

TOWN OF NORTH EAST, NEW YORK

ANNUAL FINANCIAL REPORT

DECEMBER 31, 2015 AND 2014

TOWN OF NORTH EAST, NEW YORK

TABLE OF CONTENTS

DECEMBER 31, 2015 AND 2014

Accountant's Compilation Report	ii
Annual Financial Report	1
Notes to the Financial Statements	68



**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

ACCOUNTANT'S COMPILATION REPORT

Joseph J. Montalto, CPA

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

Management is responsible for the accompanying financial statements of the Town of North East, New York as of and for the years ended December 31, 2015 and 2014, which collectively comprise the Town's annual financial report included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As explained in Note 1.F. to the financial statements, management has not disclosed fixed assets as required by the prescribed form. The Town of North East's historical cost records are incomplete and as such, cannot be supported at cost and accordingly the fixed assets have not been recorded. As further described in Note 4.B. to the financial statements, the Town has not reported post closure landfill care costs as a liability. Management has not determined the effect of this departure on the financial statements.

Supplementary Information

The supplementary information contained in the supplemental section of the prescribed form is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. This supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Other Matter

These financial statements included in the accompanying prescribed form, as more fully described in Note 1, are intended to comply with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America.

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

Sickler, Torchia, Allen & Churchill, CPA's P.C.

Hudson, New York
February 22, 2016

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 12/31/2015

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 2014 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2015:

- (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 2014 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 2015

(A) GENERAL

Balance Sheet

Code\Description	2014	Edp Code	2015
Assets			
Cash	631,855	A200	728,547
Cash In Time Deposits		A201	
Petty Cash	50	A210	50
TOTAL Cash	631,905		728,597
Due From Other Funds	33,282	A391	15,709
TOTAL Due From Other Funds	33,282		15,709
Cash Special Reserves	9,615	A230	9,630
TOTAL Restricted Assets	9,615		9,630
TOTAL Assets and Deferred Outflows of Resources	674,802		753,936

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Balance Sheet

Code\Description	2014	Edp Code	2015
Accounts Payable	13,233	A600	11,773
TOTAL Accounts Payable	13,233		11,773
Due To Other Funds	4,084	A630	4,008
TOTAL Due To Other Funds	4,084		4,008
TOTAL Liabilities	17,317		15,781
Fund Balance			
Unemployment Insurance Reserve	9,615	A815	9,630
TOTAL Restricted Fund Balance	9,615		9,630
Assigned Appropriated Fund Balance	61,300	A914	71,500
TOTAL Assigned Fund Balance	61,300		71,500
Unassigned Fund Balance	586,570	A917	657,025
TOTAL Unassigned Fund Balance	586,570		657,025
TOTAL Fund Balance	657,485		738,155
TOTAL Liabilities, Deferred Inflows And Fund Balance	674,802		753,936

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code	Description	2014	EdpCode	2015
Revenues				
	Real Property Taxes	641,026	A1001	852,439
	TOTAL Real Property Taxes	641,026		852,439
	Interest & Penalties On Real Prop Taxes	10,914	A1090	9,437
	TOTAL Real Property Tax Items	10,914		9,437
	Franchises	22,215	A1170	23,501
	TOTAL Non Property Tax Items	22,215		23,501
	Clerk Fees	1,452	A1255	1,686
	Public Pound Charges, Dog Control Fees	384	A1550	347
	TOTAL Departmental Income	1,836		2,033
	Interest And Earnings	3,094	A2401	2,663
	TOTAL Use of Money And Property	3,094		2,663
	Dog Licenses	3,026	A2544	2,956
	Licenses, Other	275	A2545	333
	Permits, Other	700	A2590	700
	TOTAL Licenses And Permits	4,001		3,989
	Fines And Forfeited Bail	31,453	A2610	34,982
	TOTAL Fines And Forfeitures	31,453		34,982
	Sales, Other	235	A2655	60
	Sales of Equipment		A2665	98
	Insurance Recoveries		A2680	4,672
	TOTAL Sale of Property And Compensation For Loss	235		4,830
	Unclassified (specify)	877	A2770	40
	TOTAL Miscellaneous Local Sources	877		40
	St Aid, Revenue Sharing	11,220	A3001	11,220
	St Aid, Mortgage Tax	72,635	A3005	41,122
	TOTAL State Aid	83,855		52,342
	TOTAL Revenues	799,506		986,256
	Interfund Transfers	55,000	A5031	65,000
	TOTAL Interfund Transfers	55,000		65,000
	TOTAL Other Sources	55,000		65,000
	TOTAL Detail Revenues And Other Sources	854,506		1,051,256

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code\Description	2014	EdpCode	2015
Expenditures			
Legislative Board, Pers Serv	20,400	A10101	20,400
Legislative Board, Contr Expend	920	A10104	1,050
TOTAL Legislative Board	21,320		21,450
Municipal Court, Pers Serv	45,184	A11101	46,555
Municipal Court, Contr Expend	7,213	A11104	9,767
TOTAL Municipal Court	52,397		56,322
Supervisor, pers Serv	70,968	A12201	72,474
Supervisor, contr Expend	4,086	A12204	2,991
TOTAL Supervisor	75,054		75,465
Auditor, Contr Expend	9,380	A13204	9,540
TOTAL Auditor	9,380		9,540
Tax Collection, contr Expend	9,540	A13304	5,727
TOTAL Tax Collection	9,540		5,727
Assessment, Pers Serv	42,243	A13551	43,635
Assessment, Contr Expend	2,954	A13554	3,751
TOTAL Assessment	45,197		47,386
Clerk, pers Serv	40,171	A14101	48,366
Clerk, contr Expend	5,659	A14104	3,131
TOTAL Clerk	45,830		51,497
Law, Contr Expend	60,453	A14204	29,462
TOTAL Law	60,453		29,462
Personnel, Contr Expend		A14304	1,753
TOTAL Personnel	0		1,753
Engineer, Contr Expend	6,978	A14404	21,126
TOTAL Engineer	6,978		21,126
Records Mgmt, Contr Expend	973	A14604	385
TOTAL Records Mgmt	973		385
Buildings, Pers Serv	2,687	A16201	3,328
Buildings, Equip & Cap Outlay	3,493	A16202	1,298
Buildings, Contr Expend	12,152	A16204	13,521
TOTAL Buildings	18,332		18,147
Central Comm System, Contr Expend	2,326	A16504	2,774
TOTAL Central Comm System	2,326		2,774
Central Print & Mail, contr Expend	6,359	A16704	7,337
TOTAL Central Print & Mail	6,359		7,337
Central Data Process, Pers Serv	55	A16801	
Central Data Process & Cap Outlay	811	A16802	3,927
Central Data Process, Contr Expend	3,254	A16804	4,079
TOTAL Central Data Process	4,120		8,006
Unallocated Insurance, Contr Expend	24,679	A19104	26,460
TOTAL Unallocated Insurance	24,679		26,460
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 2015

(A) GENERAL

Results of Operation

Code\Description	2014	EdpCode	2015
Expenditures			
Other Gen Govt Support, Contr Expend	140	A19894	
TOTAL Other Gen Govt Support	140		0
TOTAL General Government Support	383,978		383,737
Traffic Control, Contr Expend	2,327	A33104	2,641
TOTAL Traffic Control	2,327		2,641
Control of Animals, Pers Serv	3,365	A35101	3,465
Control of Animals, Contr Expend	2,181	A35104	1,410
TOTAL Control of Animals	5,546		4,875
TOTAL Public Safety	7,873		7,516
Ambulance, Contr Expend		A45404	180,000
TOTAL Ambulance	0		180,000
TOTAL Health	0		180,000
Street Admin, Pers Serv	50,640	A50101	52,160
Street Admin, Contr Expend	1,165	A50104	1,131
TOTAL Street Admin	51,805		53,291
Garage, Contr Expend	23,421	A51324	16,998
TOTAL Garage	23,421		16,998
Street Lighting, Contr Expend	488	A51824	466
TOTAL Street Lighting	488		466
TOTAL Transportation	75,714		70,755
Community Action, Contr Expend		A63104	1,000
TOTAL Community Action	0		1,000
Veterans Service, Contr Expend	2,000	A65104	1,000
TOTAL Veterans Service	2,000		1,000
Programs For Aging, Contr Expend	118	A67724	258
TOTAL Programs For Aging	118		258
TOTAL Economic Assistance And Opportunity	2,118		2,258
Library, Contr Expend	125,000	A74104	125,000
TOTAL Library	125,000		125,000
Historian, Pers Serv	500	A75101	
TOTAL Historian	500		0
TOTAL Culture And Recreation	125,500		125,000
Refuse & Garbage, Pers Serv	808	A81601	336
Refuse & Garbage, Contr Expend	10,948	A81604	6,281
TOTAL Refuse & Garbage	11,756		6,617
Cemetery, Pers Serv	3,663	A88101	4,143
Cemetery, Contr Expend		A88104	130
TOTAL Cemetery	3,663		4,273
TOTAL Home And Community Services	15,419		10,890
State Retirement System	40,422	A90108	33,750
Social Security, Employer Cont	21,472	A90308	22,557
Worker's Compensation, Empl Bnfts	11,148	A90408	11,021
Disability Insurance, Empl Bnfts		A90558	128

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code, Description	2014	Edp Code	2015
Expenditures			
Hospital & Medical (dental) Ins, Empl Bnft	37,654	A90608	26,134
TOTAL Employee Benefits	110,696		93,590
Debt Principal, Serial Bonds	95,000	A97106	95,000
TOTAL Debt Principal	95,000		95,000
Debt Interest, Serial Bonds	3,396	A97107	1,840
TOTAL Debt Interest	3,396		1,840
TOTAL Expenditures	819,694		970,586
TOTAL Detail Expenditures And Other Uses	819,694		970,586

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Analysis of Changes in Fund Balance

Code\Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	622,673	A8021	657,485
Restated Fund Balance - Beg of Year	622,673	A8022	657,485
ADD - REVENUES AND OTHER SOURCES	854,506		1,051,256
DEDUCT - EXPENDITURES AND OTHER USES	819,694		970,586
Fund Balance - End of Year	657,485	A8029	738,155

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Budget Summary

Code/Description	2015	EdpCode	2016
Estimated Revenues			
Est Rev - Real Property Taxes	852,439	A1049N	866,596
Est Rev - Real Property Tax Items	6,500	A1099N	6,500
Est Rev - Non Property Tax Items	20,000	A1199N	20,000
Est Rev - Departmental Income	1,150	A1299N	1,050
Est Rev - Use of Money And Property	2,302	A2499N	1,500
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	0
Est Rev - State Aid	58,000	A3099N	45,000
TOTAL Estimated Revenues	969,441		969,496
Estimated - Interfund Transfer	65,000	A5031N	
Appropriated Fund Balance	61,300	A599N	71,500
TOTAL Estimated Other Sources	126,300		71,500
TOTAL Estimated Revenues And Other Sources	1,095,741		1,040,996

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Budget Summary

Code/Description	2015	EdpCode	2016
Appropriations			
App - General Government Support	446,221	A1999N	476,305
App - Public Safety	8,715	A3999N	8,284
App - Health		A4999N	180,000
App - Transportation	260,160	A5999N	81,203
App - Economic Assistance And Opportunity	2,200	A6999N	2,200
App - Culture And Recreation	125,615	A7999N	125,000
App - Home And Community Services	29,514	A8999N	18,766
App - Employee Benefits	126,476	A9199N	119,238
App - Debt Service	96,840	A9899N	
TOTAL Appropriations	1,095,741		1,010,996
App - Interfund Transfer		A9999N	30,000
TOTAL Other Uses	0		30,000
TOTAL Appropriations And Other Uses	1,095,741		1,040,996

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Cash	595,433	B200	564,775
	Cash In Time Deposits		B201	
TOTAL Cash		595,433		564,775
	Accounts Receivable		B380	
TOTAL Other Receivables (net)		0		0
	Due From Other Governments	29,727	B440	29,782
TOTAL Due From Other Governments		29,727		29,782
TOTAL Assets and Deferred Outflows of Resources		625,160		594,557

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

Code Description	2014	EdpCode	2015
Accounts Payable	8,599	B600	1,009
TOTAL Accounts Payable	8,599		1,009
Due To Other Funds	116	B630	116
TOTAL Due To Other Funds	116		116
TOTAL Liabilities	8,715		1,125
Fund Balance			
Assigned Appropriated Fund Balance	77,500	B914	72,500
Assigned Unappropriated Fund Balance	538,945	B915	520,933
TOTAL Assigned Fund Balance	616,445		593,433
TOTAL Fund Balance	616,445		593,433
TOTAL Liabilities, Deferred Inflows And Fund Balance	625,160		594,558

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

Code	Description	2014	EdpCode	2015
Revenues				
	Real Property Taxes	59,109	B1001	57,077
TOTAL Real Property Taxes		59,109		57,077
	Sales Tax (from County)	114,454	B1120	129,369
TOTAL Non Property Tax Items		114,454		129,369
	Safety Inspection Fees	52,198	B1560	30,604
	Zoning Fees	700	B2110	1,225
	Planning Board Fees	700	B2115	1,225
TOTAL Departmental Income		53,598		33,054
	Interest And Earnings	1,253	B2401	1,200
TOTAL Use of Money And Property		1,253		1,200
TOTAL Revenues		228,414		220,700
TOTAL Detail Revenues And Other Sources		228,414		220,700

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

Code	Description	2014	EdpCode	2015
Expenditures				
	Other Gen Govt Support, Contr Expend	717	B19894	
TOTAL Other Gen Govt Support		717		0
TOTAL General Government Support		717		0
	Police, Contr Expend	20,800	B31204	22,500
TOTAL Police		20,800		22,500
	Safety Inspection, Pers Serv	37,494	B36201	34,516
	Safety Inspection, Contr Expend	2,983	B36204	2,659
TOTAL Safety Inspection		40,477		37,175
TOTAL Public Safety		61,277		59,675
	Registrar of Vital Statistics, Pers Serv	485	B40201	500
TOTAL Registrar of Vital Statistics		485		500
TOTAL Health		485		500
	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	5,816	B80101	12,262
	Zoning, Contr Expend	20,765	B80104	8,400
TOTAL Zoning		26,581		20,662
	Planning, Pers Serv	5,816	B80201	6,153
	Planning, Contr Expend	1,782	B80204	1,545
TOTAL Planning		7,598		7,698
TOTAL Home And Community Services		34,179		28,360
	State Retirement, Empl Bnfts	9,460	B90108	7,899
	Social Security , Empl Bnfts	3,796	B90308	4,087
	Worker's Compensation, Empl Bnfts	3,716	B90408	3,673
	Hospital & Medical (dental) Ins, Empl Bnft	2,663	B90608	3,268
TOTAL Employee Benefits		19,635		18,927
TOTAL Expenditures		157,543		148,712
	Transfers, Other Funds	95,361	B99019	95,000
TOTAL Operating Transfers		95,361		95,000
TOTAL Other Uses		95,361		95,000
TOTAL Detail Expenditures And Other Uses		252,904		243,712

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(B) GENERAL TOWN-OUTSIDE VG

Analysis of Changes in Fund Balance

Code	Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	640,935	B8021	616,445
	Restated Fund Balance - Beg of Year	640,935	B8022	616,445
	ADD - REVENUES AND OTHER SOURCES	228,414		220,700
	DEDUCT - EXPENDITURES AND OTHER USES	252,904		243,712
	Fund Balance - End of Year	616,445	B8029	593,433

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

Code Description	2015	EdpCode	2016
Estimated Revenues			
Est Rev - Real Property Taxes	57,077	B1049N	58,141
Est Rev - Non Property Tax Items	110,000	B1199N	110,000
Est Rev - Departmental Income	14,800	B1299N	17,000
Est Rev - Use of Money And Property	2,300	B2499N	2,200
TOTAL Estimated Revenues	184,177		187,341
Appropriated Fund Balance	77,500	B599N	72,500
TOTAL Estimated Other Sources	77,500		72,500
TOTAL Estimated Revenues And Other Sources	261,677		259,841

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

Code	Description	2015	EdpCode	2016
Appropriations				
App - General Government Support		12,688	B1999N	12,188
App - Public Safety		59,399	B3999N	65,632
App - Health		500	B4999N	510
App - Culture And Recreation		41,250	B7999N	41,250
App - Home And Community Services		53,324	B8999N	73,261
App - Employee Benefits		19,516	B9199N	
TOTAL Appropriations		186,677		192,841
App - Interfund Transfer		75,000	B9999N	67,000
TOTAL Other Uses		75,000		67,000
TOTAL Appropriations And Other Uses		261,677		259,841

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Balance Sheet

Code/Description	2014	EdpCode	2015
Assets			
Due From Other Funds	147	CD391	
TOTAL Due From Other Funds	147		0
Due From Other Governments		CD440	17,570
TOTAL Due From Other Governments	0		17,570
TOTAL Assets and Deferred Outflows of Resources	147		17,570

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2014	EdpCode	2015
Due To Other Funds		CD630	17,423
TOTAL Due To Other Funds	0		17,423
TOTAL Liabilities	0		17,423
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	147		17,570

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Results of Operation

Code/Description	2014	EdpCode	2015
Revenues			
Grants From Local Governments		CD2706	67,489
TOTAL Miscellaneous Local Sources	0		67,489
Other Aid (specify)	3,000	CD3089	
TOTAL State Aid	3,000		0
TOTAL Revenues	3,000		67,489
TOTAL Detail Revenues And Other Sources	3,000		67,489

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Results of Operation

Code/Description	2014	EdpCode	2015
Expenditures			
Acquisition of Real Prop, Equip& Cap Outla		CD86602	67,489
TOTAL Acquisition of Real Prop	0		67,489
Administration, Contr Expend	3,000	CD86864	
TOTAL Administration	3,000		0
TOTAL Home And Community Services	3,000		67,489
TOTAL Expenditures	3,000		67,489
TOTAL Detail Expenditures And Other Uses	3,000		67,489

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Analysis of Changes in Fund Balance

Code	Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	147	CD8021	147
	Restated Fund Balance - Beg of Year	147	CD8022	147
	ADD - REVENUES AND OTHER SOURCES	3,000		67,489
	DEDUCT - EXPENDITURES AND OTHER USES	3,000		67,489
	Fund Balance - End of Year	147	CD8029	147

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2014	Edp Code	2015
Assets			
Cash	48,103	CM200	48,775
Cash In Time Deposits		CM201	
TOTAL Cash	48,103		48,775
TOTAL Assets and Deferred Outflows of Resources	48,103		48,775

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2014	EdpCode	2015
Fund Balance			
Assigned Unappropriated Fund Balance	48,103	CM915	48,775
TOTAL Assigned Fund Balance	48,103		48,775
TOTAL Fund Balance	48,103		48,775
TOTAL Liabilities, Deferred Inflows And Fund Balance	48,103		48,775

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2014	EdpCode	2015
Revenues			
Other Home & Community Service Income	300	CM2189	600
TOTAL Departmental Income	300		600
Interest And Earnings	72	CM2401	72
TOTAL Use of Money And Property	72		72
TOTAL Revenues	372		672
TOTAL Detail Revenues And Other Sources	372		672

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

Results of Operation

Code Description	2014	EdpCode	2015
------------------	------	---------	------

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Analysis of Changes in Fund Balance

Code	Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	47,731	CM8021	48,103
	Restated Fund Balance - Beg of Year	47,731	CM8022	48,103
	ADD - REVENUES AND OTHER SOURCES	372		672
	Fund Balance - End of Year	48,103	CM8029	48,775

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(DB) HIGHWAY-PART-TOWN

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Cash	515,703	DB200	510,804
	Cash In Time Deposits		DB201	
	TOTAL Cash	515,703		510,804
	Accounts Receivable	9,755	DB380	41,765
	TOTAL Other Receivables (net)	9,755		41,765
	Due From Other Funds	9,599	DB391	19,457
	TOTAL Due From Other Funds	9,599		19,457
	TOTAL Assets and Deferred Outflows of Resources	535,057		572,026

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(DB) HIGHWAY-PART-TOWN

Balance Sheet

Code/Description	2014	Edp Code	2015
Accounts Payable	23,528	DB600	104,751
TOTAL Accounts Payable	23,528		104,751
Due To Other Funds	8,980	DB630	8,980
TOTAL Due To Other Funds	8,980		8,980
TOTAL Liabilities	32,508		113,731
Fund Balance			
Assigned Appropriated Fund Balance	87,791	DB914	44,500
Assigned Unappropriated Fund Balance	414,758	DB915	413,795
TOTAL Assigned Fund Balance	502,549		458,295
TOTAL Fund Balance	502,549		458,295
TOTAL Liabilities, Deferred Inflows And Fund Balance	535,057		572,026

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(DB) HIGHWAY-PART-TOWN

Results of Operation

Code/Description	2014	EdpCode	2015
Revenues			
Real Property Taxes	779,919	DB1001	785,188
TOTAL Real Property Taxes	779,919		785,188
Snow Removal Services-Other Govts	35,809	DB2302	41,765
TOTAL Intergovernmental Charges	35,809		41,765
Interest And Earnings	1,545	DB2401	1,489
TOTAL Use of Money And Property	1,545		1,489
Sales of Scrap & Excess Materials	155	DB2650	307
Sales of Equipment		DB2665	36,545
Insurance Recoveries		DB2680	1,591
TOTAL Sale of Property And Compensation For Loss	155		38,443
St Aid, Consolidated Highway Aid	93,846	DB3501	96,233
TOTAL State Aid	93,846		96,233
TOTAL Revenues	911,274		963,118
Interfund Transfers	95,361	DB5031	95,000
TOTAL Interfund Transfers	95,361		95,000
TOTAL Other Sources	95,361		95,000
TOTAL Detail Revenues And Other Sources	1,006,635		1,058,118

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(DB) HIGHWAY-PART-TOWN

Results of Operation

Code Description	2014	EdpCode	2015
Expenditures			
Maint of Streets, Pers Serv	63,325	DB51101	45,874
Maint of Streets, Contr Expend	209,831	DB51104	151,530
TOTAL Maint of Streets	273,156		197,404
Perm Improve Highway, Contr Expend	132,667	DB51124	134,278
TOTAL Perm Improve Highway	132,667		134,278
Machinery, Pers Serv	57,140	DB51301	66,034
Machinery, Equip & Cap Outlay		DB51302	180,263
Machinery, Contr Expend	109,889	DB51304	126,964
TOTAL Machinery	167,029		373,261
Brush And Weeds, Pers Serv	14,370	DB51401	29,416
Brush And Weeds, Contr Expend	55,259	DB51404	39,575
TOTAL Brush And Weeds	69,629		68,991
Snow Removal, Pers Serv	35,698	DB51421	36,283
Snow Removal, Equip & Cap Outlay	7,987	DB51422	8,000
Snow Removal, Contr Expend	96,023	DB51424	119,233
TOTAL Snow Removal	139,708		163,516
TOTAL Transportation	782,189		937,450
Misc Home & Comm Serv, Pers Serv	36,739	DB89891	38,336
TOTAL Misc Home & Comm Serv	36,739		38,336
TOTAL Home And Community Services	36,739		38,336
State Retirement, Empl Bnfts	36,122	DB90108	30,159
Social Security, Empl Bnfts	15,856	DB90308	16,559
Worker's Compensation, Empl Bnfts	40,188	DB90408	38,105
Disability Insurance, Empl Bnfts	522	DB90558	554
Hospital & Medical (dental) Ins, Empl Bnft	48,236	DB90608	41,209
TOTAL Employee Benefits	140,924		126,586
TOTAL Expenditures	959,852		1,102,372
TOTAL Detail Expenditures And Other Uses	959,852		1,102,372

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(DB) HIGHWAY-PART-TOWN

Analysis of Changes in Fund Balance

Code	Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	455,766	DB8021	502,549
	Restated Fund Balance - Beg of Year	455,766	DB8022	502,549
	ADD - REVENUES AND OTHER SOURCES	1,006,635		1,058,118
	DEDUCT - EXPENDITURES AND OTHER USES	959,852		1,102,372
	Fund Balance - End of Year	502,549	DB8029	458,295

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(DB) HIGHWAY-PART-TOWN

Budget Summary

Code Description	2015	EdpCode	2016
Estimated Revenues			
Est Rev - Real Property Taxes	785,188	DB1049N	784,964
Est. ReV. - Intergovernmental Charges	20,000	DB2399N	20,000
Est Rev - Use of Money And Property	1,500	DB2499N	1,200
TOTAL Estimated Revenues	806,688		806,164
Estimated - Interfund Transfer	75,000	DB5031N	67,000
Appropriated Fund Balance	87,791	DB599N	44,500
TOTAL Estimated Other Sources	162,791		111,500
TOTAL Estimated Revenues And Other Sources	969,479		917,664

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(DB) HIGHWAY-PART-TOWN

Budget Summary

Code Description	2015	Edp Code	2016
Appropriations			
App - Transportation	712,652	DB5999N	717,100
App - Employee Benefits	155,836	DB9199N	150,564
App - Debt Service		DB9899N	43,000
TOTAL Appropriations	868,488		910,664
Interfund Transfers	100,991	DB9999N	7,000
TOTAL Other Uses	100,991		7,000
TOTAL Appropriations And Other Uses	969,479		917,664

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(H) CAPITAL PROJECTS

Balance Sheet

Code	Description	2014	Edp Code	2015
Assets				
	Cash	73,345	H200	133,452
	Cash In Time Deposits		H201	
TOTAL Cash		73,345		133,452
	Due From Other Funds		H391	
TOTAL Due From Other Funds		0		0
TOTAL Assets and Deferred Outflows of Resources		73,345		133,452

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(H) CAPITAL PROJECTS

Balance Sheet

Code	Description	2014	EdpCode	2015
	Accounts Payable		H600	125,000
TOTAL Accounts Payable		0		125,000
TOTAL Liabilities		0		125,000
Fund Balance				
	Assigned Unappropriated Fund Balance	73,345	H915	8,452
TOTAL Assigned Fund Balance		73,345		8,452
TOTAL Fund Balance		73,345		8,452
TOTAL Liabilities, Deferred Inflows And Fund Balance		73,345		133,452

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(H) CAPITAL PROJECTS

Results of Operation

Code\Description	2014	EdpCode	2015
Revenues			
Interest And Earnings	211	H2401	107
TOTAL Use of Money And Property	211		107
TOTAL Revenues	211		107
Statutory Installment Bonds		H5720	125,000
TOTAL Proceeds of Obligations	0		125,000
TOTAL Other Sources	0		125,000
TOTAL Detail Revenues And Other Sources	211		125,107

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(H) CAPITAL PROJECTS

Results of Operation

Code	Description	2014	Edp Code	2015
Expenditures				
	Snow Removal, Equip & Cap Outlay		H51422	125,000
TOTAL	Snow Removal	0		125,000
TOTAL	Transportation	0		125,000
TOTAL	Expenditures	0		125,000
	Transfers, Other Funds	55,000	H99019	65,000
TOTAL	Operating Transfers	55,000		65,000
TOTAL	Other Uses	55,000		65,000
TOTAL	Detail Expenditures And Other Uses	55,000		190,000

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code	Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	128,134	H8021	73,345
	Restated Fund Balance - Beg of Year	128,134	H8022	73,345
	ADD - REVENUES AND OTHER SOURCES	211		125,107
	DEDUCT - EXPENDITURES AND OTHER USES	55,000		190,000
	Fund Balance - End of Year	73,345	H8029	8,452

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(K) GENERAL FIXED ASSETS

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Land	52,800	K101	52,800
	Buildings	200,954	K102	200,954
	Machinery And Equipment	1,056,825	K104	1,212,424
TOTAL Fixed Assets (net)		1,310,579		1,466,178
	Deferred Outflows of Resources - Pensions		K496	84,845
TOTAL Other		0		84,845
TOTAL Assets and Deferred Outflows of Resources		1,310,579		1,551,023

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(K) GENERAL FIXED ASSETS

Balance Sheet

Code	Description	2014	Edp Code	2015
Liabilities, Deferred Inflows And Fund Balance				
	Total Non-Current Govt Assets	1,310,579	K159	1,551,023
	TOTAL Investments In Non-Current Government Assets	1,310,579		1,551,023
	TOTAL Fund Balance	1,310,579		1,551,023
	TOTAL	1,310,579		1,551,023

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(SW) WATER

Balance Sheet

Code/Description	2014	Edp Code	2015
Assets			
Cash	31,404	SW200	31,131
Cash In Time Deposits		SW201	
TOTAL Cash	31,404		31,131
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	32,937		32,664

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(SW) WATER

Balance Sheet

Code	Description	2014	EdpCode	2015
Fund Balance				
	Assigned Appropriated Fund Balance	1,100	SW914	100
	Assigned Unappropriated Fund Balance	31,837	SW915	32,564
TOTAL Assigned Fund Balance		32,937		32,664
TOTAL Fund Balance		32,937		32,664
TOTAL Liabilities, Deferred Inflows And Fund Balance		32,937		32,664

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(SW) WATER

Results of Operation

Code Description	2014	Edp Code	2015
Revenues			
Real Property Taxes	44,351	SW1001	45,038
TOTAL Real Property Taxes	44,351		45,038
Interest And Earnings	75	SW2401	78
TOTAL Use of Money And Property	75		78
TOTAL Revenues	44,426		45,116
TOTAL Detail Revenues And Other Sources	44,426		45,116

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(SW) WATER

Results of Operation

Code	Description	2014	EdpCode	2015
Expenditures				
	Water Administration, Contr Expend	120	SW83104	
TOTAL Water Administration		120		0
	Water Trans & Distrib, Pers Serv	64	SW83401	434
	Water Trans & Distrib, Contr Expend		SW83404	411
TOTAL Water Trans & Distrib		64		845
	Other Water, Contr Expend	5,973	SW83894	5,696
TOTAL Other Water		5,973		5,696
TOTAL Home And Community Services		6,157		6,541
	Social Security , Empl Bnfts	5	SW90308	33
TOTAL Employee Benefits		5		33
	Debt Principal, Serial Bonds	15,000	SW97106	16,000
TOTAL Debt Principal		15,000		16,000
	Debt Interest, Serial Bonds	23,512	SW97107	22,815
TOTAL Debt Interest		23,512		22,815
TOTAL Expenditures		44,674		45,389
TOTAL Detail Expenditures And Other Uses		44,674		45,389

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(SW) WATER

Analysis of Changes in Fund Balance

Code	Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	33,185	SW8021	32,937
	Restated Fund Balance - Beg of Year	33,185	SW8022	32,937
	ADD - REVENUES AND OTHER SOURCES	44,426		45,116
	DEDUCT - EXPENDITURES AND OTHER USES	44,674		45,389
	Fund Balance - End of Year	32,937	SW8029	32,664

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(SW) WATER

Budget Summary

Code	Description	2015	Edp Code	2016
Estimated Revenues				
Est Rev - Real Property Taxes		38,715	SW1049N	40,018
Est Rev - Use of Money And Property		70	SW2499N	70
TOTAL Estimated Revenues		38,785		40,088
Appropriated Fund Balance		1,100	SW599N	100
TOTAL Estimated Other Sources		1,100		100
TOTAL Estimated Revenues And Other Sources		39,885		40,188

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(SW) WATER

Budget Summary

Code\Description	2015	EdpCode	2016
Appropriations			
App - Home And Community Services	1,100	SW8999N	1,100
App-Employee Benefits	15	SW9199N	15
App - Debt Service	38,770	SW9899N	39,073
TOTAL Appropriations	39,885		40,188
TOTAL Appropriations And Other Uses	39,885		40,188

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(TA) AGENCY

Balance Sheet

Code	Description	2014	Edp Code	2015
Assets				
	Cash	88,480	TA200	54,123
TOTAL Cash		88,480		54,123
	Due From Other Funds	80	TA391	5
TOTAL Due From Other Funds		80		5
TOTAL Assets and Deferred Outflows of Resources		88,560		54,128

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(TA) AGENCY

Balance Sheet

Code Description	2014	Edp Code	2015
Due To Other Funds	31,461	TA630	6,176
TOTAL Due To Other Funds	31,461		6,176
State Retirement	1,059	TA18	1,119
Group Insurance	1,037	TA20	1,037
Guaranty & Bid Deposits	55,003	TA30	45,796
TOTAL Agency Liabilities	57,099		47,952
TOTAL Liabilities	88,560		54,128
TOTAL Liabilities, Deferred Inflows And Fund Balance	88,560		54,128

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(TE) PRIVATE PURPOSE TRUST¹

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Cash	8,947	TE200	8,960
TOTAL Cash		8,947		8,960
TOTAL Assets and Deferred Outflows of Resources		8,947		8,960

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(TE) PRIVATE PURPOSE TRUST

Balance Sheet

Code Description	2014	EdpCode	2015
Fund Balance			
Net Assets-Restricted For Other Purposes	8,947	TE923	8,960
TOTAL Assigned Fund Balance	8,947		8,960
TOTAL Fund Balance	8,947		8,960
TOTAL Liabilities, Deferred Inflows And Fund Balance	8,947		8,960

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(TE) PRIVATE PURPOSE TRUST

Results of Operation

Code	Description	2014	EdpCode	2015
Revenues				
	Interest And Earnings	14	TE2401	13
	TOTAL Use of Money And Property	14		13
	TOTAL Revenues	14		13
	TOTAL Detail Revenues And Other Sources	14		13

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

Results of Operation

Code	Description	2014	EdpCode	2015
------	-------------	------	---------	------

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(TE) PRIVATE PURPOSE TRUST

Analysis of Changes in Net Position

Code	Description	2014	EdpCode	2015
Analysis of Changes in Net Position				
	Fund Balance - Beginning of Year	8,933	TE8021	8,947
	Restated Fund Balance - Beg of Year	8,933	TE8022	8,947
	ADD - REVENUES AND OTHER SOURCES	14		13
	Fund Balance - End of Year	8,947	TE8029	8,960

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code/Description	2014	EopCode	2015
Assets			
Total Non-Current Govt Liabilities	610,000	W129	692,012
TOTAL Provision To Be Made In Future Budgets	610,000		692,012
TOTAL Assets and Deferred Outflows of Resources	610,000		692,012

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2015

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code\Description	2014	EdpCode	2015
Net Pension Liability -Proportionate Share		W638	63,380
TOTAL Other Liabilities	0		63,380
Bonds Payable	610,000	W628	624,000
TOTAL Bond And Long Term Liabilities	610,000		624,000
Deferred Inflows of Resources - Pensions		W697	4,632
TOTAL Deferred Inflows of Resources	0		4,632
TOTAL Liabilities	610,000		692,012
TOTAL Liabilities	610,000		692,012

TOWN OF North East
Statement of Indebtedness
For the Fiscal Year Ending 2015

2/28/2016

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	\$1,000	\$0	\$0		\$18,000
2000	BOND E	Water Improvements			06/01/1999	06/01/2036	4.50%			\$496,000	\$15,000	\$0	\$0		\$481,000
2011	BOND N	Landfill Remediation-EFC			07/21/2011	10/15/2015	1.33%		\$455,000	\$95,000	\$95,000	\$0	\$0		\$0
2015	BOND N	HIGHWAY TRUCK			11/23/2015	11/23/2018	1.59%		\$125,000	\$0			\$0		\$125,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$125,000	\$610,000	\$111,000	\$0	\$0	\$0	\$624,000
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year									\$125,000	\$610,000	\$111,000	\$0	\$0	\$0	\$624,000

TOWN OF North East
Maturity Schedule
For the Fiscal Year Ending 2015

For Bonds Issued During The Fiscal Year Ended 2015

	EDPCODE	
Indebtedness No.		2015000001
Purpose of Issue		HIGHWAY TRUCK
For State Comptroller Use Only	2P3CE	
Total Principal	2P3PR	125,000
Date of Issue	2P3DT	11/23/2015
Interest Rate	2P3PC	1.59000
Final Maturity Date	2P3DM	11/23/2018
Amount of Principal Redeemed in or to be Redeemed in Fiscal Year ending in (The Last Two Digits of the EDP Code Correspond to the Fiscal Year Ended)		
	2P316	41,667
	2P317	41,667
	2P318	41,666

TOWN OF North East
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2015

	<u>EDP Code</u>	<u>Amount</u>
CASH:		
On Hand	9Z2001	
Demand Deposits	9Z2011	<u>\$2,092,209.00</u>
Time Deposits	9Z2021	
Total		<u>\$2,092,209.00</u>
COLLATERAL:		
- FDIC Insurance	9Z2014	<u>\$322,700.00</u>
Collateralized with securities held in possession of municipality or its agent	9Z2014A	<u>\$1,769,509.00</u>
Total		<u>\$2,092,209.00</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 2015

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****2426	\$728,446	\$0	\$0	\$728,446
*****2434	\$564,675	\$0	\$0	\$564,675
*****2442	\$510,702	\$0	\$0	\$510,702
*****2450	\$9,630	\$0	\$0	\$9,630
*****2469	\$130,956	\$0	\$0	\$130,956
*****2477	\$31,131	\$0	\$0	\$31,131
*****2493	\$2,496	\$0	\$0	\$2,496
*****2507	\$8,960	\$0	\$0	\$8,960
*****2515	\$48,775	\$0	\$0	\$48,775
*****3910	\$101	\$0	\$0	\$101
*****3937	\$100	\$0	\$0	\$100
*****3945	\$102	\$0	\$0	\$102
*****3961	\$2,013	\$0	\$2,013	\$0
*****3988	\$25,629	\$0	\$0	\$25,629
*****3996	\$2,151	\$0	\$0	\$2,151
*****6589	\$26,343	\$0	\$0	\$26,343
Total Adjusted Bank Balance				\$2,090,197
Petty Cash				\$50.00
Adjustments				\$0.00
Total Cash			9ZCASH *	\$2,090,247
Total Cash Balance All Funds			9ZCASHB *	\$2,090,247
* Must be equal				

TOWN OF North East
Local Government Questionnaire
For the Fiscal Year Ending 2015

	<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>No</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 2015

Total Full Time Employees:		7			
Total Part Time Employees:		27			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$71,808.00	7	9	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$43,236.00	7	27	
90408	Worker's Compensation Insurance	\$52,799.00	7	27	
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance	\$682.00	7		
90608	Hospital and Medical (Dental) Insurance	\$70,611.00	7	2	1
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$239,136.00			
Computed Total From Financial Section (comparative purposes only)		\$239,136.00			

TOWN OF North East
Energy Costs and Consumption
For the Fiscal Year Ending 2015

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$7,112	3,906	gallons	
Diesel Fuel	\$23,508	11,180	gallons	
Fuel Oil	\$7,440	3,292	gallons	
Natural Gas			cubic feet	
Electricity	\$5,444	33,695	kilowatt-hours	
Coal			tons	
Propane			gallons	

TOWN OF North East
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2015

TOWN OF North East
Financial Comments
For the Fiscal Year Ending 2015

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

DECEMBER 31, 2015 AND 2014

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, culture and recreation, public improvements, planning, and general administrative services.

All governmental activities and functions performed for the Town are its direct responsibility. 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:

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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 \$367,700 and \$354,939 for the years ended December 31, 2015 and 2014, 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:

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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 of trustees, custodians, or agents. These include expendable trusts, non-expendable trusts, and agency funds.

2. Private-Purpose Trust Funds:

Private-Purpose Trust Funds are used to account for all other trust arrangements under which principal and interest benefit individuals, private organizations or other governments.

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.

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

The two account groups are not “funds”. They are concerned only with the measurement of financial position, and not with the results of operations.

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. This account group is also used to account for deferred outflows of resources.

b. Non-Current Government Liability Account Group:

This group of accounts is established to account for all long-term debts and deferred inflows of resources.

C. Basis of Accounting/Measurement Focus:

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, deferred outflows, liabilities, and deferred inflows 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 aid, 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, all other grant requirements have been met, 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 purchase.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

- 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 payment is due (see Note 1, I).
- 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, 2015.

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

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 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 2016 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 \$71,500, General Fund – Outside \$72,500, Highway Fund – Outside \$44,500; and the Water District \$100.

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.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

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

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures in governmental funds. Capital assets are not shown on governmental fund balance sheets.

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.

G. Investments:

An investment is a security or other asset (a) that a government holds primarily for the purpose of income or profit and (b) with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value, except certificates of deposit, which are reported at cost.

H. 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.

I. 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.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

J. 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, \$3,267 was paid on behalf of one retiree and recorded as an expenditure.

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

The Town has prepared these statements in the accompanying prescribed form to comply with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America. Notable departures from GAAP include:

- I. No provision for capitalizing infrastructure has been recorded;
- II. No provision for depreciation of Non-Current Government Assets has been recorded.
- III. The absence of an entity-wide Statement of Net Positions and Statement of Activities;
- IV. The absence of a Management, Discussion and Analysis;
- V. 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;
- VI. The Town has not accrued a liability for compensated absences; and
- VII. 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.

L. Insurance

The Town of North East assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

M. New Accounting Standards:

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable, except for the departures listed in Note 1.K. At December 31, 2015, the Town implemented the following new standards issued by GASB:

--GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*

--GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*.

GASB has issued Statement 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. 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 Statements 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 has adopted the Statement. The impact is annotated in the Statement of Non-Current Governmental Liabilities 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, and have been applied in the December 31, 2015, financial statements.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

N. Future Changes in Accounting Standards:

GASB has issued Statement No. 72, *Fair Value Measurement and Application*. This Statement finalizes Exposure Draft (ED) No. 26-5E, and addresses how state and local governments should account and report issues related to fair value measurements. Among other principles, Statement No. 72 notes that a government determining a fair value measurement should consider the unit of account of the asset or liability. The unit of account refers to the level at which an asset or a liability is aggregated or disaggregated for measurement, recognition, or disclosure purposes as provided by the accounting standards. For example, the unit of account for investments held in a brokerage account is each individual security, whereas the unit of account for an investment in a mutual fund is each share in the mutual fund held by a government. Further, Statement No. 72 requires a government to deploy one of three valuation techniques described therein that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Those valuation techniques are the market approach, the cost approach, or the income approach. According to Statement No. 72, valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement seeks to improve financial reporting by establishing a single framework for the presentation of information concerning pensions that will enhance the comparability of pension-related information reported by employers and non-employer contributing entities. In particular, Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*, as well as for the assets accumulated for purposes of providing those pensions. Additionally, it (1) establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68, and (2) amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans-an Amendment of GASB Statement No. 25*, and Statement No. 68 for pension plans and pensions that are within their respective scopes. In fact, the requirements of this Statement No. 73 extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that, for accounting and financial reporting purposes, any assets accumulated for pensions provided through pension plans that are not administered through trusts and that satisfy the criteria specified in Statement No. 68 should not be considered pension plan assets. This Statement also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities. Finally, this Statement clarifies the application of certain provisions of Statements No. 67 and No. 68 with regard to, among other issues, information that is required to be presented as notes to the ten-year schedules

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

of required supplementary information regarding investment-related factors that significantly affect trends in the amounts reported. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 74 – *Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans*. This Statement seeks to improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information to be presented by plans for post-employment benefits other than pensions (OPEB) that are administered through trusts and satisfy certain criteria noted below, thereby enhancing the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency. This Statement No. 74 replaces Statements No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for such plans in Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined*

Contribution Plans, as amended, No. 43, and No. 50, *Pension Disclosures*. In particular, Statement No. 74 establishes financial reporting standards for state and local governmental OPEB plans – defined benefit OPEB plans and defined contribution OPEB plans – that are administered through trusts or equivalent arrangements in which (1) contributions from employers and non-employer contributing entities to the OPEB plan, as well as earnings on those contributions, are irrevocable; (2) OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms; and (3) OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator, and if the plan is a defined benefit OPEB plan, plan assets are also legally protected from creditors of the plan members. This Statement further establishes financial reporting standards for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through trusts or equivalent arrangements that satisfy the foregoing criteria. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31 2017, financial statements.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This Statement, which replaces Statements No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, establishes new accounting and financial reporting requirements for governments whose employees are provided with other post-employment

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

benefits (OPEB) and for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. In particular, Statement No. 75 establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements in which (1) contributions from employers and non-employer contributing entities to the OPEB plan, as well as earnings on those contributions, are irrevocable; (2) OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms; and (3) OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator, and if the plan is a defined benefit OPEB plan, plan assets are also legally protected from creditors of the plan members. This Statement further establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are proved to the employees of state and local governmental employers through OPEB plans that are not administered through trusts that meet the foregoing criteria. Additionally, Statement No. 75 (1) establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures; (2) identifies, for defined benefit OPEB, the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service; (3) addresses note disclosure and supplementary information requirements concerning defined benefit OPEB; (4) details that recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts satisfying the foregoing criteria and for employers whose employees are provided with defined contribution OPEB; and (5) addresses certain circumstances in which a non-employer entity provides financial support of OPEB of employees of another entity. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2018, financial statements.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement, which supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, aims to identify – in the context of the current governmental financial reporting environment- the hierarchy of U.S. GAAP, which consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with U.S. GAAP, as well as the framework for selecting those principles. In particular, Statement No. 76 reduces the U.S. GAAP hierarchy to two categories of authoritative U.S. GAAP, and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative U.S. GAAP. This improves financial reporting by (1) raising the category of GASB Implementation Guides in the U.S. GAAP hierarchy, thereby providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative U.S. GAAP; and (3)

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. As a result, governments will apply financial reporting guidance with less variation, which, in turn, will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 77 – *Tax Abatement Disclosure*. This Statement establishes financial reporting standards for tax abatement entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments that reduce the reporting government's tax revenues. The provisions of the Statement should be applied to all state and local governments subject to such tax abatement agreements. For financial statement purposes, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more government promises to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. This Statement aims to improve financial reporting by giving users of financial statements essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (1) whether current-year revenues were sufficient to pay for current-year services, (2) compliance with finance-related legal or contractual requirements, (3) where a government's financial resources come from and how it uses them, and (4) financial position and economic condition and how they have changed over time. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 78 – *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in Paragraph 4 of that Statement. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 79 – *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in Paragraph 16 of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in Paragraph 11 of Statement 31, as amended. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

O. 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.

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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.

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

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

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 Currency Risks:

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, 2015, \$-0- of the Town's bank balance of \$2,092,209 was exposed to custodial credit risk as follows:

	Bank Balance 12/31/14	FDIC Coverage	Collateral	Total Coverage 12/31/14
Salisbury Bank	<u>\$ 2,092,209</u>	<u>\$ 322,700</u>	<u>\$ 1,769,509</u>	<u>\$ 2,092,209</u>

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 \$9,630 within the governmental funds.

III. Changes in Non-Current Government Assets:

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

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

	Balance 12/31/2014	Additions	Deletions	Balance 12/31/2015
Land	\$ 52,800	\$ -	\$ -	\$ 52,800
Buildings	200,954	-	-	200,954
Machinery and Equipment	1,056,825	311,812	156,213	1,212,424
Deferred Outflows of Resources - Pensions	-	84,845	-	84,845
	<u>\$ 1,310,579</u>	<u>\$ 396,657</u>	<u>\$ 156,213</u>	<u>\$ 1,551,023</u>

B. Liabilities:

I. Pension Plans:

a. General Information:

The Town participates in the New York State Employees' Retirement System (NYSERS). This is a cost-sharing, multiple-employer public employee retirement system. The System offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

b. Plan Description:

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

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

c. Benefits Provided:

The System provides retirement benefits as well as death and disability benefits.

i. Tiers 1 and 2:

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

ii. Tiers 3, 4, and 5:

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

iii. Tier 6:

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

iv. Special Plans:

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

v. Ordinary Disability Benefits:

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

vi. Accidental Disability Benefits:

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

vii. Ordinary Death Benefits:

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

viii. Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

d. Contributions:

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2015	71,808
2014	86,005
2013	84,728

e. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2015, the Town reported a liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net position liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

This information was provided by the ERS System in reports provided to the Town.

	ERS
Actuarial Valuation Date	3/31/2015
Net Pension Asset/(Liability)	\$ 63,380
Town's Portion of the Plan's Total Net Pension Asset/(Liability)	0.0018761%

For the year ended December 31, 2015, the Town recognized pension expense of \$71,808 for ERS, within the fund financial statements. At December 31, 2015,

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences between expected and actual experience	\$ 2,029	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	11,008	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	-	4,632
Town's contributions subsequent to the measurement date	<u>71,808</u>	<u>-</u>
Total	<u>\$ 84,845</u>	<u>\$ 4,632</u>

\$71,808 reported as deferred outflows of resource related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS
Year Ended:	
2016	2,101
2017	2,101
2018	2,101
2019	2,101
2020	-
Thereafter	<u>-</u>
	<u>8,404</u>

i. Actuarial Assumptions:

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following assumptions:

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015 AND 2014

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

	<u>ERS</u>
Measurement Date	March 31, 2015
Actuarial Valuation Date	April 1, 2014
Interest Rate	7.50%
Salary Scale	4.90%
Decrement Tables	April 1, 2005 - March 31, 2010
	System's Experience
Inflation Rate	2.70%

Annuitant mortality rates are based on April 1, 2005 – March 31, 2010 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2014 are summarized below:

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015 AND 2014

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

Asset Class	Expected Real Rate of Return
Domestic Equity	38%
International Equity	13%
Private Equity	10%
Real Estate	8%
Alternative Investments	6%
Total Equities	75%
Domestic Fixed Income Securities	0%
Global Fixed Income Securities	0%
Real Assets	3%
Bonds and Mortgages	18%
Short-Term	2%
Inflation-Indexed Bonds	2%
Total Fixed Income	25%
Total	100%

ii. Discount Rate:

The discount rate used to calculate the total pension liability was 7.5 % for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

iii. Sensitivity of the Proportionate Share of the Net Pension to the Discount Rate Assumption:

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5% for ERS, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (6.5% for ERS) or 1-percentage point higher (8.5% for ERS) than the current rate:

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2015 AND 2014

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

ERS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension (asset) liability	\$ 422,456	\$ 63,380	\$ (239,769)

iv. Pension Plan Fiduciary Net Position:

The components of the current-year net pension (asset)/liability of the employers as of March 31, 2015, were as follows:

	(Dollars in the Thousands)
	ERS
Valuation Date	4/1/2014
Employers' Total Pension Liability	\$ 164,591,504
Plan Net Position	161,213,259
Employers' Net Pension Liability/(Asset)	<u>\$ 3,378,245</u>
Plan Net Position as a percentage to the Systems' Total Pension Liability/(Asset)	97.95%

v. Payables to the Pension Plan:

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2015 represent the projected employer contribution for the period of April 1, 2015 through December 31, 2015 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2015, amounted to \$0 payable.

II. Indebtedness:

a. Long-Term Debt:

At December 31, 2015, the total outstanding indebtedness of the Town aggregated \$624,000 of which \$125,000 was subject to the constitutional debt limit. This amount represented less than 1% of its debt limit.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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

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.

c. Summary of Long-Term Liabilities:

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

	Balance 12/31/14	Additions	Payments	Balance 12/31/15
Serial Bonds	\$ 515,000	\$ -	\$ 16,000	\$ 499,000
Highway Truck	125,000	-	-	125,000
EFC Bonds	95,000	-	95,000	-
Net Pension Liability - Proportionate Share		63,380	-	63,380
Deferred Inflows of Resources - Pensions	-	4,632	-	4,632
	<u>\$ 735,000</u>	<u>\$ 68,012</u>	<u>\$ 111,000</u>	<u>\$ 692,012</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 12/31/15	Outstanding 12/31/14
Land fill Remediation	07/21/11	\$ 1,201,294	1.33%	10/15/15	\$ -	\$ 95,000

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

Description of Issue	Issue Date	Original Amount	Interest Rate	Maturity Rate	Outstanding 12/31/15	Outstanding 12/31/14
Water	06/01/99	\$ -	4.50%	06/01/36	\$ 499,000	\$ 515,000
Highway Truck	11/23/15	\$ 125,000	1.59%	11/23/18	125,000	0
					<u>\$ 624,000</u>	<u>\$ 515,000</u>

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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, 2015:

	Principal	Interest
2016	58,667	22,455
2017	58,667	21,690
2018	59,666	20,925
2019	19,000	20,115
2020	20,000	19,260
2021-2025	107,000	82,350
2026-2030	122,000	57,060
2031-2035	147,000	27,630
2036	32,000	1,440
	<u>\$ 624,000</u>	<u>\$ 272,925</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, 2015 and 2014. 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, 2015, were as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 15,709	\$ 4,008	\$ 65,000	\$ -
General Fund - Town Outside	-	116	-	95,000
Special Revenue:				
Highway Part Town	19,457	8,980	95,000	-
Water	1,533	-	-	-
Special Grant	-	17,423	-	-
Capital Projects	-	-	-	65,000
Fiduciary Trust and Agency	5	6,176	-	-
Totals	<u>\$ 36,703</u>	<u>\$ 36,703</u>	<u>\$ 160,000</u>	<u>\$ 160,000</u>

See accountant's compilation report.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

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:

Fund	Appropriated Fund Balance
General	\$ 71,500
General - Town Outside	72,500
Highway - Town Outside	44,500
Water	100
	<u>\$ 188,600</u>

E. Restricted Reserves:

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

Fund	Purpose	Balance at 12/31/15
General	Unemployment Reserve	<u>\$ 9,630</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, 2015, 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.