	365,465
Fund balance		
Assigned	<u>969,748</u>	<u>859,743</u>
Total Liabilities and Fund Balance	<u>\$ 1,128,755</u>	<u>\$ 1,225,208</u>

Town of LaGrange, New York

Highway Fund

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

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,086,540	\$ 3,086,540	\$ 3,086,540	\$ -
Use of money and property	3,000	2,999	3,775	776
License and permits	4,000	4,000	5,800	1,800
Sale of property and compensation for loss	-	6,921	17,752	10,831
Interfund revenues	20,000	20,000	19,360	(640)
State aid	231,247	303,267	291,779	(11,488)
Miscellaneous	-	-	6,806	6,806
Total Revenues	3,344,787	3,423,727	3,431,812	8,085
EXPENDITURES				
Current				
General government support	3,700	3,700	3,495	205
Transportation				
Repairs and maintenance	1,543,607	1,622,547	1,537,302	85,245
Snow removal	812,000	862,000	852,822	9,178
Brush and weeds	5,000	5,000	5,000	-
	2,364,307	2,493,247	2,398,619	94,628
Employee benefits	747,800	723,800	703,076	20,724
Debt service				
Principal				
Serial bonds	80,000	80,000	80,000	-
Capital lease	47,762	47,762	47,761	1
	127,762	127,762	127,761	1
Interest				
Serial bonds	36,504	10,504	8,939	1,565
Capital lease	8,869	8,869	8,869	-
Bond anticipation notes	10,650	10,650	10,648	2
	56,023	30,023	28,456	1,567
Total Expenditures	3,295,892	3,374,832	3,257,912	116,920
Excess of Revenues Over Expenditures	48,895	48,895	173,900	125,005
OTHER FINANCING USES				
Transfers out	(63,895)	(63,895)	(63,895)	-
Net Change in Fund Balance	(15,000)	(15,000)	110,005	125,005
FUND BALANCE				
Beginning of Year	15,000	15,000	859,743	844,743
End of Year	\$ -	\$ -	\$ 969,748	\$ 969,748

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,092,931	\$ 3,092,931	\$ 3,092,931	\$ -
5,000	5,000	4,672	(328)
4,000	4,000	7,200	3,200
-	3,000	24,753	21,753
20,000	20,000	23,208	3,208
181,675	181,675	200,043	18,368
-	-	5,271	5,271
<u>3,303,606</u>	<u>3,306,606</u>	<u>3,358,078</u>	<u>51,472</u>
3,702	3,702	3,475	227
1,471,035	1,474,035	1,687,062	(213,027)
817,353	817,353	702,606	114,747
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>
<u>707,648</u>	<u>707,648</u>	<u>679,222</u>	<u>28,426</u>
95,000	95,000	95,000	-
45,770	45,770	45,770	-
<u>140,770</u>	<u>140,770</u>	<u>140,770</u>	<u>-</u>
13,098	13,098	13,098	-
10,860	10,860	10,860	-
3,800	3,800	3,691	109
<u>27,758</u>	<u>27,758</u>	<u>27,649</u>	<u>109</u>
<u>3,178,266</u>	<u>3,181,266</u>	<u>3,250,584</u>	<u>(69,318)</u>
125,340	125,340	107,494	(17,846)
<u>(125,340)</u>	<u>(125,340)</u>	<u>(125,340)</u>	<u>-</u>
-	-	(17,846)	(17,846)
-	-	877,589	877,589
<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, 2014
 (With Comparative Totals for 2013)

	Town of LaGrange Lighting District	Drainage Districts		
		Dutchess Farms	Frank Farms	Sleight Farms
ASSETS				
Cash and equivalents	\$ 1,148	\$ 57,007	\$ 94,062	\$ 50,803
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenditures	-	-	-	-
Total Assets	\$ 1,148	\$ 57,007	\$ 94,062	\$ 50,803
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 1,320	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	1,320	-	-	-
Fund balances (deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	(172)	57,007	94,062	50,803
Total Fund Balances (Deficits)	(172)	57,007	94,062	50,803
Total Liabilities and Fund Balances (Deficits)	\$ 1,148	\$ 57,007	\$ 94,062	\$ 50,803

Drainage Districts (Continued)

H & K Page	Laurel Ridge	MGM Properties	Maloney Woods	Lincoln Ridge	Providence Estates
\$ 16,266	\$ 40,287	\$ 34,393	\$ 24,768	\$ 40,118	\$ 9,045
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 16,266</u>	<u>\$ 40,287</u>	<u>\$ 34,393</u>	<u>\$ 24,768</u>	<u>\$ 40,118</u>	<u>\$ 9,045</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,266	40,287	34,393	24,768	40,118	9,045
<u>16,266</u>	<u>40,287</u>	<u>34,393</u>	<u>24,768</u>	<u>40,118</u>	<u>9,045</u>
<u>\$ 16,266</u>	<u>\$ 40,287</u>	<u>\$ 34,393</u>	<u>\$ 24,768</u>	<u>\$ 40,118</u>	<u>\$ 9,045</u>

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2014
 (With Comparative Totals for 2013)

	Drainage Districts (Continued)			
	Meadow Ridge	Sunset Ridge Estates	Todd Hill Crossings	SVF Stormwater
ASSETS				
Cash and equivalents	\$ 34,359	\$ 10,697	\$ 17,166	\$ 44,732
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	-
Prepaid expenditures	-	-	-	-
Total Assets	\$ 34,359	\$ 10,697	\$ 17,166	\$ 44,732
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund balances (deficits)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	34,359	10,697	17,166	44,732
Total Fund Balances (Deficits)	34,359	10,697	17,166	44,732
Total Liabilities and Fund Balances (Deficits)	\$ 34,359	\$ 10,697	\$ 17,166	\$ 44,732

Drainage Districts (Continued)			Sewer Districts		
Harvest Ridge	Windance Estates	The Reserve	Noxon Knolls	Sleight-Frank Farms	Sunset Ridge
\$ 48,144	\$ 40,045	\$ 24,372	\$ 17,311	\$ 249,423	\$ 17,720
-	-	-	7,258	-	1,101
-	-	-	-	40	-
-	-	-	-	-	-
<u>\$ 48,144</u>	<u>\$ 40,045</u>	<u>\$ 24,372</u>	<u>\$ 24,569</u>	<u>\$ 249,463</u>	<u>\$ 18,821</u>
\$ -	\$ -	\$ -	\$ 3,093	\$ -	\$ 100
-	-	-	-	238,866	-
-	-	-	3,093	238,866	100
-	-	-	-	-	-
-	-	-	343	7,265	-
48,144	40,045	24,372	21,133	3,332	18,721
48,144	40,045	24,372	21,476	10,597	18,721
<u>\$ 48,144</u>	<u>\$ 40,045</u>	<u>\$ 24,372</u>	<u>\$ 24,569</u>	<u>\$ 249,463</u>	<u>\$ 18,821</u>

Town of LaGrange, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2014
 (With Comparative Totals for 2013)

	Sewer Districts (Continued)		Water Districts	
	Titusville	Town Center	S.W. EXT. #5	Grandview
ASSETS				
Cash and equivalents	\$ 2,164,352	\$ 13,689	\$ 5,331	\$ 26,209
Accounts receivable	98,488	-	-	5,314
Due from other funds	11	-	-	16
Prepaid expenditures	278	-	-	-
Total Assets	\$ 2,263,129	\$ 13,689	\$ 5,331	\$ 31,539
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 27,320	\$ -	\$ -	\$ 1,325
Due to other funds	1,572,000	-	-	-
Total Liabilities	1,599,320	-	-	1,325
Fund balances (deficits)				
Nonspendable	278	-	-	-
Restricted	60,011	6,669	9	12,409
Assigned	603,520	7,020	5,322	17,805
Total Fund Balances (Deficits)	663,809	13,689	5,331	30,214
Total Liabilities and Fund Balances (Deficits)	\$ 2,263,129	\$ 13,689	\$ 5,331	\$ 31,539

Water Districts (Continued)				Totals	
Harvest Ridge	Town Center	Manchester	Mapleview	2014	2013
\$ 14	\$ 509,743	\$ 164,386	\$ 3,272	\$ 3,758,862	\$ 1,896,678
-	28,980	105,067	-	246,208	225,797
-	-	32	-	99	1,678
-	-	278	-	556	-
<u>\$ 14</u>	<u>\$ 538,723</u>	<u>\$ 269,763</u>	<u>\$ 3,272</u>	<u>\$ 4,005,725</u>	<u>\$ 2,124,153</u>
\$ -	\$ 6,877	\$ 36,827	\$ -	\$ 76,862	\$ 44,953
-	-	-	-	1,810,866	113
-	6,877	36,827	-	1,887,728	45,066
-	-	278	-	556	-
-	-	9,622	7,385	103,713	248,537
14	531,846	223,036	(4,113)	2,013,728	1,830,550
14	531,846	232,936	3,272	2,117,997	2,079,087
<u>\$ 14</u>	<u>\$ 538,723</u>	<u>\$ 269,763</u>	<u>\$ 3,272</u>	<u>\$ 4,005,725</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, 2014
 (With Comparative Totals for 2013)

	Town of LaGrange Lighting District	Drainage Districts		
		Dutchess Farms	Frank Farms	Sleight Farms
REVENUES				
Real property taxes	\$ 15,600	\$ -	\$ -	\$ -
Departmental income	-	5,000	13,175	10,000
Use of money and property	11	91	147	79
Miscellaneous	-	-	-	-
Total Revenues	15,611	5,091	13,322	10,079
EXPENDITURES				
Current				
Home and community services	15,556	30	38	46
Debt service				
Principal				
Serial bonds	-	-	-	-
Interest				
Serial bonds	-	-	-	-
Bond anticipation notes	-	-	-	-
Total Expenditures	15,556	30	38	46
Excess (Deficiency) of Revenues Over Expenditures	55	5,061	13,284	10,033
Other Financing Uses				
Transfers out	-	-	-	-
Net Change in Fund Balances	55	5,061	13,284	10,033
FUND BALANCES (DEFICITS)				
Beginning of Year	(227)	51,946	80,778	40,770
End of Year	\$ (172)	\$ 57,007	\$ 94,062	\$ 50,803

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
25	63	54	38	63	15	54
-	-	-	-	-	-	-
<u>2,025</u>	<u>3,563</u>	<u>3,054</u>	<u>3,538</u>	<u>5,063</u>	<u>15</u>	<u>3,054</u>
4	9	6	3	19	3	8
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4</u>	<u>9</u>	<u>6</u>	<u>3</u>	<u>19</u>	<u>3</u>	<u>8</u>
2,021	3,554	3,048	3,535	5,044	12	3,046
-	-	-	-	-	-	-
<u>2,021</u>	<u>3,554</u>	<u>3,048</u>	<u>3,535</u>	<u>5,044</u>	<u>12</u>	<u>3,046</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>
<u>\$ 16,266</u>	<u>\$ 40,287</u>	<u>\$ 34,393</u>	<u>\$ 24,768</u>	<u>\$ 40,118</u>	<u>\$ 9,045</u>	<u>\$ 34,359</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, 2014
 (With Comparative Totals for 2013)

	Drainage Districts (Continued)			
	Sunset Ridge Estates	Todd Hill Crossings	SVF Stormwater	Harvest Ridge
REVENUES				
Real property taxes	\$ -	\$ -	\$ -	\$ -
Departmental income	1,500	1,500	6,300	16,000
Use of money and property	17	27	71	74
Miscellaneous	-	-	-	-
Total Revenues	<u>1,517</u>	<u>1,527</u>	<u>6,371</u>	<u>16,074</u>
EXPENDITURES				
Current				
Home and community services	<u>7</u>	<u>6</u>	<u>-</u>	<u>10</u>
Debt service				
Principal				
Serial bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interest				
Serial bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bond anticipation notes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>7</u>	<u>6</u>	<u>-</u>	<u>10</u>
Excess (Deficiency) of Revenues Over Expenditures	1,510	1,521	6,371	16,064
Other Financing Uses				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	1,510	1,521	6,371	16,064
FUND BALANCES (DEFICITS)				
Beginning of Year	<u>9,187</u>	<u>15,645</u>	<u>38,361</u>	<u>32,080</u>
End of Year	<u>\$ 10,697</u>	<u>\$ 17,166</u>	<u>\$ 44,732</u>	<u>\$ 48,144</u>

Drainage Districts (Continued)		Sewer Districts				
Windance Estates	The Reserve	Noxon Knolls	Sleight-Frank Farms	Sunset Ridge	Titusville	Town Center
\$ -	\$ -	\$ -	\$ 67,652	\$ -	\$ 282,268	\$ 26,003
3,500	2,500	37,607	-	4,505	369,000	-
62	39	36	5,103	28	9,009	4,604
-	-	-	-	-	525	-
<u>3,562</u>	<u>2,539</u>	<u>37,643</u>	<u>72,755</u>	<u>4,533</u>	<u>660,802</u>	<u>30,607</u>
13	5	42,754	-	2,442	297,040	-
-	-	-	-	-	111,079	-
-	-	-	-	-	70,688	-
-	-	-	9,767	-	26,685	6,947
-	-	-	9,767	-	97,373	6,947
<u>13</u>	<u>5</u>	<u>42,754</u>	<u>9,767</u>	<u>2,442</u>	<u>505,492</u>	<u>6,947</u>
3,549	2,534	(5,111)	62,988	2,091	155,310	23,660
-	-	-	(62,883)	-	(99,125)	(21,053)
<u>3,549</u>	<u>2,534</u>	<u>(5,111)</u>	<u>105</u>	<u>2,091</u>	<u>56,185</u>	<u>2,607</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>
<u>\$ 40,045</u>	<u>\$ 24,372</u>	<u>\$ 21,476</u>	<u>\$ 10,597</u>	<u>\$ 18,721</u>	<u>\$ 663,809</u>	<u>\$ 13,689</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, 2014
 (With Comparative Totals for 2013)

	Water Districts			
	S.W. EXT. #5	Grandview	Harvest Ridge	Town Center
REVENUES				
Real property taxes	\$ -	\$ 9,297	\$ 6,907	\$ 91,693
Departmental income	-	20,366	-	99,377
Use of money and property	9	2,081	3	888
Miscellaneous	-	20	-	1,500
Total Revenues	<u>9</u>	<u>31,764</u>	<u>6,910</u>	<u>193,458</u>
EXPENDITURES				
Current				
Home and community services	-	19,834	-	127,062
Debt service				
Principal				
Serial bonds	-	-	6,304	83,696
Interest				
Serial bonds	-	-	603	7,997
Bond anticipation notes	-	2,771	-	-
	<u>-</u>	<u>2,771</u>	<u>603</u>	<u>7,997</u>
Total Expenditures	<u>-</u>	<u>22,605</u>	<u>6,907</u>	<u>218,755</u>
Excess (Deficiency) of Revenues Over Expenditures	9	9,159	3	(25,297)
Other Financing Uses				
Transfers out	-	(6,525)	-	-
Net Change in Fund Balances	9	2,634	3	(25,297)
FUND BALANCES (DEFICITS)				
Beginning of Year	<u>5,322</u>	<u>27,580</u>	<u>11</u>	<u>557,143</u>
End of Year	<u>\$ 5,331</u>	<u>\$ 30,214</u>	<u>\$ 14</u>	<u>\$ 531,846</u>

Water Districts (Continued)

Manchester	Mapleview	Totals	
		2014	2013
\$ 884,739	\$ 28,793	\$ 1,412,952	\$ 1,474,848
455,637	-	1,065,967	1,060,292
3,424	2,232	28,347	31,140
40	-	2,085	1,159
<u>1,343,840</u>	<u>31,025</u>	<u>2,509,351</u>	<u>2,567,439</u>
<u>527,821</u>	<u>-</u>	<u>1,032,716</u>	<u>920,224</u>
<u>653,921</u>	<u>-</u>	<u>855,000</u>	<u>850,000</u>
215,222	-	294,510	322,623
3,752	3,543	53,465	68,134
<u>218,974</u>	<u>3,543</u>	<u>347,975</u>	<u>390,757</u>
<u>1,400,716</u>	<u>3,543</u>	<u>2,235,691</u>	<u>2,160,981</u>
(56,876)	27,482	273,660	406,458
<u>(17,914)</u>	<u>(27,250)</u>	<u>(234,750)</u>	<u>(249,750)</u>
(74,790)	232	38,910	156,708
<u>307,726</u>	<u>3,040</u>	<u>2,079,087</u>	<u>1,922,379</u>
<u>\$ 232,936</u>	<u>\$ 3,272</u>	<u>\$ 2,117,997</u>	<u>\$ 2,079,087</u>

Town of LaGrange, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 366,377</u>	<u>\$ 429,957</u>
FUND BALANCE		
Restricted	<u>\$ 366,377</u>	<u>\$ 429,957</u>

Town of LaGrange, New York

Special Purpose Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
Departmental income	\$ -	\$ 16,000
Use of money and property	<u>658</u>	<u>859</u>
Total Revenues	658	16,859
EXPENDITURES		
Current		
Culture and recreation	<u>3,970</u>	<u>52,440</u>
Deficiency of Revenues Over Expenditures	<u>(3,312)</u>	<u>(35,581)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	8,286	-
Transfers out	<u>(68,554)</u>	<u>(20,000)</u>
Total Other Financing Uses	<u>(60,268)</u>	<u>(20,000)</u>
Net Change in Fund Balance	(63,580)	(55,581)
FUND BALANCE		
Beginning of Year	<u>429,957</u>	<u>485,538</u>
End of Year	<u>\$ 366,377</u>	<u>\$ 429,957</u>

Town of LaGrange, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 1,852,862	\$ 1,918,430
Due from other funds	<u>1,810,866</u>	<u>-</u>
Total Assets	<u><u>\$ 3,663,728</u></u>	<u><u>\$ 1,918,430</u></u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 266	\$ 122,085
Due to other funds	195	17,914
Retainage payable	7,801	7,801
Bond anticipation notes payable - Capital construction	8,997,278	8,402,106
Bond anticipation notes payable - Other	<u>1,810,866</u>	<u>-</u>
Total Liabilities	10,816,406	8,549,906
Fund deficit		
Unassigned	<u>(7,152,678)</u>	<u>(6,631,476)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 3,663,728</u></u>	<u><u>\$ 1,918,430</u></u>

Town of LaGrange, New York

Capital Projects Fund

Comparative Statement of Revenues, Expenditures and Changes

in Fund Balance

Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
Miscellaneous	\$ 4,196	\$ 266,889
EXPENDITURES		
Capital outlay	<u>950,270</u>	<u>2,114,435</u>
Deficiency of Revenues Over Expenditures	<u>(946,074)</u>	<u>(1,847,546)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	473,519	600,580
Transfers out	<u>(48,647)</u>	<u>(91,095)</u>
Total Other Financing Sources	<u>424,872</u>	<u>509,485</u>
Net Change in Fund Balance	(521,202)	(1,338,061)
FUND DEFICIT		
Beginning of Year	<u>(6,631,476)</u>	<u>(5,293,415)</u>
End of Year	<u>\$ (7,152,678)</u>	<u>\$ (6,631,476)</u>