



TOWN OF NEW HARTFORD

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
December 31, 2015

TOWN OF NEW HARTFORD, NEW YORK
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D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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Independent Auditor's Report

Town Board
Town of New Hartford

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Hartford, as of and for the year ended December 31, 2015, and the related notes to the financial statements which collectively comprise the Town of New Hartford's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town of New Hartford's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our (1) qualified audit opinion on each major fund, the aggregate discretely presented component unit, and aggregate remaining fund information; and (2) qualified audit opinion on the governmental activities fund.

Basis for Qualified Opinion on Governmental Activities

Our audit did not include the substantiation of fixed assets. We were unable to obtain sufficient appropriate audit evidence to support the fixed assets. Complete fixed asset records were not maintained by the Town which would affect the assets, net position, and the expenses for the governmental activities. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on the governmental activities fund the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities fund of the Town of New Hartford as of December 31, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on the Major Funds, Aggregate Discretely Presented Component Units and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major funds, the aggregate discretely presented component unit, and the aggregate remaining fund information for the Town of New Hartford, as of December 31, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

New Accounting Standard

As discussed in Note 1 to the financial statements, the Town changed accounting policies related to the financial statement presentation of defined benefit pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* – an amendment of GASB Statement No. 68, in 2015. The new pronouncements require governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Hartford's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2015 on our consideration of the Town of New Hartford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of New Hartford's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

April 19, 2016

Rome, New York

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

200 E. Garden St., P.O. Box 4300, Rome, N.Y. 13442-4300
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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Town Board
Town of New Hartford

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Hartford as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise Town of New Hartford's basic financial statements, and have issued our report thereon dated April 19, 2016. Our opinion on the government-wide financial statements was qualified because we were unable to audit fixed assets due to the lack of supporting documentation.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and recommendations, we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and recommendations as item 2014-1 to be a material weakness.

Compliance and Other Matters

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

Response to Finding

Town of New Hartford's responses to the findings identified in our audit are described in the accompanying schedule of responses. Town of New Hartford's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

D'Arcangelo & Co., LLP

April 19, 2016

Rome, New York

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

Findings - Financial Statements Audit

See status of prior year findings attached.

**TOWN OF NEW HARTFORD, NEW YORK
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015**

Findings - Financial Statements Audit

2009-1 Fixed Assets

At the present time, a complete fixed asset inventory is not maintained by the Town. Our audit report has been qualified because we were unable to audit fixed assets. We recommend that the Town maintain detailed fixed asset records and reconcile these records to the general ledger on a timely basis to ensure accurate accounting for fixed assets. Specifically, fixed asset records should include the following data:

- Description of the asset
- Cost, voucher number, and vendor name
- Date placed in service
- Estimated useful life
- Depreciation method
- Depreciation expense and accumulated depreciation for the year
- Date asset retired and selling price if applicable

Complete information such as the above on all fixed assets would provide excellent control for the safeguarding of these assets.

Status: The same finding was noted in the current year.
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2014-01 Willowvale Service Award Program

Condition: During our audit, we noted Willowvale Service Award Program has not been audited since its inception in 2008.

Criteria: Chapter 620 of the Laws of New York, 2006, amends section 219-a of the General Municipal Law and now requires the sponsor or designated program administrator of a Length of Service Award Program to obtain an annual audit by an independent certified public accountant. A copy of the audit shall be presented to the program sponsor and to the State Comptroller. LOSAP audits must be completed within 270 days of the end of the sponsor's fiscal year. Due to other legislative requirements, those that choose to fulfill this requirement by providing the appropriate service awards program note disclosure (referred to below) as part of the district's annual audited statements now have 180 days for completing the audit.

Recommendation: The Town needs to establish system of policies and procedures to ensure that the program is monitored by management and ensure that an annual audit is performed and filed as required.

Status: Implemented

**TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S RESPONSE TO FINDINGS
For the Year Ended December 31, 2015**

We offer the following responses to the findings outlined in the 2015 financial audit. The responses are numbered in correspondence to the numbering in the report.

2009-1 Fixed Assets

Currently the finance office is keeping track of all assets acquired by the Town. However, we do understand that it is necessary to have all assets posted which would include those purchased and acquired in past years, but which are still in use today. This historical documentation would necessitate an extremely large number of man hours to accumulate and at present the Town does not have the staffing to accomplish this in an efficient and effective manner. However, this is a project which we are now reviewing and would hope to have started in the very near future.

TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

The Town of New Hartford's discussion and analysis of financial performance provides an overall review of the Town's financial activities for the fiscal year ended December 31, 2015. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. This section will explain the differences between the current and prior-year assets, liabilities, and changes in net position. This should be read in conjunction with the financial statements, which immediately follow this section.

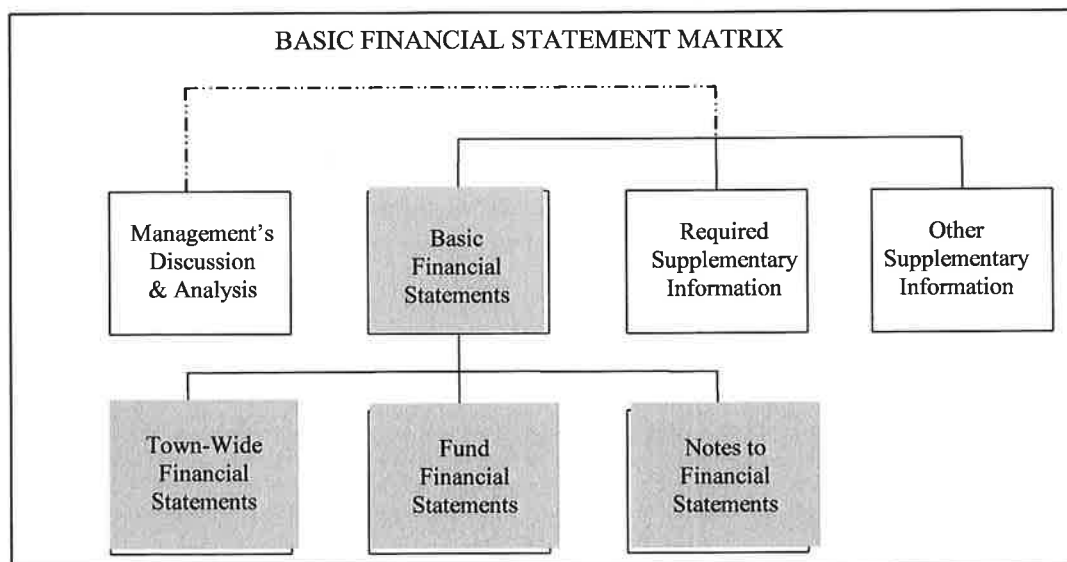
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2015 are as follows:

- The Town's total net position, as reflected in the Town-wide financial statements, decreased by \$707,985.
- The Town's expenses for the year, as reflected in the Town-wide financial statements, totaled \$16,042,320. This amount was directly offset by the following revenue sources: \$1,194,215 charges for services, \$64,700 operating grants, and \$923,841 capital grants. General revenues of \$13,151,579 amount to 85.8% of total revenues. Program expenses exceeded these revenues leaving a deficit of \$707,985.
- The General Whole Town Fund's total fund balance, as reflected in the fund financial statements on pages 20 and 22, increased by \$185,219, to a balance of \$1,620,226. This was primarily due to revenues for Non-Property Tax Items exceeding the budget by \$125,958.
- The Highway Part Town Fund's total fund balance, as reflected in the fund financial statements on pages 20 and 22, increased by \$86,657, to \$502,235. This was due to revenues exceeding the budget by \$193,841.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – Management's discussion and analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of Town-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

A. Town-wide Financial Statements

The Town-wide financial statements are organized to provide an understanding of the fiscal performance of the Town as a whole in a manner similar to a private sector business. There are two Town-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the Town's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the Town's assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net positions are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, not the Town as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the Town are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources, and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Town-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the Town's operations and the services it provides.

Because the focus of governmental funds is narrower than that of Town-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Town-wide financial statements. By doing so, you may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains seven individual governmental funds, General, Highway, Sewer, Police, Fire Protection, Mitigation and Capital funds, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in its capacity as agent or trustee. All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the Town's Town-wide financial statements because the Town cannot use these assets to finance its operations.

TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

3. FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A. Net Position

The Town's total net position decreased between fiscal year 2015 and 2014. A summary of the Town's Statement of Net Position at December 31, 2015 and 2014, are as follows:

	2015	(Restated) 2014	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 6,296,195	\$ 6,887,930	\$ (591,735)	(8.6%)
Capital Assets, (Net of Accumulated Depreciation)	14,854,709	14,742,509	112,200	0.8%
Total Assets	<u>\$ 21,150,904</u>	<u>\$ 21,630,439</u>	<u>\$ (479,535)</u>	(2.2%)
Deferred Outflow - Pensions	<u>\$ 834,499</u>	<u>\$ 735,098</u>	<u>\$ 99,401</u>	13.5%
Non-Current Liabilities	\$ 18,081,956	\$ 17,222,562	\$ 859,394	5.0%
Net Pension Liability - Proportionate Share	515,491	747,207	(231,716)	(31.0%)
Other Liabilities	2,532,095	2,920,468	(388,373)	(13.3%)
Total Liabilities	<u>\$ 21,129,542</u>	<u>\$ 20,890,237</u>	<u>\$ 239,305</u>	1.1%
Deferred Inflow - Pensions	<u>\$ 88,546</u>	<u>\$</u>	<u>\$ 88,546</u>	
Net Position				
Net Invested in Capital Assets	\$ 4,692,114	\$ 4,552,707	\$ 139,407	3.1%
Restricted	254,128	201,993	52,135	25.8%
Unrestricted (Deficit)	(4,178,927)	(3,279,400)	(899,527)	(27.4%)
Total Net Position	<u>\$ 767,315</u>	<u>\$ 1,475,300</u>	<u>\$ (707,985)</u>	(48.0%)

Current and other assets decreased by \$591,735, as compared to the prior year. This decrease was mainly due to a decrease in unrestricted cash by \$689,520, which was mainly due to the use of cash in the Capital Fund.

Capital assets increased by \$112,200, as compared to the prior year. This increase is primarily due to the capital outlays exceeding depreciation expense in 2015. This was mainly due to the completion of the Rayhill Trail Project for \$921,173 and capitalized lease equipment for \$459,565.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* was implemented in 2015. The statement required the recognition of the Town's proportionate share of Net Pension Assets/Liabilities and Deferred Outflows/Inflows of Resources for the New York State Employees' retirement system. The new accounting pronouncement required that the prior year be restated for the implementation of the standard. The details of the restatement are more fully described on page 37 of the financial statements.

Non-current liabilities increased by \$859,394 as compared to the prior year. This increase is the result of the payments of serial bonds in the amount of a \$754,144 offset by the net increase of \$1,155,416 in the accrued liabilities for Other Post-Employment Benefits and a net increase in capital leases of 416,937.

Other liabilities decreased \$388,373. This decrease is primarily due to the payment of a judgment in a tax certiorari case for \$270,350 and a reduction in accounts payable by \$182,122 due to the completion of the Rayhill Trail Project in the Capital Fund.

The net position invested in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support Town operations.

TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

The restricted net position represents funds being held from the collection of mitigation fees. The funds can only be spent on specific public improvements. The increase represents the various mitigation fees collected in the current year in excess of previously collected mitigation fees being allocated.

The unrestricted net position deficit at December 31, 2015, is \$4,178,927, which represents the amount by which the Town's liabilities, excluding debt related to capital construction, exceeded the Town's assets other than capital assets.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. Nonproperty tax items primarily consist of New York State sales tax and franchise tax. A summary of this statement for the years ended December 31, 2015 and 2014, is as follows.

	2015	2014	Increase (Decrease)	Percentage Change
Revenues				
Program Revenues				
Charges for Services	\$ 1,194,215	\$ 1,122,822	\$ 71,393	6.4%
Operating Grants	64,700	89,546	(24,846)	(27.7%)
Capital Grants	923,841	624,778	299,063	47.9%
General Revenues				
Property Taxes and Other Items	6,038,953	6,010,932	28,021	0.5%
Nonproperty Tax Items	5,778,872	5,847,877	(69,005)	(1.2%)
Gain on Disposition of Property	394,741	203,711	191,030	93.8%
State and Federal Sources	560,129	428,362	131,767	30.8%
Other	378,884	266,767	112,117	42.0%
Total Revenues	<u>15,334,335</u>	<u>14,594,795</u>	<u>739,540</u>	5.1%
Expenses				
General Government Support	\$ 2,260,209	\$ 2,693,714	(433,505)	(16.1%)
Public Safety	5,909,249	5,545,362	363,887	6.6%
Public Health	71,771	74,534	(2,763)	(3.7%)
Transportation	4,079,852	4,306,430	(226,578)	(5.3%)
Social Services	128,775	128,990	(215)	(0.2%)
Home and Community Services	1,543,312	1,303,258	240,054	18.4%
Culture and Recreation	1,824,298	1,788,687	35,611	2.0%
Debt Service - Interest	224,854	249,842	(24,988)	(10.0%)
Total Expenses	<u>16,042,320</u>	<u>16,090,817</u>	<u>(48,497)</u>	(0.3%)
Total Change in Net Position	<u>\$ (707,985)</u>	<u>\$ (1,496,022)</u>	<u>\$ 788,037</u>	52.7%

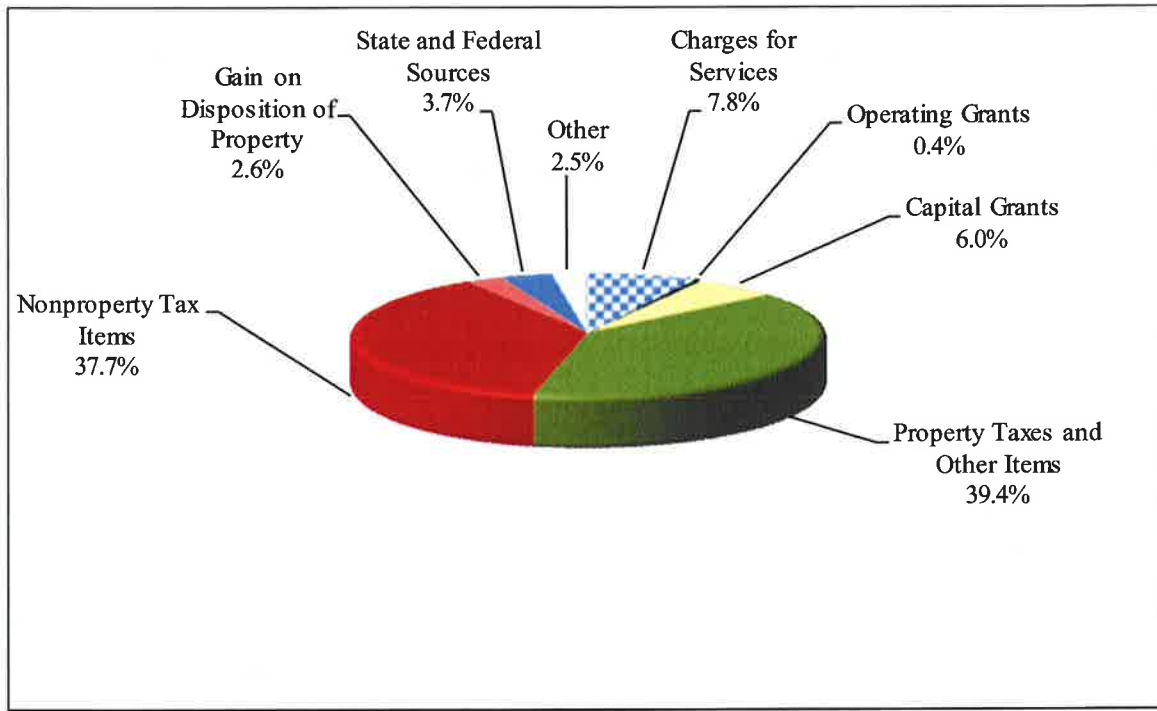
The increase in Capital Grant revenue is primarily due to an increase of \$299,063 for New York State Department of Transportation funding for the Rayhill Trail Project.

General Government Support expenses decreased in the current year by \$433,505. The decrease is primarily due a prior year expense for a Tax Certiorari for a commercial property for real property taxes of \$414,012 and interest of \$35,693. The settlement covered the taxes collected for 2007 through 2012. The aggregate expense of \$449,704 was allocated to the funds as follows: General Whole Town \$116,025, Police Part-Town \$208,098, Fire \$81,254 and Sewer \$44,327.

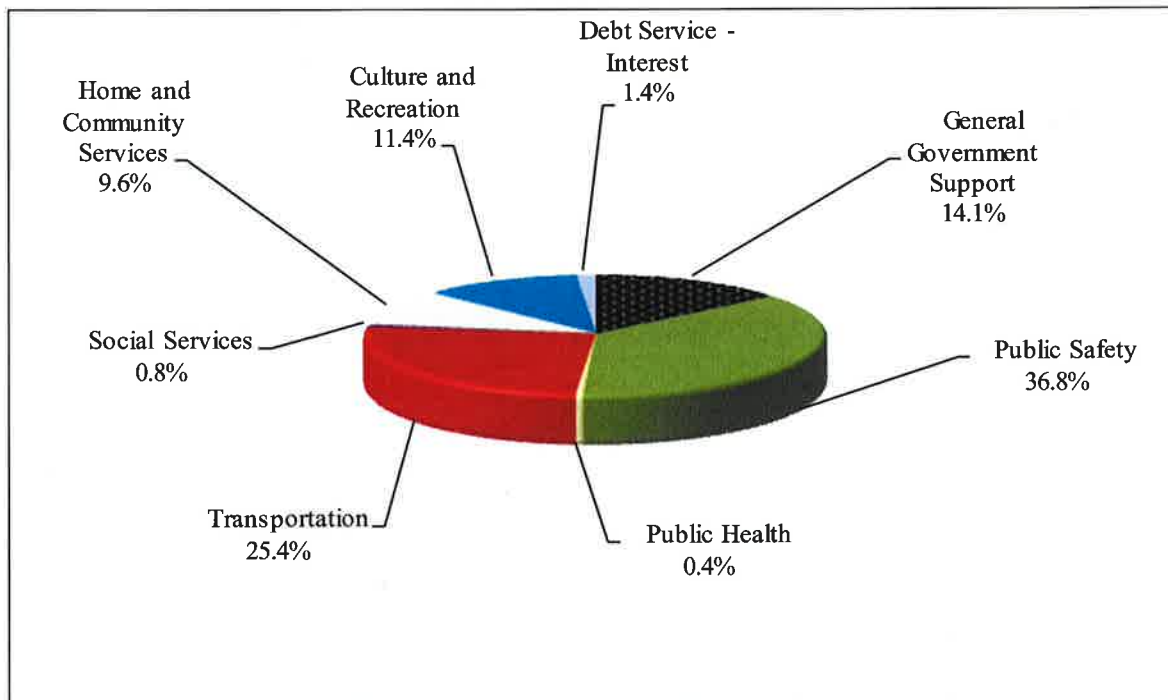
Transportation expenses decreased \$226,578 in the current year. The decrease is primarily the difference in capital projects for paving.

**TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015**

Revenues For the Year Ended December 31, 2015

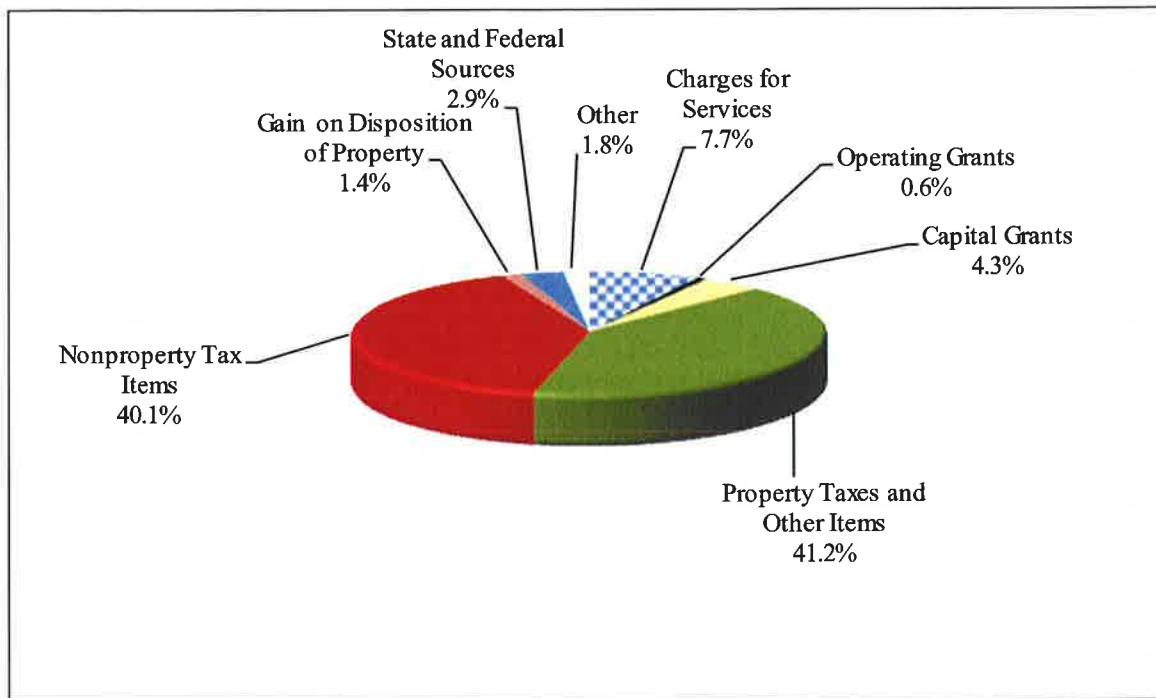


Expenses For the Year Ended December 31, 2015



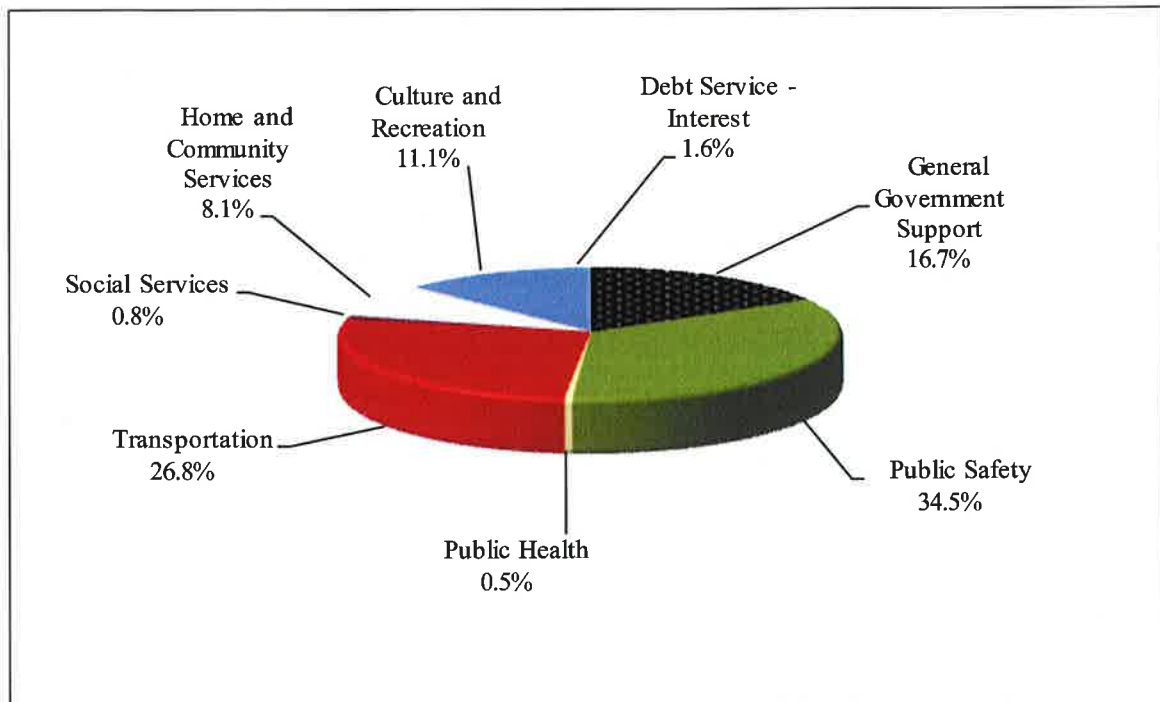
**TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015**

Revenues For the Year Ended December 31, 2014



A graphic display of the distribution of expenses is as follows:

Expenses For the Year Ended December 31, 2014



TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

4. FINANCIAL ANALYSIS OF THE TOWN'S FUND BALANCES

At December 31, 2015, the Town's governmental funds reported a combined fund balance of \$3,821,158, which is a decrease of \$209,325 from the prior year. This decrease is due to an excess of expenditures over revenues for the year. A summary of the change in fund balance by fund is as follows:

	2015	2014	Increase (Decrease)
General Whole Town			
Nonspendable	\$ 99,345	\$ 126,182	\$ (26,837)
Unassigned	<u>1,520,881</u>	<u>1,308,825</u>	<u>212,056</u>
	<u>1,620,226</u>	<u>1,435,007</u>	<u>185,219</u>
General Part Town			
Nonspendable	9,004	5,573	3,431
Unassigned	<u>288,593</u>	<u>236,742</u>	<u>51,851</u>
	<u>297,597</u>	<u>242,315</u>	<u>55,282</u>
Police			
Nonspendable	47,783	43,726	4,057
Assigned	<u>497,297</u>	<u>287,734</u>	<u>209,563</u>
	<u>545,080</u>	<u>331,460</u>	<u>213,620</u>
Highway Part Town			
Nonspendable	5,012	7,202	(2,190)
Assigned	<u>497,223</u>	<u>408,376</u>	<u>88,847</u>
	<u>502,235</u>	<u>415,578</u>	<u>86,657</u>
Fire			
Assigned	4,564		4,564
Unassigned (Deficit)		<u>(21,193)</u>	<u>21,193</u>
	<u>4,564</u>	<u>(21,193)</u>	<u>25,757</u>
Sewer			
Nonspendable	46	107	(61)
Assigned	<u>1,597,249</u>	<u>1,792,482</u>	<u>(195,233)</u>
	<u>1,597,295</u>	<u>1,792,589</u>	<u>(195,294)</u>
Mitigation			
Restricted	<u>254,128</u>	<u>201,993</u>	<u>52,135</u>
Capital			
Unassigned (Deficit)	<u>(1,083,426)</u>	<u>(439,993)</u>	<u>(643,433)</u>
Non-Major			
Assigned	<u>83,459</u>	<u>72,727</u>	<u>10,732</u>
Total Fund Balance	<u>\$ 3,821,158</u>	<u>\$ 4,030,483</u>	<u>\$ (209,325)</u>

Combined decreases of \$209,325 to the fund balances during the year ended December 31, 2015, are mainly the result of the expenses financed through the issuance of a bond anticipation notes in the amount of \$1,156,571.

TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. Budget

The Town's adopted budget's for the year ended December 31, 2015, for the following funds was \$13,729,250. This is a increase of \$166,940 over the prior year's adopted budgets. The budgets were adopted and amended as follows:

	<u>General Whole Town</u>	<u>General Part Town</u>	<u>Police</u>	<u>Highway Part Town</u>	<u>Fire</u>	<u>Sewer</u>
Change from Adopted Budget to Revised Budget						
Adopted Budget	\$ 4,259,800	\$ 390,029	\$3,780,300	\$3,472,307	\$1,217,781	\$609,033
Original and Adopted Budget	\$ 4,259,800	\$ 390,029	\$3,780,300	\$3,472,307	\$1,217,781	\$609,033
Amendments:						
Donations	6,985					
Griffo Grant for Radar Units			25,000			
Insurance for repairs			3,477			
Purchase of Loader from sale				276,000		
CHIPs				23,172		
Argo Grant				22,721		
Total Amendments	6,985		28,477	321,893		
Final Budget	\$ 4,266,785	\$ 390,029	\$3,808,777	\$3,794,200	\$1,217,781	\$609,033

The majority of this funding source for the budgets consisted of \$5,667,575 in property taxes and \$5,452,325 in nonproperty taxes that include sales and franchise taxes.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At December 31, 2015, the Town had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net increase in capital assets is due to capital additions exceeding depreciation recorded for the year ended December 31, 2015. A summary of the Town's capital assets, net of depreciation at December 31, 2015 and 2014, is as follows:

	<u>2015</u>	<u>2014</u>	<u>Increase/ (Decrease)</u>
Land	\$ 611,634	\$ 611,634	\$
Construction in Progress	735,411	1,523,285	(787,874)
Buildings	1,515,423	1,646,132	(130,709)
Infrastructure	11,811,212	10,527,191	1,284,021
Capital Lease	545,470	218,629	326,841
Equipment	(364,441)	215,638	(580,079)
Capital Assets, Net	<u>\$ 14,854,709</u>	<u>\$ 14,742,509</u>	<u>\$ 112,200</u>

TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015

B. Debt Administration

At December 31, 2015, the Town had total bonds payable of \$8,727,345. A summary of the outstanding debt at December 31, 2015 and 2014, is as follows:

Description		Date of Original Issue	Date of Final Maturity	Interest Rate (%)	Outstanding Amount		Increase (Decrease)
					2015	2014	
General Fund – Whole Town							
1995		Aug-1995	Feb-2015	5-5.75	\$ 0	\$ 51,000	\$ (51,000)
2002		Feb-2002	Mar-2022	3.9-4.75	504,000	568,000	(64,000)
2009		Mar-2009	Mar-2032	3.50-5.00	1,315,000	1,385,000	(70,000)
2009		Mar-2009	Mar-2032	3.50-5.00	1,480,000	1,645,000	(165,000)
2013		Jun-2013	Apr-2027	2.5-3.25	695,900	778,500	(82,600)
					3,994,900	4,427,500	(432,600)
Highway Fund – Whole Town							
2013		Jun-2013	Apr-2027	2.5-3.25	724,600	775,500	(50,900)
Highway Fund – Part Town							
2002		Feb-2011	Mar-2022	3.9-4.75	40,000	118,000	(78,000)
2013		Jun-2013	Apr-2027	2.5-3.25	761,200	814,700	(53,500)
					801,200	932,700	(131,500)
Police Fund – Part Town							
2013		Jun-2013	Apr-2027	2.5-3.25	43,300	46,300	(3,000)
Water Fund							
1995		Aug-1995	Feb-2015	5-5.75	0	9,000	(9,000)
2006	NYSEFC	Jul-2006	Jun-2036	0.00	3,107,345	3,226,489	(119,144)
					3,107,345	3,235,489	(128,144)
Sewer Fund							
2002		Feb-2002	Mar-2022	3.9-4.75	56,000	64,000	(8,000)
Total Long Term Debt					\$ 8,727,345	\$ 9,481,489	\$ (754,144)

**TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2015**

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town of New Hartford continues to lead in economic growth, exceeding other municipalities in central and upstate New York. During 2015, and extending into 2016, the Town has seen several major national restaurant chains and franchise retail stores entering this market along with new national and international hotel chains building here, extending the development boom which began in 2010.

The expansion of the Town's retail dominance by national stores brings with it opportunities for smaller businesses to be created and expanded due to the growing retail traffic, which draws from an ever widening geographic area reaching far beyond the New Hartford borders. This increasing development by national retail establishments demonstrates that New Hartford continues to be a designation for expansion and growth.

The new development realized by the Town of New Hartford in 2015 and heading into 2016 will provide additional taxable assessments of over \$20,000,000. This growth, coupled with the growth from previous years, allows the Town government to keep tax rates low, while still providing additional services to our residents and taxpayers. This is the goal established by the current administration beginning in 2010 and this goal continues to be met ever since then.

While the growth in the Town of New Hartford helps to sustain low taxes and increased services, a conscious and continued control of expenditures by consolidation within and outside of the Town, also assist in the development of a strong financial base. Over the past six years the Town's General Fund balance has steadily increased each and every year and is projected to grow again through 2016 and 2017.

With the current financial management, and the continued growth experienced in recent years, the financial strength of the Town of New Hartford will enable it to remain as the leading growth area in upstate New York now and into the next decade.

8. CONTACTING THE TOWN

This financial report is designed to provide the Town's citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the:

**Town Supervisor
Town of New Hartford
48 Genesee Street
New Hartford, NY 13413**

TOWN OF NEW HARTFORD, NEW YORK
STATEMENT OF NET POSITION
December 31, 2015

	Governmental Activities	Component Unit New Hartford Public Library
Assets		
Cash and Cash Equivalents	\$ 3,344,375	\$ 107,820
Restricted Cash	258,112	370,229
Accounts Receivable, Net of Allowance	195,535	12,721
Due From		
Due From Other Governments	2,335,622	6,351
Fiduciary Fund	1,361	
Inventory	5,163	
Prepaid Expenditures	156,027	3,424
Capital Assets (Net of Accumulated Depreciation)	<u>14,854,709</u>	<u>2,249,851</u>
Total Assets	21,150,904	2,750,396
Deferred Outflows of Resources		
Deferred Outflow - Pensions	<u>834,499</u>	<u>4,563</u>
Total Assets and Deferred Outflows of Resources	\$ 21,985,403	\$ 2,754,959
Liabilities		
Accounts Payable	\$ 554,293	\$ 6,674
Accrued Liabilities	74,485	9,150
Accrued Interest	57,058	
Due To Employee Retirement System	688,323	
Bond Anticipation Notes Payable	1,156,571	
Unearned Revenue	1,365	2,500
Net Pension Liability - Proportionate Share	515,491	22,184
Noncurrent Liabilities		
Due Within One Year		
Bonds Payable	696,066	
Capital Lease Notes	151,606	
Due in More Than One Year		
Bonds Payable	8,031,279	
Capital Lease Notes	352,073	
Compensated Absences Payable	912,301	4,456
OPEB	<u>7,938,631</u>	<u></u>
Total Liabilities	21,129,542	44,964
Deferred Inflows of Resources		
Deferred Inflow - Pensions	<u>88,546</u>	<u>2,913</u>
Total Liabilities and Deferred Inflows of Resources	21,218,088	47,877
Net Position		
Net Investment in Capital Assets	4,692,114	2,249,851
Restricted	254,128	367,484
Unrestricted (Deficit)	<u>(4,178,927)</u>	<u>89,747</u>
Total Net Position	767,315	2,707,082
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 21,985,403	\$ 2,754,959

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF NEW HARTFORD, NEW YORK
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

	Program Revenues					Component Unit
		Charges for	Operating	Capital	Net (Expense)	
	Expenses	Services	Grants and	Grants and	Revenue and	New Hartford
			Contributions	Contributions	Changes in Net Assets	Public Library
Primary Government						
Governmental Activities						
General Government Support	\$ 2,260,209	\$ 177,616	\$	\$	\$ (2,082,593)	
Public Safety	5,909,249	426,829	59,438	22,721	(5,400,261)	
Public Health	71,771				(71,771)	
Transportation	4,079,852	220,607		184,284	(3,674,961)	
Social Services	128,775			38,000	(37,833)	
Home and Community Services	1,543,312	52,942	5,262	678,836	(542,993)	
Culture and Recreation	1,824,298	316,221			(1,824,298)	
Debt Service - Interest	224,854				(224,854)	
Total Governmental Activities	\$ 16,042,320	\$ 1,194,215	\$ 64,700	\$ 923,841	(13,859,564)	
Component Unit						
New Hartford Public Library	\$ 587,860	\$ 21,271	\$ 441,166	\$ 0		\$ (125,423)
General Revenues						
Real Property Taxes					5,662,047	
Other Real Property Taxes Items					376,906	
Nonproperty Tax Items					5,778,872	
General State Aid					560,129	
Use of Money and Property					5,299	764
Gain on Disposition of Property					394,741	895
Licenses					112,195	
Miscellaneous					261,390	45,027
Total General Revenues					13,151,579	46,686
Change in Net Position					(707,985)	(78,737)
Net Position, Beginning of Year					1,487,409	2,814,298
Prior Period Adjustment					(12,109)	(28,479)
Net Position, End of Year					\$ 767,315	\$ 2,707,082

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF NEW HARTFORD, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2015

	Governmental							Total Governmental Funds
	General Whole Town	General Part Town	General Police	Highway Part Town	Fire	Sewer	Mitigation	
Assets								
Current Assets								
Unrestricted Cash	\$ 1,042,207	\$ 252,730	\$ 710,557	\$ 68,089	\$ 63,034	\$ 1,012,430	\$ 258,112	\$ 3,344,375
Restricted Cash								258,112
Accounts Receivable	151,713	19,283	10,866	10,060		490	131	195,535
Due from Other Funds	2,222	4,246	9			823,440	14,958	844,875
Due from Other Governments	1,014,050	40,715	323,720	744,570				2,335,622
Inventory	5,163							5,163
Prepaid Expenditures	94,182	9,004	47,783	5,012		46		156,027
Total Current Assets	\$ 2,309,537	\$ 325,978	\$ 1,092,935	\$ 827,731	\$ 63,034	\$ 1,836,406	\$ 273,201	\$ 7,139,709
Liabilities and Fund Equity								
Current Liabilities								
Accounts Payable	\$ 189,481	\$ 1,930	\$ 45,945	\$ 109,639	\$ 8,046	\$ 187,647	\$ 19,073	\$ 554,293
Accrued Liabilities	23,154	2,766	25,019	19,317		3,194		74,485
Due to Other Funds	239,820		58,111	43,588	9,669	6,610	19,073	843,514
Bond Anticipation Notes Payable	57,463		104,541		40,755	22,241		1,156,571
Due to Employees' Retirement System	178,028	23,685	314,239	152,952		19,419		688,323
Deferred Revenues	1,365							1,365
Total Current Liabilities	\$ 689,311	\$ 28,381	\$ 547,855	\$ 325,496	\$ 58,470	\$ 239,111	\$ 19,073	\$ 3,318,551
Fund Equity								
Non-spendable	99,345	9,004	47,783	5,012		46		161,190
Restricted							254,128	254,128
Assigned			497,297	497,223	4,564	1,597,249		2,679,792
Unassigned (Deficit)	1,520,881	288,593					(1,083,426)	726,048
Total Fund Equity (Deficit)	\$ 1,620,226	\$ 297,597	\$ 545,080	\$ 502,235	\$ 4,564	\$ 1,597,295	\$ 254,128	\$ 3,821,158
Total Liabilities and Fund Equity	\$ 2,309,537	\$ 325,978	\$ 1,092,935	\$ 827,731	\$ 63,034	\$ 1,836,406	\$ 273,201	\$ 7,139,709

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF NEW HARTFORD, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUND EQUITY TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2015

Governmental Fund Equity			\$ 3,821,158
Amounts reported for governmental activities in the statement of net position are different due to the following:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
	Original Cost of Capital Assets	34,349,616	
	Accumulated Depreciation	<u>(19,494,907)</u>	14,854,709
Accrued Interest			(57,058)
Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.			
	Deferred Outflows - Pensions	834,499	
	Net Pension Liability - Proportionate Share	(515,491)	
	Deferred Inflows - Pensions	<u>(88,546)</u>	230,462
Long-term liabilities, OPEB Liability and Compensated Absences, are not due and payable in the current-period and therefore are not reported in the funds			
	Bonds Payable	(8,727,345)	
	Capital Lease Notes	(503,679)	
	Compensated Absences Payable	(912,301)	
	OPEB	<u>(7,938,631)</u>	(18,081,956)
Net Position of Governmental Activities			<u>\$ 767,315</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF NEW HARTFORD, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	General Whole Town	General Part Town	General Police	Highway Part Town	Fire	Sewer	Mitigation	Capital	Non-major Governmental	Total Governmental Funds
Revenues										
Real Property Taxes	\$ 1,334,281	\$	\$ 2,258,188	\$	\$ 1,217,770	\$ 598,978	\$	\$	\$ 252,830	\$ 5,662,047
Other Real Property Tax Items	376,906									376,906
Nonproperty Tax Items	1,565,982	180,829	1,045,155	2,914,352					72,554	5,778,872
Departmental Income	377,620	165,731	50,836	1,415		34,139				629,741
Intergovernmental Charges		87		187,564						187,651
Use of Money and Property	2,306			2,748		14	243	65	3	5,397
Licenses and Permits	27,784	99,072								126,856
Fines and Forfeitures	149,120		6,127	382,979		3,500				149,120
Sale of Property and Compensation for Loss	2,135		77,132	90,449			118,153			394,741
Miscellaneous	39,293		208,745	207,005						325,027
State Aid	565,391							716,836		1,697,977
Total Revenues	4,440,818	445,719	3,646,183	3,786,512	1,217,788	636,631	118,396	716,901	325,387	15,334,335
Expenditures										
General Government Support	1,444,338	7,835						74,627		1,526,800
Public Safety	102,211		2,318,736		1,190,990					3,611,937
Public Health		42,249								42,249
Transportation	134,478			2,607,768				646,652	114,033	3,502,931
Social Services	128,775	226,861				743,862				128,775
Home and Community Services	72,177							96,450		1,139,350
Culture and Recreation	1,024,727							942,712		1,967,439
Employee Benefits	776,294	113,492	1,146,642	998,105		64,250			179,044	3,098,783
Debt Service - Principal	432,600		3,000	131,500		8,000				754,144
Debt Service - Interest	157,759		4,185	42,326	1,041	3,928			21,578	230,817
Total Expenditures	4,273,359	390,437	3,472,563	3,779,699	1,192,031	820,040		1,760,441	314,655	16,003,225
Excess (Deficit) Revenues Over Expenditures	167,459	55,282	173,620	6,813	25,757	(183,409)	118,396	(1,043,540)	10,732	(668,890)
Other Financing Sources (Uses)										
Interfund Transfers From	17,760		40,000	79,844						137,604
Interfund Transfers To						(11,885)	(66,261)	(59,458)		(137,604)
Proceeds of Long-Term Debt								459,565		459,565
Total Other Financing Sources (Uses)	17,760		40,000	79,844		(11,885)	(66,261)	400,107		459,565
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	185,219	55,282	213,620	86,657	25,757	(195,294)	52,135	(643,433)	10,732	(209,325)
Fund Equity (Deficit), Beginning of Year	1,435,007	242,315	331,460	415,578	(21,193)	1,792,589	201,993	(439,993)	72,727	4,030,483
Fund Equity (Deficit), End of Year	\$ 1,620,226	\$ 297,597	\$ 545,080	\$ 502,235	\$ 4,564	\$ 1,597,295	\$ 254,128	\$ (1,083,426)	\$ 83,459	\$ 3,821,158

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF NEW HARTFORD, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2015

Net Changes in Fund Balance - Total Governmental Funds **\$ (209,325)**

Capital Outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation in the period exceeds capital outlays.

Capital Outlays	2,103,322	
Depreciation	<u>(1,991,122)</u>	112,200

Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets.

Proceeds of Long Term Debt	(459,565)	
Principal Payments of Capital Leases	42,628	
Principal Payments on Long Term Debt	<u>754,144</u>	337,207

(Increases) Decreases in proportionate share of net pension asset/liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' Retirement System	165,507	
Police and Fire Retirement System	<u>77,064</u>	242,571

Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

OPEB Liability	(1,155,416)	
Accrued Interest	5,963	
Compensated Absences	<u>(41,185)</u>	<u>(1,190,638)</u>

Change in Net Positions Governmental Activities **\$ (707,985)**

TOWN OF NEW HARTFORD, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2015

	<u>Agency</u>
Assets	
Unrestricted Cash	\$ 488,845
Service Award Program Assets	352,494
Due From Other Funds	1,345
Due From Other Governments	2,681
Other Assets	<u>8,965</u>
 Total Assets	 <u>\$ 854,330</u>
 Liabilities and Net Position	
Agency Liabilities	\$ 31,361
Service Awards	352,494
Due To Other Funds	2,706
Stormwater Remediation Funds	250,000
Retainers Payable	<u>217,769</u>
 Total Liabilities	 <u>\$ 854,330</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared primarily from accounts maintained by the Town.

GASB is responsible for establishing U.S. GAAP for State and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies, established in U.S. GAAP and used by the Town, are discussed below.

Background

The Town of New Hartford, New York (the Town), is governed by the general laws of the State of New York, and various local laws and ordinances. The Town Board is the legislative body responsible for the overall operation of the Town. The Supervisor serves as the Chief Executive Officer and as Chief Fiscal Officer of the Town.

The Town provides the following basic services: public safety (police and fire), highways and streets, water and sewer, library, and various recreational and community services.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government which is the Town of New Hartford, (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.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no other organizations have been included or excluded from the reporting entity except as follows:

(a) Included in the Reporting Entity

The New Hartford Public Library was established in 1977 by the Town and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. The Town of New Hartford appoints all trustees; raises taxes for library purposes; and, as needed, issues all library indebtedness which is supported by the full faith and credit of the Town of New Hartford. The Library has title to its capital assets. The library is a component unit of the primary government. The financial statements can be obtained by writing to the New Hartford Public Library at 2 Library Lane, New Hartford, New York 13413.

The above discretely presented financial statements are presented in the financial statements.

Financial Statements - Government-Wide

The Town's financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Public safety, maintenance of roads, public works, social services, recreation and culture, water, sewer, and general administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts: net investment in capital assets, restricted net position, and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All direct expenses incurred are charged to the corresponding function. Capital asset additions that cannot be identified to a specific function are allocated based on total expenses by program.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Employee benefits are reported as a separate function on the fund financial statements. These costs have been allocated for the government-wide financial statements based on the respective payroll for each function.

The net costs (by function or business-type activity) are normally covered by general revenues (property, non-property, or sales taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Town reports the following major governmental funds:

(a) Major Funds:

The emphasis in the fund financial statements is on the major governmental fund categories. Non-major funds are summarized into a single column. The non-major funds consist of Highway Whole Town, Water, and Lighting Districts.

General Funds – Whole and Part Town – this is the principal operating fund which is used to account for and report all operations not required to be recorded in other funds.

Highway Part Town Fund – used to account for and reports the repairs and maintenance of Town roads in accordance with New York State laws.

Special Revenue Funds – Police, Fire, and Sewer - used to account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for those specified purposes. Real property taxes are raised for police services from the whole town excluding the Village of New York Mills. Real property taxes are also raised solely to pay the debt services for the water and sewer lines and fire protection provided by a separate entity. The Town does not have its own treatment facilities for water and sewer.

Mitigation Fund - used to account for and reports financial resources from fees from various developers received in order to mitigate the cumulative effect of the respective development projects on the community.

Capital Fund - used to account for and reports financial resources to be used for the acquisition or construction of major capital facilities.

(b) Fiduciary Fund Types – Fiduciary funds are used to account for and report assets held in a trustee or agency capacity for others and therefore, are not available to support Town programs.

The Town's fiduciary funds are presented in the agency trust fund in the financial statements. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, deferred compensation participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual – The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Nonexchange transactions are transactions in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. Nonexchange revenues are generally reported as nonoperating revenues. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis - All governmental funds financial statements are reported for using the current financial resources measurement focus and the modified accrual basis of accounting.

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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. The Town has defined the period of availability to be 90 days.

Material revenues that are accrued include real property taxes, Federal and State 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.

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

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursements.
- b. Principal on indebtedness is not recognized as an expenditure until due.
- c. Capital fund expenditures are recorded when paid.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Property Taxes

Taxes are collected by the receiver of taxes during the period January 1 to January 31 without penalty. Taxes are due by January 31. If received during February, there is a 1% penalty. If payment is received in March, there is a 1.5% penalty. After May 31, the unpaid amount is turned over to Oneida County. The County is responsible for collecting all taxes after April 1. The County pays the Town for the delinquent taxes and assumes enforcement responsibility for all taxes levied in the Town.

Capital Assets/Property, Plant, and Equipment

Capital assets purchased or acquired with an original cost of \$500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure assets are capitalized on a prospective basis. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and Improvements	40 Years
Machinery and Equipment	3-15 Years
Infrastructure	40 Years

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimate portion that is expected to be uncollectible. Estimated unbilled revenues are estimated at the end of each fiscal year. Sewer fund receivables are fully guaranteed by the General Fund of the Town. Therefore, no allowance for doubtful accounts has been established for these funds.

Inventories

Year-end inventory of office supplies on hand is shown as an asset of the Town in the General Whole Town Fund.

Inventories of materials and supplies are recorded at cost on a first-in, first-out basis or market value, whichever is lower. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category. The item is for the pensions reported in the Town -wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and

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difference during the measurement period between the Town's contributions and its proportion share of total contributions not included in pension expense.

Insurance

The Town insures against liability for most risks 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 availability has been incurred and the amount of loss can be reasonably estimated.

Retirement Plan

The Town provides retirement benefits for substantially all of its regular, full-time employees through contributions to the New York State Employees' Retirement System and the New York State Police and Fire Retirement System. These Systems are cost-sharing, multiple-employer, public employee retirement systems. The Systems 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.

In addition to providing pension benefits, the Town provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Town employees are eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the Town and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charged the appropriate benefiting fund and reduced its related cost as reimbursement. All other interfund transactions are treated as transfers.

Unearned Revenue

Unearned revenues arise when resources are received by the Town before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limits.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category. The item is related to pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

Cash and Cash Equivalents

State statutes require that collateral be pledged at 100 percent of all deposits not covered by Federal Deposit Insurance Corporation insurance for demand deposits, time deposits, repurchase agreements, and certificates of deposit. Obligations of the United States Treasury and its agencies as well as obligations of New York State and its municipalities and Towns may be pledged. Investments are carried at market value.

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the Town's investment policies.

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Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC 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 Districts.

Short-Term Debt

The Town may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

Equity classifications

(a) Government-wide Financial Statements

In the Government-wide statements there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted net position – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – reports all other net positions that do not meet the definition of the above two classifications and are deemed to be available for general use by the Town.

(b) Fund Statements

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the balances in prepaid expenditure and inventory accounts.

Restricted Resources

This category includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Generally, the Town's policy is to use restricted resources only when appropriated by the Town Board. When an expenditure is incurred for purposes for which both restricted and unrestricted net positions are available, the Town's policy concerning which to apply first varies with the intended use, and with associated legal requirements.

- ***Reserve for Mitigating Capital Improvements***

The Town has reserved the fund equity of the Mitigation Fund. These funds being held are from the collection of mitigation fees. The funds can only be spent on specific public improvements. The agreements do not contain a time stipulation.

Unrestricted Resources

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town has provided otherwise in its commitment or assignment actions.

- ***Committed*** - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority, i.e., the Town Board. The Town has no committed fund balances as of December 31, 2015.

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- **Assigned** – Includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor **committed**. Intent is expressed by (a) the Town Board or (b) the designated official, such as the Town’s Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. The remaining fund balances in the Police, Highway Part Town, Sewer, and Non-Major funds are assigned fund balances.
- **Unassigned** – Includes all other fund net positions that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

New Accounting Standard

GASB has issued Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which will improve information provided by state and local governmental employers about financial support for pensions provided by other entities. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information. While the impact to the financial statements is not currently known, the Town is currently studying the statement and plans on adoption when required for the year ended December 31, 2015 financial statements.

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

Total Fund Balances of Governmental Funds Compared To Net Positions of Governmental Activities

Total fund balances of the Town’s governmental funds differs from “net positions” of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of four broad categories. The amounts shown below represent:

(a) Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available,” whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

(b) Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

(c) Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

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(d) Employee Benefit Allocation

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function on the Statement of Activities.

(e) Pension Differences

Pension differences occur as a result of changes in the District's proportion of the collective net position, asset/liability and differences between the District's contributions and its proportionate share of the total contributions to pension expense.

Budgets and Budgetary Accounting

(a) Budget Basis of Accounting

The budget is adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

(b) Budget Policies

- Budgets are adopted annually on a basis consistent with U.S. generally accepted accounting principles.
- No later than October 5, the Town Supervisor submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of legislative resolution no later than Thursday after election date. Certified copies are filed no later than November 20 with the tax roll coordinator (Oneida County) for the purpose of preparing the tax levy.
- The Town Supervisor is authorized to transfer certain budgeted amounts within departments and/or individual funds.

(c) Legally Adopted Budgets

All of the Funds, except capital, have legally adopted budgets. The Funds' budgets are adopted on a departmental and object level of expenditure basis in which expenditures may not legally exceed appropriations on a departmental and object of expenditure level.

Individual governmental fund comparisons of budget and actual data at the legal level of control established by the adopted budget (i.e., minimally at the department and object level) are not presented in this report for those funds with annual adopted budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

3. ENCUMBRANCE ACCOUNTING

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

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4. BUDGET LIMITATIONS AND SUPPLEMENTAL APPROPRIATIONS

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

The following supplemental appropriations occurred during the year:

	<u>General Whole Town</u>	<u>General Part Town</u>	<u>Police</u>	<u>Highway Part Town</u>	<u>Fire</u>	<u>Sewer</u>
Change from Adopted Budget to Revised Budget						
Adopted Budget	<u>\$ 4,259,800</u>	<u>\$ 390,029</u>	<u>\$ 3,780,300</u>	<u>\$ 3,472,307</u>	<u>\$ 1,217,781</u>	<u>\$ 609,033</u>
Original and Adopted Budget	<u>\$ 4,259,800</u>	<u>\$ 390,029</u>	<u>\$ 3,780,300</u>	<u>\$ 3,472,307</u>	<u>\$ 1,217,781</u>	<u>\$ 609,033</u>
Amendments:						
Donations	6,985					
Griffo Grant for Radar Units			25,000			
Insurance for repairs			3,477			
Purchase of Loader from sale				276,000		
CHIPs				23,172		
Argo Grant				22,721		
Total Amendments	<u>6,985</u>		<u>28,477</u>	<u>321,893</u>		
Final Budget	<u>\$ 4,266,785</u>	<u>\$ 390,029</u>	<u>\$ 3,808,777</u>	<u>\$ 3,794,200</u>	<u>\$ 1,217,781</u>	<u>\$ 609,033</u>

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets

(a) Custodial Credit Risk

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, of the Town's bank balances of \$4,228,512 were not exposed to custodial credit risk because the deposits were fully covered by FDIC and collateral pledged by financial institutions in the Town's name.

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For the Year Ended December 31, 2015

(b) Capital Assets

Capital asset activity for the governmental activities for the year ended December 31, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 611,634	\$	\$	\$ 611,634
Construction in Progress	<u>1,523,285</u>	<u>992,023</u>	<u>1,779,897</u>	<u>735,411</u>
Total	<u>2,134,919</u>	<u>992,023</u>	<u>1,779,897</u>	<u>1,347,045</u>
Capital Assets Being Depreciated				
Buildings	5,228,360			5,228,360
Infrastructure	17,604,233	1,779,897		19,384,130
Capital Lease	331,590	400,000		731,590
Equipment	<u>7,664,557</u>	<u>711,299</u>	<u>717,365</u>	<u>7,658,491</u>
Total	<u>30,828,740</u>	<u>2,891,196</u>	<u>717,365</u>	<u>33,002,571</u>
Accumulated Depreciation				
Buildings	3,582,228	130,709		3,712,937
Infrastructure	7,077,042	495,876		7,572,918
Capital Lease	112,961	73,159		186,120
Equipment	<u>7,448,919</u>	<u>1,291,378</u>	<u>717,365</u>	<u>8,022,932</u>
Total	<u>18,221,150</u>	<u>1,991,122</u>	<u>717,365</u>	<u>19,494,907</u>
Net Capital Assets Being Depreciated	<u>12,607,590</u>	<u>900,074</u>		<u>13,507,664</u>
Net Capital Assets	<u>\$ 14,742,509</u>	<u>\$ 1,892,097</u>	<u>\$ 1,779,897</u>	<u>\$ 14,854,709</u>

Depreciation expense was charged to the functions/programs as follows:

Governmental Activities

General Government Support	\$ 258,761
Public Safety	612,149
Transportation	593,675
Home and Community Services	193,096
Culture and Recreation	<u>333,441</u>
Total Depreciation Expense	<u>\$ 1,991,122</u>

Liabilities

(a) Bond Anticipation Notes (BANs)

The Town may issue Bond Anticipation Notes (BANs) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

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Changes in the Town's short-term outstanding debt for the year ended December 31, 2015 are as follows:

Description	Outstanding Beginning Balance	Issued	Paid	Outstanding Ending Balance
Governmental Activities				
2014 Tax Certiorari	\$ 450,000	\$	\$ (225,000)	\$ 225,000
Various Projects	<u>621,571</u>	<u>310,000</u>	<u></u>	<u>931,571</u>
Total Governmental Activities	<u>\$ 1,071,571</u>	<u>\$ 310,000</u>	<u>\$ (225,000)</u>	<u>\$ 1,156,571</u>

The following is a summary of the BAN outstanding at December 31, 2015:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Whole Town					
2014 Tax Certiorari	12/15	\$ 114,926	12/16	1.50	\$ 57,463
Various Projects	04/15	\$ 355,000	04/16	1.25	<u>355,000</u>
					<u>412,463</u>
Police Fund					
2014 Tax Certiorari	12/15	\$ 209,082	12/16	1.50	<u>104,541</u>
Highway Part Town					
Various Projects	04/15	\$ 310,000	04/16	1.25	<u>310,000</u>
Water Fund					
Various Projects	04/15	\$ 75,000	04/16	1.25	<u>75,000</u>
Sewer Fund					
2014 Tax Certiorari	12/15	\$ 44,481	12/16	1.50	22,241
Various Projects	04/15	\$ 191,571	04/16	1.25	<u>191,571</u>
					<u>213,812</u>
Fire Fund					
2014 Tax Certiorari	12/15	\$ 81,511	12/16	1.50	<u>40,755</u>
					<u>\$ 1,156,571</u>

Interest costs for short-term debt for the year ended December 31, 2015 were as follows:

Interest Paid	\$ 10,225
Less: Interest Accrued in the Prior Year	(1,799)
Plus: Interest Accrued in the Current Year	<u>8,392</u>
Total Interest Expense on Short-Term Debt	<u>\$ 16,818</u>

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(b) Long Term Debt

The Town borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy 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 for governmental funds are maintained separately and represent a reconciling item between the fund and Town-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

Long-term liability balances and activity are as follows:

Description	Beginning Balance (Restated)	Issued	Paid	Ending Balance	Due Within One Year
Governmental Activities					
Serial Bonds Payable	\$ 9,481,489	\$	\$ (754,144)	\$ 8,727,345	\$ 696,066
Capital Lease Notes	86,742	459,565	(42,628)	503,679	151,606
OPEB Liability	6,783,215	1,502,202	(346,786)	7,938,631	
Compensated Absences	871,116	41,185		912,301	
Total Governmental	<u>\$ 17,222,562</u>	<u>\$ 2,002,952</u>	<u>\$ (1,143,558)</u>	<u>\$ 18,081,956</u>	<u>\$ 847,672</u>

Future principal and interest payments due on serial bonds debt are as follows:

Fiscal Year Ended December 31,	Principal	Interest	Total
2016	696,066	192,825	888,891
2017	682,988	173,863	856,851
2018	699,909	154,288	854,197
2019	691,831	134,044	825,875
2020	708,753	113,882	822,635
2021-2025	2,577,587	313,657	2,891,244
2026-2030	1,430,625	93,750	1,524,375
2031-2035	918,667	7,500	926,167
2036-2037	320,919		320,919
Total	<u>\$ 8,727,345</u>	<u>\$ 1,183,809</u>	<u>\$ 9,911,154</u>

Capital Lease Payable - The Town is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the Governmental Funds. At December 31, 2015, assets under capital leases for the Governmental Funds totaled \$331,590, and the respective depreciation was \$112,961. The terms of the lease is 5 years and has an interest rate of 2.17% per annum. The following is a schedule of future minimum lease payments under capital leases.

Fiscal Year Ended December 31,	Principal	Interest	Total
2016	\$ 151,606	\$ 10,233	\$ 161,839
2017	107,893	8,293	116,186
2018	79,528	5,682	85,210
2019	81,379	3,831	85,210
2020	83,273	1,938	85,211
Total	<u>\$ 503,679</u>	<u>\$ 29,977</u>	<u>\$ 533,656</u>

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Details relating to general obligation (serial) bonds of the Town outstanding at December 31, 2015, are summarized as follows:

Description	Date of Original Issue	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund – Whole Town				
2002	Feb-2002	Mar-2022	3.9-4.75	\$ 504,000
2009	Mar-2009	Mar-2032	3.50-5.00	1,315,000
2009	Mar-2009	Mar-2032	3.50-5.00	1,480,000
2013	Jun-2013	Apr-2027	2.5-3.25	695,900
				<u>3,994,900</u>
Highway Fund – Whole Town				
2013	Jun-2013	Apr-2027	2.5-3.25	724,600
Highway Fund – Part Town				
2002	Feb-2011	Mar-2022	3.9-4.75	40,000
2013	Jun-2013	Apr-2027	2.5-3.25	761,200
				<u>801,200</u>
Police Fund – Part Town				
2013	Jun-2013	Apr-2027	2.5-3.25	43,300
Water Fund				
2006 NYSEFC	Jul-2006	Jun-2036	0.00	3,107,345
				<u>3,107,345</u>
Sewer Fund				
2002	Feb-2002	Mar-2022	3.9-4.75	56,000
				<u>56,000</u>
	Total			<u>\$ 8,727,345</u>

Total interest for the year was as follows:

Interest Paid	\$ 213,999
Less: Interest Accrued in the Prior Year	(63,021)
Plus: Interest Accrued in the Current Year	57,058
Total Interest Expense on Long-Term Debt	<u>\$ 208,036</u>

Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the Town. The Town may issue indebtedness to the extent that the aggregate outstanding debt issued, which is subject to such limit, does not exceed 7% of the average full valuation of taxable real estate within such Town. At December 31, 2015, the total outstanding indebtedness of the Town aggregated \$9,873,916, of this amount; \$6,116,571 was subject to the constitutional debt limit and represented approximately 5.6% of its statutory debt limit.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Pension Plans

(a) Plan Description & Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. 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 plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2014, he was elected for a new term commencing January 1, 2015. 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, including information with regard to benefits provided, 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.

(b) 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) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length 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:

					<u>Component Unit</u>	
					New Hartford	
	ERS	PFRS	Total		Public Library-ERS	
2014	\$ 521,918	\$ 428,212	\$ 950,130	\$	32,606	
2015	\$ 456,306	\$ 476,267	\$ 932,573	\$	28,507	
2016	\$ 489,332	\$ 397,862	\$ 887,194	\$	30,570	

(c) 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 of \$515,491 (ERS \$355,333 and PFRS \$160,158) for its proportionate share of the net pension liability. 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 pension 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.

At December 31, 2015 and 2014, the Town's proportion of the net pension liability was 0.011175 percent for ERS and 0.011175 percent for 0.0581844 percent for PFRS.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

For the year ended December 31, 2015, the Town recognized pension expense of \$672,921 (ERS \$309,917 and PFRS \$363,004). At December 31, 2015, the Town reported deferred outflows of resources related to pensions from the following sources:

				<u>Component Unit</u> New Hartford Public Library-ERS
<u>Deferred Outflows of Resources</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>	
Differences Between Expected and Actual Experience	\$ 11,374	\$ 19,314	\$ 30,688	\$ 711
Change of Assumptions				
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	61,716	53,770	115,486	3,853
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions				
Contributions Subsequent to the Measurement Date	374,085	314,239	688,324	
Total	<u>\$ 447,176</u>	<u>\$ 387,323</u>	<u>\$ 834,499</u>	<u>\$ 4,563</u>
				<u>Component Unit</u> New Hartford Public Library-ERS
<u>Deferred Inflows of Resources</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>	
Differences Between Expected and Actual Experience	\$		\$	\$
Change of Assumptions				
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments				
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	46,656	41,890	88,546	2,913
Contributions Subsequent to the Measurement Date				
Total	<u>\$ 46,656</u>	<u>\$ 41,890</u>	<u>\$ 88,546</u>	<u>\$ 2,913</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

				<u>Component Unit</u> New Hartford Public Library-ERS
<u>Year Ended June 30,</u>	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>	
2016	\$ 6,608	\$ 8,927	\$ 15,535	\$ 413
2017	\$ 6,608	\$ 8,927	\$ 15,535	\$ 413
2018	\$ 6,608	\$ 8,927	\$ 15,535	\$ 413
2019	\$ 6,610	\$ 8,927	\$ 15,537	\$ 411
2020	\$ 0	\$ (4,514)	\$ (4,514)	\$ 0
Thereafter	\$ 0	\$ 0	\$ 0	\$ 0

(d) Actuarial Assumptions

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Investment Rate of Return	
(Net of Investment Expense,	
including Inflation)	7.50%
Salary Scale	4.90%
Decrement Tables	April 1, 2005 - March 31, 2010
	System's Experience
Inflation Rate	2.70%

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Annuitant mortality rates are based on April 1, 2005 - March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2011 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 using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below.

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return*	
	2013	2012	2013	2012
Domestic Equity	37.0%	37.0%	7.3%	7.0%
International Equity	18.0%	18.0%	8.5%	9.1%
Real Estate	10.0%	10.0%	5.0%	4.9%
Alternative Investments	7.0%	7.0%	11.0%	10.2%
Domestic Fixed Income Securities	18.0%	18.0%	1.5%	2.0%
Global Fixed Income Securities	2.0%	2.0%	1.4%	1.7%
Mortgages	8.0%	8.0%	3.4%	4.0%
Short-Term	0.0%	0.0%	0.8%	1.2%

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 7.5%. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

(f) Sensitivity of the Proportionate Share of the Net Pension Liability 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 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Proportionate Share of the Net Pension Liability (Assets)			
ERS	\$ 2,516,316	\$ 377,517	\$ (1,428,159)
PFRS	\$ 2,132,421	\$ 160,158	\$ (1,492,717)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

(h) Payables to the Pension Plan

The Town has recorded an amount due to ERS in an amount of \$374,084 and PFRS in an amount of \$314,239 at December 31, 2015. This amount represents the nine months of the Town's fiscal year that will be covered in the ERS 2015-2016 billing cycle and has been accrued as an expenditure in the current year in the governmental fund financial statements.

LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

The Town established a defined benefit LOSAP for the active volunteer firefighters of the Willowvale Fire Co., Inc. The Willowvale Fire Co., Inc. Service Award Program took effect on January 1, 2008. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded, pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

The Town's financial statements are for the years ended December 31, 2015. However, the actuarially calculated obligations of the plan contained in this note is based on information for the LOSAP for the plan year ended on January 1, 2013, which is the most recent plan year for which complete information is available.

Under Section 4579(e)(11) of the Internal Revenue Code, Service Award Programs for volunteer firefighters and EMS volunteers are referred to as LOSAP.

Participation, Vesting, and Service Credit

Active volunteer firefighters who have reached the age of 18 and who are current active members for one year on the Emergency Service organization's membership roster are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates points in accordance with the method used by the sponsor to determine active status. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is paid as a life annuity guaranteed for ten years. Equal to \$15 multiplied by the firefighter's total number of years of firefighting service. The number of years of firefighters service used to compute the benefit cannot exceed 40 years, except in the case of death or disability, in which benefits are payable when the participant reached the entitlement age. The maximum benefit is \$600. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control

Service credit is determined by the governing Board of the sponsor, based on information certified to the governing Board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing Board has designated FBIS to assist in the administration of the program. The designated program administrator's functions include those services listed in the service fee agreement. Disbursements of program assets for the payment of benefits or administrative expenses must be approved. The following is an explanation of the process for approving disbursements:

Payment of Benefits:

1. Entitlement benefits - FBIS prepares and submits to the Plan Administrator (Sponsor) a Verification of Benefits statement and an Annuity Enrollment form for participants active at entitlement age and for vested participants upon terminations from the plan. Following review for accuracy, the Plan Administrator signs and returns the paperwork to FBIS to disburse entitlement benefits.
2. Death benefits - Upon notification from the Plan Administrator (Sponsor) of a participant's death, FBIS prepares a Verification of Benefits statement and a lump-sum death benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork accompanied by a death certificate to FBIS authorizing FBIS to disburse a death benefit.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

3. Disability benefits - Upon notification from the Plan Administrator (Sponsor) of a participant's total and permanent disability, FBIS prepares a Verification of Benefits statement, a physician statement form, and a lump-sum disability benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork authorizing FBIS to disburse a disability benefit.

Payment of Administrative Expenses:

Per the executed service fee agreement, the Plan Administrator agrees to payment as contracted.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. Program assets are held in compliance with GML 11-A 217(j).

Authority to invest program assets is vested in the Hartford Life Insurance Company. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

Program Financial Condition

The Sponsor is required to retain an actuary to determine the amount of the Sponsor's contributions to the plan. The actuary retained by the Sponsor for this purpose is FBIS. Portions of the following information are derived from a report prepared by the actuary with a valuation date of January 1, 2014 for the plan year ending December 31, 2015.

Prior service costs have been amortized and paid. The program assets are less than the actuarial present value of accrued benefits.

Program Financial Condition as of December 31, 2015

(Actuary Report not available for 2015)

Assets and Liabilities

Assets Available for Benefits

	<u>% of Total</u>	
Cash	2.5%	\$ 8,668
Cash Value of Life Insurance	7.1%	25,119
Life Insurance - Specialty	8.1%	28,708
International Stock	10.9%	38,426
Small-Cap Stock	3.7%	12,871
Large-Cap Stock	23.8%	83,878
Bonds	43.9%	154,824
Total Assets Available for Benefits at December 31, 2013	<u>100.0%</u>	352,494

Actuarial Present Value of January 1, 2014 (724,262)

Total Unfunded Benefits at December 31, 2015 \$ (371,768)

Receipts and Disbursements for 2015

Plan net assets, beginning of year, January 1, 2014	\$ 342,060
Add Plan Contributions	33,986
Investment Income	5,168
Unrealized Gain (Loss) on Investments	(7,486)
Less Plan Benefit Withdrawals	(12,465)
Insurance Premiums	<u>(8,769)</u>
Plan net assets, end of year, December 31, 2015	<u>\$ 352,494</u>

Contributions

Amount of sponsor's contribution recommended by actuary (minimum)	\$ 32,592
Amount of sponsor's actual contribution	\$ 33,986

Administrative Fees

Fees paid to actuary	\$ 2,206
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TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Other Postemployment Benefits (OPEB)

(a) Plan Description

The Town administers the Medical Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Town subject to applicable collective bargaining and employment agreements. Generally, employees may retire with benefits when they reach the minimum age of 55 and have 20 years of service with the Town.

Changes to Plan

- As part of the Patient Protection and Affordable Care Act, the addition of an excise tax in 2018 on the health plans that exceed predetermined thresholds will cause an increase in the Town's liability.
- The Town provides a Health Reimbursement Account to members in a high deductible plan.
- All current and future non-union retirees contribute 15% of the premium. Previously, retirees did not contribute.

The Plan does not issue a stand-alone publicly available financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) Funding Policy

The obligations of the Plan members, employers, and other entities are established by action of the Town pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended December 31, 2015, the Town's contributions to the Plan ranged from 85% to 100% of the required annual premiums. The retirees currently contribute enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the Town.

The Town's other postemployment benefit (OPEB) cost for all employee health insurance benefits is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

(c) Annual OPEB Cost

	Total
Normal Cost	\$ 652,429
Amortization of UAL	1,017,455
Interest	<u>271,329</u>
ARC	1,941,213
Adjustment to ARC	<u>(439,011)</u>
OPEB Expense	<u><u>\$ 1,502,202</u></u>

(d) Reconciliation of Net OPEB Obligation

	Total
Net OPEB Obligation at the Beginning of the Year	\$ 6,783,215
Annual Required Contribution	1,502,202
Net OPEB Contributions Made During the Fiscal Year	<u>(346,786)</u>
Net OPEB Obligation at the End of the Year	<u><u>\$ 7,938,631</u></u>
Percentage of Expense Contributed	23%

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

(e) Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Net OPEB Expense</u>	<u>OPEB Expense Contributed</u>	<u>% of Expense Contributed</u>	<u>Net OPEB Obligation</u>
December 31, 2013	\$ 1,426,573	\$ 334,804	23.5%	\$ 5,708,859
December 31, 2014	\$ 1,431,944	\$ 357,588	25.0%	\$ 6,783,215
December 31, 2015	\$ 1,502,202	\$ 346,786	23.1%	\$ 7,938,631

(f) Funding Status

	<u>Total</u>
Actuarial Accrued Liability	\$ 15,116,164
Actuarial Value of Assets	<u>0</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 15,116,164</u>
Funded Ratio	0%
Annual Covered Payroll	\$ 3,598,724
UAAL as a Percentage of Covered Payroll	420%

(g) Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. For this reason, the results in this report should be viewed as estimates. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and Plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and Plan members in the future.

The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial measurement date was dated January 1, 2015.

(h) Health Care Trend Factors

Medical care costs are assumed to increase in accordance with the following schedule:

<u>Year</u>	<u>Trend</u>
2015	7.0%
2016	6.8%
2017	6.5%
2018 and Later	6.3% to 4.3%

(i) Additional Information

Actuarial Valuation Date	January 1, 2015
Actuarial Cost Method	Projected Unit Credit
Amortization Period	Level Dollar, 30 years
Amortization Period Remaining (Years)	24
Funding Interest Rate	4%
Fiscal year that the Rate Reaches the Ultimate Trend Rate	2015

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Interfund receivables and Payables

Interfund receivables and payables at December 31, 2015, were as follows:

<u>Fund Type</u>	<u>Interfund</u>		<u>Interfund</u>	
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Whole Town	\$ 2,222	\$ 239,820	\$ 17,760	\$
General Part Town	4,246			
Police	9	58,111	40,000	
Highway Part Town		43,588	79,844	
Fire		9,669		
Sewer	823,440	6,610		11,885
Mitigation	14,958	19,073		66,261
Capital		400,808		59,458
Non-Major		65,835		
Fiduciary Funds	<u>1,345</u>	<u>2,706</u>		
Total	<u>\$ 846,220</u>	<u>\$ 846,220</u>	<u>\$ 137,604</u>	<u>\$ 137,604</u>

6. COMMITMENTS AND CONTINGENCIES

Potential Grantor Liability

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Union Agreements

The Town has the following union agreements in place with the related expiration dates:

<u>Description</u>	<u>Union Representation</u>	<u>Expiration Date</u>
Police	Joseph Corr Police Benevolent Assoc.	December 31, 2016
Dispatch	New Hartford Central Dispatchers Benevolent Assoc.	December 31, 2016
Highway	Teamsters Local No. 182	Expired December 31, 2010
Parks	Teamsters Local No. 182	Expired December 31, 2010

Judgments and Claims

The Town is a defendant in various lawsuits. In the opinion of the Town's management, after considering all relevant facts and the opinion of outside counsel in certain instances, such litigation could result in a potential loss ranging from \$0 to \$25,000.

Tax Certiorari Proceedings

The Town is a defendant in a tax certiorari proceeding seeking a reduction in taxable assessments including a potential refund of prior real property taxes paid for the same commercial property noted above. The potential liability of the refunding ranges from \$0 to \$150,000.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

8. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at December 31, 2015:

	General Whole Town	General Part Town	General Police	Highway Part Town	Fire	Sewer	Mitigation	Capital	Non-Major Governmental	Total
Nonspendable	\$ 99,345	\$ 9,004	\$ 47,783	\$ 5,012	\$	\$ 46	\$	\$	\$	\$ 161,190
Restricted										
Reserve for Mitigation Capital Improvements							254,128			254,128
Assigned										
Public Safety			497,297		4,564					501,861
Transportation				497,223						497,223
Home and Community Services						1,597,249			83,459	1,680,708
Total Assigned			497,297	497,223	4,564	1,597,249			83,459	2,679,792
Unassigned	1,520,881	288,593						(1,083,426)		726,048
Total Fund Equity	\$ 1,620,226	\$ 297,597	\$ 545,080	\$ 502,235	\$ 4,564	\$ 1,597,295	\$ 254,128	\$ (1,083,426)	\$ 83,459	\$ 3,821,158

9. DEFICIT FUND BALANCES

Capital

The Capital Fund had a fund deficit of \$1,083,426 at December 31, 2015. This deficit is due to the timing of funding and reimbursements for active capital projects. The deficit will be eliminated when permanent financing is obtained or appropriations are made from the appropriate funds.

10. PRIOR PERIOD ADJUSTMENTS

Government-Wide

The prior year net position in the Town-Wide financial statements was decreased \$12,109 to account for the change in accounting for the Pension systems in accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. See page 39 above for further information.

11. NEW HARTFORD PUBLIC LIBRARY

Reporting Entity

The reporting entity of the Library is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and 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.

The accompanying financial statements present the activities of the Library. The Library is a component unit of the Town of New Hartford. The Library is financially accountable to the Town because it appoints all of the Library's Board Members, provides 80% of the funding for operations, and as needed, is responsible for approving and issuance and the payment of debt. The Library does have ownership of the real property.

The decision to include a potential component unit in the Library's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Cash and Cash Equivalents

The Library's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the Library's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC 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 libraries.

Inventories

Purchases of inventoriable items are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Capital Assets

Capital assets are reported at actual cost. The Library does not capitalize Library books and materials. Donated assets are reported at estimated fair market value at the time received. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Building and Land Improvements	\$ 1,000	10-40 Years
Furniture and Equipment	\$ 1,000	3-10 Years

Other Benefits

Library employees participate in the New York State Employees' Retirement System.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Library administration prepares a proposed budget for approval by the Board of Trustees for the governmental funds for which legal (appropriated) budgets are adopted.

Appropriations established by the adoption of the budget constitute a limitation on expenditures that may be incurred. Appropriations lapse at the end of the fiscal year unless expended. Appropriations authorized for the current year are increased by budget amendments approved by the Board as a result of unanticipated revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the Library's deposits may not be returned to it. While the Library does not have a specific policy for custodial credit risk, New York State statutes govern the Library's investment policies, as discussed previously in these Notes. The Library's aggregate bank balances (disclosed in the financial statements), were not fully collateralized by depository insurance.

TOWN OF NEW HARTFORD, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

CAPITAL ASSETS

Capital assets balances and activity for the year ended December 31, 2015, were as follows:

	<u>Beginnning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated			
Land	\$ 96,460	\$	\$ 96,460
Capital Assets Being Depreciated			
Buildings	2,952,971		2,952,971
Land Improvements	135,423		135,423
Furniture, Fixtures, and Equipment	<u>317,442</u>	<u>2,152</u>	<u>319,594</u>
Total	<u>3,405,836</u>	<u>2,152</u>	<u>3,407,988</u>
Accumulated Depreciation			
Land Improvements	73,850	9,028	82,878
Buildings	794,246	74,742	868,988
Furniture, Fixtures, and Equipment	<u>292,864</u>	<u>9,867</u>	<u>302,731</u>
Total	<u>1,160,960</u>	<u>93,637</u>	<u>1,254,597</u>
Net Capital Assets Being Depreciated	<u>2,244,876</u>	<u>(91,485)</u>	<u>2,153,391</u>
Net Capital Assets	<u>\$ 2,341,336</u>	<u>\$ (91,485)</u>	<u>\$ 2,249,851</u>

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULES OF FUNDING PROGRESS OF OTHER POST EMPLOYMENT BENEFITS
For the Year Ended December 31, 2015

Fiscal Year Ending	Actuarial Value of Assets	Actuarial		Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
		Liability-Projected	Accrued Unit Credit				
	(a)	(b)		(b)-(a)	(a)/(b)	(c)	[(b)-(a)]/(c)
December 31, 2013	\$	\$	14,407,870	\$ 14,407,870	0%	\$ 4,251,193	339%
December 31, 2014	\$	\$	14,275,400	\$ 14,275,400	0%	\$ 4,747,901	301%
December 31, 2015	\$	\$	15,116,164	\$ 15,116,164	0%	\$ 3,598,724	420%

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF THE LOCAL GOVERNMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2015

ERS Pension Plan

	<u>2015</u>	<u>2014</u>
Town's proportion of the net pension liability	0.0111750%	0.0111750%
Town's proportionate share of the net pension liability	\$ 377,517	\$ 504,980
Town's covered-employee payroll	\$ 2,979,825	\$ 3,130,555
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	13%	16%
Plan fiduciary net position as a percentage of total pension liability	97.9%	97.2%

PFRS Pension Plan

	<u>2015</u>	<u>2014</u>
Town's Proportion of the net pension asset	0.058184%	0.058184%
Town's proportionate share of the net pension asset	\$ 160,158	\$ 242,227
Town's covered-employee payroll	\$ 1,768,076	\$ 1,593,648
Town's proportionate share of the net pension asset as a percentage of its covered-employee payroll	9%	15%
Plan fiduciary net position as a percentage of total pension asset	99.0%	98.5%

Information is presented only for the years available.

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF LOCAL GOVERNMENT CONTRIBUTIONS
For the Year Ended December 31, 2015

ERS Pension Plan

	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution	\$ 519,902	\$ 484,813	\$ 554,524	\$ 463,904	\$ 499,318	\$ 411,495	\$ 236,417
Contributions in Relation to the Contractually Required Contribution	519,902	484,813	554,524	463,904	499,318	411,495	236,417
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$
Town's Covered-ERS Employee Payroll	\$ 3,000,136	\$ 2,979,825	\$ 3,130,555	\$ 3,140,034	\$ 3,270,849	\$ 3,683,827	\$ 3,766,932
Contributions as a Percentage of Covered-Employee Payroll	17.33%	16.27%	17.71%	14.77%	15.27%	11.17%	6.28%

PFRS Pension Plan

	2016	2015	2014	2013	2012	2011	2010
Contractually Required Contribution	\$ 397,862	\$ 476,267	\$ 428,212	\$ 483,684	\$ 312,075	\$ 202,281	\$ 224,828
Contributions in Relation to the Contractually Required Contribution	397,862	476,267	428,212	483,684	312,075	202,281	224,828
Contribution Deficiency (Excess)	\$	\$	\$	\$	\$	\$	\$
Town's Covered-PFRS Employee Payroll	\$ 1,833,606	\$ 1,768,076	\$ 1,593,648	\$ 1,541,920	\$ 1,640,865	\$ 1,721,093	\$ 1,684,568
Contributions as a Percentage of Covered-Employee Payroll	21.70%	26.94%	26.87%	31.37%	19.02%	11.75%	13.35%

Information is presented only for the years available.

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - GENERAL WHOLE TOWN FUND
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 1,338,865	\$ 1,338,865	\$ 1,334,281	\$ (4,584)
Other Real Property Tax Items	394,116	394,116	376,906	(17,210)
Nonproperty Tax Items	1,440,024	1,440,024	1,565,982	125,958
Departmental Income	353,200	353,200	377,620	24,420
Use of Money and Property	2,700	2,700	2,306	(394)
Licenses and Permits	27,240	27,240	27,784	544
Fines and Forfeitures	150,000	150,000	149,120	(880)
Sale of Property and Compensation for Loss			2,135	2,135
Miscellaneous	54,393	60,628	39,293	(21,335)
State Aid	<u>499,262</u>	<u>500,012</u>	<u>565,391</u>	<u>65,379</u>
Total Revenues	<u>4,259,800</u>	<u>4,266,785</u>	<u>4,440,818</u>	<u>174,033</u>
Expenditures				
General Government Support	1,427,536	1,427,536	1,444,338	(16,802)
Public Safety	114,379	114,379	102,211	12,168
Transportation	130,824	130,824	134,478	(3,654)
Social Services	151,872	158,857	128,775	30,082
Home and Community Services	35,500	35,500	72,177	(36,677)
Culture and Recreation	1,054,078	1,054,078	1,024,727	29,351
Employee Benefits	758,069	758,069	776,294	(18,225)
Debt Service - Principal	432,600	432,600	432,600	
Debt Service - Interest	<u>154,942</u>	<u>154,942</u>	<u>157,759</u>	<u>(2,817)</u>
Total Expenditures	<u>4,259,800</u>	<u>4,266,785</u>	<u>4,273,359</u>	<u>(6,574)</u>
Excess Revenues Over Expenditures			<u>167,459</u>	<u>167,459</u>
Other Financing Sources				
Interfund Transfers From			<u>17,760</u>	<u>17,760</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 185,219</u>	<u>\$ 185,219</u>

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - GENERAL PART TOWN FUND
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Nonproperty Tax Items	\$ 180,829	\$ 180,829	\$ 180,829	\$
Departmental Income	122,200	122,200	165,731	43,531
Intergovernmental Charges			87	87
Licenses and Permits	<u>87,000</u>	<u>87,000</u>	<u>99,072</u>	<u>12,072</u>
Total Revenues	<u>390,029</u>	<u>390,029</u>	<u>445,719</u>	<u>55,690</u>
Expenditures				
General Government Support	11,468	11,468	7,835	3,633
Public Health	45,980	45,980	42,249	3,731
Home and Community Services	233,732	233,732	226,861	6,871
Employee Benefits	<u>98,849</u>	<u>98,849</u>	<u>113,492</u>	<u>(14,643)</u>
Total Expenditures	<u>390,029</u>	<u>390,029</u>	<u>390,437</u>	<u>(408)</u>
Excess Revenues Over Expenditures			<u>55,282</u>	<u>55,282</u>
Other Financing Sources				
Appropriated Fund Balance				
Total Other Financing Sources				
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 55,282</u>	<u>\$ 55,282</u>

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - POLICE FUND
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 2,258,795	\$ 2,258,795	\$ 2,258,188	\$ (607)
Nonproperty Tax Items	1,045,155	1,045,155	1,045,155	
Departmental Income	27,200	27,200	50,836	23,636
Sale of Property and Compensation for Loss	7,500	10,977	6,127	(4,850)
Miscellaneous	88,400	88,400	77,132	(11,268)
State Aid	<u>313,250</u>	<u>338,250</u>	<u>208,745</u>	<u>(129,505)</u>
Total Revenues	<u>3,740,300</u>	<u>3,768,777</u>	<u>3,646,183</u>	<u>(122,594)</u>
Expenditures				
General Government Support				
Public Safety	2,529,326	2,557,803	2,318,736	239,067
Employee Benefits	1,246,465	1,246,465	1,146,642	99,823
Debt Service - Principal	3,276	3,276	3,000	276
Debt Service - Interest	<u>1,233</u>	<u>1,233</u>	<u>4,185</u>	<u>(2,952)</u>
Total Expenditures	<u>3,780,300</u>	<u>3,808,777</u>	<u>3,472,563</u>	<u>336,214</u>
(Deficit) Revenues Over Expenditures	<u>(40,000)</u>	<u>(40,000)</u>	<u>173,620</u>	<u>213,620</u>
Other Financing Sources				
Interfund Transfers From	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	
Total Other Financing Sources	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 213,620</u>	<u>\$ 213,620</u>

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - HIGHWAY PART TOWN FUND
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Nonproperty Tax Items	\$ 2,914,322	\$ 2,914,322	\$ 2,914,352	\$ 30
Departmental Income			1,415	1,415
Intergovernmental Charges	137,200	137,200	187,564	50,364
Use of Money and Property			2,748	2,748
Sale of Property and Compensation for Loss	43,000	319,000	382,979	63,979
Miscellaneous	95,300	95,300	90,449	(4,851)
State Aid	<u>161,000</u>	<u>206,893</u>	<u>207,005</u>	<u>112</u>
Total Revenues	<u>3,350,822</u>	<u>3,672,715</u>	<u>3,786,512</u>	<u>113,797</u>
Expenditures				
Transportation	2,252,142	2,574,035	2,607,768	(33,733)
Employee Benefits	1,049,089	1,049,089	998,105	50,984
Debt Service - Principal	131,500	131,500	131,500	
Debt Service - Interest	<u>39,576</u>	<u>39,576</u>	<u>42,326</u>	<u>(2,750)</u>
Total Expenditures	<u>3,472,307</u>	<u>3,794,200</u>	<u>3,779,699</u>	<u>14,501</u>
(Deficit) Revenues Over Expenditures	<u>(121,485)</u>	<u>(121,485)</u>	<u>6,813</u>	<u>128,298</u>
Other Financing Sources				
Interfund Transfers From			80,044	80,044
Interfund Transfers To			(200)	(200)
Appropriated Fund Balance	<u>121,485</u>	<u>121,485</u>		<u>(121,485)</u>
Total Other Financing Sources	<u>121,485</u>	<u>121,485</u>	<u>79,844</u>	<u>(41,641)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 86,657</u>	<u>\$ 86,657</u>

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - FIRE FUND
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 1,217,781	\$ 1,217,781	\$ 1,217,770	\$ (11)
Use of Money and Property			18	18
Total Revenues	<u>1,217,781</u>	<u>1,217,781</u>	<u>1,217,788</u>	<u>7</u>
Expenditures				
Public Safety	1,217,781	1,217,781	1,190,990	26,791
Debt Service - Interest			1,041	(1,041)
Total Expenditures	<u>1,217,781</u>	<u>1,217,781</u>	<u>1,192,031</u>	<u>25,750</u>
Revenues Over Expenditures	<u>\$</u>	<u>\$</u>	<u>\$ 25,757</u>	<u>\$ 25,757</u>

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - SEWER FUND
For the Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 599,304	\$ 599,304	\$ 598,978	\$ (326)
Departmental Income	9,729	9,729	34,139	24,410
Use of Money and Property			14	14
Sale of Property and Compensation for Loss			3,500	3,500
Total Revenues	<u>609,033</u>	<u>609,033</u>	<u>636,631</u>	<u>27,598</u>
Expenditures				
Home and Community Services	524,215	524,215	743,862	(219,647)
Employee Benefits	75,159	75,159	64,250	10,909
Debt Service - Principal	8,000	8,000	8,000	
Debt Service - Interest	<u>1,659</u>	<u>1,659</u>	<u>3,928</u>	<u>(2,269)</u>
Total Expenditures	<u>609,033</u>	<u>609,033</u>	<u>820,040</u>	<u>(211,007)</u>
Excess (Deficit) Revenues Over Expenditures			<u>(183,409)</u>	<u>(183,409)</u>
Other Financing Sources				
Interfund Transfers From			<u>(11,885)</u>	<u>(11,885)</u>
(Deficit) Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ (195,294)</u>	<u>\$ (195,294)</u>

TOWN OF NEW HARTFORD, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015

	Highway Whole Town	Water	Lighting Districts	Total Nonmajor Governmental Funds
Assets				
Current Assets				
Unrestricted Cash	\$ 4,833	\$ 105,124	\$ 34,758	\$ 144,715
Due from Other Governments	15,421			15,421
Total Current Assets	<u>\$ 20,254</u>	<u>\$ 105,124</u>	<u>\$ 34,758</u>	<u>\$ 160,136</u>
Liabilities and Fund Equity				
Current Liabilities				
Accounts Payable	\$ 1	\$	\$ 9,806	\$ 9,807
Accrued Liabilities		1,035		1,035
Due to Other Funds	45,748	18,500	1,587	65,835
Total Current Liabilities	<u>45,749</u>	<u>19,535</u>	<u>11,393</u>	<u>76,677</u>
Fund Equity				
Assigned	(25,495)	85,589	23,365	83,459
Total Fund Equity (Deficit)	<u>(25,495)</u>	<u>85,589</u>	<u>23,365</u>	<u>83,459</u>
Total Liabilities and Fund Equity	<u>\$ 20,254</u>	<u>\$ 105,124</u>	<u>\$ 34,758</u>	<u>\$ 160,136</u>

TOWN OF NEW HARTFORD, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Highway Whole Town	Water	Lighting Districts	Total Nonmajor Governmental Funds
Revenues				
Real Property Taxes	\$	\$ 141,468	\$ 111,362	\$ 252,830
Nonproperty Tax Items	72,554			72,554
Use of Money and Property			3	3
Total Revenues	<u>72,554</u>	<u>141,468</u>	<u>111,365</u>	<u>325,387</u>
Expenditures				
Transportation			114,033	114,033
Debt Service - Principal	50,900	128,144		179,044
Debt Service - Interest	<u>20,654</u>	<u>924</u>		<u>21,578</u>
Total Expenditures	<u>71,554</u>	<u>129,068</u>	<u>114,033</u>	<u>314,655</u>
Excess (Deficit) Revenues Over Expenditures	<u>1,000</u>	<u>12,400</u>	<u>(2,668)</u>	<u>10,732</u>
Fund Equity (Deficit), Beginning of Year	<u>(26,495)</u>	<u>73,189</u>	<u>26,033</u>	<u>72,727</u>
Fund Equity (Deficit), End of Year	<u><u>\$ (25,495)</u></u>	<u><u>\$ 85,589</u></u>	<u><u>\$ 23,365</u></u>	<u><u>\$ 83,459</u></u>