

TOWN OF NORTH EAST, NEW YORK

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2014 AND 2013

TOWN OF NORTH EAST, NEW YORK

TABLE OF CONTENTS

DECEMBER 31, 2014 AND 2013

| | |
|-----------------------------------|----|
| Accountant's Compilation Report | ii |
| Annual Financial Report | 1 |
| Notes to the Financial Statements | 67 |



**Sickler, Torchia
Allen & Churchill, CPA's, PC**
Your Partner When It Counts

Robert J. Allen, CPA
Victor V. Churchill, CPA
Edward J. Gower II, CPA
Craig R. Sickler, CPA
Michael A. Torchia, Jr., CPA, CVA

Joseph J. Montalto, CPA

ACCOUNTANT'S COMPILATION REPORT

To the Town Board
Town of North East
Millerton, New York

We have compiled the annual financial report of the Town of North East as of December 31, 2014 and 2013, and for the years then ended included in the accompanying prescribed form. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with the form prescribed by the State of New York, Office of the State Comptroller, Division of Local Government and School Accountability, Albany, New York.

Management is responsible for the preparation and fair presentation of the financial statements on an Other Comprehensive Basis of Accounting in accordance with requirements prescribed by the State of New York, Office of the State Comptroller, Division of Local Government and School Accountability, Albany, New York, which differ from accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements. During our compilation, we did become aware of departures from the form prescribed by the State of New York Office of the State Comptroller and are described in the following paragraph.

The prescribed form requires that non-current government assets and liabilities be recorded. As described in Note 1.F. to the financial statements, the Town's historical cost records are incomplete and as such, cannot be supported at cost. As further described in Note 4.B. to the financial statements, the Town has not reported post closure landfill care costs as a liability. These are at variance with the requirements of the State of New York of the State Comptroller, Division of Local Government and School Accountability, Albany, New York.

TOWN OF NORTH EAST, NEW YORK

ACCOUNTANT'S COMPILATION REPORT (CONTINUED)

These financial statements including related disclosures are presented in accordance with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, which differ from accounting principles generally accepted in the United States of America. Note 1.J. discloses some of the more significant departures from generally accepted accounting principles.

We are not independent with respect to the Town of North East.



Hudson, New York

February 18, 2015

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

TOWN of North East

County of Dutchess

For the Fiscal Year Ended 12/31/2014

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

TOWN OF North East

*** FINANCIAL SECTION ***

Financial information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2013 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2014:

- (A) GENERAL
- (B) GENERAL TOWN-OUTSIDE VG
- (CD) SPECIAL GRANT
- (CM) MISCELLANEOUS SPECIAL REV
- (DB) HIGHWAY-PART-TOWN
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (SW) WATER
- (TA) AGENCY
- (TE) PRIVATE PURPOSE TRUST
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2013 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption
- 7) Schedule of Other Post Employment Benefits (OPEB)

All numbers in this report will be rounded to the nearest dollar.

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|----------------|---------|----------------|
| Assets | | | |
| Cash | | A200 | 631,855 |
| Cash In Time Deposits | 598,231 | A201 | |
| Petty Cash | 50 | A210 | 50 |
| TOTAL Cash | 598,281 | | 631,905 |
| Accounts Receivable | 123 | A380 | |
| TOTAL Other Receivables (net) | 123 | | 0 |
| Due From Other Funds | 38,283 | A391 | 33,282 |
| TOTAL Due From Other Funds | 38,283 | | 33,282 |
| Cash Special Reserves | 9,601 | A230 | 9,615 |
| TOTAL Restricted Assets | 9,601 | | 9,615 |
| TOTAL Assets and Deferred Outflows of Resources | 646,288 | | 674,802 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Accounts Payable | 19,531 | A600 | 13,233 |
| TOTAL Accounts Payable | 19,531 | | 13,233 |
| Due To Other Funds | 4,084 | A630 | 4,084 |
| TOTAL Due To Other Funds | 4,084 | | 4,084 |
| TOTAL Liabilities | 23,615 | | 17,317 |
| Fund Balance | | | |
| Unemployment Insurance Reserve | 9,601 | A815 | 9,615 |
| TOTAL Restricted Fund Balance | 9,601 | | 9,615 |
| Assigned Appropriated Fund Balance | 60,000 | A914 | 61,300 |
| TOTAL Assigned Fund Balance | 60,000 | | 61,300 |
| Unassigned Fund Balance | 553,072 | A917 | 586,570 |
| TOTAL Unassigned Fund Balance | 553,072 | | 586,570 |
| TOTAL Fund Balance | 622,673 | | 657,485 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 646,288 | | 674,802 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Revenues | | | |
| Real Property Taxes | 624,905 | A1001 | 641,026 |
| TOTAL Real Property Taxes | 624,905 | | 641,026 |
| Interest & Penalties On Real Prop Taxes | 9,741 | A1090 | 10,914 |
| TOTAL Real Property Tax Items | 9,741 | | 10,914 |
| Franchises | 20,091 | A1170 | 22,215 |
| TOTAL Non Property Tax Items | 20,091 | | 22,215 |
| Clerk Fees | 1,221 | A1255 | 1,452 |
| Public Pound Charges, Dog Control Fees | 705 | A1550 | 384 |
| TOTAL Departmental Income | 1,926 | | 1,836 |
| Interest And Earnings | 4,055 | A2401 | 3,094 |
| TOTAL Use of Money And Property | 4,055 | | 3,094 |
| Dog Licenses | 3,609 | A2544 | 3,026 |
| Licenses, Other | 245 | A2545 | 275 |
| Permits, Other | 700 | A2590 | 700 |
| TOTAL Licenses And Permits | 4,554 | | 4,001 |
| Fines And Forfeited Bail | 29,770 | A2610 | 31,453 |
| TOTAL Fines And Forfeitures | 29,770 | | 31,453 |
| Sales, Other | 370 | A2655 | 235 |
| TOTAL Sale of Property And Compensation For Loss | 370 | | 235 |
| Refunds of Prior Year's Expenditures | 1,269 | A2701 | |
| Unclassified (specify) | | A2770 | 877 |
| TOTAL Miscellaneous Local Sources | 1,269 | | 877 |
| St Aid, Revenue Sharing | 11,220 | A3001 | 11,220 |
| St Aid, Mortgage Tax | 41,375 | A3005 | 72,635 |
| TOTAL State Aid | 52,595 | | 83,855 |
| TOTAL Revenues | 749,276 | | 799,506 |
| Interfund Transfers | 40,000 | A5031 | 55,000 |
| TOTAL Interfund Transfers | 40,000 | | 55,000 |
| TOTAL Other Sources | 40,000 | | 55,000 |
| TOTAL Detail Revenues And Other Sources | 789,276 | | 854,506 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---------------------------------------|---------------|---------|---------------|
| Expenditures | | | |
| Legislative Board, Pers Serv | 20,400 | A10101 | 20,400 |
| Legislative Board, Contr Expend | 483 | A10104 | 920 |
| TOTAL Legislative Board | 20,883 | | 21,320 |
| Municipal Court, Pers Serv | 43,863 | A11101 | 45,184 |
| Municipal Court, Contr Expend | 6,211 | A11104 | 7,213 |
| TOTAL Municipal Court | 50,074 | | 52,397 |
| Supervisor, pers Serv | 61,700 | A12201 | 70,968 |
| Supervisor, contr Expend | 2,862 | A12204 | 4,086 |
| TOTAL Supervisor | 64,562 | | 75,054 |
| Auditor, Contr Expend | 8,510 | A13204 | 9,380 |
| TOTAL Auditor | 8,510 | | 9,380 |
| Tax Collection, contr Expend | 5,588 | A13304 | 9,540 |
| TOTAL Tax Collection | 5,588 | | 9,540 |
| Assessment, Pers Serv | 40,901 | A13551 | 42,243 |
| Assessment, Contr Expend | 4,105 | A13554 | 2,954 |
| TOTAL Assessment | 45,006 | | 45,197 |
| Clerk, pers Serv | 44,352 | A14101 | 40,171 |
| Clerk, contr Expend | 2,909 | A14104 | 5,659 |
| TOTAL Clerk | 47,261 | | 45,830 |
| Law, Contr Expend | 50,178 | A14204 | 60,453 |
| TOTAL Law | 50,178 | | 60,453 |
| Engineer, Contr Expend | 19,833 | A14404 | 6,978 |
| TOTAL Engineer | 19,833 | | 6,978 |
| Elections, Contr Expend | 4,372 | A14504 | |
| TOTAL Elections | 4,372 | | 0 |
| Records Mgmt, Contr Expend | 385 | A14604 | 973 |
| TOTAL Records Mgmt | 385 | | 973 |
| Buildings, Pers Serv | 3,728 | A16201 | 2,687 |
| Buildings, Equip & Cap Outlay | 9,030 | A16202 | 3,493 |
| Buildings, Contr Expend | 11,247 | A16204 | 12,152 |
| TOTAL Buildings | 24,005 | | 18,332 |
| Central Comm System, Contr Expend | 1,548 | A16504 | 2,326 |
| TOTAL Central Comm System | 1,548 | | 2,326 |
| Central Print & Mail, contr Expend | 7,555 | A16704 | 6,359 |
| TOTAL Central Print & Mail | 7,555 | | 6,359 |
| Central Data Process, Pers Serv | 255 | A16801 | 55 |
| Central Data Process & Cap Outlay | 5,605 | A16802 | 811 |
| Central Data Process, Contr Expend | 3,455 | A16804 | 3,254 |
| TOTAL Central Data Process | 9,315 | | 4,120 |
| Unallocated Insurance, Contr Expend | 24,750 | A19104 | 24,679 |
| TOTAL Unallocated Insurance | 24,750 | | 24,679 |
| Municipal Assn Dues, Contr Expend | 900 | A19204 | 900 |
| TOTAL Municipal Assn Dues | 900 | | 900 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|--|----------------|---------|----------------|
| Expenditures | | | |
| Other Gen Govt Support, Contr Expend | | A19894 | 140 |
| TOTAL Other Gen Govt Support | 0 | | 140 |
| TOTAL General Government Support | 384,725 | | 383,978 |
| Traffic Control, Contr Expen | 197 | A33104 | 2,327 |
| TOTAL Traffic Control | 197 | | 2,327 |
| Control of Animals, Pers Serv | 3,265 | A35101 | 3,365 |
| Control of Animals, Contr Expend | 2,681 | A35104 | 2,181 |
| TOTAL Control of Animals | 5,946 | | 5,546 |
| TOTAL Public Safety | 6,143 | | 7,873 |
| Street Admin, Pers Serv | 49,165 | A50101 | 50,640 |
| Street Admin, Contr Expend | 1,120 | A50104 | 1,165 |
| TOTAL Street Admin | 50,285 | | 51,805 |
| Garage, Contr Expend | 19,623 | A51324 | 23,421 |
| TOTAL Garage | 19,623 | | 23,421 |
| Street Lighting, Contr Expend | 415 | A51824 | 488 |
| TOTAL Street Lighting | 415 | | 488 |
| TOTAL Transportation | 70,323 | | 75,714 |
| Veterans Service, Contr Expend | 2,000 | A65104 | 2,000 |
| TOTAL Veterans Service | 2,000 | | 2,000 |
| Programs For Aging, Contr Expend | 241 | A67724 | 118 |
| TOTAL Programs For Aging | 241 | | 118 |
| TOTAL Economic Assistance And Opportunity | 2,241 | | 2,118 |
| Library, Contr Expend | 125,000 | A74104 | 125,000 |
| TOTAL Library | 125,000 | | 125,000 |
| Historian, Pers Serv | 500 | A75101 | 500 |
| TOTAL Historian | 500 | | 500 |
| TOTAL Culture And Recreation | 125,500 | | 125,500 |
| Refuse & Garbage, Pers Serv | 439 | A81601 | 808 |
| Refuse & Garbage, Contr Expend | 17,788 | A81604 | 10,948 |
| TOTAL Refuse & Garbage | 18,227 | | 11,756 |
| Cemetery, Pers Serv | 4,423 | A88101 | 3,663 |
| TOTAL Cemetery | 4,423 | | 3,663 |
| TOTAL Home And Community Services | 22,650 | | 15,419 |
| State Retirement System | 39,822 | A90108 | 40,422 |
| Social Security, Employer Cont | 20,884 | A90308 | 21,472 |
| Worker's Compensation, Empl Bnfts | 9,796 | A90408 | 11,148 |
| Hospital & Medical (dental) Ins, Empl Bnft | 17,197 | A90608 | 37,654 |
| TOTAL Employee Benefits | 87,699 | | 110,696 |
| Debt Principal, Serial Bonds | 90,000 | A97106 | 95,000 |
| TOTAL Debt Principal | 90,000 | | 95,000 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Expenditures | | | |
| Debt Interest, Serial Bonds | 4,578 | A97107 | 3,396 |
| TOTAL Debt Interest | 4,578 | | 3,396 |
| TOTAL Expenditures | 793,859 | | 819,694 |
| TOTAL Detail Expenditures And Other Uses | 793,859 | | 819,694 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Analysis of Changes in Fund Balance

| Code Description | 2013 | EdpCode | 2014 |
|--|---------|---------|---------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 627,256 | A8021 | 622,673 |
| Restated Fund Balance - Beg of Year | 627,256 | A8022 | 622,673 |
| ADD - REVENUES AND OTHER SOURCES | 789,276 | | 854,506 |
| DEDUCT - EXPENDITURES AND OTHER USES | 793,859 | | 819,694 |
| Fund Balance - End of Year | 622,673 | A8029 | 657,485 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|---|----------------|---------|------------------|
| Estimated Revenues | | | |
| Est Rev - Real Property Taxes | 641,025 | A1049N | 852,439 |
| Est Rev - Real Property Tax Items | 6,500 | A1099N | 6,500 |
| Est Rev - Non Property Tax Items | 18,500 | A1199N | 20,000 |
| Est Rev - Departmental Income | 1,150 | A1299N | 1,150 |
| Est Rev - Use of Money And Property | 3,662 | A2499N | 2,302 |
| Est Rev - Licenses And Permits | 3,850 | A2599N | 3,850 |
| Est Rev - Fines And Forfeitures | 25,000 | A2649N | 25,000 |
| Est Rev - Sale of Prop And Comp For Loss | 200 | A2699N | 200 |
| Est Rev - State Aid | 48,000 | A3099N | 58,000 |
| TOTAL Estimated Revenues | 747,887 | | 969,441 |
| Estimated - Interfund Transfer | 55,000 | A5031N | 65,000 |
| Appropriated Fund Balance | 60,000 | A599N | 61,300 |
| TOTAL Estimated Other Sources | 115,000 | | 126,300 |
| TOTAL Estimated Revenues And Other Sources | 862,887 | | 1,095,741 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(A) GENERAL

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|--|----------------|---------|------------------|
| Appropriations | | | |
| App - General Government Support | 431,163 | A1999N | 446,221 |
| App - Public Safety | 8,115 | A3999N | 8,715 |
| App - Transportation | 73,640 | A5999N | 260,160 |
| App - Economic Assistance And Opportunity | 2,200 | A6999N | 2,200 |
| App - Culture And Recreation | 125,600 | A7999N | 125,615 |
| App - Home And Community Services | 29,286 | A8999N | 29,514 |
| App - Employee Benefits | 94,486 | A9199N | 126,476 |
| App - Debt Service | 98,397 | A9699N | 96,840 |
| TOTAL Appropriations | 862,887 | | 1,095,741 |
| TOTAL Appropriations And Other Uses | 862,887 | | 1,095,741 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|----------------|---------|----------------|
| Assets | | | |
| Cash | | B200 | 595,433 |
| Cash In Time Deposits | 606,606 | B201 | |
| TOTAL Cash | 606,606 | | 595,433 |
| Accounts Receivable | 29,771 | B380 | |
| TOTAL Other Receivables (net) | 29,771 | | 0 |
| Due From Other Funds | 5,875 | B391 | |
| TOTAL Due From Other Funds | 5,875 | | 0 |
| Due From Other Governments | | B440 | 29,727 |
| TOTAL Due From Other Governments | 0 | | 29,727 |
| TOTAL Assets and Deferred Outflows of Resources | 642,252 | | 625,160 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Accounts Payable | 1,201 | B600 | 8,599 |
| TOTAL Accounts Payable | 1,201 | | 8,599 |
| Due To Other Funds | 116 | B630 | 116 |
| TOTAL Due To Other Funds | 116 | | 116 |
| TOTAL Liabilities | 1,317 | | 8,715 |
| Fund Balance | | | |
| Assigned Appropriated Fund Balance | 62,500 | B914 | 77,500 |
| Assigned Unappropriated Fund Balance | 578,435 | B915 | 538,945 |
| TOTAL Assigned Fund Balance | 640,935 | | 616,445 |
| TOTAL Fund Balance | 640,935 | | 616,445 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 642,252 | | 625,160 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|--|----------------|---------|----------------|
| Revenues | | | |
| Real Property Taxes | 56,297 | B1001 | 59,109 |
| TOTAL Real Property Taxes | 56,297 | | 59,109 |
| Sales Tax (from County) | 116,187 | B1120 | 114,454 |
| TOTAL Non Property Tax Items | 116,187 | | 114,454 |
| Safety Inspection Fees | 26,148 | B1560 | 52,198 |
| Zoning Fees | 2,300 | B2110 | 700 |
| Planning Board Fees | 1,025 | B2115 | 700 |
| TOTAL Departmental Income | 29,473 | | 53,598 |
| Interest And Earnings | 1,486 | B2401 | 1,253 |
| TOTAL Use of Money And Property | 1,486 | | 1,253 |
| TOTAL Revenues | 203,443 | | 228,414 |
| TOTAL Detail Revenues And Other Sources | 203,443 | | 228,414 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Expenditures | | | |
| Other Gen Govt Support, Contr Expend | | B19894 | 717 |
| TOTAL Other Gen Govt Support | 0 | | 717 |
| TOTAL General Government Support | 0 | | 717 |
| Police, Contr Expend | 19,100 | B31204 | 20,800 |
| TOTAL Police | 19,100 | | 20,800 |
| Safety Inspection, Pers Serv | 34,431 | B36201 | 37,494 |
| Safety Inspection, Contr Expend | 1,718 | B36204 | 2,983 |
| TOTAL Safety Inspection | 36,149 | | 40,477 |
| TOTAL Public Safety | 55,249 | | 61,277 |
| Registrar of Vital Statistics, Pers Serv | 470 | B40201 | 485 |
| TOTAL Registrar of Vital Statistics | 470 | | 485 |
| TOTAL Health | 470 | | 485 |
| Youth Prog, Contr Expend | 41,250 | B73104 | 41,250 |
| TOTAL Youth Prog | 41,250 | | 41,250 |
| TOTAL Culture And Recreation | 41,250 | | 41,250 |
| Zoning, Pers Serv | 6,681 | B80101 | 5,816 |
| Zoning, Contr Expend | 4,740 | B80104 | 20,765 |
| TOTAL Zoning | 11,421 | | 26,581 |
| Planning, Pers Serv | 6,681 | B80201 | 5,816 |
| Planning, Contr Expend | 2,407 | B80204 | 1,782 |
| TOTAL Planning | 9,088 | | 7,598 |
| TOTAL Home And Community Services | 20,509 | | 34,179 |
| State Retirement, Empl Bnfts | 9,320 | B90108 | 9,460 |
| Social Security , Empl Bnfts | 3,742 | B90308 | 3,796 |
| Worker's Compensation, Empl Bnfts | 3,265 | B90408 | 3,716 |
| Hospital & Medical (dental) Ins, Empl Bnft | 13,171 | B90608 | 2,663 |
| TOTAL Employee Benefits | 29,498 | | 19,635 |
| TOTAL Expenditures | 146,976 | | 157,543 |
| Transfers, Other Funds | 66,000 | B99019 | 95,361 |
| TOTAL Operating Transfers | 66,000 | | 95,361 |
| TOTAL Other Uses | 66,000 | | 95,361 |
| TOTAL Detail Expenditures And Other Uses | 212,976 | | 252,904 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(B) GENERAL TOWN-OUTSIDE VG

Analysis of Changes in Fund Balance

| Code Description | 2013 | EdpCode | 2014 |
|--|---------|---------|---------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 650,468 | B8021 | 640,935 |
| Restated Fund Balance - Beg of Year | 650,468 | B8022 | 640,935 |
| ADD - REVENUES AND OTHER SOURCES | 203,443 | | 228,414 |
| DEDUCT - EXPENDITURES AND OTHER USES | 212,976 | | 252,904 |
| Fund Balance - End of Year | 640,935 | B8029 | 616,445 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|---|----------------|---------|----------------|
| Estimated Revenues | | | |
| Est Rev - Real Property Taxes | 59,109 | B1049N | 57,077 |
| Est Rev - Non Property Tax Items | 110,000 | B1199N | 110,000 |
| Est Rev - Departmental Income | 14,800 | B1299N | 14,800 |
| Est Rev - Use of Money And Property | 2,800 | B2499N | 2,300 |
| TOTAL Estimated Revenues | 186,709 | | 184,177 |
| Appropriated Fund Balance | 62,500 | B599N | 77,500 |
| TOTAL Estimated Other Sources | 62,500 | | 77,500 |
| TOTAL Estimated Revenues And Other Sources | 249,209 | | 261,677 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|--|----------------|---------|----------------|
| Appropriations | | | |
| App - General Government Support | 12,688 | B1999N | 12,688 |
| App - Public Safety | 59,032 | B3999N | 59,399 |
| App - Health | 485 | B4999N | 500 |
| App - Culture And Recreation | 41,250 | B7999N | 41,250 |
| App - Home And Community Services | 44,764 | B8999N | 53,324 |
| App - Employee Benefits | 30,990 | B9199N | 19,516 |
| TOTAL Appropriations | 189,209 | | 186,677 |
| App - Interfund Transfer | 60,000 | B9999N | 75,000 |
| TOTAL Other Uses | 60,000 | | 75,000 |
| TOTAL Appropriations And Other Uses | 249,209 | | 261,677 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CD) SPECIAL GRANT

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|--------------|---------|------------|
| Assets | | | |
| Due From Other Funds | 2,040 | CD391 | 147 |
| TOTAL Due From Other Funds | 2,040 | | 147 |
| TOTAL Assets and Deferred Outflows of Resources | 2,040 | | 147 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CD) SPECIAL GRANT

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|--------------|---------|------------|
| Due To Other Funds | 1,893 | CD630 | |
| TOTAL Due To Other Funds | 1,893 | | 0 |
| TOTAL Liabilities | 1,893 | | 0 |
| Fund Balance | | | |
| Assigned Unappropriated Fund Balance | 147 | CD915 | 147 |
| TOTAL Assigned Fund Balance | 147 | | 147 |
| TOTAL Fund Balance | 147 | | 147 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 2,040 | | 147 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CD) SPECIAL GRANT

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|--|----------|---------|--------------|
| Revenues | | | |
| Other Aid (specify) | | CD3089 | 3,000 |
| TOTAL State Aid | 0 | | 3,000 |
| TOTAL Revenues | 0 | | 3,000 |
| TOTAL Detail Revenues And Other Sources | 0 | | 3,000 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CD) SPECIAL GRANT

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|-----------|---------|--------------|
| Expenditures | | | |
| Administration, Contr Expend | 60 | CD86864 | 3,000 |
| TOTAL Administration | 60 | | 3,000 |
| TOTAL Home And Community Services | 60 | | 3,000 |
| TOTAL Expenditures | 60 | | 3,000 |
| TOTAL Detail Expenditures And Other Uses | 60 | | 3,000 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CD) SPECIAL GRANT

Analysis of Changes in Fund Balance

| Code Description | 2013 | EdpCode | 2014 |
|--|------|---------|-------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 207 | CD8021 | 147 |
| Restated Fund Balance - Beg of Year | 207 | CD8022 | 147 |
| ADD - REVENUES AND OTHER SOURCES | | | 3,000 |
| DEDUCT - EXPENDITURES AND OTHER USES | 60 | | 3,000 |
| Fund Balance - End of Year | 147 | CD8029 | 147 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|---------------|---------|---------------|
| Assets | | | |
| Cash | | CM200 | 48,103 |
| Cash In Time Deposits | 47,731 | CM201 | |
| TOTAL Cash | 47,731 | | 48,103 |
| TOTAL Assets and Deferred Outflows of Resources | 47,731 | | 48,103 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|---------------|---------|---------------|
| Fund Balance | | | |
| Assigned Unappropriated Fund Balance | 47,731 | CM915 | 48,103 |
| TOTAL Assigned Fund Balance | 47,731 | | 48,103 |
| TOTAL Fund Balance | 47,731 | | 48,103 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 47,731 | | 48,103 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|--|------------|---------|------------|
| Revenues | | | |
| Other Home & Community Service Income | 300 | CM2189 | 300 |
| TOTAL Departmental Income | 300 | | 300 |
| Interest And Earnings | 72 | CM2401 | 72 |
| TOTAL Use of Money And Property | 72 | | 72 |
| TOTAL Revenues | 372 | | 372 |
| TOTAL Detail Revenues And Other Sources | 372 | | 372 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|------------------|------|---------|------|
|------------------|------|---------|------|

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(CM) MISCELLANEOUS SPECIAL REV

Analysis of Changes in Fund Balance

| Code Description | 2013 | EdpCode | 2014 |
|--|--------|---------|--------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 47,359 | CM8021 | 47,731 |
| Restated Fund Balance - Beg of Year | 47,359 | CM8022 | 47,731 |
| ADD - REVENUES AND OTHER SOURCES | 372 | | 372 |
| Fund Balance - End of Year | 47,731 | CM8029 | 48,103 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(DB) HIGHWAY-PART-TOWN

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|----------------|---------|----------------|
| Assets | | | |
| Cash | | DB200 | 515,703 |
| Cash In Time Deposits | 440,502 | DB201 | |
| TOTAL Cash | 440,502 | | 515,703 |
| Accounts Receivable | 28,771 | DB380 | 9,755 |
| TOTAL Other Receivables (net) | 28,771 | | 9,755 |
| Due From Other Funds | 18,835 | DB391 | 9,599 |
| TOTAL Due From Other Funds | 18,835 | | 9,599 |
| TOTAL Assets and Deferred Outflows of Resources | 488,108 | | 535,057 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(DB) HIGHWAY-PART-TOWN

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Accounts Payable | 23,362 | DB600 | 23,528 |
| TOTAL Accounts Payable | 23,362 | | 23,528 |
| Due To Other Funds | 8,980 | DB630 | 8,980 |
| TOTAL Due To Other Funds | 8,980 | | 8,980 |
| TOTAL Liabilities | 32,342 | | 32,508 |
| Fund Balance | | | |
| Assigned Appropriated Fund Balance | 57,500 | DB914 | 141,800 |
| Assigned Unappropriated Fund Balance | 398,266 | DB915 | 360,749 |
| TOTAL Assigned Fund Balance | 455,766 | | 502,549 |
| TOTAL Fund Balance | 455,766 | | 502,549 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 488,108 | | 535,057 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(DB) HIGHWAY-PART-TOWN

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|------------------|
| Revenues | | | |
| Real Property Taxes | 762,380 | DB1001 | 779,919 |
| TOTAL Real Property Taxes | 762,380 | | 779,919 |
| Snow Removal Services-Other Govts | 34,089 | DB2302 | 35,809 |
| TOTAL Intergovernmental Charges | 34,089 | | 35,809 |
| Interest And Earnings | 1,702 | DB2401 | 1,545 |
| TOTAL Use of Money And Property | 1,702 | | 1,545 |
| Sales of Scrap & Excess Materials | 398 | DB2650 | 155 |
| Sales of Equipment | 1,066 | DB2665 | |
| TOTAL Sale of Property And Compensation For Loss | 1,464 | | 155 |
| St Aid, Consolidated Highway Aid | 84,296 | DB3501 | 93,846 |
| TOTAL State Aid | 84,296 | | 93,846 |
| TOTAL Revenues | 883,931 | | 911,274 |
| Interfund Transfers | 66,000 | DB5031 | 95,361 |
| TOTAL Interfund Transfers | 66,000 | | 95,361 |
| TOTAL Other Sources | 66,000 | | 95,361 |
| TOTAL Detail Revenues And Other Sources | 949,931 | | 1,006,635 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(DB) HIGHWAY-PART-TOWN

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Expenditures | | | |
| Maint of Streets, Pers Serv | 64,038 | DB51101 | 63,325 |
| Maint of Streets, Contr Expend | 209,995 | DB51104 | 209,831 |
| TOTAL Maint of Streets | 274,033 | | 273,156 |
| Perm Improve Highway, Contr Expend | 108,198 | DB51124 | 132,667 |
| TOTAL Perm Improve Highway | 108,198 | | 132,667 |
| Machinery, Pers Serv | 50,204 | DB51301 | 57,140 |
| Machinery, Contr Expend | 79,190 | DB51304 | 109,889 |
| TOTAL Machinery | 129,394 | | 167,029 |
| Brush And Weeds, Pers Serv | 21,892 | DB51401 | 14,370 |
| Brush And Weeds, Contr Expend | 64,374 | DB51404 | 55,259 |
| TOTAL Brush And Weeds | 86,266 | | 69,629 |
| Snow Removal, Pers Serv | 33,671 | DB51421 | 35,698 |
| Snow Removal, Equip & Cap Outlay | 2,616 | DB51422 | 7,987 |
| Snow Removal, Contr Expend | 90,490 | DB51424 | 96,023 |
| TOTAL Snow Removal | 126,777 | | 139,708 |
| TOTAL Transportation | 724,668 | | 782,189 |
| Misc Home & Comm Serv, Pers Serv | 33,345 | DB89891 | 36,739 |
| TOTAL Misc Home & Comm Serv | 33,345 | | 36,739 |
| TOTAL Home And Community Services | 33,345 | | 36,739 |
| State Retirement, Empl Bnfts | 35,586 | DB90108 | 36,122 |
| Social Security, Empl Bnfts | 15,541 | DB90308 | 15,856 |
| Worker's Compensation, Empl Bnfts | 35,902 | DB90408 | 40,188 |
| Disability Insurance, Empl Bnfts | 348 | DB90558 | 522 |
| Hospital & Medical (dental) Ins, Empl Bnft | 47,689 | DB90608 | 48,236 |
| TOTAL Employee Benefits | 135,066 | | 140,924 |
| TOTAL Expenditures | 893,079 | | 959,852 |
| TOTAL Detail Expenditures And Other Uses | 893,079 | | 959,852 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(DB) HIGHWAY-PART-TOWN

Analysis of Changes in Fund Balance

| Code Description | 2013 | EdpCode | 2014 |
|--|---------|---------|-----------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 398,914 | DB8021 | 455,766 |
| Restated Fund Balance - Beg of Year | 398,914 | DB8022 | 455,766 |
| ADD - REVENUES AND OTHER SOURCES | 949,931 | | 1,006,635 |
| DEDUCT - EXPENDITURES AND OTHER USES | 893,079 | | 959,852 |
| Fund Balance - End of Year | 455,766 | DB8029 | 502,549 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(DB) HIGHWAY-PART-TOWN

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|---|----------------|---------|----------------|
| Estimated Revenues | | | |
| Est Rev - Real Property Taxes | 779,919 | DB1049N | 785,188 |
| Est. Rev. - Intergovernmental Charges | 20,000 | DB2399N | 20,000 |
| Est Rev - Use of Money And Property | 2,000 | DB2499N | 1,500 |
| TOTAL Estimated Revenues | 801,919 | | 806,688 |
| Estimated - Interfund Transfer | 60,000 | DB5031N | 75,000 |
| Appropriated Fund Balance | 57,500 | DB599N | 87,791 |
| TOTAL Estimated Other Sources | 117,500 | | 162,791 |
| TOTAL Estimated Revenues And Other Sources | 919,419 | | 969,479 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(DB) HIGHWAY-PART-TOWN

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|--|----------------|---------|----------------|
| Appropriations | | | |
| App - Transportation | 683,154 | DB5999N | 712,652 |
| App - Employee Benefits | 131,265 | DB9199N | 155,836 |
| TOTAL Appropriations | 814,419 | | 868,488 |
| Interfund Transfers | 105,000 | DB9999N | 100,991 |
| TOTAL Other Uses | 105,000 | | 100,991 |
| TOTAL Appropriations And Other Uses | 919,419 | | 969,479 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(H) CAPITAL PROJECTS

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|----------------|---------|---------------|
| Assets | | | |
| Cash | | H200 | 73,345 |
| Cash In Time Deposits | 128,134 | H201 | |
| TOTAL Cash | 128,134 | | 73,345 |
| TOTAL Assets and Deferred Outflows of Resources | 128,134 | | 73,345 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(H) CAPITAL PROJECTS

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|---------------|
| Fund Balance | | | |
| Assigned Unappropriated Fund Balance | 128,134 | H915 | 73,345 |
| TOTAL Assigned Fund Balance | 128,134 | | 73,345 |
| TOTAL Fund Balance | 128,134 | | 73,345 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 128,134 | | 73,345 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(H) CAPITAL PROJECTS

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|--|------------|---------|------------|
| Revenues | | | |
| Interest And Earnings | 365 | H2401 | 211 |
| TOTAL Use of Money And Property | 365 | | 211 |
| TOTAL Revenues | 365 | | 211 |
| TOTAL Detail Revenues And Other Sources | 365 | | 211 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(H) CAPITAL PROJECTS

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|---------------|---------|---------------|
| Other Uses | | | |
| Transfers, Other Funds | 40,000 | H99019 | 55,000 |
| TOTAL Operating Transfers | 40,000 | | 55,000 |
| TOTAL Other Uses | 40,000 | | 55,000 |
| TOTAL Detail Expenditures And Other Uses | 40,000 | | 55,000 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

| Code Description | 2013 | EdpCode | 2014 |
|--|---------|---------|---------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 167,769 | H8021 | 128,134 |
| Restated Fund Balance - Beg of Year | 167,769 | H8022 | 128,134 |
| ADD - REVENUES AND OTHER SOURCES | 365 | | 211 |
| DEDUCT - EXPENDITURES AND OTHER USES | 40,000 | | 55,000 |
| Fund Balance - End of Year | 128,134 | H8029 | 73,345 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(K) GENERAL FIXED ASSETS

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|------------------|---------|------------------|
| Assets | | | |
| Land | 52,800 | K101 | 52,800 |
| Buildings | 200,954 | K102 | 200,954 |
| Machinery And Equipment | 1,052,758 | K104 | 1,056,825 |
| TOTAL Fixed Assets (net) | 1,306,512 | | 1,310,579 |
| TOTAL Assets and Deferred Outflows of Resources | 1,306,512 | | 1,310,579 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(K) GENERAL FIXED ASSETS

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|------------------|---------|------------------|
| Liabilities, Deferred Inflows And Fund Balance | | | |
| Total Non-Current Govt Assets | 1,306,512 | K159 | 1,310,579 |
| TOTAL Investments in Non-Current Government Assets | 1,306,512 | | 1,310,579 |
| TOTAL Fund Balance | 1,306,512 | | 1,310,579 |
| TOTAL | 1,306,512 | | 1,310,579 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(SW) WATER

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|---------------|---------|---------------|
| Assets | | | |
| Cash | | SW200 | 31,404 |
| Cash In Time Deposits | 31,653 | SW201 | |
| TOTAL Cash | 31,653 | | 31,404 |
| Due From Other Funds | 1,533 | SW391 | 1,533 |
| TOTAL Due From Other Funds | 1,533 | | 1,533 |
| TOTAL Assets and Deferred Outflows of Resources | 33,186 | | 32,937 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(SW) WATER

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|---------------|---------|---------------|
| Fund Balance | | | |
| Assigned Appropriated Fund Balance | 1,100 | SW914 | 1,100 |
| Assigned Unappropriated Fund Balance | 32,086 | SW915 | 31,837 |
| TOTAL Assigned Fund Balance | 33,186 | | 32,937 |
| TOTAL Fund Balance | 33,186 | | 32,937 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 33,186 | | 32,937 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(SW) WATER

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|--|---------------|---------|---------------|
| Revenues | | | |
| Real Property Taxes | 44,391 | SW1001 | 44,351 |
| TOTAL Real Property Taxes | 44,391 | | 44,351 |
| Interest And Earnings | 89 | SW2401 | 75 |
| TOTAL Use of Money And Property | 89 | | 75 |
| TOTAL Revenues | 44,480 | | 44,426 |
| TOTAL Detail Revenues And Other Sources | 44,480 | | 44,426 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(SW) WATER

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|---|---------------|---------|---------------|
| Expenditures | | | |
| Water Administration, Contr Expend | | SW83104 | 120 |
| TOTAL Water Administration | 0 | | 120 |
| Water Trans & Distrib, Pers Serv | 31 | SW83401 | 64 |
| TOTAL Water Trans & Distrib | 31 | | 64 |
| Other Water, Contr Expend | 5,597 | SW83894 | 5,973 |
| TOTAL Other Water | 5,597 | | 5,973 |
| TOTAL Home And Community Services | 5,628 | | 6,157 |
| Social Security , Empl Bnfts | 2 | SW90308 | 5 |
| TOTAL Employee Benefits | 2 | | 5 |
| Debt Principal, Serial Bonds | 15,000 | SW97106 | 15,000 |
| TOTAL Debt Principal | 15,000 | | 15,000 |
| Debt Interest, Serial Bonds | 24,188 | SW97107 | 23,512 |
| TOTAL Debt Interest | 24,188 | | 23,512 |
| TOTAL Expenditures | 44,818 | | 44,674 |
| TOTAL Detail Expenditures And Other Uses | 44,818 | | 44,674 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(SW) WATER

Analysis of Changes in Fund Balance

| Code Description | 2013 | EdpCode | 2014 |
|--------------------------------------|--------|---------|--------|
| Analysis of Changes in Fund Balance | | | |
| Fund Balance - Beginning of Year | 33,523 | SW8021 | 33,185 |
| Restated Fund Balance - Beg of Year | 33,523 | SW8022 | 33,185 |
| ADD - REVENUES AND OTHER SOURCES | 44,480 | | 44,426 |
| DEDUCT - EXPENDITURES AND OTHER USES | 44,818 | | 44,674 |
| Fund Balance - End of Year | 33,185 | SW8029 | 32,937 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(SW) WATER

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|---|---------------|---------|---------------|
| Estimated Revenues | | | |
| Est Rev - Real Property Taxes | 38,428 | SW1049N | 38,715 |
| Est Rev - Use of Money And Property | 100 | SW2499N | 70 |
| TOTAL Estimated Revenues | 38,528 | | 38,785 |
| Appropriated Fund Balance | 1,100 | SW599N | 1,100 |
| TOTAL Estimated Other Sources | 1,100 | | 1,100 |
| TOTAL Estimated Revenues And Other Sources | 39,628 | | 39,885 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(SW) WATER

Budget Summary

| Code Description | 2014 | EdpCode | 2015 |
|--|---------------|---------|---------------|
| Appropriations | | | |
| App - Home And Community Services | 1,100 | SW8999N | 1,100 |
| App-Employee Benefits | 15 | SW9199N | 15 |
| App - Debt Service | 38,513 | SW9899N | 38,770 |
| TOTAL Appropriations | 39,628 | | 39,885 |
| TOTAL Appropriations And Other Uses | 39,628 | | 39,885 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(TA) AGENCY

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|---------------|---------|---------------|
| Assets | | | |
| Cash | 97,240 | TA200 | 88,480 |
| TOTAL Cash | 97,240 | | 88,480 |
| Due From Other Funds | 80 | TA391 | 80 |
| TOTAL Due From Other Funds | 80 | | 80 |
| TOTAL Assets and Deferred Outflows of Resources | 97,320 | | 88,560 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(TA) AGENCY

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|---------------|---------|---------------|
| Due To Other Funds | 51,573 | TA630 | 31,461 |
| TOTAL Due To Other Funds | 51,573 | | 31,461 |
| State Retirement | 1,253 | TA18 | 1,059 |
| Group Insurance | | TA20 | 1,037 |
| Guaranty & Bid Deposits | 30,346 | TA30 | 55,003 |
| Other Funds (specify) | 14,148 | TA85 | |
| TOTAL Agency Liabilities | 45,747 | | 57,099 |
| TOTAL Liabilities | 97,320 | | 88,560 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 97,320 | | 88,560 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(TE) PRIVATE PURPOSE TRUST

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|--------------|---------|--------------|
| Assets | | | |
| Cash | 8,933 | TE200 | 8,947 |
| TOTAL Cash | 8,933 | | 8,947 |
| TOTAL Assets and Deferred Outflows of Resources | 8,933 | | 8,947 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(TE) PRIVATE PURPOSE TRUST

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|--------------|---------|--------------|
| Fund Balance | | | |
| Net Assets-Restricted For Other Purposes | 8,933 | TE923 | 8,947 |
| TOTAL Assigned Fund Balance | 8,933 | | 8,947 |
| TOTAL Fund Balance | 8,933 | | 8,947 |
| TOTAL Liabilities, Deferred Inflows And Fund Balance | 8,933 | | 8,947 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(TE) PRIVATE PURPOSE TRUST

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|--|-----------|---------|-----------|
| Revenues | | | |
| Interest And Earnings | 13 | TE2401 | 14 |
| TOTAL Use of Money And Property | 13 | | 14 |
| TOTAL Revenues | 13 | | 14 |
| TOTAL Detail Revenues And Other Sources | 13 | | 14 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

Results of Operation

| Code Description | 2013 | EdpCode | 2014 |
|------------------|------|---------|------|
|------------------|------|---------|------|

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(TE) PRIVATE PURPOSE TRUST

Analysis of Changes in Net Position

| Code Description | 2013 | EdpCode | 2014 |
|--|-------|---------|-------|
| Analysis of Changes in Net Position | | | |
| Fund Balance - Beginning of Year | 8,920 | TE8021 | 8,933 |
| Restated Fund Balance - Beg of Year | 8,920 | TE8022 | 8,933 |
| ADD - REVENUES AND OTHER SOURCES | 13 | | 14 |
| Fund Balance - End of Year | 8,933 | TE8029 | 8,947 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(W) GENERAL LONG-TERM DEBT

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|--|----------------|---------|----------------|
| Assets | | | |
| Total Non-Current Govt Liabilities | 720,000 | W129 | 610,000 |
| TOTAL Provision To Be Made In Future Budgets | 720,000 | | 610,000 |
| TOTAL Assets and Deferred Outflows of Resources | 720,000 | | 610,000 |

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2014

(W) GENERAL LONG-TERM DEBT

Balance Sheet

| Code Description | 2013 | EdpCode | 2014 |
|---|----------------|---------|----------------|
| Liabilities, Deferred Inflows And Fund Balance | | | |
| Bonds Payable | 720,000 | W628 | 610,000 |
| TOTAL Bond And Long Term Liabilities | 720,000 | | 610,000 |
| TOTAL Liabilities | 720,000 | | 610,000 |
| TOTAL Liabilities | 720,000 | | 610,000 |

TOWN OF North East
Statement of Indebtedness
For the Fiscal Year Ending 2014

2/26/2015

County of: Dutchess

Municipal Code: 130359300000

| First Year | Debt Code | Description | Cops Flag | Comp Flag | Date of Issue | Date of Maturity | Int. Rate | Var? | Amt. Orig. Issued | O/S Beg. of Year | Paid Dur. Year | Redeemed Bond Proc. | Prior Yr. Adjust. | Accreted Interest | O/S End of Year |
|--|--------------|-----------------------------|--------------|--------------|------------------|---------------------|--------------|------|----------------------|---------------------|-------------------|------------------------|----------------------|----------------------|--------------------|
| 2000 | BOND E | Water Improvements | | | 06/01/1999 | 06/01/2036 | 4.50% | | | \$19,000 | \$0 | \$0 | \$0 | | \$19,000 |
| 2000 | BOND E | Water Improvements | | | 06/01/1999 | 06/01/2036 | 4.50% | | | \$511,000 | \$15,000 | \$0 | \$0 | | \$496,000 |
| 2011 | BOND N | Landfill Remediation-EFC | | | 07/21/2011 | 10/15/2015 | 1.33% | | \$455,000 | \$190,000 | \$95,000 | \$0 | \$0 | | \$95,000 |
| Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year | | | | | | | | | | \$720,000 | \$110,000 | \$0 | \$0 | \$0 | \$610,000 |
| AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year | | | | | | | | | | \$720,000 | \$110,000 | \$0 | \$0 | \$0 | \$610,000 |

TOWN OF North East
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2014

| | <u>EDP Code</u> | <u>Amount</u> |
|---|-----------------|-----------------------|
| CASH: | | |
| On Hand | 9Z2001 | |
| Demand Deposits | 9Z2011 | <u>\$2,014,815.00</u> |
| Time Deposits | 9Z2021 | |
| Total | | <u>\$2,014,815.00</u> |
| COLLATERAL: | | |
| - FDIC Insurance | 9Z2014 | <u>\$372,920.00</u> |
| Collateralized with securities held in possession of municipality or its agent | 9Z2014A | <u>\$1,641,895.00</u> |
| Total | | <u>\$2,014,815.00</u> |
| INVESTMENTS: | | |
| - Securities (450) | | |
| Book Value (cost) | 9Z4501 | |
| Market Value at Balance Sheet Date | 9Z4502 | |
| Collateralized with securities held in possession of municipality or its agent | 9Z4504A | |
| - Repurchase Agreements (451) | | |
| Book Value (cost) | 9Z4511 | |
| Market Value at Balance Sheet Date | 9Z4512 | |
| Collateralized with securities held in possession of municipality or its agent | 9Z4514A | |

TOWN OF North East
Bank Reconciliation
For the Fiscal Year Ending 2014

Include All Checking, Savings and C.D. Accounts

| Bank Account Number | Bank Balance | Add: Deposit In Transit | Less: Outstanding Checks | Adjusted Bank Balance |
|---------------------------|-----------------|-------------------------------|--------------------------------|-----------------------------|
| *****-3910 | \$99 | \$0 | \$0 | \$99 |
| *****-3937 | \$102 | \$0 | \$0 | \$102 |
| *****-3945 | \$99 | \$0 | \$0 | \$99 |
| *****-3961 | \$11,649 | \$0 | \$11,649 | \$0 |
| *****-3988 | \$24,871 | \$0 | \$0 | \$24,871 |
| *****-3996 | \$27,583 | \$0 | \$282 | \$27,301 |
| *****-2426 | \$631,757 | \$0 | \$0 | \$631,757 |
| *****-2434 | \$595,331 | \$0 | \$0 | \$595,331 |
| *****-2442 | \$515,604 | \$0 | \$0 | \$515,604 |
| *****-2450 | \$9,615 | \$0 | \$0 | \$9,615 |
| *****-2469 | \$5,919 | \$0 | \$0 | \$5,919 |
| *****-2477 | \$31,404 | \$0 | \$0 | \$31,404 |
| *****-2493 | \$67,425 | \$0 | \$0 | \$67,425 |
| *****-2507 | \$8,947 | \$0 | \$0 | \$8,947 |
| *****-2515 | \$48,103 | \$0 | \$0 | \$48,103 |
| *****-6589 | \$36,308 | \$0 | \$0 | \$36,308 |

| | | | | |
|-----------------------------|--|--|--|-------------|
| Total Adjusted Bank Balance | | | | \$2,002,885 |
|-----------------------------|--|--|--|-------------|

| | | | | |
|------------|--|--|--|---------|
| Petty Cash | | | | \$50.00 |
|------------|--|--|--|---------|

| | | | | |
|-------------|--|--|--|--------|
| Adjustments | | | | \$.00 |
|-------------|--|--|--|--------|

| | | | | |
|------------|--------|---|--|-------------|
| Total Cash | 9ZCASH | * | | \$2,002,935 |
|------------|--------|---|--|-------------|

| | | | | |
|------------------------------|---------|---|--|-------------|
| Total Cash Balance All Funds | 9ZCASHB | * | | \$2,002,935 |
|------------------------------|---------|---|--|-------------|

* Must be equal

TOWN OF North East
Local Government Questionnaire
For the Fiscal Year Ending 2014

| | <u>Response</u> |
|---|-----------------------------|
| 1) Does your municipality have a written procurement policy? | <u>Yes</u> |
| 2) Have the financial statements for your municipality been independently audited? | <u>No</u> |
| If not, are you planning on having an audit conducted? | <u>No</u> |
| 3) Does your local government participate in an insurance pool with other local governments? | <u>No</u> |
| 4) Does your local government participate in an investment pool with other local governments? | <u>No</u> |
| 5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters? | <u> </u> |
| 6) Does your municipality have a Capital Plan? | <u>No</u> |
| 7) Has your municipality prepared and documented a risk assessment plan? | <u>No</u> |
| If yes, has your municipality used the results to design the system of internal controls? | <u> </u> |
| 8) Have you had a change in chief executive or chief fiscal officer during the last year? | <u>No</u> |
| 9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39? | <u>Yes</u> |

TOWN OF North East
Employee and Retiree Benefits
For the Fiscal Year Ending 2014

| Total Full Time Employees: | | 7 | | | |
|---|--|---------------------------------------|---------------------------------|---------------------------------|----------------------|
| Total Part Time Employees: | | 25 | | | |
| Account Code | Description | Total Expenditures (All Funds) | # of Full Time Employees | # of Part Time Employees | # of Retirees |
| 90108 | State Retirement System | \$86,005.00 | 7 | 10 | |
| 90158 | Police and Fire Retirement | | | | |
| 90258 | Local Pension Fund | | | | |
| 90308 | Social Security | \$41,128.00 | 7 | 25 | |
| 90408 | Worker's Compensation Insurance | \$55,052.00 | 7 | 25 | |
| 90458 | Life Insurance | | | | |
| 90508 | Unemployment Insurance | \$0.00 | | | |
| 90558 | Disability Insurance | \$522.00 | 7 | | |
| 90608 | Hospital and Medical (Dental) Insurance | \$88,553.00 | 7 | 3 | 1 |
| 90708 | Union Welfare Benefits | | | | |
| 90858 | Supplemental Benefit Payment to Disabled Fire Fighters | | | | |
| 91890 | Other Employee Benefits | | | | |
| Total | | \$271,260.00 | | | |
| Computed Total From Financial Section (comparative purposes only) | | \$271,260.00 | | | |

TOWN OF North East
Energy Costs and Consumption
For the Fiscal Year Ending 2014

| Energy Type | Total Expenditures | Total Volume | Units Of Measure | Alternative Units Of Measure |
|-------------|--------------------|--------------|------------------|------------------------------|
| Gasoline | \$10,123 | 3,262 | gallons | |
| Diesel Fuel | \$38,316 | 11,412 | gallons | |
| Fuel Oil | \$13,338 | 3,960 | gallons | |
| Natural Gas | | | cubic feet | |
| Electricity | \$5,356 | 31,586 | kilowatt-hours | |
| Coal | | | tons | |

TOWN OF North East
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2014

Annual OPEB Cost and Net OPEB Obligation

1. Type of Other Post Employment Benefits Plan
2. Annual Required Contribution(ARC)
3. Interest on Net OPEB Obligation
4. Adjustment to Annual Required Contribution
5. Annual OPEB Expense
6. Less: Actual Contribution Made
7. Increase in Net OPEB Obligation
8. Net OPEB Obligation - beginning of year
9. Net OPEB Obligation - end of year
10. Total Other Post Employment Benefits as reported in Accounts 683 in Financial Section, Current Fiscal Year
11. Percentage of Annual OPEB Cost Contributed (Actual Contribution Made/Annual OPEB Cost)

Funded Status and Funding Process

12. Actuarial Accrued Liability(AAL)
13. Less: Actuarial Value of Plan Assets
14. Unfunded Actuarial Accrued Liability(UAAL)
15. Funded Ratio(Actuarial Value of Plan Assets/AAL)
16. Annual Covered Payroll (of active employees covered by the plan)
17. UAAL as Percentage of Annual Covered Payroll

Other OPEB Information

18. Date of most recent actuarial valuation
19. Actuarial method used
20. Assumed rate of return on investments discount rate .00%
21. Amortization period of UAAL(in years)

TOWN OF North East
Financial Comments
For the Fiscal Year Ending 2014

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The fund financial statements of the Town of North East, New York (Town) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units, to the extent appropriate for the prescribed form. The Governmental Accounting Standards Board (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.

A. Financial Reporting Entity:

The Town is governed by its charter, municipal law and other general laws of the State of New York, and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of five members (with each member having an equal vote). The Town Supervisor serves as chief executive and fiscal officer of the Town.

The following basic services are provided: public safety, highways and streets, sanitation, social services, culture and recreation, public improvements, planning, and general administrative services.

All governmental activities and functions performed for the Town are its direct responsibilities. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the Town of North East, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statements 14, 39, and 61.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria the following is a brief review of certain entities considered in determining the Town of North East's reporting entity.

- I. There are no other entities included in the reporting entity, nor are there any joint ventures excluded from the reporting entities.

II. Excluded from Reporting Entity:

Although the following organizations, functions or activities are related to the Town they are not included in the Town's reporting entity because of the reasons noted:

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The Town exercises no oversight over the operations of the Joint Fire District of the Town and Village of Millerton. The Town levies and collects real property taxes and turns them over to the fire district. This amounted to \$354,939 and \$354,939 for the years ended December 31, 2014 and 2013, respectively.

B. Fund Accounting:

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Town records its transactions in the fund types and account groups described below:

I. Fund Categories:

a. 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 (the sources, uses, and balances of current financial resources).

The following are the Town's governmental fund types.

1. General Fund:

The General Fund is the principal fund of the Town and includes all operations not required to be recorded in other funds.

2. Special Revenue Funds:

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following Special Revenue Funds are utilized:

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- (a) Highway Funds are used to account for revenues and expenditures for maintenance of Town highways.
- (b) Special District Funds are used to account for the resources of special districts.
- (c) Water Funds are used to account for revenues and expenditures for maintenance of the North East Water District.
- (d) Special Grant Funds are used to account for grant funds received from governmental sources.
- (e) Miscellaneous Special Revenue Fund accounts for trust arrangements under which principal and income will be used to benefit the Town's regular programs.

3. Capital Projects Fund:

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds.

b. Fiduciary Funds:

Fiduciary Funds are used to account for assets held by the local government in a trustee or custodial capacity.

1. Agency Funds:

Agency Funds are used to account for money (and/or property) received and held in the capacity for trustees, custodians, or agents. These include expendable trusts, non-expendable trusts, and agency funds.

II. Account Groups:

Account groups are used to establish accounting control and accountability for the Town's non-current government assets and non-current government liabilities. The two account groups are not "funds". They are concerned only with the measurement of financial position, and not with the results of operations.

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

a. Non-Current Government Assets Account Group:

This group of accounts is used to account for land, buildings, improvements, other than buildings and equipment utilized for general government purposes, except for infrastructure type improvements.

b. Non-Current Government Liability Account Group:

This group of accounts is established to account for all long-term debt.

C. Basis of Accounting/Measurement Focus:

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the 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).

I. Modified Accrual Basis:

All Governmental Funds and Fiduciary Funds, are accounted for 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. Revenues are considered to be available if collected within 60 days of the end of the current fiscal year.

Material revenues that are accrued include real property taxes, state and federal aids, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made and the resources are available.

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid and inventory-type items are recognized at the time of the disbursements when the Town is liable for payment.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid (see Note 1,H).

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- d. Other post-employment benefits are charged as expenditures when payment is due.

II. Account Groups:

Non-current government assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received. No provision for depreciation is made. Non-current government liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity. Long-term liabilities for retirement and compensated absences are recorded when the Town's obligation can be reasonably estimated.

D. Fund Balances:

Fund Balance is broken down into five different classifications: non-spendable, restricted, committed, assigned, and unassigned focusing on the constraints imposed on resources in governmental funds:

I. Non-Spendable:

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

II. Restricted:

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

III. Committed:

Consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town has no committed fund balance as of December 31, 2014.

IV. Assigned:

Consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. The Board, by resolution, to adopt the 2015 budget, has authorized the Town Supervisor to assign fund balance. Appropriated fund balance is reported in the various funds as follows: General Fund – Town-Wide \$61,300, General Fund – Outside \$77,500, Highway Fund – Outside \$87,791; and the Water District \$1,100. The Highway Fund – Outside has encumbered an additional \$54,009.

V. 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 be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Town spends funds in the following order: restricted, committed, assigned, unassigned.

The Town has the authority to carry over a "reasonable amount" of committed, assigned and unassigned fund balance consistent with the "Reasonable amount" statutes.

E. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes in order to reserve that portion of the applicable appropriations, is employed by the Town. Encumbrances are reported as restrictions, commitments or assignments of fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

F. Property, Plant, and Equipment – General:

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost) in the Non-Current Government Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. Historical records are incomplete and, as such, are considered to be valued for insurance purposes only and cannot be supported as cost.

Fixed assets consisting of certain infrastructure-type improvements other than buildings, including roads, bridges, curbs and gutters, streets, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the Town.

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. No depreciation has been provided on Schedule of Non-Current Government Assets Account Group nor has interest on non-current government assets construction-in-progress been capitalized.

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

G. Deferred Outflows/Inflows of Resources:

GASB Statement No., 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

H. Compensated Absences:

The Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, subject to certain maximum limitations.

No accrual has been recorded due to the number of variables involved. However, management believes that sufficient resources will be available for payment when such payment becomes due.

I. Post-Employment Benefits:

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors' benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the current year, \$2,663 was paid on behalf of one retiree and recorded as an expenditure.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

J. Departures from Generally Accepted Accounting Principles (GAAP):

The Town has prepared these statements in accordance with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, which differs from general accepted accounting principles. Notable departures from GAAP include:

- I. No provision for capitalizing infrastructure has been recorded;
- II. The absence of an entity-wide Statement of Net Assets and Statement of Activities;
- III. The absence of a Management, Discussion and Analysis;
- IV. A statement comparing budget vs. actual is required under generally accepted accounting principles. While the Annual Update document includes both actual and budget schedules, there is no direct comparison of the two;
- V. The Town has not accrued a liability for compensated absences; and
- VI. The absence of references to the “accompanying notes and accountant’s compilation report” on each page of the financial statements and to the “accountant’s compilation report” on each page of any supplementary information.

The effect of these departures on the financial statements has not been determined.

K. New Accounting Standards:

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2014, the Town implemented the following new standards issued by GASB:

-- GASB Statement 67 – *Financial Reporting for Pension Plans-an Amendment of GASB Statement No. 25.*

--GASB Statement 69 – *Government Combinations and Disposals of Government Operations*

--GASB Statement 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees.*

GASB has issued Statement 67 – *Financial Reporting for Pension Plans-an Amendment of GASB Statement No. 25.* The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

See accountant’s compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide post-employment benefits other than pensions. This Statement and Statement 68 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The Town has adopted this statement. There is no impact to the December 31, 2014 financial statements.

GASB has issued Statement 69 – *Government Combinations and Disposals of Government Operations*. The Statement establishes accounting and financial reporting related to government combinations and disposals of government operations. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of *operations* that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold. This Statement requires disclosure to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The Town has adopted this statement. There is no impact to the December 31, 2014 financial statements.

GASB has issued Statement 70 – *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The amount of the liability to be recognized should be the discounted present value of the best estimate of the future outflows expected to be incurred as result of the guarantee. When there is no best estimate but a range of the estimated future outflows can be established, the amount of the liability to be recognized should be the discounted present value of the minimum amount within the range. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to report the obligation until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When a government is released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This Statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. In addition, this Statement requires new information to be disclosed by governments that extend nonexchange financial guarantees. The Town has adopted this statement. There is no impact to the December 31, 2014 financial statements.

L. Future Changes in Accounting Standards:

GASB has issued Statement 68 – *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 2*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statement No., 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statement 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2015, financial statements.

GASB has issued Statement 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This Statement addresses the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement 71 eliminates a potential source of understatement of restated beginning net position and expense in a government's first year of implementing GASB Statement No. 68. The Provisions are effective simultaneously with the provisions of Statement 68, which is required to be applied in the December 31, 2015, financial statements.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

M. Use of Estimates:

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY:

A. Budgetary Data:

The budget policies are as follows:

- I. No later than September 30, the budget officer submits a tentative budget to the Town Clerk, who then has until October 5 to submit the budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- II. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- III. All modifications of the budget must be approved by the governing board.
- IV. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the period year.

B. Property Taxes:

Real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to May 31. Taxes for the Town and special district purposes are levied together with the taxes for the county purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bill. The county assumes enforcement responsibility for all taxes levied in the Town.

In June of 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of property taxes that may be levied by the Town of North East in a particular year, beginning with the 2012 fiscal year. The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY (CONTINUED):

The Town adopted the 2015 budget that required a real property tax levy in excess of the limit specified in General Municipal Law 3-c.

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS:

A. Assets:

I. Cash and Investment Policies:

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC insured commercial banks located within the state. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, and obligations of the state and its municipalities and school districts.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

II. Cash and Cash Equivalents – Custodial Credit, Concentration of Credit, Interest Rate, and Foreign Current Risks:

Cash:

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these notes.

As of December 31, 2014, \$-0- of the Town's bank balance of \$2,014,815 was exposed to custodial credit risk as follows:

| | Bank Balance 12/31/14 | FDIC Coverage | Collateral | Total Coverage 12/31/14 |
|----------------|-----------------------------|-------------------|---------------------|-------------------------------|
| Salisbury Bank | <u>\$ 2,014,815</u> | <u>\$ 372,920</u> | <u>\$ 1,641,895</u> | <u>\$ 2,014,815</u> |

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute or contributor guidance to be reserved for various purposes. Restricted cash as of year-end includes \$9,615 within the governmental funds.

III. Changes in Non-Current Government Assets:

A summary of changes in non-current government assets are as follows:

| | <u>Balance 12/31/2013</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 12/31/2014</u> |
|-------------------------|---------------------------|------------------|------------------|---------------------------|
| Land | \$ 52,800 | \$ - | \$ - | \$ 52,800 |
| Buildings | 200,954 | - | - | 200,954 |
| Machinery and Equipment | 1,052,758 | 7,204 | 3,137 | 1,056,825 |
| | <u>\$ 1,306,512</u> | <u>\$ 7,204</u> | <u>\$ 3,137</u> | <u>\$ 1,310,579</u> |

B. Liabilities:

I. Pension Plans:

a. Plan Description:

The town participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing, multiple-public-employer, retirement systems. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL).

As set forth in the NYSRSSL, the Comptroller of the State of New York, (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information.

The report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement Systems; 110 State Street, Albany, New York 12244.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

b. Funding Policies:

The Systems are noncontributory, except for employees who joined the Systems after July 27, 1976, who contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 and before April 1, 2012, employees in NYSERS contribute 3% of their salary throughout their active membership.

Those joining NYSERS on or after April 1, 2012 are required to contribute between 3% and 6% dependent upon their salary for their entire career. For NYSRSSL, the Comptroller certifies the rates expressed as proportions of members' payroll annual, which are used in computer the contributions required to be made by employers to the pension accumulation fund.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

| | <u>ERS</u> |
|------|------------|
| 2014 | \$ 86,005 |
| 2013 | \$ 84,728 |
| 2012 | \$ 61,717 |

II. Indebtedness:

a. Long-Term Debt:

At December 31, 2014, the total outstanding indebtedness of the Town aggregated \$610,000 of which \$95,000 was subject to the constitutional debt limit. This amount represented less than 1% of its debt limit.

b. Serial Bonds:

The Town 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 Non-Current Government Liabilities Account Group. The provision to be made in the 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.

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2014 AND 2013

NOTE 3 -- DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONITNUED):

c. Summary of Long-Term Debt:

The following is the summary of long-term liabilities outstanding at December 31, 2014:

| | Balance 12/31/13 | Additions | Payments | Balance 12/31/14 |
|--------------|---------------------|-------------|-------------------|---------------------|
| Serial Bonds | \$ 530,000 | \$ - | \$ 15,000 | \$ 515,000 |
| EFC Bonds | 190,000 | - | 95,000 | 95,000 |
| | <u>\$ 720,000</u> | <u>\$ -</u> | <u>\$ 110,000</u> | <u>\$ 610,000</u> |

d. Maturity:

The following is a statement of an EFC Bond with corresponding maturity schedules:

| Description of Issue | Issue Date | Original Amount | Interest Rate | Maturity Rate | Outstanding 12/31/14 | Outstanding 12/31/13 |
|----------------------|------------|--------------------|------------------|------------------|-------------------------|-------------------------|
| Landfill Remediation | 07/21/11 | \$ 1,201,294 | 1.33% | 10/15/15 | <u>\$ 95,000</u> | <u>\$ 190,000</u> |

The following is a statement of Serial Bonds with corresponding maturity schedules:

| Description of Issue | Issue Date | Original Amount | Interest Rate | Maturity Rate | Outstanding 12/31/14 | Outstanding 12/31/13 |
|----------------------|------------|--------------------|------------------|------------------|-------------------------|-------------------------|
| Water | 06/01/99 | \$ - | 4.50% | 06/01/36 | <u>\$ 515,000</u> | <u>\$ 530,000</u> |

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONITNUED):

e. Debt Service:

The following table summarizes the Town's future debt service requirements as of December 31, 2014:

| | <u>Principal</u> | <u>Interest</u> |
|-----------|-------------------|-------------------|
| 2015 | \$ 111,000 | \$ 24,439 |
| 2016 | 17,000 | 22,455 |
| 2017 | 17,000 | 21,690 |
| 2018 | 18,000 | 20,925 |
| 2019 | 19,000 | 20,115 |
| 2020-2024 | 104,000 | 87,030 |
| 2025-2029 | 119,000 | 62,415 |
| 2030-2034 | 141,000 | 33,975 |
| 2035-2036 | 64,000 | 4,320 |
| | <u>\$ 610,000</u> | <u>\$ 297,364</u> |

III. Landfill Maintenance:

State and federal laws and regulations require the Town to place a final cover on its refuse landfill site when it stops accepting waste, and also requires certain maintenance and monitoring functions at the site for 30 years after closure. The Town established a capital project to aid in paying the costs for the closure. Cumulative expenditures for landfill closure costs were \$1,181,475 for the years ended December 31, 2014 and 2013. The Town has applied for, and was awarded, State Aid in the amount of \$1,201,294 to aid in paying the cost to date and for future costs.

C. Interfund Receivables and Payables:

Interfund receivables and payables at December 31, 2014, were as follows:

| | <u>Interfund</u> | | <u>Interfund</u> | |
|-----------------------------|-------------------|------------------|-------------------|---------------------|
| | <u>Receivable</u> | <u>Payable</u> | <u>Revenues</u> | <u>Expenditures</u> |
| General Fund | \$ 33,282 | \$ 4,084 | \$ 55,000 | \$ - |
| General Fund - Town Outside | - | 116 | - | 95,361 |
| Special Revenue: | | | | |
| Highway Part Town | 9,599 | 8,980 | 95,361 | - |
| Water | 1,533 | - | - | - |
| Special Grant | 147 | - | - | - |
| Capital Projects | - | - | - | 55,000 |
| Fiduciary Trust and Agency | 80 | 31,461 | - | - |
| Totals | <u>\$ 44,641</u> | <u>\$ 44,641</u> | <u>\$ 150,361</u> | <u>\$ 150,361</u> |

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2014 AND 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

D. Fund Equity:

Designation and Assignment of Fund Balance:

The Town has designated the following amounts to be used to reduce taxes for the year ending December 31, 2015:

| <u>Fund</u> | <u>Appropriated Fund Balance</u> |
|------------------------|--------------------------------------|
| General | \$ 61,300 |
| General - Town Outside | 77,500 |
| Highway - Town Outside | 87,791 |
| Water | 1,100 |
| | <u>\$ 227,691</u> |

The Town has assigned \$54,009 in encumbrances as of December 31, 2014 for the purchase of a highway vehicle.

E. Restricted Reserves:

The general fund equity includes reserve funds established for the following purposes:

| <u>Fund</u> | <u>Purpose</u> | <u>Balance at 12/31/14</u> |
|-------------|----------------------|--------------------------------|
| General | Unemployment Reserve | <u>\$ 9,615</u> |

NOTE 4 – COMMITMENTS AND CONTINGENCIES:

A. Grants:

The Town has received grants in varying amounts, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the State and Federal governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.

B. Landfill Closure Costs:

The Town has not reported post closure care costs as a liability at December 31, 2014, in either the General Fund or the Non-Current Government Liabilities Account Group. The amount of this liability has not been calculated however; and is deemed to be material.

See accountant's compilation report.