

# VILLAGE OF LANSING

Lansing, New York

## FINANCIAL REPORT

May 31, 2018



# VILLAGE OF LANSING

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## INDEPENDENT AUDITOR'S REPORT

Mayor and Village Trustees  
Village of Lansing  
Lansing, 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 Village of Lansing (the Village), as of and for the year ended May 31, 2018, and the related notes to the financial statements, which collectively comprise the Village'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.

### ***Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity'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 entity'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.

INSERO & Co. CPAs, LLP

Rochester | Ithaca | Corning | Cortland | Watkins Glen | (800) 232-9547 | [www.inserocpa.com](http://www.inserocpa.com)

### ***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 Village of Lansing, as of May 31, 2018, and the respective changes in financial position thereof 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 the Management's Discussion and Analysis, budgetary comparison information, and the Schedules of Contributions and Proportionate Share of Net Pension Liability, and related notes to required supplementary information on pages 3-3i and 36-42 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.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 21, 2019, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Respectfully Submitted,



Inero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
January 21, 2019

# ***VILLAGE OF LANSING***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018**

The following is a discussion and analysis of the Village of Lansing's (the Village) financial performance for the fiscal year ended May 31, 2018. This section is a summary of the Village's financial activities based on currently known facts, decisions, or conditions. It is also based on both the Government-wide and Governmental Fund financial statements. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. The Management's Discussion and Analysis (MD&A) section is only an introduction and should be read in conjunction with the Village's financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$23,558,283 (net position). To meet the government's ongoing obligations to citizens and creditors, \$3,526,221 (unrestricted net position) may be used.
- During the year, the Village's expenses were \$7,465 less than the \$3,769,394 generated in tax, grant, and other revenues for governmental programs.
- The General Fund recorded a decrease of \$(3,611) in 2018 and had a fund balance at the end of the year of \$4,236,727.
- The Village's bond obligations decreased by \$(18,700) during the current fiscal year.
- Resources available for appropriation in the General Fund were \$152,643 more than budgeted and expenditures were \$1,086,659 favorable when compared to budget.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three parts: MD&A (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Village.

- The first two statements are Government-wide financial statements that provide both short-term and long-term information about the Village's overall financial status.

# ***VILLAGE OF LANSING***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018**

- The remaining statements are Governmental Fund financial statements that focus on individual parts of the Village, reporting the Village's operations in greater detail than the Government-wide financial statements. The Governmental Fund financial statements concentrate on the Village's most significant funds, if any, with all other Non-Major Funds listed in total in one column.
- The Governmental Fund financial statements detail how basic services such as regular and special revenues were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Village's budget for the year.

### **Government-wide Statement of Net Position and Statement of Activities**

The Statement of Net Position and Statement of Activities report information about the Village as a whole using accounting methods similar to those used by private-sector companies.

The Statement of Net Position includes all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two Government-wide financial statements report the Village's net position and how it has changed. Net position - the difference between the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the Village's financial health or position. Over time, increases or decreases in the Village's net position are indicators of whether its financial position is improving or deteriorating, respectively.

### **Governmental Fund Financial Statements**

The Governmental Fund financial statements are accounting devices the Village uses to keep track of specific sources of funding and spending. The Village's basic services are included in Governmental Funds, which generally focus on (1) how cash and other financial assets can be readily converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. This information does not encompass the additional long-term focus of the Statement of Net Position and Statement of Activities, as additional information in the Notes to Financial Statements explains the relationship (or differences) between them.

# VILLAGE OF LANSING

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018

### FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village's combined net position for fiscal year ended May 31, 2018 totaled \$23,558,283, including restricted net position of \$7,719,186 and net investment in capital assets of \$12,312,876. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the Village's Governmental Activities.

*Figure 1 - Net Position*

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2017</i>	<i>2018</i>	<i>2017-2018</i>	<i>2017-2018</i>
<i>Current assets</i>	\$ 2,039,531	\$ 2,671,915	\$ 632,384	31.0%
<i>Noncurrent assets</i>	8,948,387	9,034,888	86,501	1.0%
<i>Capital assets, net</i>	12,881,763	12,345,076	(536,687)	(4.2%)
<b><i>Total Assets</i></b>	<b>23,869,681</b>	<b>24,051,879</b>	<b>182,198</b>	<b>0.8%</b>
<i>Long-term receivables</i>	50,900	32,200	(18,700)	(36.7%)
<i>Pensions</i>	89,508	187,196	97,688	109.1%
<b><i>Total Deferred Outflows of Resources</i></b>	<b>140,408</b>	<b>219,396</b>	<b>78,988</b>	<b>56.3%</b>
<i>Current liabilities</i>	176,908	357,076	180,168	101.8%
<i>Noncurrent liabilities</i>	172,773	76,633	(96,140)	(55.6%)
<b><i>Total Liabilities</i></b>	<b>349,681</b>	<b>433,709</b>	<b>84,028</b>	<b>24.0%</b>
<i>Pensions</i>	58,690	247,083	188,393	321.0%
<i>Unavailable revenue - Special assessments</i>	50,900	32,200	(18,700)	(36.7%)
<b><i>Total Deferred Inflows of Resources</i></b>	<b>109,590</b>	<b>279,283</b>	<b>169,693</b>	<b>154.8%</b>
<i>Net investment in capital assets</i>	12,830,863	12,312,876	(517,987)	(4.0%)
<i>Restricted</i>	7,726,405	7,719,186	(7,219)	(0.1%)
<i>Unrestricted</i>	2,993,550	3,526,221	532,671	17.8%
<b><i>Total Net Position</i></b>	<b>\$ 23,550,818</b>	<b>\$ 23,558,283</b>	<b>\$ 7,465</b>	<b>0.0%</b>

# **VILLAGE OF LANSING**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018**

The increase in current assets stems from a significant increase in cash based on to using capital reserves instead of cash for improvements. The increase in noncurrent assets stems from the increase in investment in joint venture equity. The decrease in capital assets is a result of various disposals during the year and not purchasing as much equipment.

Pension related deferred inflows and outflows of resources increased primarily due to changes in actuarial assumptions as well as the net difference between projected and actual investment earnings of the New York State Local Retirement System.

Current liabilities increased primarily due to an increase in accounts payable. Noncurrent liabilities decreased as a result of a decrease in the Village's proportionate share of net pension liability.

Changes in net investment in capital assets as well as restricted net position resulted from changes in noncurrent restricted cash, as well as disposals of capital assets.

**Figure 2 - Changes in Net Position**

<b>Changes in Net Position</b>	<b>Governmental Activities</b>		<b>Dollar Change</b>	<b>Percent Change</b>
	<b>2017</b>	<b>2018</b>	<b>2017-2018</b>	<b>2017-2018</b>
<b>REVENUES</b>				
<i>Program Revenues:</i>				
<i>Charges for services</i>	\$ 1,960,225	\$ 2,028,470	\$ 68,245	3.5%
<i>Operating grants</i>	179,083	101,765	(77,318)	(43.2%)
<i>General Revenues:</i>				
<i>Property taxes and tax items</i>	551,011	646,626	95,615	17.4%
<i>Nonproperty taxes</i>	734,768	782,588	47,820	6.5%
<i>Use of money and property</i>	10,870	11,457	587	5.4%
<i>Other general revenues</i>	401,284	198,488	(202,796)	(50.5%)
<b>Total Revenues</b>	<b>\$ 3,837,241</b>	<b>\$ 3,769,394</b>	<b>\$ (67,847)</b>	<b>(1.8%)</b>
<b>PROGRAM EXPENSES</b>				
<i>General government</i>	\$ 407,654	\$ 409,933	\$ 2,279	0.6%
<i>Public safety</i>	116,776	114,234	(2,542)	(2.2%)
<i>Transportation</i>	1,348,994	1,371,687	22,693	1.7%
<i>Culture and recreation</i>	36,922	253,921	216,999	587.7%
<i>Home and community services</i>	1,849,139	1,609,648	(239,491)	(13.0%)
<i>Interest on long-term debt</i>	3,045	2,506	(539)	(17.7%)
<b>Total Expenses</b>	<b>\$ 3,762,530</b>	<b>\$ 3,761,929</b>	<b>\$ (601)</b>	<b>0.0%</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 74,711</b>	<b>\$ 7,465</b>	<b>\$ (67,246)</b>	<b>(90.0%)</b>



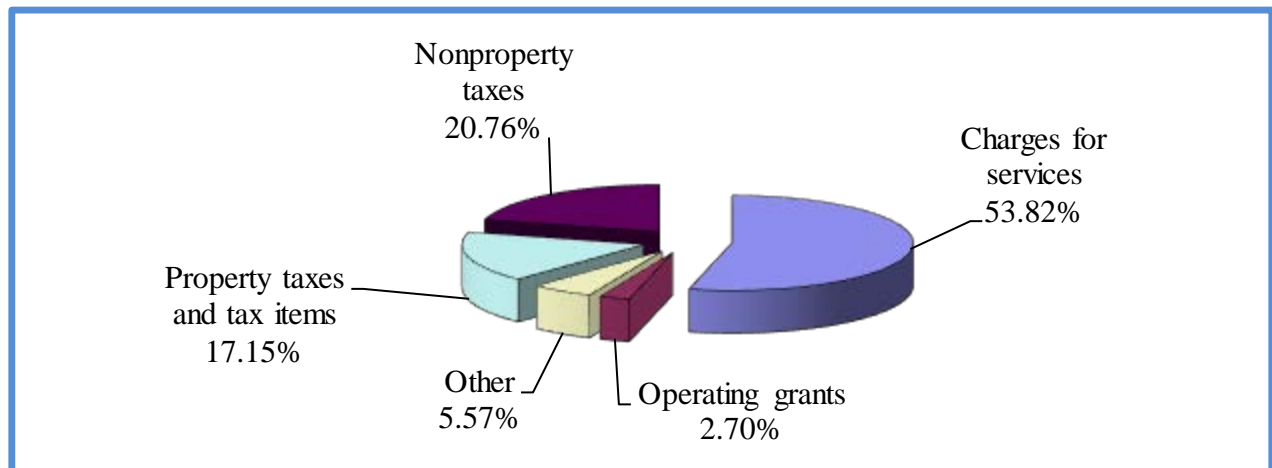
# VILLAGE OF LANSING

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018

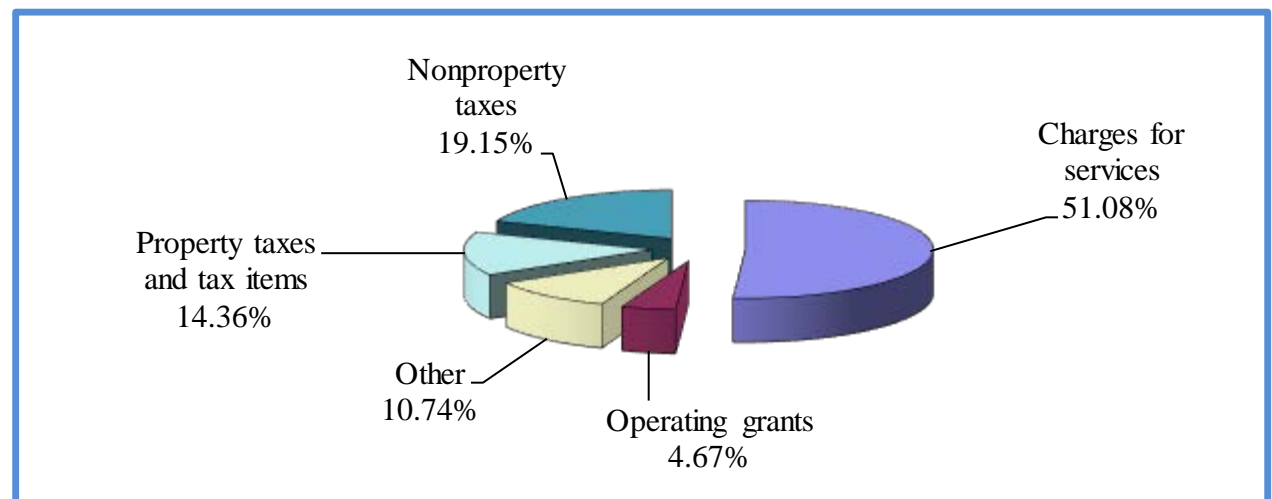
Total revenues decreased based on changes in operating grants and other general revenues. Operating grants decreased due to a decrease in the State Consolidated Local Street and Highway Improvement Program (CHIPS) award. Other general revenues decreased compared to the prior year primarily because of a decrease in sale of equipment and a loss on disposal.

Expenditures increased based on changes in transportation and culture and recreation expenditures. The increase in culture and recreation expenditures stems from the use of capital reserves for Northwood Park improvements. The increase in transportation expenditures stems from increases in payroll expenditures as well as the increase in allocated depreciation expense.

**Figure 3 - Revenue by Source  
2018**



**Figure 4 - Revenue by Source  
2017**



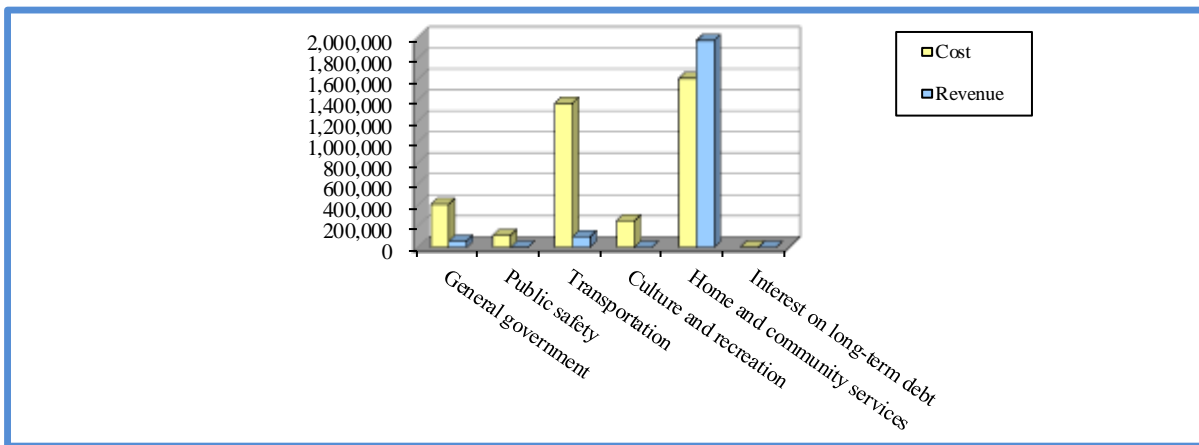
# VILLAGE OF LANSING

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018

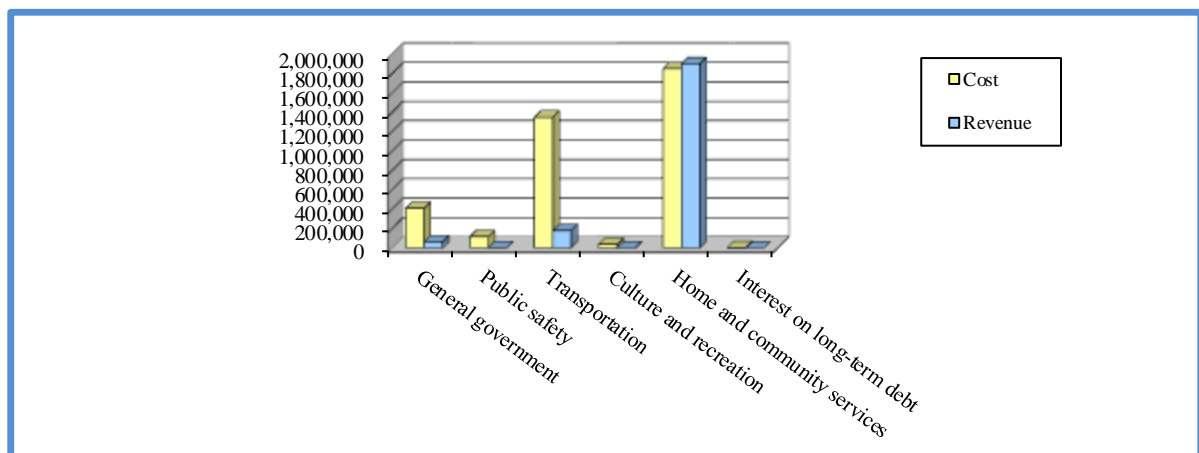
The cost of all Governmental Activities this year was \$3,761,929. However, \$2,130,235 was paid by those who directly benefited from the programs in the form of charges for services and operating grants and contributions. The difference of \$1,631,694 the remaining “public benefit” portion of Governmental Activities, was paid by the Village with \$1,639,159 in taxes and other revenues, such as interest and general entitlements, resulting in an increase in net position of \$7,465.

The total cost less revenues generated by activities, or the net cost, for each of the Village’s programs is presented below. The net cost shows the financial burden that was placed on the Village’s taxpayers by each of these functions.

**Figure 5 - Net Program Cost - Governmental Activities  
2018**



**Figure 6 - Net Program Cost - Governmental Activities  
2017**



# VILLAGE OF LANSING

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018

### FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Figure 7 shows the changes in fund balances for the year for the Village's funds. As the Village completed the year, its Governmental Funds, as presented in the balance sheet, reported a decrease in combined fund balance. The decrease is primarily due to a change in fund balance in the General Fund resulting from expenditures for various street improvement projects.

*Figure 7 - Governmental Fund Balances at Year Ending May 31,*

<b>Governmental Fund Balances</b>	<b>2017</b>	<b>2018</b>	<b>Dollar Change</b>	<b>Percent Change</b>
			<b>2017-2018</b>	<b>2017-2018</b>
<i>General Fund</i>	\$ 4,240,338	\$ 4,236,727	\$ (3,611)	(0.1%)
<i>Water Fund</i>	1,123,165	1,414,052	290,887	25.9%
<i>Sewer Fund</i>	4,016,381	4,179,353	162,972	4.1%
<i>Capital Projects Fund</i>	264,109	264,321	212	0.1%
<b>Totals</b>	<b>\$ 9,643,993</b>	<b>\$ 10,094,453</b>	<b>\$ 450,460</b>	<b>4.7%</b>

### General Fund Budgetary Highlights

Over the course of the year, the Village Board, as well as the management of the Village, revised the Village budget. Budget amendments consisted of budget transfers between functions, which did not increase the overall budget. With these adjustments, the actual charges to appropriations (expenditures) were below the final budgeted amounts.

Resources available for appropriation were greater than the final budgeted amount in the General Fund for several reasons. Revenue from state sources was above budget primarily due to greater than expected consolidated highway aid and mortgage tax. Additionally, other revenues were above budget due to greater than anticipated permit revenue as well as the sale of equipment.

Total expenditures were less than budgeted primarily due to less than anticipated capital improvement expenditures as well as employee benefits.

# VILLAGE OF LANSING

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018

Figure 8 summarizes the General Fund original and final budgets, the actual revenues and expenditures (including encumbrances), and variances for the year ended May 31, 2018.

*Figure 8 - Budgetary Comparison Schedule*

<i>Condensed Budgetary Comparison General Fund - 2018</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Actual w/ Encumbrances</i>	<i>Total Dollar Variance Fav (Unfav)</i>
<b>REVENUES</b>				
<i>Real property taxes and tax items</i>	\$ 631,668	\$ 631,668	\$ 634,828	\$ 3,160
<i>Nonproperty tax items</i>	707,000	707,000	782,588	75,588
<i>State sources</i>	148,152	148,152	196,834	48,682
<i>Other</i>	55,300	55,300	80,513	25,213
<b>Total Revenues</b>	<b>\$ 1,542,120</b>	<b>\$ 1,542,120</b>	<b>\$ 1,694,763</b>	<b>\$ 152,643</b>
<b>Appropriated Fund Balances and Encumbrances</b>	<b>\$ 1,242,913</b>	<b>\$ 1,242,913</b>		
<b>EXPENDITURES</b>				
<i>General support</i>	\$ 336,962	\$ 330,636	\$ 294,571	\$ 36,065
<i>Public safety</i>	99,600	99,600	85,428	14,172
<i>Transportation</i>	1,762,513	1,727,113	741,077	986,036
<i>Culture and recreation</i>	244,840	272,990	269,524	3,466
<i>Home and community services</i>	166,040	179,616	154,130	25,486
<i>Employee benefits</i>	210,078	210,078	188,644	21,434
<b>Total Expenditures</b>	<b>\$ 2,820,033</b>	<b>\$ 2,820,033</b>	<b>\$ 1,733,374</b>	<b>\$ 1,086,659</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
<i>Interfund transfers in</i>	\$ 35,000	\$ 35,000	\$ 35,000	\$ -
<b>Total Other Sources</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ -</b>

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital Assets

At the end of May 31, 2018, the Village had \$31,679,788 invested in a broad range of capital assets, including buildings, machinery and equipment, streets and bridges. Accumulated depreciation totaled \$(19,334,712) for the year ended May 31, 2018.

# VILLAGE OF LANSING

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018

*Figure 9 - Capital Assets*

	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2017</i>	<i>2018</i>	<i>2017-2018</i>	<i>2017-2018</i>
<i>Land</i>	\$ 2,097,947	\$ 2,097,947	\$ -	0.0%
<i>Construction in progress</i>	-	108,717	108,717	100.0%
<i>Infrastructure, net</i>	8,623,728	7,827,013	(796,715)	(9.2%)
<i>Buildings and improvements, net</i>	1,579,522	1,513,491	(66,031)	(4.2%)
<i>Equipment, net</i>	580,566	797,908	217,342	37.4%
<b><i>Totals</i></b>	<b>\$ 12,881,763</b>	<b>\$ 12,345,076</b>	<b>\$ (536,687)</b>	<b>(4.2%)</b>

### Debt Administration

Debt, consisting of a sewer bond, considered a liability of Governmental Activities as shown in *Figure 10* below. All bonds outstanding are subject to the constitutional debt limit and represented approximately 0.12% of the Village's statutory debt limit.

*Figure 10 - Outstanding Debt at Year End*

	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2017</i>	<i>2018</i>	<i>2017 - 2018</i>	<i>2017 - 2018</i>
<i>Serial bonds</i>	\$ 50,900	\$ 32,200	\$ (18,700)	(36.7%)
<b><i>Totals</i></b>	<b>\$ 50,900</b>	<b>\$ 32,200</b>	<b>\$ (18,700)</b>	<b>(36.7%)</b>

The Village's bond rating is currently A3 from Moody's, which did not change from the prior year. Moody's has assigned a rating of Aa3 to the joint public improvement serial bonds, which did not change from the prior year.

# ***VILLAGE OF LANSING***

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MAY 31, 2018**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- Major Village Projects for 2018-2019 include:
  - Repaving of Village roadways-Uptown Rd., Graham Rd., Brook Way, Brook Drive, Becket Way, Wedgewood Dr. and Essex Court
  - Northwood Road-Sidewalk installation, streetlights and road improvements
  - Continue improvements to Northwood Road Park including finishing the installation of an all-purpose playing field, trail from Dart Dr. to Northwood Rd., pavilion with tables, basketball court and stormwater
  - Highgate Circle storm collection system
  - Water projects include Catherwood Road Water Main Replacement and Northwood Road Water Main Extension
  - Sewer Capital Project-Cayuga Heights Road Extension
  - Once Graham Road West is acquired, replace culverts and water main and repaving.
- For the 2018-2019 year, the property tax levy will increase by \$64,681. Assessed value of properties in the Village increased by \$13,116,976 and the property tax levy is approximately 10.75% greater than last year.
- Although State funding is expected to remain steady next year, over the years, the Village has reduced its dependence on state aid, thus mitigating the effect of any budget issues facing New York State and changes in state funding on the Village.

### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about the report or need any additional financial information contact Jodi Dake, Clerk-Treasurer, at 2405 North Triphammer Road, Ithaca, New York 14850.

# VILLAGE OF LANSING

## STATEMENT OF NET POSITION MAY 31, 2018

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents - Unrestricted	\$ 2,554,262
Due from state and federal governments	52,376
Other receivables, net	65,277
<b>Total Current Assets</b>	<b>2,671,915</b>
<b>Noncurrent Assets</b>	
Restricted cash and cash equivalents	7,719,186
Investment in joint venture equity	1,315,702
Land and other non-depreciable capital assets	2,097,947
Depreciable capital assets, net of accumulated depreciation	10,247,129
<b>Total Noncurrent Assets</b>	<b>21,379,964</b>
<b>Total Assets</b>	<b>24,051,879</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Long-term receivables	32,200
Pensions	187,196
<b>Total Deferred Outflows of Resources</b>	<b>219,396</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	296,648
Interest payable	106
Current portion of long-term liabilities:	
Compensated absences	41,622
Bonds payable	18,700
<b>Total Current Liabilities</b>	<b>357,076</b>
<b>Noncurrent Liabilities</b>	
Bonds payable	13,500
Net pension liability - Proportionate share	63,133
<b>Total Noncurrent Liabilities</b>	<b>76,633</b>
<b>Total Liabilities</b>	<b>433,709</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - Future levy for sewer fund bond principal payments	32,200
Pensions	247,083
<b>Total Deferred Inflows of Resources</b>	<b>279,283</b>
<b>NET POSITION</b>	
Net investment in capital assets	12,312,876
Restricted	7,719,186
Unrestricted	3,526,221
<b>Total Net Position</b>	<b>\$ 23,558,283</b>

*See Independent Auditor's Review Report and Notes to Financial Statements*

# VILLAGE OF LANSING

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2018

		Program Revenues			Primary Government Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
FUNCTIONS/PROGRAMS	Expenses				
<b>Governmental Activities</b>					
General governmental support	\$ 409,933	\$ 57,600	\$	\$	\$ (352,333)
Public safety	114,234	1,138			(113,096)
Transportation	1,371,687		101,765		(1,269,922)
Culture and recreation	253,921				(253,921)
Home and community services	1,609,648	1,969,732			360,084
Interest on long-term debt	2,506				(2,506)
<b>Total Governmental Activities</b>	<b>\$ 3,761,929</b>	<b>\$ 2,028,470</b>	<b>\$ 101,765</b>	<b>\$ -</b>	<b>(1,631,694)</b>
<b>GENERAL REVENUES</b>					
					613,926
Real property taxes					32,700
Real property tax items					782,588
Nonproperty tax items					11,457
Use of money and property					4,417
Sale of property and compensation for loss					5,282
Miscellaneous local sources					95,069
Unrestricted state sources					93,720
Change in investment in joint venture					
<b>Total General Revenues</b>					<b>1,639,159</b>
					7,465
Change in Net Position					
					23,550,818
Net Position - Beginning					
<b>Net Position - Ending</b>					<b>\$ 23,558,283</b>

See Independent Auditor's Report and Notes to Financial Statements



# VILLAGE OF LANSING

## BALANCE SHEET - GOVERNMENTAL FUNDS MAY 31, 2018

	Major Funds				Total Governmental Funds
	General Fund	Capital Projects Fund	Special Revenue Funds Water Fund	Sewer Fund	
<b>ASSETS</b>					
Cash and cash equivalents - Unrestricted	\$ 1,303,752	\$ 264,321	\$ 632,292	\$ 353,897	\$ 2,554,262
Cash and cash equivalents - Restricted	3,157,870		752,685	3,808,631	7,719,186
Due from state and federal governments	52,376				52,376
Other receivables	17,593		29,440	18,244	65,277
<b>Total Assets</b>	<u>4,531,591</u>	<u>264,321</u>	<u>1,414,417</u>	<u>4,180,772</u>	<u>10,391,101</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Long term receivables				32,200	32,200
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 4,531,591</u>	<u>\$ 264,321</u>	<u>\$ 1,414,417</u>	<u>\$ 4,212,972</u>	<u>\$ 10,423,301</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 294,864	\$	\$ 365	\$ 1,419	\$ 296,648
<b>Total Liabilities</b>	<u>294,864</u>		<u>365</u>	<u>1,419</u>	<u>296,648</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - Future levy for sewer fund bond principal payments				32,200	32,200
<b>FUND BALANCES</b>					
Restricted	3,157,870		752,685	3,808,631	7,719,186
Assigned	530,000	264,321	661,367	370,722	1,826,410
Unassigned	548,857				548,857
<b>Total Fund Balances</b>	<u>4,236,727</u>	<u>264,321</u>	<u>1,414,052</u>	<u>4,179,353</u>	<u>10,094,453</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 4,531,591</u>	<u>\$ 264,321</u>	<u>\$ 1,414,417</u>	<u>\$ 4,212,972</u>	<u>\$ 10,423,301</u>

*See Independent Accountant's Review Report and Notes to Financial Statements*

# VILLAGE OF LANSING

## RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION MAY 31, 2018

**Total Governmental Fund Balances** **\$ 10,094,453**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation used in Governmental Activities are not financial resources and, therefore, are not reported in the Governmental Funds.

Capital assets	\$ 31,679,788	
Accumulated depreciation	<u>(19,334,712)</u>	12,345,076

The Villages's proportionate share of the employee retirement systems' collective net pension liability is not reported in the funds.

Net pension liability - proportionate share	(63,133)
---------------------------------------------	----------

Investment in equity of the Southern Cayuga Lake Intermunicipal Water Commission is not a financial resource and is not reported in the Governmental Funds.

1,315,702

Certain accrued expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the Governmental Funds.

Accrued interest payable	(106)
--------------------------	-------

Long-term liabilities, including bonds payable, notes payable and compensated absences, are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.

Bonds payable	\$ (32,200)	
Compensated absences	<u>(41,622)</u>	(73,822)

Deferred outflows of resources, including pensions, represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred inflows of resources, including pensions, represents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred outflows - Pensions	\$ 187,196	
Deferred inflows - Pensions	<u>(247,083)</u>	<u>(59,887)</u>

**Net Position of Governmental Activities** **\$ 23,558,283**

*See Independent Auditor's Report and Notes to Financial Statements*

# VILLAGE OF LANSING

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS MAY 31, 2018

	Major Funds				Total Governmental Funds
	General Fund	Capital Projects Fund	Special Revenue Funds Water Fund	Sewer Fund	
<b>REVENUES</b>					
Real property taxes	\$ 602,128	\$	\$	\$ 11,798	\$ 613,926
Real property tax items	32,700				32,700
Nonproperty tax items	782,588				782,588
Departmental income	11,050		1,091,224	261,487	1,363,761
Intergovernmental charges				617,021	617,021
Use of money and property	5,005	212	1,158	5,082	11,457
Licenses and permits	47,688				47,688
Sale of property and compensation for loss	11,488				11,488
Miscellaneous local sources	5,282				5,282
State sources	196,834				196,834
<b>Total Revenues</b>	<b>1,694,763</b>	<b>212</b>	<b>1,092,382</b>	<b>895,388</b>	<b>3,682,745</b>
<b>EXPENDITURES</b>					
General governmental support	294,571			20,613	315,184
Public safety	85,428				85,428
Transportation	741,077				741,077
Culture and recreation	269,524				269,524
Home and community services	154,130		781,495	675,558	1,611,183
Employee benefits	188,644				188,644
Debt service:					
Principal				18,700	18,700
Interest				2,545	2,545
<b>Total Expenditures</b>	<b>1,733,374</b>	<b>-</b>	<b>781,495</b>	<b>717,416</b>	<b>3,232,285</b>
<b>Excess of (Expenditures) Revenues</b>	<b>(38,611)</b>	<b>212</b>	<b>310,887</b>	<b>177,972</b>	<b>450,460</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers in	35,000				35,000
Interfund transfers (out)			(20,000)	(15,000)	(35,000)
<b>Total Other Financing Sources (Uses)</b>	<b>35,000</b>	<b>-</b>	<b>(20,000)</b>	<b>(15,000)</b>	<b>-</b>
<b>Excess of (Expenditures) and Other (Uses) Over Revenues and Other Financing Sources</b>	<b>(3,611)</b>	<b>212</b>	<b>290,887</b>	<b>162,972</b>	<b>450,460</b>
Fund Balances, Beginning of Year	4,240,338	264,109	1,123,165	4,016,381	9,643,993
<b>Fund Balances, End of Year</b>	<b>\$ 4,236,727</b>	<b>\$ 264,321</b>	<b>\$ 1,414,052</b>	<b>\$ 4,179,353</b>	<b>\$ 10,094,453</b>

See Independent Auditor's Report and Notes to Financial Statements

# VILLAGE OF LANSING

## RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION FOR THE YEAR ENDED MAY 31, 2018

**Net Change in Fund Balances - Total Governmental Funds** **\$ 450,460**

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Funds report purchases of capital assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense and disposals exceeded capital outlay in the current period.

Capital outlay	\$ 666,290	
Depreciation expense	<u>(1,202,977)</u>	(536,687)

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of repayment of debt.

18,700

Changes in the Village's proportionate share of net pension liabilities have no effect on current financial resources and therefore are not reported in the Governmental Funds. In addition, changes in the Villages's deferred outflows and deferred inflows related to pensions do not affect current financial resources and are also not reported in the Governmental Funds.

Deferred outflows - Pensions	\$ 97,688	
Net pension liability - Proportionate share	77,440	
Deferred inflows - Pensions	<u>(188,393)</u>	(13,265)

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.

Net change in compensated absences	\$ (5,502)	
Net change in investment in joint venture equity	<u>93,720</u>	<u>88,257</u>

**Change in Net Position of Governmental Activities** **\$ 7,465**

*See Independent Auditor's Report and Notes to Financial Statements*

# ***VILLAGE OF LANSING***

## **STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS MAY 31, 2018**

	<b><u>Agency Fund</u></b>
<b>ASSETS</b>	
Cash and cash equivalents - Unrestricted	\$ <u>85,738</u>
<b>Total Assets</b>	<b>\$ <u><u>85,738</u></u></b>
<b>LIABILITIES</b>	
Agency liabilities	\$ <u>85,738</u>
<b>Total Liabilities</b>	<b>\$ <u><u>85,738</u></u></b>

*See Independent Auditor's Report and Notes to Financial Statements*

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1* Summary of Significant Accounting Policies**

The basic financial statements of the (the Village) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Village's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

#### **Reporting Entity**

The Village was established in 1974 and is governed by village law, various local laws, and other municipal laws of the State of New York. The Board of Trustees is the legislative body responsible for overall operations, the Mayor serves as chief executive officer and the Clerk/Treasurer serves as chief fiscal officer.

The following basic services are provided: public safety (traffic control and code enforcement), highways and streets, sanitation, health, transportation, culture and recreation, home and community services, public improvements, planning and zoning, and general administration.

All Governmental Activities and functions performed for the Village are its direct responsibility. The basic financial statements include all funds of the primary government, which is the Village, as well as the component units and other organizational entities determined to be included in the Village's reporting entity in accordance with GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus." The decision to include a potential component unit in the Village's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of a certain entity considered in determining the Village's reporting entity.

#### **Joint Venture**

The Southern Cayuga Lake Intermunicipal Water Commission (the Commission) is a joint venture undertaken with the Village of Cayuga Heights and the Towns of Ithaca, Dryden, and Lansing under Article 5 of the General Municipal Law of the State of New York. The purpose of the Commission is to provide water services to its member municipalities. A portion of the joint venture's activity and equity has been recorded in the Village's Statement of Net Position as of May 31, 2018. Separate financial statements of the joint venture are issued and can be obtained from the Commission, 1402 East Shore Drive, Ithaca New York 14850.

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1*      Summary of Significant Accounting Policies - Continued**

#### **Basic Financial Statements**

The Village's basic financial statements include both Government-wide (reporting the Village as a whole) and Governmental Fund financial statements (reporting the Village's Major Funds.) Both the Government-wide and Governmental Fund financial statements categorize primary activities as either Governmental or Business-type. The Village's general governmental support, education, public safety, transportation, public health, highways and streets, economic assistance and opportunity, culture and recreation, and home and community services are classified as Governmental Activities. The Village has no Business-type Activities.

#### **Government-wide Financial Statements**

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government. Government-wide financial statements do not include the activities reported in the Fiduciary Funds. The focus of the Government-wide financial statements addresses the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities column is presented on a consolidated basis, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts - net investment in capital assets; restricted resources; and unrestricted resources. The Village first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the Village's functions or programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues - charges paid by the recipients of the goods or services offered by the programs, grants, and contributions - that are restricted to meeting the program or capital requirements of a particular program. Depreciation of assets shared by essentially all of the Village's programs has been reported in general governmental support. Revenues which are not classified as program revenues are presented as general revenues of the Village, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the Village.

Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for those areas.

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Governmental Fund Financial Statements**

The financial transactions of the Village are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain government functions or activities.

The Village records its transactions in the funds described below:

#### **Governmental Funds**

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities are accounted for through Governmental Funds. The measurement focus of the Governmental Funds is based upon determination of financial position and changes in financial position under the modified accrual basis of accounting. The following are the Village's Governmental Funds:

#### **Major Funds**

- General Fund - Principal operating fund; includes all operations not required to be recorded in other funds.
- Capital Projects Fund - Accounts for and reports financial resources to be used for the acquisition, construction, or renovation of the Village's major capital facilities or equipment.
- Special Revenue Funds - Used to account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The following two funds are special revenue funds:
  - Water Fund - Accounts for revenues derived from charges for water consumption and benefited assessments, and the application of such revenues toward related operating expenses and debt retirement.
  - Sewer Fund - Accounts for revenues derived from charges for sewer usage and benefited assessments, and the application of such revenues toward related operating expenses and debt retirement.



# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Fiduciary Funds**

Accounts for assets held by the Village in a trustee or custodial capacity. The following are the Village's Fiduciary Funds:

- Agency Funds - Accounts for money received and held by the Village in the capacity of trustee, custodian, or agent. The Agency Funds are custodial in nature and do not involve measurement of results of operations. The most significant of the Village's Agency Funds are bid deposits and guarantees.

#### **Basis of Accounting/Measurement Focus**

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

- Accrual Basis - The Government-wide financial statements and Fiduciary Fund financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Village's assets and deferred outflows of resources and liabilities and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.
- Modified Accrual Basis - The Governmental Fund financial statements are prepared using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The Village considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when received. Exceptions to this general rule are 1) principal and interest on indebtedness are not recognized as an expenditure until due, and 2) compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1*      Summary of Significant Accounting Policies - Continued**

#### **Property Taxes**

Real property taxes are levied annually by the Village no later than May 31, and become a lien on June 1. Taxes are collected during the period June 1 to November 1.

Uncollected real property taxes are subsequently enforced by the County of Tompkins in which the Village is located. An amount representing uncollected real property taxes transmitted to the County for enforcement is paid by the County to the Village no later than the forthcoming April 1.

Property tax revenues are recognized as revenues in the year they are levied and collected. Property taxes not collected within 60 days subsequent to fiscal year end are reported as unavailable revenues in the fund financial statements or deferred inflows of resources in the governmental activities.

#### **Cash and Cash Equivalents**

For financial statement purposes, the Village considers all highly liquid investments of three months or less as cash equivalents.

#### **Receivables**

Receivables are stated at net realizable value. No allowances for uncollectible amounts have been recorded as management has deemed the receivables fully collectible. Amounts due from state and federal governments represent amounts owed to the Village to reimburse it for expenditures incurred pursuant to state and federally funded programs. Other receivables represent amounts owed to the Village including water rents receivable and sewer rents receivable.

#### **Investments**

Investments are stated at fair value.

#### **Capital Assets**

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Governmental capital assets purchased or acquired with an original cost of at least \$2,000 and having a useful life of greater than two years are capitalized. The estimated useful lives for governmental capital assets are as follows:

Buildings	40 years
Machinery and equipment	3-15 years
Infrastructure	30-50 years

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Capital Assets - Continued**

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure in the Village is optional under GASB Statement No. 34, paragraph 148. The Village has elected to retroactively report its water wells and pipelines; resurfacing of multiple roads has also been reported as an infrastructure asset.

#### **Vacation, Sick Leave, and Compensated Absences**

Village employees are granted vacation and sick leave and earn compensated absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation leave and unused compensated absences at various rates.

The Village recognizes a liability for vacation leave and other compensated absences with similar characteristics and additional salary-related payments as the benefits are earned by the employees, based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes vacation leave and other compensated absences with similar characteristics that were earned but not used during the current or prior periods and for which employees can receive compensation in a future period. Amounts do not include leave expected to lapse and includes leave that (new) employees will (eventually) qualify for. The Village allows 60 days in total for unused sick and vacation time.

The liability for compensated absences is calculated at rates in effect as of the balance sheet date and is recorded in the Government-wide financial statements for amounts to be paid from future financial resources.

#### **Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Statement of Net Position and the Balance Sheet will sometimes report separate sections for deferred outflows and inflows of resources. The separate financial statement element, *deferred outflows of resources*, represents a consumption of net position by the government that applies to a future period(s). The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two types of deferred outflows and inflows of resources reported on the Balance Sheet and Statement of Net Position. Long-term receivables, and unavailable revenue will become available when special tax assessments for the sewer fund are levied. These amounts will be recognized as revenues and expenditures in the period the amounts become available. The Village also reports deferred outflows and inflows related to pensions in the Statement of Net Position. The types of deferred outflows and inflows related to pensions are described in Note 8.

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1* Summary of Significant Accounting Policies - Continued**

#### **Fund Balances - Reservations and Designations**

The Capital Reserves and the Improvements and Equipment Reserve are used to pay the cost of any object or purpose authorized by the Board of Trustees. Expenditures may be made from the reserves only for specific purposes authorized by the Board of Trustees. These reserves are accounted for in the General, Water, and Sewer Funds.

#### **Due to/From Other Funds**

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

#### **Use of Estimates**

The presentation of financial statements in conformity with generally accepted accounting principles as applied to governmental units requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Equity Classifications-Government-wide Financial Statements**

Equity is classified as net assets and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of "restricted" or "net investment in capital assets."

#### **Equity Classifications - Governmental Fund Financial Statements**

The Village follows GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." Statement No. 54 changed the terminology and classification of fund balance to reflect spending constraints on resources, rather than availability for appropriation. This approach is intended to provide users more consistent and understandable information about a fund's net resources.

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1*      Summary of Significant Accounting Policies - Continued**

#### **Equity Classifications - Governmental Fund Financial Statements - Continued**

Constraints are broken into five classifications: nonspendable, restricted, committed, assigned, and unassigned. These classifications serve to inform readers of the financial statements of the extent to which the government is bound to honor any constraints on specific purposes for which resources in a fund can be spent.

- **Nonspendable** - Consists of assets 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 endowments principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation. Most of the Village's legally adopted reserves are reported here.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government's highest level of decision-making authority prior to the end of the fiscal year, and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government's highest level of decision-making authority, or their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

The Village has not adopted any resolutions to commit fund balance. Currently, fund balance is assigned by the Village Clerk/Treasurer for encumbrances and designations and the Village Board of Trustees, by resolution, approves fund balance appropriations for next year's budget. The Village has not formally adopted a policy defining the order in which to apply expenditures against fund balances. However, the Village applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, then unassigned fund balance, in that order.

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 2 Cash and Investments**

The Village's investment policies are governed by state statutes. In addition, the Village has its own written investment policy. The Village's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Clerk-Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral (security) is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are set forth in the Village's investment policy.

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105% of the cost of the repurchase agreements.

Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. While the Village does not have a specific policy for custodial credit risk, New York State statutes govern the Village's investment policies, as discussed previously in these notes. GASB Statement No. 40 directs deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either uncollateralized or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name.

The Village's aggregate bank balances of \$10,362,612 are either insured or collateralized with securities held by the pledging financial institution in the Village's name.

### **Note 3 Other Receivables**

Other receivables at May 31, 2018 consisted of the following, which are stated at net realizable value. The Village has deemed the amounts to be fully collectible.

	<b>Description</b>	<b>Amount</b>
General Fund	Utilities Gross Receipts Tax	\$ 17,593
Special Revenue Funds:		
Water Fund	Water Rents	29,440
Sewer Fund	Sewer Rents	18,244
<b>Total</b>		<b>\$ 65,277</b>

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

**Note 4 Interfund Balances and Activity**

During the course of normal operations, the Village has numerous transactions between funds including expenditures and transfers of resources; primarily to provide services. The Governmental Fund financial statements generally reflect such transactions as transfers.

The Village also loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Interfund balances at May 31, 2018 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditure</u>
<b>Governmental Funds</b>				
General Fund	\$	\$	\$ 35,000	\$
Water Fund				20,000
Sewer Fund				15,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total</b>	<b>\$ <u>          -          </u></b>	<b>\$ <u>          -          </u></b>	<b>\$ <u>      35,000      </u></b>	<b>\$ <u>      35,000      </u></b>

**Note 5 Deferred Outflows of Resources**

Deferred outflows of resources consist of special assessment amounts to be levied in subsequent years for the repayment of serial bond debt related to sanitary sewer improvements. The following is a summary of deferred outflows of resources reported at May 31, 2018:

	<u>Description</u>	<u>Amount</u>
<b>Special Revenue Fund</b>		
Sewer Fund	Sewer Construction Assessment	\$ 32,200

See Note 8 for information related to deferred outflows of resources for pensions.

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 6 Capital Assets**

A summary of changes in capital assets at May 31, 2018 follows:

	<b>Balance at 05/31/17</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 05/31/18</b>
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets:				
Land	\$ 2,097,947	\$	\$	\$ 2,097,947
Construction in progress	<u>-</u>	<u>108,717</u>	<u></u>	<u>108,717</u>
Total Non-Depreciable Capital Assets	<u>2,097,947</u>	<u>108,717</u>	<u>-</u>	<u>2,206,664</u>
Depreciable Capital Assets:				
Buildings	2,257,167	7,471		2,264,638
Infrastructure	25,317,385	209,105		25,526,490
Machinery and equipment	<u>1,340,999</u>	<u>357,118</u>	<u>(16,121)</u>	<u>1,681,996</u>
Total Depreciable Capital Assets	<u>28,915,551</u>	<u>573,694</u>	<u>(16,121)</u>	<u>29,473,124</u>
Total Historical Cost	<u>31,013,498</u>	<u>682,411</u>	<u>(16,121)</u>	<u>31,679,788</u>
Less Accumulated Depreciation:				
Buildings	(677,645)	(73,502)		(751,147)
Infrastructure	(16,693,657)	(1,005,820)		(17,699,477)
Machinery and equipment	<u>(760,433)</u>	<u>(132,705)</u>	<u>9,050</u>	<u>(884,088)</u>
Total Accumulated Depreciation	<u>(18,131,735)</u>	<u>(1,212,027)</u>	<u>9,050</u>	<u>(19,334,712)</u>
<b>Governmental Activities</b>				
<b>Capital Assets, Net</b>	<b>\$ <u>12,881,763</u></b>	<b>\$ <u>(529,616)</u></b>	<b>\$ <u>(7,071)</u></b>	<b>\$ <u>12,345,076</u></b>

Depreciation expense was charged to functions as follows:

General governmental support	\$ 37,792
Public safety	1,558
Transportation	912,984
Culture and recreation	11,894
Home and community services	<u>247,799</u>
<b>Total</b>	<b>\$ <u>1,212,027</u></b>



# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 7**      **Deferred Inflows of Resources**

Deferred inflows of resources consist of special assessment amounts to be levied in subsequent years for the repayment of serial bond debt related to sanitary sewer improvements. The following is a summary of deferred inflows of resources reported at May 31, 2018:

	<u>Description</u>	<u>Amount</u>
<b>Special Revenue Fund</b>		
Sewer Fund	Sewer Construction Assessment	\$ 32,200

See Note 8 for information to deferred inflows of resources for pensions.

### **Note 8**      **Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System)**

#### **Plan Descriptions and Benefits Provided**

##### **Employees' Retirement System (ERS)**

The Village participates in the New York State and Local Employees' Retirement System which includes the New York State and Local Employees' Retirement System plan (ERS). This plan is a cost-sharing multiple-employer defined benefit pension plan. The System provides retirement benefits as well as death and disability benefits. Net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The Village also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued**

#### **Plan Descriptions and Benefits Provided - Employees' Retirement System (ERS) - Continued**

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

#### **Summary of Significant Accounting Policies**

The Systems' financial statements from which the Systems' fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the Systems' annual reports.

#### **Contributions**

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the program, and were as follows:

		<b>ERS</b>
<b>2018</b>	<b>\$</b>	<b>65,244</b>
2017		59,291
2016		72,282

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At May 31, 2018, the Village reported the following liability for its proportionate share of the net pension liability for each of the System plans. The net pension liability was measured as of March 31, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Village's proportionate share of the net pension liability was based on a projection of the Village's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from reports provided to the Village by the Systems.

	<u>ERS</u>
Actuarial valuation date	4/1/2017
Net pension liability	\$ 3,227,444,946
Village's portion of the Plan's total net pension liability	63,133
Village's share of the Plan's total net pension liability	0.001956%

For the year ended May 31, 2018, the Village recognized pension expense of \$13,265 for ERS in the Government-wide financial statements. At May 31, 2018 the Village's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 22,518	\$ 18,608
Changes of assumptions	41,862	
Net differences between projected and actual earnings on pension plan investments	91,696	180,998
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	20,246	47,477
Village's contributions subsequent to the measurement date	10,874	
<b>Total</b>	<b>\$ 187,196</b>	<b>\$ 247,083</b>

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued**

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued**

Village contributions subsequent to the measurement date, reported as deferred outflows of resources, will be recognized as a reduction of the net pension liability in the year ended May 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>ERS</u>
2019	\$ 250
2020	1,654
2021	(50,792)
2022	(21,873)
Thereafter	-

#### **Actuarial Assumptions**

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>
Measurement date	March 31, 2018
Actuarial valuation date	April 1, 2017
Interest rate	7.0%
Salary increases	3.8%
Cost of living adjustments	1.3%
Inflation rate	2.5%

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

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued**

#### **Actuarial Assumptions - Continued**

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

	<b>ERS</b>
Measurement date	March 31, 2018
Asset Type:	
Domestic equities	4.55%
International equities	6.35%
Real estate	5.55%
Private equity/Alternative	7.50%
Absolute return strategies	3.75%
Opportunistic portfolio	5.68%
Real assets	5.29%
Cash	(0.25%)
Inflation-indexed bonds	1.25%
Mortgages and bonds	1.31%

#### **Discount Rate**

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

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS) (the System) - Continued**

#### **Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption**

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

<b>ERS</b>	<b>1% Decrease (6%)</b>	<b>Current Assumption (7%)</b>	<b>1% Increase (8.0%)</b>
Village's proportionate share of net pension liability	\$ 477,682	\$ 63,133	\$ (287,559)

#### **Pension Plan Fiduciary Net Position**

The components of the current-year net pension liability of the employers as of the respective measurement dates were as follows:

	<b><u>Dollars in Thousands</u></b>
	<b><u>ERS</u></b>
Measurement date	March 31, 2018
Employers' total pension liability	\$ 183,400,590
Plan net position	(180,173,145)
<b>Employers' Net Pension Liability</b>	<b>\$ <u>3,227,445</u></b>
Ratio of Plan Net Position to the Employers' Total Pension Liability	98.20%

#### **Payables to the Pension Plans**

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Employee contributions are remitted monthly. Accrued retirement contributions as of May 31, 2018 represent the projected employer contribution for the period of April 1, 2018 through May 31, 2018 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2018 amounted to \$-0-.

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

**Note 8 Pension Obligations - New York State and Local Employees' Retirement System (ERS)  
(the System) - Continued**

**Effect on Net Position**

Changes in the net pension liability and deferred outflows and inflows of resources for the year ended May 31, 2018 resulted in the following effect on net position:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
<b>ERS:</b>			
Net pension liability	\$ (140,573)	\$ 77,440	\$ (63,133)
Deferred outflows of resources	89,508	97,688	187,196
Deferred inflows of resources	<u>(58,690)</u>	<u>(188,393)</u>	<u>(247,083)</u>
<b>Total Effect on Net Position</b>	<b>\$ <u>(109,755)</u></b>	<b>\$ <u>(13,265)</u></b>	<b>\$ <u>(123,020)</u></b>

**Note 9 Short-term Debt-Bond Anticipation Notes (BANs)**

Liabilities for BANs are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs 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.

There were no BANs issued or redeemed during the year and no BANs outstanding at May 31, 2018.

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 10 Long-term Debt and Other Long-term Obligations**

#### **Constitutional Debt Limit**

At May 31, 2018, the total outstanding indebtedness of the Village of Lansing aggregated \$32,200. Of this amount, \$32,200 was subject to the constitutional debt limit and represented approximately 0.12% of its debt limit.

#### **Serial Bonds**

The Village borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

#### **Other Long-term Obligations**

In addition to the above long-term debt, the Village had the following noncurrent liability:

- Compensated Absences - Represents the unfunded value of the liability for compensated absences. Compensated absences are liquidated from the General Fund.

#### **Changes in Indebtedness and Other Long-term Obligations**

The following represents changes in the Village's indebtedness and interest expenditures recognized during the year ended May 31, 2018.

	<b>Balance</b>			<b>Balance</b>		
	<b>5/31/2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>5/31/2018</b>	<b>Due Within</b>	<b>One Year</b>
Serial bonds	\$ 50,900	\$	\$ (18,700)	\$ 32,200	\$	18,700
Compensated absences	36,120	5,502		41,622		41,622
<b>Total</b>	<b>\$ 87,020</b>	<b>\$ 5,502</b>	<b>\$ (18,700)</b>	<b>\$ 73,822</b>	<b>\$</b>	<b>60,322</b>

Interest expense on long-term debt is calculated as follows:

Interest paid	\$ 2,545
(Less) interest accrued in prior year	(145)
Add interest accrued in current year	106
<b>Total</b>	<b>\$ 2,506</b>



# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 10 Long-term Debt and Other Long-term Obligations - Continued**

Additions and deletions to compensated absences are shown net, as it is impractical to determine the amounts separately.

#### **Debt Maturity Schedule**

The following is a summary of the maturity of indebtedness:

<u>Payable from/ Description</u>	<u>Original Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Outstanding Balance</u>
Special Revenue					
Sewer Fund:					
Serial Bond:					
Sewer Collection	04/86	\$ 531,400	5.00%	02/20	\$ <u>32,200</u>
<b>Total</b>					<b>\$ <u><u>32,200</u></u></b>

The following table summarizes the Village's future debt service requirements as of May 31, 2018:

<u>Fiscal Year Ending May 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 18,700	\$ 1,610	\$ 20,310
2020	<u>13,500</u>	<u>675</u>	<u>14,175</u>
<b>Total</b>	<b>\$ <u><u>32,200</u></u></b>	<b>\$ <u><u>2,285</u></u></b>	<b>\$ <u><u>34,485</u></u></b>

#### **Joint Public Improvement Bond Debt**

The Villages of Lansing and Cayuga Heights, along with the Towns of Ithaca, Dryden, and Lansing jointly own the Southern Cayuga Lake Intermunicipal Water Commission. See Note 14. These municipalities issued \$2,600,000 of Joint Public Improvement (Serial) Bonds in 2012 to pay for the construction of Bolton Road (\$600,000) and water storage and distribution improvements to the Bolton Point Water System (\$2,000,000) and issued \$1,500,000 of Joint Public Improvement (Serial) Bonds 2013 to pay for the construction of a new replacement water tank at Burdick Hill Road. Principal and interest are to be apportioned among the municipalities based on the Intermunicipal Agreement dated March 1, 1977 and most recently amended January 1, 2012. Apportionment is based on each municipality's water consumption from the system and will be determined annually. Interest rates vary from 2.0% to 3.25%, with final maturity in 2033. The Village's apportionment of this debt is estimated to be \$644,355 at May 31, 2018.

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

**Note 10 Long-term Debt and Other Long-term Obligations - Continued**

Because this debt is serviced by Southern Cayuga Lake Intermunicipal Water Commission and included in its Statement of Net Position, the Village's portion of the joint public improvement bond debt is reflected in its investment in joint venture equity, rather than bonds payable, in the Village's Statement of Net Position.

The following summarizes the estimated changes in the Village's portion of indebtedness and allocated interest recognized in the Southern Cayuga Lake Intermunicipal Water Commission's financial statements:

<b>Fiscal Year</b>				
<b>Ending May 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2019	\$ 34,830	\$ 17,418	\$ 52,248	
2020	35,797	16,581	52,378	
2021	36,765	15,729	52,494	
2022	36,765	14,858	51,623	
2023	37,733	13,987	51,720	
2024-2028	208,013	50,191	258,204	
2029-2033	236,069	23,887	259,956	
2034	<u>18,383</u>	<u>299</u>	<u>18,682</u>	
<b>Total</b>	<b>\$ <u>644,355</u></b>	<b>\$ <u>152,950</u></b>	<b>\$ <u>797,305</u></b>	

**Note 11 Restricted and Assigned Fund Balance**

Restricted fund balances consist of reserves established for the following purposes:

	<b>Balance</b>
	<b><u>End of Year</u></b>
General Fund:	
Capital reserve	\$ 2,452,805
Capital reserve for parks and recreation	<u>705,065</u>
Total General Fund Capital Reserves	3,157,870
Special Revenue Funds:	
Water Fund:	
Capital reserve	752,685
Sewer Fund:	
Improvements and equipment reserve	<u>3,808,631</u>
<b>Total</b>	<b>\$ <u>7,719,186</u></b>

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 11 Restricted and Assigned Fund Balance - Continued**

Assigned fund balances consist of the following:

	<b>Balance End of Year</b>
General Fund:	
Appropriated for next year's budget	\$ 530,000
Capital Projects Fund:	
Fund balance	264,321
Water Fund:	
Remaining fund balance	661,367
Sewer Fund:	
Appropriated for next year's budget	218,000
Remaining fund balance	<u>152,722</u>
Total Sewer Fund	<u>370,722</u>
<b>Total</b>	<b>\$ <u>1,826,410</u></b>

### **Note 12 Other Postemployment Benefits Liability**

The Village has not adopted Government Accounting Standard Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions." This statement requires an actuarial or acceptable alternative measurement of the Village's other postemployment benefit (OPEB) liability and certain required disclosures.

The year ended May 31, 2011 was the first year the Village had offered other postretirement benefits. Only employees age 55 and older who have completed 20 years of continuous full-time service with the Village of Lansing and have been granted a bona-fide retirement from the New York State Employees Retirement System are eligible. Benefits are limited to a maximum of \$2,400 per eligible retiree per year. The Village currently has five full-time active employees with only one retiree currently eligible for this benefit. Management believes the effects on the Statement of Net Position and Statement of Activities are not material. There is no effect on the Balance Sheet or Statement of Revenues, Expenditures, and Changes in Fund Balances.

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 13*    Commitments and Contingencies**

#### **Risk of Loss**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; errors and omissions; natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

#### **Compensated Absences**

The Village does not accrue a liability for accumulating, non-vesting sick leave, as payment is based on an uncontrollable future event (sickness). In accordance with the provisions of GASB Statement No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability.

### ***Note 14*    Joint Venture**

The following is an activity undertaken jointly with other municipalities. The Village has reported its share of the joint venture in the Government-wide financial statements. Separate financial statements are issued for the joint venture.

The Villages of Lansing and Cayuga Heights, along with the Towns of Ithaca, Dryden, and Lansing jointly own the Southern Cayuga Lake Intermunicipal Water Commission. The venture operates under the terms of an agreement originally dated March 1, 1977 with several amendments, the most recent dated January 1, 2012. The agreement is to remain in force until such time as the bonds issued by the member municipalities for the construction of Project I and II have been fully paid, satisfied, and discharged, and shall continue thereafter until further agreement of all of the members. Significant provisions of the agreement are as follows:

- The executive body of the Southern Cayuga Lake Intermunicipal Water Commission consists of ten members. Each member municipality appoints two members. Of the members so appointed, at least one member from each municipality shall be an elected official from the governing body.
- Maintenance, operating, and debt retirement costs are funded primarily through water rent revenues collected by the member municipalities and paid over to the Commission quarterly. A separate assessment is made annually to provide for the balance of the revenue needed to operate the joint activity. The assessment is determined one year in advance and is based on the water consumption of each municipality during the previous twelve month period.

# VILLAGE OF LANSING

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018

### **Note 14 Joint Venture - Continued**

The following is a summary of financial information included in audited financial statements issued for the Southern Cayuga Lake Intermunicipal Water Commission as of December 31, 2017:

Total Assets	\$ 13,889,769
Total Liabilities	7,397,798
Joint Venture Equity	6,799,496
Operating Revenues	4,148,058
Operating Expenses	3,572,411
Nonoperating (Expenses)	(122,623)

### **Note 15 Risk Management**

The Village zoning laws require warrantees from developers to mitigate its risk for expenses associated with the completion of approved repairs and/or replacement of Village streets or roads. The warrantee can be in the form of a surety bond or irrevocable letter of credit in the Village's name for a term specified by the Village. The warrantee assures the work will be done according to Village specifications and, if not done or completed per Village specifications, the Village can complete the work and draw from the surety bond or irrevocable letter of credit the costs incurred to complete repairs and/or replacement of the street or road.

### **Note 16 Tax Abatements**

For the year ended May 31, 2018, the Village was subject to tax abatements negotiated by the Tompkins County Industrial Development Agency (TCIDA). The TCIDA entered into payment in lieu of taxes (PILOT) agreements with businesses within the Village under New York State General Municipal Law 858. Economic development agreements entered into by the TCIDA can include the abatement of city, county, other local, and school district taxes. In this case, negotiated abatements have resulted in reductions of property taxes, which the TCIDA administer as a temporary reduction in the assessed value of the property involved. Abatement agreements generally stipulate a percentage reduction of property taxes, but can stipulate a dollar value reduction in lieu of a percentage reduction.

Information relevant to disclosure of the programs for the year ended May 31, 2018 is as follows:

	<u>Taxable Assessed Value</u>	<u>Tax Value</u>	<u>Amount Received</u>	<u>Taxes Abated</u>
<b>Tompkins County IDA</b>				
Economic development	\$ 26,341,037	\$ 34,243	\$ 27,540	\$ 6,703
<b>Total</b>	<u>\$ 26,341,037</u>	<u>\$ 34,243</u>	<u>\$ 27,540</u>	<u>\$ 6,703</u>

# ***VILLAGE OF LANSING***

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 17*    Impact of Future Standards of the Governmental Accounting Standards Board (GASB)**

- GASB has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other than Pensions,” effective for the year ending May 31, 2019. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions,” as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB.”
- GASB has issued Statement No. 83, “Certain Asset Retirement Obligations,” effective for the year ending May 31, 2020.
- GASB has issued Statement No. 84, “Fiduciary Activities,” effective for the year ending May 31, 2020. This statement improves guidance regarding identification of fiduciary activities for accounting and reporting purposes.
- GASB has issued Statement No. 85, “Omnibus 2017,” effective for the year ending May 31, 2019.
- GASB has issued Statement No. 86, “Certain Debt Extinguishment Issues,” effective for the year ending May 31, 2019.
- GASB has issued Statement No. 87, “Leases,” effective for the year ending May 31, 2021.

The Village will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

# VILLAGE OF LANSING

## BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Fav (Unfav)</u>
<b>REVENUES</b>					
Real property taxes	\$ 602,128	\$ 602,128	\$ 602,128	\$	\$ -
Real property tax items	29,540	29,540	32,700		3,160
Nonproperty tax items	707,000	707,000	782,588		75,588
Departmental income	12,300	12,300	11,050		(1,250)
Use of money and property	500	500	5,005		4,505
Licenses and permits	16,000	16,000	47,688		31,688
Sale of property and compensation for loss	25,100	25,100	11,488		(13,612)
Miscellaneous local sources	1,400	1,400	5,282		3,882
State sources	148,152	148,152	196,834		48,682
<b>Total Revenues</b>	<u>1,542,120</u>	<u>1,542,120</u>	<u>1,694,763</u>	<u>-</u>	<u>152,643</u>
<b>EXPENDITURES</b>					
General governmental support	336,962	330,636	294,571		36,065
Public safety	99,600	99,600	85,428		14,172
Transportation	1,762,513	1,727,113	741,077		986,036
Culture and recreation	244,840	272,990	269,524		3,466
Home and community services	166,040	179,616	154,130		25,486
Employee benefits	210,078	210,078	188,644		21,434
<b>Total Expenditures</b>	<u>2,820,033</u>	<u>2,820,033</u>	<u>1,733,374</u>	<u>-</u>	<u>1,086,659</u>
<b>Excess of (Expenditures)</b>	<u>(1,277,913)</u>	<u>(1,277,913)</u>	<u>(38,611)</u>	<u>-</u>	<u>1,239,302</u>
<b>OTHER FINANCING SOURCES</b>					
Interfund transfers in	35,000	35,000	35,000		-
<b>Total Other Financing Sources</b>	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>-</u>
<b>Excess of (Expenditures) and Other (Uses) over Revenues and Other Financing Sources</b>	<u>(1,242,913)</u>	<u>(1,242,913)</u>	<u>(3,611)</u>	<u>\$ -</u>	<u>\$ 1,239,302</u>
Appropriated Fund Balance	<u>1,242,913</u>	<u>1,242,913</u>			
<b>Net Decrease</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,611)</u>		
Fund Balance, Beginning			<u>4,240,338</u>		
<b>Fund Balance, Ending</b>			<u>\$ 4,236,727</u>		

See Independent Auditor's Report and Notes to Required Supplementary Information

# VILLAGE OF LANSING

## BUDGETARY COMPARISON SCHEDULE SPECIAL REVENUE FUNDS - NON-GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2018

	Sewer Fund				
	Original Budget	Final Budget	Actual	Encumbrances	Variance Fav (Unfav)
<b>REVENUES</b>					
Departmental income	\$ 217,000	\$ 217,000	\$ 261,487	\$	\$ 44,487
Use of money and property	100	100	5,082		4,982
Real property taxes	11,797	11,797	11,798		1
Intergovernmental charges	600,000	600,000	617,021		17,021
<b>Total Revenues</b>	828,897	828,897	895,388	-	66,491
<b>EXPENDITURES</b>					
General governmental support	37,500	32,850	20,613		12,237
Home and community services	535,300	678,122	675,558		2,564
Debt service (principal and interest)	21,245	21,245	21,245		-
<b>Total Expenditures</b>	594,045	732,217	717,416	-	14,801
<b>Excess of Revenues</b>	234,852	96,680	177,972	-	81,292
<b>OTHER FINANCING (USES)</b>					
Interfund transfers (out)	(364,852)	(226,680)	(15,000)		211,680
<b>Total Other Financing (Uses)</b>	(364,852)	(226,680)	(15,000)	-	211,680
<b>(Expenditures) and Other (Uses) over Excess of Revenues and Other Financing Sources</b>	(130,000)	(130,000)	162,972	\$ -	\$ <b>292,972</b>
Appropriated Fund Balance	130,000	130,000			
<b>Net Increase</b>	\$ -	\$ -	162,972		
Fund Balance, Beginning			4,016,381		
<b>Fund Balance, Ending</b>			\$ <b>4,179,353</b>		

See Independent Accountant's Review Report and Notes to Required Supplementary Information



# VILLAGE OF LANSING

## BUDGETARY COMPARISON SCHEDULE SPECIAL REVENUE FUNDS - NON-GAAP BUDGET BASIS FOR THE YEAR ENDED MAY 31, 2018

	Water Fund				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Fav (Unfav)</u>
<b>REVENUES</b>					
Departmental income	\$ 1,150,800	\$ 1,150,800	\$ 1,091,224	\$	\$ (59,576)
Use of money and property	<u>100</u>	<u>100</u>	<u>1,158</u>		<u>1,058</u>
<b>Total Revenues</b>	<u>1,150,900</u>	<u>1,150,900</u>	<u>1,092,382</u>	<u>-</u>	<u>(58,518)</u>
<b>EXPENDITURES</b>					
Current:					
General governmental support	<u>10,000</u>				<u>-</u>
Home and community services	<u>1,243,535</u>	<u>1,253,535</u>	<u>781,495</u>		<u>472,040</u>
<b>Total Expenditures</b>	<u>1,253,535</u>	<u>1,253,535</u>	<u>781,495</u>	<u>-</u>	<u>472,040</u>
<b>Excess of (Expenditures) Revenues</b>	<u>(102,635)</u>	<u>(102,635)</u>	<u>310,887</u>	<u>-</u>	<u>413,522</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Interfund transfers in	122,635	122,635	-		(122,635)
Interfund transfers (out)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>		<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>102,635</u>	<u>102,635</u>	<u>(20,000)</u>	<u>-</u>	<u>(122,635)</u>
<b>Excess of (Expenditures) and Other (Uses) over Revenues and Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>290,887</u>	<u>\$ -</u>	<u>\$ 290,887</u>
Appropriated Fund Balance	<u>-</u>	<u>-</u>			
<b>Net Increase</b>	<u>\$ -</u>	<u>\$ -</u>	<u>290,887</u>		
Fund Balance, Beginning			<u>1,123,165</u>		
<b>Fund Balance, Ending</b>			<u>\$ 1,414,052</u>		

See Independent Auditor's Report and Notes to Required Supplementary Information

# ***VILLAGE OF LANSING***

## **SCHEDULES OF VILLAGE CONTRIBUTIONS NYSLRS PENSION PLANS FOR THE LAST 10 FISCAL YEARS**

	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
Contractually required contribution	\$ <b>65,244</b>	\$ 59,291	\$ 72,282
Contributions in relation to the contractually required contribution	<b>(65,244)</b>	(59,291)	(72,282)
Contribution deficiency (excess)	-	-	-
Village's covered - employee payroll for year ending May 31,	<b>333,863</b>	282,114	372,212
Contributions as a percentage of covered - employee payroll	<b>19.5%</b>	20.6%	19.4%

\* Information unavailable

*See Independent Accountant's Review Report and Notes to Required Supplementary Information*

<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
\$ <u>77,949</u>	\$ <u>75,777</u>	\$ <u>63,939</u>	\$ <u>55,513</u>	\$ <u>46,494</u>	\$ <u>35,873</u>	\$ <u>30,612</u>
(77,949)	(75,777)	(63,939)	(55,513)	(46,494)	(35,873)	(30,612)
-	-	-	-	-	-	-
693,191	720,934	649,810	616,833	637,031	674,647	*
11.2%	10.5%	9.8%	9.0%	7.3%	5.3%	*

# ***VILLAGE OF LANSING***

## **SCHEDULES OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED MAY 31,**

	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Village's proportion of the net pension liability ERS	<b>0.001956%</b>	0.001496%	0.001618%
Village's proportionate share of the net pension liability ERS	\$ <b>63,133</b>	\$ 140,573	\$ 259,663
Village's covered-employee payroll during the measurement period ERS	<b>334,781</b>	287,781	295,082
Village's proportionate share of the net pension liability as a percentage of its covered-employee payroll ERS	<b>18.9%</b>	48.8%	88.0%
Plan fiduciary net position as a percentage of the total pension liability ERS	<b>98.2%</b>	94.7%	90.7%

*See Independent Accountant's Review Report and Notes to Required Supplementary Information*

# ***VILLAGE OF LANSING***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 1* Budget Basis of Accounting**

Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or an expenditure in GAAP based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded.

### ***Note 2* Budget Policies**

Budget policies are as follows:

- Annual operating budgets are maintained for the following Governmental Fund Types:
  - General Fund
  - Special Revenue Funds (Water and Sewer Funds)
- No later than March 31, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than April 15, the governing board adopts the budget.
- All modifications of the budget must be approved by the governing board.

### ***Note 3* Reconciliation of the General Fund Budget Basis to GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the GAAP basis to the budget basis, as encumbrances are presented in a separate column and are not included in the actual results at May 31, 2018.

### ***Note 4* Schedules of the Village's Proportionate Share of the Net Pension Liability**

The Schedules of the Village's Proportionate Share of the Net Pension Liability, required supplementary information, present three years of information. These schedules will present ten years of information as it becomes available from the pension plans.

# ***VILLAGE OF LANSING***

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED MAY 31, 2018**

### ***Note 5* Schedules of Village's Contributions - NYSLRS Pension Plans and Schedules of the Village's Proportionate Share of the Net Pension Liability**

#### **Changes in Benefit Terms**

There were no significant legislative changes in benefits for the April 1, 2017 actuarial valuation.

#### **Changes of Assumptions**

There were changes in the economic (investment rate of return, inflation, COLA, and salary scales) and demographic (pensioner mortality and active member decrements) assumptions used in the April 1, 2017 actuarial valuation.

#### **Methods and Assumptions Used in Calculations of Actuarially Determined Contributions**

The April 1, 2017 actuarial valuation determines the employer rates for contributions payable in fiscal year 2018. The following actuarial methods and assumptions were used:

Actuarial cost method	The System is funded using the Aggregate Cost Method. All unfunded actuarial liabilities are evenly amortized (as a percentage of projected pay) over the remaining worker lifetimes of the valuation cohort.
Asset valuation period	5 year level smoothing of the difference between the actual gain and the expected gain using the assumed investment rate of return.
Inflation	2.5%.
Salary scale	3.8% in ERS, indexed by service.
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation.
Cost of living adjustments	1.3% annually



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHERS MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Mayor and Village Trustees  
Village of Lansing  
Lansing, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Village of Lansing (the Village), as of and for the year ended May 31, 2018, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated January 21, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
January 21, 2019