

TOWN OF HAVERSTRAW

AUDIT REPORT

DECEMBER 31, 2015

TOWN OF HAVERSTRAW
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INDEPENDENT AUDITORS' REPORT

To the Honorable Supervisor and
Town Board of the Town of Haverstraw, New York:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, each major fund and the aggregate remaining fund information of the Town of Haverstraw as of December 31, 2015, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 3 to the financial statements, in 2015, the Town of Haverstraw adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. 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 management's discussion, employer contributions and pension liability and contributions on pages 6-15 and 56-60 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 the 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during the 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 Haverstraw's basic financial statements. The combining and individual fund statements, the Analysis of Capital Projects Fund Balance by Project and the schedules of cash receipts and cash disbursements of the Town Justice are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, the Analysis of Capital Projects Fund Balance by Project and the schedules of cash receipts and cash disbursements of the Town Justice are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements are 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 June 28, 2016, on our consideration of the Town of Haverstraw'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 Haverstraw's internal control over financial reporting and compliance.


Korn Rosenbaum LLP

June 28, 2016

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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

To the Honorable Supervisor and
Town Board of the Town of Haverstraw, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Haverstraw as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town of Haverstraw's basic financial statements, and have issued our report thereon dated June 28, 2016.

Internal Control Over Financial Reporting

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

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



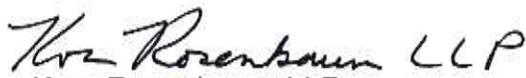
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Haverstraw'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.

Purpose of the 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.


Korn Rosenbaum LLP

June 28, 2016

Town of Haverstraw
Management's Discussion and Analysis (MD&A)
December 31, 2015

Introduction

The following discussion and analysis of the Town of Haverstraw's financial statements provides an overview of the financial activities of the Town for the fiscal year ended December 31, 2015. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

The Town implemented GASB 68 - *Accounting and Financial Reporting for Pensions*. Implementation required restatement of prior year's net position and materially impacted the current year's statement of Net Position. A detailed note regarding this change is located on pages 44-49.

Financial Highlights

The Town's Statement of Net Position consisted of:

	<u>12/31/15</u>	<u>12/31/14</u>
Assets	\$ 23,303,431	\$ 19,910,752
Capital Assets	22,556,838	22,583,354
Total Assets	<u>\$ 45,860,269</u>	<u>\$ 42,494,106</u>
Deferred Outflows	<u>\$ 3,773,474</u>	<u>\$ 4,048,950</u>
Other Liabilities	\$ 2,135,714	\$ 2,127,377
Long-Term Liabilities	69,348,486	64,696,709
Total Liabilities	<u>\$ 71,484,200</u>	<u>\$ 66,824,086</u>
Deferred Inflows	<u>381,815</u>	<u>399,645</u>
Total Net Position	<u>\$(22,232,272)</u>	<u>\$(20,680,675)</u>

Total Assets increased \$3,366,163 for the year ended December 31, 2015 as compared to the prior year and was primarily due to:

- Demand deposits increased \$3,346,407 as compared to the prior year.
- Restricted cash increased \$621,696. The establishment of a workers' compensation reserve accounted for \$600,000 of that increase.
- Accounts receivable decreased \$254,148 from a reduction in the amount due from JRSB for debt.
- Prepaid Expenses reflected a decrease of \$317,117 reflecting lower pension contributions.

Deferred Outflows Contributions to the pension funds after the measurement date and pension adjustments required by GASB 68. As noted above the prior year has been restated to reflect the implementation. Details of these amounts can be found on pages 46 and 49.

Total Liabilities increased \$4,660,114 for the year ended December 31, 2015 as compared to the prior year. The net increase was attributable to an increase in the Other Post Retirement Benefits (OPEB) net obligation in the amount of \$5,254,133, new installment purchase debt of \$287,983 and the addition of workers' compensation claims of \$2,768,161, the result of the Town's establishment of a self insured plan. Decreases included principal payments of \$2,265,000 on bonds. Amortization of landfill closure monitoring costs \$610,970. This reflects one year's amortization and a reduction in the amount of annual amortization from \$293,000 to \$275,000 to better reflect actual costs. There was a decrease of \$100,000 in BAN's payable. Finally, there was a reduction of \$616,987 in the Town's proportionate share of pension liabilities.

Net Position balance consisted of:

	<u>12/31/15</u>	<u>12/31/14</u>
Net Investment in Capital Assets	\$ 18,001,838	\$ 17,503,354
Restricted for various purposes	6,885,516	5,858,831
Unrestricted deficit	<u>(47,119,626)</u>	<u>(43,993,332)</u>
Total Net Position	<u>\$ (22,232,272)</u>	<u>\$ (20,680,675)</u>

Total Net Position decreased by \$1,551,597 and consisted of:

- Investment in Capital Assets, net of related debt increased approximately \$498,484 for the year.
- Net Position Restricted for various purposes increased approximately \$1,026,685 as a result of positive operating results in the special revenue funds and the workers' compensation reserve.
- Unrestricted (deficit) increased approximately \$3,126,294. The increase was attributable to the Town of Haverstraw's Other Post retirement Benefits (OPEB) with a net cost of \$5,254,133. The increase was offset by positive operating results in the General Fund of \$3,509,565.

Governmental Fund Balances

The Town's Governmental Fund Balances reflected the following unappropriated surpluses or (deficits). A comparison of surplus (exclusive of appropriations for subsequent years budgeted) with the prior year is as follows:

Major Funds:	<u>12/31/15</u>	<u>12/31/14</u>
General Fund	\$ 11,617,625	\$ 8,398,130
Capital Projects Fund	\$ 58,505	\$ 54,881
Non-major Funds	\$ 2,901,415	\$ 2,788,584

Overview of the Financial Statements

The Town's financial statements are comprised of this Management Discussion and Analysis (MD&A) and the basic financial statements. This discussion and analysis is intended to serve as an introduction to the basic financial statements. The MD&A provides analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements report information about the Town as a whole using accounting methods similar to private-sector companies. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities. Fiduciary activities, whose resources are not available to finance Town programs, are excluded from these statements.

The Statement of Net Position presents the Town's total assets and liabilities with the difference reported as net position. Over time, increases or decreases in the net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected assessments and earned but unused compensated absences). The focus of this statement is on the net cost of providing various services to the citizens of the Town.

The governmental activities reflected in this section are general government support, public safety, health and sanitation, transportation, economic assistance and opportunity, culture and recreation, home and community services, and general repairs and maintenance. These activities are principally supported by real property taxes, non-property taxes, charges for services, and operating grants and contributions.

The government-wide financial statements include, not only the Town itself, (known as the primary government), but also a legally separate housing entity for which the Town is financially accountable. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled and to ensure and demonstrate compliance with legal requirements.

Most of the basic services provided by the Town are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Town's requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is for the current period, it is useful to compare this information to the data presented in the government-wide financial statements. From this comparison, readers may better understand the long-term impact of the Town's current financing decisions. Both the government fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town's major funds include the General and Capital Projects Funds and are presented separately in the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances. Data for all other governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its governmental funds except Capital Projects. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the respective budgets.

The governmental fund financial statements can be found in the basic financial statements section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the Town. The fiduciary funds are not reflected in the government-wide financial statements because the assets of these funds are not available to support the activities of the Town.

The fiduciary fund financial statements can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found elsewhere in this report.

Statement of Net Position

Net position may serve over time a useful indicator of a government financial position. Assets and Deferred Outflows of \$49,633,743 were exceeded by Liabilities and Deferred Inflows of \$71,866,015 by \$22,232,272 for the year ended December 31, 2015.

The largest component of the Town's assets is invested in capital assets of \$22,556,838, net of accumulated depreciation. Related debt of \$4,555,000 used to acquire those assets is still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. It should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets of \$6,885,516 represent resources that are subject to external restrictions on how they may be used. \$5,818,508 represents the unappropriated fund balances of the Town's special revenue funds, which are legally mandated to be kept separately. Other restrictions include funds to be used for the purchase of police department equipment and training, capital project and the payment of unemployment reimbursements and workers' compensation claims.

The remaining portion of net assets is classified as unrestricted surplus (deficit) and includes uncanceled landfill closure debt of approximately \$2,760,000 and post-closure care costs of \$4,675,000, recorded in accordance with GASB Statement No. 18 Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs (MSWFL). Prior to its effective implementation date of March of 1996, the Town's MSWFL no longer accepted solid waste. The landfill closure serial bonds were refunded by the New York State Environmental Facilities Corporation in 2014. The refunding is expected to result in over \$300,000 of interest savings over the bonds remaining life. Such loans have historically provided subsidy earnings to offset debt service interest by approximately 50%. The post-closure care costs accrual represents the estimated costs for maintaining and monitoring the landfill for the next 17 years. The project has been closed and expenditures are being made from the general fund and will be funded by future tax levies.

This is the seventh year that the Town is required to implement GASB 45 and report on the Town's Other Post Employment Benefits (OPEB) other than pensions. These are primarily health benefits earned by the employees during their years of service and paid to Town employees after they retire and have met certain contractual criteria. Previously these benefits were paid on a "pay-as-you-go" basis. In that the Town would only recognize the current year expense for its retirees.

GASB 45 requires the Town to have an actuarial study done to ascertain the expected cost to the Town for paying a portion of the retiree's health insurance over the life of its employees. This actuarial study included current retirees and active employees who have already earned this benefit and for active employees with the actuarial assumptions as to when they would qualify for such benefit. According to the actuarial study it will cost the Town \$80.8 million to fully fund all benefits for retirees and current employees who have already earned this benefit as of December 31, 2015.

The Town is required to report the "Annual Required Contribution" related to the above costs which totaled \$6,370,961 less contribution made of \$1,116,828 equaling the net increase in OPEB obligation of \$5,254,133. This is the normal OPEB cost for the current year which includes future benefits being earned by current employees and the amortization of the unfunded accrued liability (benefits already earned by retirees and current employees but not yet provided for). That plus the opening balance of \$19,518,827 totals \$24,772,960 for the year ended December 31, 2015. Currently there is no mechanism in New York State to fund these future costs. In summary, the unrestricted surplus (deficit) consists of:

Unrestricted surplus (deficit)	\$(11,997,573)
Unrestricted surplus (deficit) Urban Renewal	(2,914,093)
Unrestricted (deficit) – per GASB No. 45	(24,772,960)
Unrestricted (deficit) – per GASB No. 18	<u>(7,435,000)</u>
Net Unrestricted surplus (deficit)	<u><u>\$(47,119,626)</u></u>

Other Information - Additional statements and schedules can be found immediately following the notes to the financial statements. These include the combining statements for the nonmajor governmental funds and schedules of budget to actual comparisons.

Statement of Activities

The Town's Statement of Activities consisted of:

	For the years ended	
	12/31/15	12/31/14
Program Revenue	\$ 6,949,410	\$ 6,804,289
General Expense	<u>41,779,587</u>	<u>40,695,933</u>
Net Expense	<u>(34,830,177)</u>	<u>(33,891,644)</u>
General Revenue	<u>33,278,580</u>	<u>33,941,172</u>
Change in Net Position	(1,551,597)	49,528
Net Position Beg. of Year	(20,680,675)	(22,725,566)
Restatement – GASB 68	-	1,995,363
Net Position End of Year	<u><u>\$(22,232,272)</u></u>	<u><u>\$(20,680,675)</u></u>

Governmental activities decreased the Town's net assets by \$1,551,597. For the year ended December 31, 2015, program revenues from governmental activities totaled \$6,949,410 and were primarily from charges for services (user fees) for Culture and Recreation, Health and Home and Community Services. Total general revenues amounted to \$33,278,580 and were primarily from taxes levied for general purposes and non-property taxes, which included mortgage tax and sales tax revenues.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town governmental funds reported a combined ending fund balance of \$18,303,160, an increase of \$3,608,158, in comparison with the prior year. Of the total combined fund balance, \$11,617,625 constitutes surplus fund balance in the general fund, \$2,005,000 has been designated for subsequent year's expenditures and represents the amount estimated for use in the 2016 budget for all funds. \$7,392 is assigned for encumbrances various Funds. The remainder of the fund balance is restricted to indicate that its use is limited as follows; \$2,901,415 for special revenue funds, \$58,505 for Capital Projects, \$600,198 to pay self insured workers' compensation claims, \$239,904 to reimburse NYS for unemployment claims, \$62,759 for the development of parklands, \$92,137 for expenditures under the seized and forfeited property program and \$13,505 for debt redemption.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$14,570,196, of which \$11,617,625 was unassigned and not appropriated for subsequent year budget.

Total Revenue and Transfers of \$30,405,557 exceeded original budget of \$29,036,100 by \$1,369,457, and was primarily due to an increase of approximately \$844,965 in departmental income and other tax items, an increase in use of money and property of \$209,485 and the remaining various income accounts had exceeded the budgeted amounts by approximately \$315,007.

Total Expenditures and Transfers were \$26,895,992, as compared with original budget of \$30,336,100. The total favorable variance of \$3,440,108 was primarily attributable to the following: Employee benefits had a net favorable variance of \$1,221,590, Public Safety had a favorable variance of \$417,081, Cultural and recreation expenses had a favorable variance of \$301,629, General Government Support expenses had a favorable variance of \$781,343, Home & Community expenses had a favorable variance of \$149,432 and Interfund Transfers had a favorable variance of \$186,540. All other expenditures had a net favorable variance totaling \$382,493.

The **Capital Projects Fund** is used to account for capital project activity throughout the Town. The Capital Projects Fund's ending fund balance was \$58,505 for fiscal year 2015 as compared to \$54,881 for the prior year.

Nonmajor Governmental Funds consist of the Special Revenue Funds. The Special Revenue Funds are made up of the following individual funds: Town Outside Village, Highway Townwide, Highway Outside Villages, Sewer, Sanitation, Lighting, Ambulance, Water and Urban Renewal Funds. For the fiscal year ending December 31, 2015, the combined fund balance of these funds totaled \$3,674,459, which represents an increase of \$94,969 from the prior year.

Unappropriated funds consisted of:

	<u>For years ended</u>	
	<u>12/31/15</u>	<u>12/31/14</u>
General Fund Town Outside Village	\$ 1,328,340	\$ 1,043,682
Highway Townwide	1,358,984	1,360,093
Highway Outside Villages	1,101,341	859,427
Special Districts Funds:		
Sewer	878,713	960,232
Sanitation	71,792	71,686
Lighting	42,047	25,483
Ambulance	945,542	1,021,055
Water	91,749	75,485
Urban Renewal	<u>(2,917,093)</u>	<u>(2,628,559)</u>
	<u>\$ 2,901,415</u>	<u>\$ 2,788,584</u>

The net increase of \$112,831 was substantially due to:

The Town Outside Village Fund's 2015 original budget reflected utilization of \$200,000 surplus, whereas actual results required no monies to be used in 2015. The actual result was an increase of \$281,567. The improvement was due to various expenditure spending that was less than originally budgeted by \$217,960 and actual revenues exceeding budgeted amounts by \$263,607.

The Highway Fund Townwide Fund's 2015 original budget reflected utilization of a \$150,000 surplus, whereas actual results required \$10,139 to be used in 2015. The improvement was due to actual expenditures being \$184,575 less than the original budget and actual revenues were lower than budgeted revenues by \$34,793.

The Highway Town Outside Village Fund's reflected an increase of \$237,498 in fund balance. The original budget reflected utilization of \$50,000 surplus. This increase was primarily due to an increase in revenues of \$17,143 above budgeted revenues and the expenditures were less than the original budgeted amounts by \$270,355.

The Special District Sewer Fund reflected a decrease of \$82,844. The fund budgeted to use \$100,000 of surplus and results were in line with this.

The Special District Water Fund reflected an increase of \$16,264 in fund balance for 2015. The improvement was due to actual expenditures being \$15,388 less than the original budgeted expenditures and the actual revenues exceed the original budgeted revenues by \$876.

The Special District Lighting Fund reflected an increase of \$16,564. The fund was supposed to use \$5,000 of surplus. The increase was due to actual expenditures being \$20,608 less than the amended budget and actual revenues were more than the original budgeted revenues by \$956.

The Special District Ambulance Fund reflected a decrease of \$75,513 in its fund balance. The fund was supposed to use \$200,000 of surplus. The improvement was due to actual revenues that exceeded original budgeted revenues by \$91,558 and actual expenditures that were less than the original budgeted expenditures by \$32,929. (i.e. the unappropriated surplus as of December 31, 2015 will substantially be appropriated for the 2016 corps budget).

The Special District Urban Renewal Fund has a current deficit of (\$2,917,093) in the fund balance as of December 31, 2015. This deficit represents expenditures attributable to the Letchworth property that the Town purchased from the State of New York as excess property. During 2015, the Town Of Haverstraw paid down the Urban Renewal Bond of approximately \$300,000, which increased the deficit from the prior year. The Town has a site plan which they can go out in the future to market and solicit proposals from developers. The future proceeds from the sale of the Letchworth property will exceed the deficit in the Urban renewal Fund.

Capital Asset and Debt Administration

Capital Assets – The Town's investment in capital assets for its governmental activities as of December 31, 2015, amounts to \$22,556,838, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, infrastructure and construction-in-progress.

Additional information on the Town's capital assets can be found in Note B of V. Detail Notes On All Funds.

Short-Term Debt - At the end of the current fiscal year the Town's short-term debt outstanding was \$900,000. All of this debt is backed by the full faith and credit of the Town.

Long-term Debt – At the end of the current fiscal year, the Town had total debt outstanding of \$34,345,000. All of this debt is backed by the full faith and credit of the Town. Other long-term liabilities included \$4,675,000 for sanitary landfill post-closure costs, judgement \$397,840, claims \$2,768,161, installment purchase debt \$233,752 and compensated absences \$719,173. In addition, net OPEB obligations were \$24,772,960.

Through sound financial management and manageable debt levels, the Town has been successful in maintaining its high-grade rating for its general obligation bonds. In April of 2015, Moody's Investors service has affirmed the Town's Aa3 underlying long term rating. The Aa3 rating reflects that the Town's strong financial position will remain healthy despite plans to draw down reserves to sustainable levels. The rating additionally factors the Town's sizable tax base which offsets above-average taxpayer concentration and a significantly elevated overall debt burden.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the Town may incur. The State Constitution provides that the Town may not contract indebtedness in an amount greater than seven percent of the average full value of taxable real property in the Town for the most recent five years. Certain indebtedness is excluded in ascertaining the Town's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the Town's authority to issue debt subject to the limit. At December 31, 2015, the Town of Haverstraw had used \$35,245,000 or 16.26% of its constitutional debt limit.

Additional information on the Town's debt can be found in Note V parts C and D.

Request for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Town of Haverstraw, One Rosman Road, Garnerville, New York 10923. The telephone number is (845) 429-2200.

TOWN OF HAVERSTRAW
STATEMENT OF NET POSITION
DECEMBER 31, 2015

	<u>Primary Government</u>
<u>ASSETS</u>	
Unrestricted Cash	\$ 16,906,443
Restricted Cash	1,008,503
Accounts Receivable	4,683,765
Prepaid Expenses	704,720
Due From Other Governments	-
Capital Assets, not being depreciated	7,705,308
Capital Assets (net)	<u>14,851,530</u>
<u>TOTAL ASSETS</u>	<u>\$ 45,860,269</u>
 <u>DEFERRED OUTFLOWS</u>	
Pensions	<u>\$ 3,773,474</u>
 <u>LIABILITIES</u>	
Accounts Payable	\$ 523,317
Accrued Liabilities	392,592
Accrued Interest Payable	312,258
Bond Anticipation Notes	900,000
Unearned Revenue	7,547
Noncurrent liabilities:	
Due within one year	4,637,426
Due in more than one year	63,274,460
Net Pension Liability - proportionate share	<u>1,436,600</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 71,484,200</u>
 <u>DEFERRED INFLOW</u>	
Bond Premium	<u>\$ 381,815</u>
 <u>NET POSITION</u>	
Investment in Capital Assets, net of related debt	\$ 18,001,838
Restricted for:	
Special Districts	5,818,508
Capital Projects	58,505
Seized and Forfeited Property	92,137
Workers' Compensation	600,198
Unemployment Claims	239,904
Parklands	62,759
Debt Redemption	13,505
Unrestricted surplus (deficit)	<u>(47,119,626)</u>
<u>TOTAL NET POSITION</u>	<u>\$ (22,232,272)</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>FUNCTIONS/PROGRAMS</u>	<u>Program Revenue</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
General Support	\$ 4,445,801	\$ 756,832	\$ 1,200	\$ -
Public Safety	21,863,818	574,000	78,197	20,000
Health	1,247,677	990,929	-	-
Transportation	4,252,563	60,698	19,991	-
Economic Assistance and Opportunity	96,985	-	-	-
Culture and Recreation	4,202,714	1,759,181	-	132,703
Home and Community Services	3,519,198	2,555,679	-	-
Debt Service	1,072,569	-	-	-
Depreciation - unallocated	1,078,262	-	-	-
<u>Total Primary Government</u>	<u>\$ 41,779,587</u>	<u>\$ 6,697,319</u>	<u>\$ 99,388</u>	<u>\$ 152,703</u>

GENERAL REVENUES

Taxes:

Property taxes, levied for general purposes

Other Tax Items

Rental of Real Property

Grants and contributions not restricted to specific programs

Investment Earnings

Miscellaneous

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

Total Net Position - Beginning of Year

Prior Year Restatement - GASB 68

Total Net Position - End of Year

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and
Changes in Net Assets

Primary
Government

\$ (3,687,769)
(21,191,621)
(256,748)
(4,171,874)
(96,985)
(2,310,830)
(963,519)
(1,072,569)
(1,078,262)
\$ (34,830,177)

\$ 29,332,903
2,511,536
587,223
507,985
63,350
275,583

\$ 33,278,580

(1,551,597)

(22,676,038)

1,995,363

\$ (22,232,272)

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
BALANCE SHEET - GOVERNMENT FUNDS
AS OF DECEMBER 31, 2015

	<u>General Fund</u> <u>Townwide</u>	<u>Capital</u> <u>Project Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<u>ASSETS</u>				
<u>CASH</u>				
Demand Deposits	\$ 9,622,362	\$ 404,064	\$ 6,879,867	\$ 16,906,293
Restricted Deposits	1,008,503	-	-	1,008,503
Departmental Petty Cash	150	-	-	150
<u>TOTAL CASH</u>	<u>\$ 10,631,015</u>	<u>\$ 404,064</u>	<u>\$ 6,879,867</u>	<u>\$ 17,914,946</u>
<u>RECEIVABLES</u>				
Accounts Receivable	\$ 541,863	\$ 376,742	\$ 970,160	\$ 1,888,765
Due from Other Governments	-	-	-	-
Due from Other Funds	3,758,650	-	-	3,758,650
<u>TOTAL RECEIVABLES</u>	<u>\$ 4,300,513</u>	<u>\$ 376,742</u>	<u>\$ 970,160</u>	<u>\$ 5,647,415</u>
<u>OTHER ASSETS</u>				
Prepaid Expenditures	\$ 641,983	\$ -	\$ 62,737	\$ 704,720
<u>TOTAL OTHER ASSETS</u>	<u>\$ 641,983</u>	<u>\$ -</u>	<u>\$ 62,737</u>	<u>\$ 704,720</u>
<u>TOTAL ASSETS</u>	<u>\$ 15,573,511</u>	<u>\$ 780,806</u>	<u>\$ 7,912,764</u>	<u>\$ 24,267,081</u>
<u>LIABILITIES & FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 270,233	\$ 140,622	\$ 112,462	\$ 523,317
Accrued Liabilities	343,720	-	48,872	392,592
Bond Anticipation Notes	-	-	900,000	900,000
Unearned Revenue	7,547	-	-	7,547
Due to Other Funds	-	581,679	3,176,971	3,758,650
<u>TOTAL LIABILITIES</u>	<u>\$ 621,500</u>	<u>\$ 722,301</u>	<u>\$ 4,238,305</u>	<u>\$ 5,582,106</u>
<u>DEFERRED INFLOWS</u>	<u>\$ 381,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,815</u>
<u>FUND BALANCE</u>				
<u>Nonspendable</u>	<u>\$ 641,983</u>	<u>\$ -</u>	<u>\$ 62,737</u>	<u>\$ 704,720</u>
<u>Restricted for:</u>				
Capital Projects	-	58,505	-	58,505
Seized and Forfeited Property	92,137	-	-	92,137
Workers' Compensation	600,198	-	-	600,198
Unemployment Claims	239,904	-	-	239,904
Parklands	62,759	-	-	62,759
Debt Redemption	13,505	-	-	13,505
<u>Assigned to:</u>				
Special Districts	-	-	5,818,508	5,818,508
Public Safety	2,085	-	-	2,085
Transportation	-	-	5,307	5,307
Subsequent Years Budget	1,200,000	-	705,000	1,905,000
<u>Unassigned</u>	<u>11,717,625</u>	<u>-</u>	<u>(2,917,093)</u>	<u>8,800,532</u>
<u>TOTAL FUND BALANCES</u>	<u>\$ 14,570,196</u>	<u>\$ 58,505</u>	<u>\$ 3,674,459</u>	<u>\$ 18,303,160</u>
<u>TOTAL LIABILITIES AND FUND</u>				
<u>BALANCES</u>	<u>\$ 15,573,511</u>	<u>\$ 780,806</u>	<u>\$ 7,912,764</u>	<u>\$ 24,267,081</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT WIDE STATEMENT OF NET ASSETS - GOVERNMENT ACTIVITIES
DECEMBER 31, 2015

Amounts Reported for the Governmental Activities are Different Because:

Fund Balances - Total Government Funds	\$	18,303,160
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		22,556,838
Other long-term assets are not available to pay for current-period expenditures and , therefore, are deferred in the funds.		2,795,000
Deferred amounts on pensions		3,773,474
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.		
Bonds payable		(34,345,000)
Sanitary landfill postclosure costs		(4,675,000)
Judgement/Claims		(3,166,001)
Installment Purchase Debt		(233,752)
Compensated absences		(719,173)
Other Post Employment Benefits		(24,772,960)
Net Pension Liability - proportionate share		(1,436,600)
Accrued interest payable		<u>(312,258)</u>
 Net Assets of Governmental Activities	 \$	 <u>(22,232,272)</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund <u>Townwide</u>	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Real Property Taxes	\$ 23,370,159	\$ -	\$ 5,962,744	\$ 29,332,903
Other Tax Items	2,511,536	-	-	2,511,536
Departmental Income	2,925,429	-	3,707,495	6,632,924
Use of Money and Property	639,485	-	16,088	655,573
Licenses and Permits	37,211	-	-	37,211
Fines and Forfeitures	216,642	-	-	216,642
Intergovernmental Income	-	-	413,262	413,262
Sale of Property and Compensation for Loss	38,609	-	6,119	44,728
Miscellaneous	26,052	-	-	26,052
Federal Aid	78,197	132,703	-	210,900
State Aid	559,185	-	19,991	579,176
<u>TOTAL REVENUES</u>	<u>\$ 30,402,505</u>	<u>\$ 132,703</u>	<u>\$ 10,125,699</u>	<u>\$ 40,660,907</u>
<u>EXPENDITURES</u>				
General Government Support	\$ 2,756,657	\$ -	\$ 95,687	\$ 2,852,344
Public Safety	10,984,919	-	389,454	11,374,373
Health	20,000	-	1,227,677	1,247,677
Transportation	167,766	-	3,162,488	3,330,254
Economic Assistance Opportunity	96,985	-	-	96,985
Culture and Recreation	2,500,871	-	252,494	2,753,365
Capital Project Expenditures	-	239,487	-	239,487
Home and Community Services	135,568	-	3,828,786	3,964,354
Employee Benefits	7,443,410	-	248,917	7,692,327
Debt Service	2,676,356	-	825,227	3,501,583
<u>TOTAL EXPENDITURES</u>	<u>\$ 26,782,532</u>	<u>\$ 239,487</u>	<u>\$ 10,030,730</u>	<u>\$ 37,052,749</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,619,973</u>	<u>\$ (106,784)</u>	<u>\$ 94,969</u>	<u>\$ 3,608,158</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds From:				
Proceeds From Debt	\$ -	\$ -	\$ -	\$ -
Operating Transfers In	3,052	113,460	-	116,512
Operating Transfers Out	(113,460)	(3,052)	-	(116,512)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ (110,408)</u>	<u>\$ 110,408</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>\$ 3,509,565</u>	<u>\$ 3,624</u>	<u>\$ 94,969</u>	<u>\$ 3,608,158</u>
Fund Balance at Beginning of Year	<u>11,060,631</u>	<u>54,881</u>	<u>3,579,490</u>	<u>14,695,002</u>
Fund Balance at End of Year	<u>\$ 14,570,196</u>	<u>\$ 58,505</u>	<u>\$ 3,674,459</u>	<u>\$ 18,303,160</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES AND
CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES - GOVERNMENT ACTIVITIES
DECEMBER 31, 2015

Amounts Reported for the Governmental Activities are Different Because:

Net Changes in Fund Balances - Total Government Funds \$ 3,608,158

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.

Pensions \$ (275,476)

Governmental fund report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Governmental funds also report the gross proceeds from the sale of capital assets in revenues. In the statement of net activities only the gain or loss from the disposal of the asset is reported. These are the amounts by which capital outlay exceeded depreciation and the gain or loss on the disposal.

Capital outlay expenditures	\$ 1,114,663
Depreciation	(1,078,262)
Proceeds from sales	(27,742)
(Loss) on Disposal of Assets	<u>(35,175)</u>
	<u>\$ (26,516)</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Debt Service Revenue - Other Governments	(335,000)
Mortgage Tax	(30,000)
Rental Income	<u>(5,000)</u>
	<u>(370,000)</u>

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

Proceed from installment purchase debt	(287,983)
Principal paid on bonds	2,265,000
Principal paid on BANs	100,000
Principal paid on installment debt	<u>75,813</u>
	<u>2,152,830</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Landfill closure costs	610,970
Judgements	(2,718,431)
Other Post Employment Benefits	(5,254,133)
Compensated absences	40,000
Accrued interest	<u>64,014</u>
	<u>(7,257,580)</u>

Pension Liability - Proportionate Share 616,987

Change in Net Assets of Governmental Activities \$ (1,551,597)

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	GENERAL FUND			
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
<u>REVENUES</u>				
Real Property Taxes	\$ 23,348,100	\$ 23,348,100	\$ 23,370,159	\$ 22,059
Other Tax Items	2,140,000	2,140,000	2,511,536	371,536
Departmental Income	2,452,000	2,452,000	2,925,429	473,429
Intergovernmental Charges	-	-	-	-
Use of Money and Property	430,000	430,000	639,485	209,485
Licenses and Permits	20,000	20,000	37,211	17,211
Gifts and Donations	-	-	-	-
Fines and Forfeitures	90,000	90,000	216,642	126,642
Sale of Property and Compensation for Loss	1,000	1,000	38,609	37,609
Miscellaneous	70,000	70,000	26,052	(43,948)
Federal Aid	10,000	10,000	78,197	68,197
State Aid	475,000	475,000	559,185	84,185
<u>TOTAL REVENUES</u>	<u>\$ 29,036,100</u>	<u>\$ 29,036,100</u>	<u>\$ 30,402,505</u>	<u>\$ 1,366,405</u>
<u>EXPENDITURES</u>				
General Government Support	\$ 3,538,000	\$ 3,457,900	\$ 2,756,657	\$ 701,243
Public Safety	11,402,000	11,511,842	10,984,919	526,923
Health	20,100	20,100	20,000	100
Transportation	191,500	191,600	167,766	23,834
Economic Assistance Opportunity	152,000	152,000	96,985	55,015
Culture and Recreation	2,802,500	2,802,500	2,500,871	301,629
Home and Community Services	285,000	285,000	135,568	149,432
Employee Benefits	8,665,000	8,665,000	7,443,410	1,221,590
Debt Service	2,980,000	2,980,000	2,676,356	303,644
<u>TOTAL EXPENDITURES</u>	<u>\$ 30,036,100</u>	<u>\$ 30,065,942</u>	<u>\$ 26,782,532</u>	<u>\$ 3,283,410</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,000,000)</u>	<u>\$ (1,029,842)</u>	<u>\$ 3,619,973</u>	<u>\$ 4,649,815</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds From:				
Operating Transfers In	\$ -	\$ -	\$ 3,052	\$ 3,052
Proceeds From Debt	-	-	-	-
Operating Transfers Out	(300,000)	(300,000)	(113,460)	186,540
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	<u>\$ (110,408)</u>	<u>\$ 189,592</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>\$ (1,300,000)</u>	<u>\$ (1,329,842)</u>	<u>\$ 3,509,565</u>	<u>\$ 4,839,407</u>
Fund Balance at Beginning of Year	<u>11,060,631</u>	<u>11,060,631</u>	<u>11,060,631</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 9,760,631</u>	<u>\$ 9,730,789</u>	<u>\$ 14,570,196</u>	<u>\$ 4,839,407</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
STATEMENT OF FIDUCIARY NET ASSETS
DECEMBER 31, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
<u>CASH</u>	
Demand Deposit	\$ 213,835
<u>TOTAL ASSETS</u>	<u>\$ 213,835</u>
 <u>LIABILITIES</u>	
<u>LIABILITIES</u>	
Escrow and Other Deposits	\$ 207,985
Employee Payroll Deductions	<u> 5,850</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 213,835</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FIDUCIARY FUNDS - AGENCY FUNDS
DECEMBER 31, 2015

	Balance January 1, <u>2015</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2015</u>
<u>ASSETS</u>				
<u>CASH</u>				
Demand Deposit	\$ 259,860	\$ 121,068	\$ 167,093	\$ 213,835
<u>TOTAL ASSETS</u>	<u>\$ 259,860</u>	<u>\$ 121,068</u>	<u>\$ 167,093</u>	<u>\$ 213,835</u>
 <u>LIABILITIES</u>				
<u>LIABILITIES</u>				
Escrow and Other Deposits	\$ 255,149	\$ 102,000	\$ 149,164	\$ 207,985
Employee Payroll Deductions	<u>4,711</u>	<u>12,098</u>	<u>10,959</u>	<u>5,850</u>
<u>TOTAL LIABILITIES</u>	<u>\$ 259,860</u>	<u>\$ 114,098</u>	<u>\$ 160,123</u>	<u>\$ 213,835</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Haverstraw have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. FINANCIAL REPORTING ENTITY

The Town of Haverstraw, which was established in 1666, operates pursuant to the Town Law, Local Finance Law and other general laws of the State of New York and various local laws. The Town Board, which consists of five members, including the Supervisor, is the legislative body responsible for overall operations. The Supervisor serves as chief executive officer and as chief fiscal officer. The Finance Director is the accounting officer of the Town.

The reporting entity of the Town is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. 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 Town. The Town is not a component unit of another reporting entity. The decision to include a potential component unit in the Town of Haverstraw's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of an entity considered in determining the Town of Haverstraw's reporting entity.

Included in the Reporting Entity

The Urban Renewal Agency is governed by the same board as the Town of Haverstraw. The agency is a component unit of the Town of Haverstraw and is presented under the blended method.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

B. BASIS OF PRESENTATION

i) Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

ii) 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:

General Fund - the principal operating fund and includes all operations not required to be recorded in other funds.

Capital Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by an enterprise or internal service fund.

Special Revenue Funds - used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds of the Town consist of the Town Outside Villages Fund, Highway Town Outside Village Fund, Highway Townwide Fund, Special District

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Funds and the Urban Renewal Fund. These funds have been established to account for the proceeds of specific revenue sources, or to finance specified activities as required by law or administrative regulation.

Additionally the Town reports the following fund type:

Fiduciary Fund - This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Town acts as trustee or agent for resources that belong to others. These activities are not included in the Town-wide financial statements, because their resources do not belong to the Town, and are not available to be used.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The Town-wide and fiduciary fund (excluding the agency funds) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. 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.

The fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, sanitary landfill postclosure costs, installment purchases, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
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D. PROPERTY TAXES

County real property taxes are levied annually no later than January 1st. Taxes are collected during the period January 1st to April 30th. Taxes for county purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the enforcement responsibility for all taxes levied in the Town and for unpaid taxes. Any such taxes remaining unpaid at year-end are relieved as county taxes in the subsequent year.

E. RESTRICTED RESOURCES

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

F. INTER-FUND TRANSFERS

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with inter-fund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These inter-fund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the town-wide statements, the amounts reported on the Statement of Net Position for inter-fund receivables and payables represent amounts due between different fund types (governmental activities, and fiduciary funds). Eliminations have been made for all inter-fund receivables and payables between the funds, with the exception of those due to or from the fiduciary funds.

Refer to Note V. F. for a detailed disclosure by individual fund for interfund receivables, payables, expenditures and revenues activity.

G. 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

TOWN OF HAVERSTRAW
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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.

H. CASH AND INVESTMENTS

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments. New York State law governs the Town'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. Investments are stated at fair value.

I. ACCOUNTS RECEIVABLE

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

J. INVENTORY AND PREPAID ITEMS

There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items in other funds are recorded as expenditures at the time of purchase, and are considered immaterial in amount.

Prepaid items represent payments made by the Town prior to year end for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the town-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A portion of fund balance in the amount of these non-liquid assets has been identified as not available for other subsequent expenditures.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

K. CAPITAL ASSETS

Capital assets are defined by the Town as assets with an initial, individual cost of \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Capital assets of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives:

<u>Class</u>	<u>Life in Years</u>
Buildings & Improvements	20-50
Land improvements	20
Furniture & Equipment	5-20
Motor Equipment	8
Infrastructure	10-65

L. DEFERRED OUTFLOWS/INFLOWS 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 government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second 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 asset or liability and differences during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Lastly are the Town contributions to the pension systems (PFRS and ERS Systems) subsequent to the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows and resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue – property taxes.

TOWN OF HAVERSTRAW
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The second 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 (PFRS and ERS System) and differences during the measurement periods between the Town's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

M. UNEARNED REVENUE

The Town reports unearned revenues on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned revenue arises when resources are received by the Town before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when the Town has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

N. VESTED EMPLOYEE BENEFITS

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts, based on contractual provisions specified in negotiated labor contracts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the fund statements only the amount of matured liabilities is accrued within the Fund based upon expendable and available resources. These amounts are expensed on a pay-as-you go basis.

O. OTHER BENEFITS

Town employees participate in the New York State Police and Fire Retirement System and the New York State Employees' Retirement System.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
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In addition to providing pension benefits, the Town provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement.

Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company.

The Town recognizes the cost of providing health insurance by recording its share of insurance premiums as expenditure.

P. SHORT-TERM DEBT

The Town may issue Bond Anticipation Notes, 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 Bond Anticipation Notes issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, Bond Anticipation Notes issued for assessed improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Q. ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

Payables, accrued liabilities and long-term obligations are reported in the town-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgements, other post employment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

R. EQUITY CLASSIFICATIONS

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

Invested in capital assets, net of related debt – consists of net assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

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

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

Fund Statements: In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes prepaid pension contributions in the following funds:

- General
- General Town Outside Village
- Highway Townwide
- Highway Town Outside Village
- Sewer

Restricted fund balance 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. The Town has established the following restricted fund balances:

Seized and Forfeited Property - This restriction is accounted for in the General Fund.

Workers' Compensation – This restriction is accounted for in the General Fund. This is used to pay the costs of the Town's self insured workers compensation claims in excess of budgeted amounts.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
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Unemployment Claims – This restriction is accounted for in the General Fund. This is used to pay the costs of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method.

Parklands - This restriction is accounted for in the General Fund. This is used for parkland improvements and funded from money in-lieu-of land deposits.

Debt Redemption - This restriction is accounted for in the General Fund. This is used for the retirement of debt.

Restricted fund balance includes the following:

General Fund:	
Seized and Forfeited Property	\$ 92,137
Workers' Compensation	600,198
Unemployment Claims	239,904
Parklands	62,759
Debt Redemption	13,505
Capital Fund	<u>58,505</u>
Total Restricted Funds	<u>\$ 1,067,008</u>

Committed fund balance includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the town board. The Town has no committed fund balances as of December 31, 2015.

Assigned fund balance includes amounts that are constrained by the town's intent to be used for specific purposes, but are neither restricted nor committed.

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 all operating funds. Encumbrances are reported as assigned fund balances since they do not constitute expenditures or liabilities.

The Town reports \$5,818,508 assigned to special district funds. All encumbrances are classified as Assigned Fund Balance. Encumbrances totaled \$2,085 in the General Fund and \$5,307 in the Highway Fund Townwide.

Unassigned fund balance includes all other General Fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town. In addition, the deficit in the Urban Renewal Fund is reported as unassigned.

TOWN OF HAVERSTRAW
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Order of Use of Fund Balance:

The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

S. NEW ACCOUNTING STANDARDS

The Town has adopted and implemented the following current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of December 31, 2015:

Statement No. 68, *Accounting and Financial Reporting for Pensions* - An amendment of GASB Statements No. 27 - and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* - Effective for the year ending December 31, 2015

Statement No. 69, *Government Combinations and Disposals of Government Operations* - Effective for the year ending December 31, 2015

T. FUTURE CHANGES IN ACCOUNTING STANDARDS

GASB has issued Statement No. 72, *Fair Value Measurement and Application* - Effective for the year ending December 31, 2016.

GASB has issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* - Effective for the year ending December 31, 2017, establishes new accounting and financial reporting requirements for OPEB plans.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* - Effective for the year ending December 31, 2018. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*.

TOWN OF HAVERSTRAW
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GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* - Effective for the year ending December 31, 2016.

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

U. SUBSEQUENT EVENTS EVALUATION BY MANAGEMENT

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 28, 2016.

V. RECLASSIFICATIONS

Certain prior year data has been reclassified to conform to the current year's presentation.

II. RECONCILIATION OF TOWN-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS

Due to the differences in the measurement focus and the 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 focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

1. Total fund balances of governmental funds versus net position of governmental activities:

Total fund balances of the Town's governmental funds differ from "net position" 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 Sheets.

2. Statement of Revenues, Expenditures and Changes in Fund Balance versus Statement of Activities:

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

i) 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.

ii) 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 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.

iii) 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.

iv) Pension differences:

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

TOWN OF HAVERSTRAW
NOTES TO THE FINANCIAL STATEMENTS
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III. CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended December 31, 2015, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the Town to report as an asset and/or liability its portion of the collective net pensions asset and liability in the New York State Police and Fire and Employees' Retirement Systems. The implementation of the Statements also requires the Town to report a deferred outflow and/or inflow for the effect of the net change in the Town's proportion of the collective net pension asset and/or liability and differences during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow are the Town contributions to the pension systems subsequent to the measurement date. See note V. E. for the financial statement impact of implementation of the Statements.

IV. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

A. BUDGETARY DATA

Budget Procedures

The Director of Finance is responsible for the initial formulation of the budget to be presented to the Town Clerk by September 30th of each year. By October 5th, the Town Clerk must present the tentative budget to the Town Board, which then prepares the preliminary budget prior to the mandatory public hearing required to be held no later than the first Thursday after the general election of each year. Five days prior to such public hearing, notice of such public hearing must be published. Final adoption of the preliminary budget must be accomplished on or before November 20th. The budget is not subject to referendum.

The Director of Finance distributes budget estimate forms to all department heads early in August of each year and then conducts such financial analysis and review as is necessary to substantiate the budget requests. Upon completion of this review, but prior to September 30th, when the report must be filed with the Town Clerk, the entire Town Board reviews the tentative budget with each department head. This review continues as the Board prepares its preliminary budget for public hearing.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
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The preliminary budget is presented on a departmental basis by object of expense indicating the proposed budget, year-to-date expenses of the current budget, the departmental request and the Director of Finance's recommendation. The budgets for the sewer district, highway funds and special district funds are presented in the same manner.

The Town Board may, during the course of the year, make changes in the appropriations and other modifications of the budget as it deems necessary in accordance with the Town Law.

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

B. PROPERTY TAXES - FIRE DISTRICT

The taxes for the Fire District are levied with county real property taxes. These amounts are collected by the Town and transferred directly to the Fire District. For the year ended December 31, 2015 \$1,074,411 was collected.

V. DETAIL NOTES ON ALL FUNDS

A. CASH (AND CASH EQUIVALENTS) CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS

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

The Town's aggregate bank balances, included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$ -0-
Collateralized with securities held by the pledging financial institution, or its trust department or agent, but not in the Town's name	\$ 16,577,855

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
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B. CAPITAL ASSETS

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

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 7,705,308	\$ -	\$ -	\$ 7,705,308
Construction in progress	-	-	-	-
Total nondepreciable historical cost	<u>\$ 7,705,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,705,308</u>
Capital assets that are depreciated:				
Buildings & Improvements	\$ 12,521,832	\$ 118,334	\$ (6,350)	\$ 12,633,816
Land Improvements	5,236,801	4,500	(14,708)	5,226,593
Furniture & Equipment	2,828,582	230,988	(158,157)	2,901,413
Motor Equipment	3,159,798	609,738	(48,067)	3,721,469
Infrastructure	<u>4,685,493</u>	<u>151,103</u>	<u>(7,120)</u>	<u>4,829,476</u>
Total depreciable historical cost	<u>\$ 28,432,506</u>	<u>\$ 1,114,663</u>	<u>\$ (234,402)</u>	<u>\$ 29,312,767</u>
Less accumulated depreciation:				
Buildings & Improvements	\$ 5,385,115	\$ 324,233	\$ (3,053)	\$ 5,706,295
Land Improvements	2,783,009	256,104	(12,758)	3,026,355
Furniture & Equipment	1,809,318	165,478	(123,923)	1,850,873
Motor Equipment	2,513,258	175,413	(25,496)	2,663,175
Infrastructure	<u>1,063,760</u>	<u>157,034</u>	<u>(6,255)</u>	<u>1,214,539</u>
Total accumulated depreciation	<u>\$ 13,554,460</u>	<u>\$ 1,078,262</u>	<u>\$ (171,485)</u>	<u>\$ 14,461,237</u>
Total depreciable historical cost, net	<u>\$ 22,583,354</u>	<u>\$ 36,401</u>	<u>\$ (62,917)</u>	<u>\$ 22,556,838</u>

Depreciation expense was not allocated to governmental functions.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

C. SHORT-TERM DEBT

Transactions in short-term debt are summarized below:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Bond Anticipation Note maturing 11/16 at 1.25%	\$ 1,000,000	\$ 900,000	\$ 1,000,000	\$ 900,000

Interest on short-term debt for the year was composed of:

Interest paid	\$ 12,963
Less interest accrued in the prior year	(1,460)
Plus interest accrued in the current year	<u>1,295</u>
Total expense	<u>\$ 12,798</u>

D. LONG-TERM DEBT

Serial Bonds

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the local government.

At December 31, 2015 the total outstanding indebtedness of the Town aggregated \$35,245,000. All of this amount was subject to the constitutional debt limit and represented approximately 16.26% of the Town's debt limit.

Interest on long-term debt for the year was composed of:

Interest paid	\$ 1,123,620
Less interest accrued in the prior year	(374,812)
Plus interest accrued in the current year	<u>310,963</u>
Total expense	<u>\$ 1,059,771</u>

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
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Long-term liability balances and activity for the year are summarized below:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending</u> <u>Balance</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Government activities:					
Bonds and notes payable:					
General obligation debt:					
Serial Bonds Payable	\$ 30,550,000	\$ -	\$ 1,380,000	\$ 29,170,000	\$ 1,445,000
State Clean Water Bonds	3,410,000	-	650,000	2,760,000	665,000
State Clean Water Bonds - Sewer	<u>2,650,000</u>	<u>-</u>	<u>235,000</u>	<u>2,415,000</u>	<u>245,000</u>
Total bonds & notes payable	<u>\$ 36,610,000</u>	<u>\$ -</u>	<u>\$ 2,265,000</u>	<u>\$ 34,345,000</u>	<u>\$ 2,355,000</u>
Other liabilities:					
Sanitary Landfill Postclosure Costs	\$ 5,285,970	\$ -	\$ 610,970	\$ 4,675,000	\$ 275,000
Judgement/Claims	447,570	2,768,161	49,730	3,166,001	649,730
Installment Purchase Debt	21,582	287,983	75,813	233,752	49,820
Other Postemployment Benefits	19,518,827	6,370,961	1,116,828	24,772,960	1,200,000
Compensated absences	<u>759,173</u>	<u>73,401</u>	<u>113,401</u>	<u>719,173</u>	<u>107,876</u>
Total other liabilities	\$ 26,033,122	\$ 9,500,506	\$ 1,966,742	\$ 33,566,886	\$ 2,282,426
 Total long-term liabilities	 <u>\$ 62,643,122</u>	 <u>\$ 9,500,506</u>	 <u>\$ 4,231,742</u>	 <u>\$ 67,911,886</u>	 <u>\$ 4,637,426</u>

The Town is reimbursed for payments on the sewer debt by the Joint Regional Sewerage Board. The debt is however issued in the Town's name and therefore the Town is ultimately responsible for its repayment. Sewer debt of \$1,100,000 has been authorized but remains unissued at December 31, 2015.

The Fund where the employee's salary is charged has typically been used to liquidate long-term liabilities such as compensated absences.

The Town reports \$381,815 of bond premium as deferred inflow. These amounts are being amortized over the life of the associated debt.

The following is a summary of maturity of indebtedness at December 31, 2015:

<u>Serial Bonds</u>	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u> <u>Outstanding</u>
Tax Certioari	2014	4/2034	3.00-4.00	\$ 2,395,000
Tax Certioari	2012	3/2037	3.00-4.00	\$ 22,220,000
Letchworth Property	2008	5/2028	6.00	\$ 2,595,000
Refunding	2010	3/2020	1.50-2.50	\$ 1,960,000
				<u>\$ 29,170,000</u>

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

**State Clean Water and Drinking
Water Revolving Funds**

<u>Revenue Bonds</u>	Date of <u>Issue</u>	Date of <u>Maturity</u>	Interest <u>Rate</u>	Amount <u>Outstanding</u>
Sanitary Landfill Ref.	2012	10/2016	1.03-4.42	\$ 2,760,000
Sewer Improvements	2003	7/2016	.79-4.50	\$ 725,000
Sewer Improvements	2005	7/2016	1.94-4.264	\$ 1,690,000
				<u>\$ 5,175,000</u>

<u>Maturity Year(s)</u>	<u>Bonds</u>	<u>Interest</u>	<u>Total</u>
2016	2,355,000	1,199,106	3,554,106
2017	2,385,000	1,117,391	3,502,391
2018	2,405,000	1,033,591	3,438,591
2019	2,455,000	943,036	3,398,036
2020	1,750,000	861,089	2,611,089
5 Subsequent years	7,260,000	3,443,835	10,703,835
5 Subsequent years	6,530,000	2,167,812	8,697,812
5 Subsequent years	6,545,000	1,056,488	7,601,488
5 Subsequent years	<u>2,660,000</u>	<u>99,056</u>	<u>2,759,056</u>
 Total	 <u>\$ 34,345,000</u>	 <u>\$ 11,921,404</u>	 <u>\$ 46,266,404</u>

E. PENSION PLANS

Plan Descriptions and 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 the New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system. 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. 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

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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.

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010 (ERS) and January 9, 2010 (PFRS), employees contribute 3% to 3.5% of their salary. With the exception of tier V and VI employees, employees in the system more than ten years are no longer required to contribute. In addition, employee contribution rates under tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2015	\$ 836,495	\$ 1,969,886
2014	\$ 1,013,137	\$ 3,035,813
2013	\$ 1,048,825	\$ 2,657,125

In 2003 the New York State Legislature established a required 4.5% minimum payment. If in future years, the valuation process produces a regular employer contribution rate that is lower than 4.5%, the Retirement System will bill at the 4.5% rate. If the valuation process produces a rate that exceeds 4.5 %, then the Retirement System will bill at the higher employer contribution rate.

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

At December 31, 2015, the Town reported the following liability for its proportionate share of the net pension liability for each of the Systems. The net pension was measured as of March 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. 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 System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in a report provided to the Town.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Actuarial valuation date	<u>ERS</u> <u>3/31/2015</u>	<u>PFRS</u> <u>3/31/2015</u>
Net pension liability	\$ 681,754	\$ 754,846
Town's portion of the Plan's total Net pension liability	0.0201807%	0.2742305%

For the year ended December 31, 2015, the Town's recognized pension expense of \$622,139 for ERS and \$1,842,732 for PFRS. At December 31, 2015 the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 21,824	\$ 91,030	\$ -	\$ -
Changes of assumptions	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	118,412	253,427	-	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	20,578	461,822	-	-
Town contributions subsequent to the measurement date	<u>836,495</u>	<u>1,969,886</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 997,309</u>	<u>\$ 2,776,165</u>	<u>\$ -</u>	<u>\$ -</u>

Town contributions of \$836,495 and \$1,969,886 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>	<u>PFRS</u>
Year ended June 30:		
2016	\$ 40,205	\$ 173,927
2017	40,203	173,927
2018	40,203	173,927
2019	40,203	173,927
2020	-	110,571
Thereafter	-	-

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2015	March 31, 2015
Actuarial valuation date	April 1, 2014	April 1, 2014
Interest rate	7.5%	7.5%
Salary scale	4.8%	5.4%
Decrement tables	April 1, 2005 - March 31, 2010 System's Experience	April 1, 2005 - March 31, 2010 System's Experience
Inflation rate	2.7%	2.7%

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

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

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

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	38%	7.30%
International Equity	13%	8.55%
Real Estate	8%	8.25%
Private Equity	10%	11.00%
Absolute Return Strategies	3%	6.75%
Opportunistic Portfolio	3%	8.60%
Real Assets	3%	8.65%
Bonds and Mortgages	18%	4.00%
Cash	2%	2.25%
Inflation-indexed Bonds	2%	4.00%
Total	<u>100%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed 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 determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) 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%, 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%) or 1- percentage point higher (8.5%) than the current rate :

	1% Decrease <u>(6.5%)</u>	Current Assumption <u>(7.5%)</u>	1% Increase <u>(8.5%)</u>
Employer's proportionate share Of the net pension liability:			
ERS	\$ 4,544,188	\$ 681,754	(\$2,579,097)
PFRS	\$10,050,376	\$ 754,846	(\$7,035,370)

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Pension Plan Fiduciary Net Position

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

	(Dollars in Thousands)		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Employers' total pension liability	\$ 164,591,504	\$ 28,474,417	\$ 193,065,921
Plan Net Position	<u>161,213,259</u>	<u>28,199,157</u>	<u>189,412,416</u>
Employers' net pension liability	<u>\$ 3,378,245</u>	<u>\$ 275,260</u>	<u>\$ 3,653,505</u>

Ration of plan net position to the Employers' total pension liability	97.95%	99.03%	98.11%
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Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Prepaid retirement contributions as of December 31, 2015 represent the projected employer contribution for the period of January 1, 2016 through March 31, 2016 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Prepaid retirement contributions as of December 31, 2015 amounted to \$209,124 and \$492,471, respectively.

Restatement of Net Position

For the fiscal year ended December 31, 2015, the Town implemented GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27*. The implementation of Statement No. 68 resulted in the reporting of a, deferred outflow of resources, a liability and deferred inflow of resources related to the Town's participation in the New York State Employees' and Police and Fire retirement systems. The Town's net position has been restated as follows:

Net position beginning of year, as previously stated	<u>\$ (22,676,038)</u>
GASB Statement No. 68 implementation	
Beginning System liability - Employees' Retirement System	(911,939)
Beginning System liability - Police and Fire Retirement System	(1,141,648)
Beginning deferred outflow of resources for contributions subsequent to the measurement date	
Employees' Retirement System	1,013,137
Police and Fire Retirement System	<u>3,035,813</u>
Net position beginning of year, as restated	<u>\$ (20,680,675)</u>

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

F. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund Type</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Townwide	\$ 3,758,650	\$ -
Town Outside Villages	-	60,056
Highway Townwide	-	86,653
Highway Outside Villages	-	86,653
Sewer	-	25,095
Urban Renewal Agency	-	2,918,514
Capital Projects	-	581,679
<u>TOTAL</u>	<u>\$ 3,758,650</u>	<u>\$ 3,758,650</u>

G. POST RETIREMENT BENEFITS

The premiums paid plus Medicare B reimbursement during the year was \$1,116,828. The premiums consisted of 17 individuals at \$401.84 per month, 3 individual at \$805.05 per month, 29 families at \$1,808.86 per month, 12 families at \$1,405.68 per month, and 17 families at \$1,002.46 per month.

The Town provides post employment (health insurance, life insurance, etc.) coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements.

The Town implemented GASB Statement #45, Accounting and Financial Reporting by employers for Postemployment Benefits Other than Pensions. This required the Town to calculate and record a net other post-employment benefit obligation at year-end. The net other post-employment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made.

The Town recognizes the cost of providing health insurance annually as expenditures in its major and non-major Funds of the funds financial statements as payments are made. For the year ended December 31, 2015 the Town recognized \$1,116,828 for its share of insurance costs currently for enrolled retirees.

The Town has obtained an actuarial valuation report as of December 31, 2015 which indicates that the net OPEB obligation for other post employment benefits is \$24,772,960, which is reflected in the Statement of Net Position.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Plan Description: The healthcare plan (HP) is a single-employer defined benefit healthcare plan administered by the Town. HP provides medical insurance benefits to eligible retirees and their spouses. The Town assigns the authority to establish and amend benefit provisions to the Town Board.

Funding Policy:

The contribution requirements of Plan members and the Town are established by the Town Board. The required contribution is based on projected pay-as-you-go financial requirements. For fiscal year 2015, the Town contributed \$1,116,828 to the plan for current costs. Until changes are made in New York State law to permit funding, there is no legal authority to fund OPEB other than "pay as you go". Plan members receiving benefits contributed according to their bargaining unit agreement and hire date.

Annual OPEB Cost and Net OPEB Obligation: The Town's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 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 (or funding excess) over a period not to exceed over thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actuarially contributed to the plan, and changes in the Town's net OPEB obligation to HP:

Annual required contribution as of December 31, 2015	\$ 6,720,012
Interest on net OPEB obligation	783,059
Adjustment to annual required contribution	<u>(1,132,110)</u>
Annual OPEB cost (expense)	\$ 6,370,961
Contributions made	<u>(1,116,828)</u>
Increase in net OPEB obligation	\$ 5,254,133
Net OPEB obligation-beginning of year	<u>19,518,827</u>
Net OPEB obligation-end of year	<u>\$ 24,772,960</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2015	\$ 6,370,961	17.53%	\$ 24,772,960
12/31/2014	\$ 3,676,442	28.23%	\$ 19,518,827
12/31/2013	\$ 3,529,739	25.87%	\$ 16,880,094

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Funded Status and Funding Progress:

As of January 1, 2015, the most recent actuarial valuation date, the plan was 0.00% funded. The actuarial liability for benefit was \$80,828,588, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$80,828,588. The covered payroll (annual payroll of active employees covered by the plan) was \$15,015,475, and the ratio of the UAAL to the covered payroll was 5.38. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets in increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2015, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return. An annual healthcare cost trend rate of 7.75% initially, reduced by decrements to an ultimate rate of 3.886% and 6.75% for Medicare Part B premiums initially, reduced by decrements to an ultimate rate of 3.886. Both rates included an inflation assumption. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2015, was 30 years.

H. DEFICIT FUND BALANCE

Urban Renewal Agency reflects a deficit of (\$2,917,093). The reason for this deficit is that expenditures are currently being made for the planning stage of development and revenue will not be received until the plan is in place and redevelopment of the area begins.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

I. RISK MANAGEMENT

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

The Town has chosen to establish a self-funded workers' compensation program. The plan began January 1, 2015. The benefit programs administrator, PMA Companies, is responsible for the approval, processing and payment of claims, after which they bill the Town for reimbursement. At year-end, the Town's claim liability is \$3,368,359 which represents reported and unreported claims which were incurred on or before year end, but which were not paid by the Town as of that date. This amount has been reduced by the Town's Reserve for Workers' Compensation of \$600,198, which is reported in the General Fund. Claims activity is summarized below:

Current Year			
Balance at	Claims and	Claims	Balance
Beginning	Changes in	Payments	at End of
<u>Of Year</u>	<u>Estimates</u>		<u>Year</u>
\$ -0-	\$4,151,670	\$ 783,311	\$3,368,359

J. LEASE COMMITMENTS AND LEASED ASSETS

The Town leases equipment under operating leases. Total rental expenditures on such leases for the fiscal year ended December 31, 2015 were approximately \$85,479. The maximum future non-cancelable operating lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
2016	\$ 90,905
2017	\$ 27,275
2018	\$ 25,197
2019	\$ 25,197
2020	\$ 12,866

The Town has also entered into long-term contracts pertaining to garbage collection and disposal. The total expenditures incurred under such contracts for the fiscal year ended December 31, 2015 were approximately \$486,000. The future estimated payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
2016	\$ 486,000

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

The Town is obligated under certain leases accounted for as capital leases. Assets under capital leases totaled \$391,500 at December 31, 2015. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of December 31, 2015.

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2016	57,623
2017	57,623
2018	57,623
2019	57,623
2020	<u>25,000</u>
Minimum Lease Payments	\$255,492
Less: Amount Representing Interest	<u>(21,740)</u>
Present Value - Minimum Lease Payments	<u>\$ 233,752</u>

VI. CONTINGENCIES

A. FEDERAL AND STATE GRANTS

The local government has received grants in excess of \$300,000 which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the federal governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.

B. LEGAL

The Town has informed us that subsequent to the year-end the Town was named in several lawsuits. The Town's insurance carrier is vigorously defending all current lawsuits. The potential for an adverse outcome of these cases is not determinable at this time. In addition, if the Town has been named defendant in any other actions, information pertaining to these claims can be obtained from the Town Clerk.

TOWN OF HAVERSTRAW
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

The Town is also a defendant in numerous certiorari proceedings, the results of which generally require tax refunds on the part of the Town. The dollar value of such actions currently pending was unavailable, due to the fact that each case is determined on a case by case basis.

C. SOLID WASTE LANDFILL POSTCLOSURE CARE COSTS

The Town owns and operated a landfill site located in the eastern portion of the town. State and Federal laws required the Town to close the landfill when it reached capacity and monitor and maintain the site for thirty subsequent years.

The Town is currently under a Modified Consent Order for the closure of the sanitary landfill. The work on closure has been completed and inspected by the DEC. The preliminary indication is that the work was satisfactorily completed on a timely basis. The DEC accepted the environmental benefit project proposed by the Town. The Town has completed the requirements of the environmental benefit project by dedicating an easement to the State of New York and by constructing a kayak launch. No other fines or litigation are anticipated and it presumed that this matter will be discontinued.

The Town issued its Landfill Closure Construction Certification Report (LCCCR) on February 5, 2005 and indicated that the landfill closure was "substantially" complete on October 23, 2002 thus triggering specific post closure monitoring and maintenance.

Although the Town has not received final certification for closure yet it is the Town's position and that of its engineers that the monitoring and maintenance commenced on October 23, 2002. In accordance with GASB Statement 18 the Town has recorded post closure care costs of \$4,675,000. This amount represents the estimated costs for maintaining and monitoring the landfill for the next 17 years.

TOWN OF HAVERSTRAW
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
AND EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ([b-a]/c)</u>
12/31/2013	\$ -	\$ 42,956,103	\$ 42,956,103	0.0%	\$ 15,792,463	272.00%
12/31/2014	\$ -	\$ 60,275,977	\$ 60,275,977	0.0%	\$ 14,988,040	402.16%
12/31/2015	\$ -	\$ 80,828,588	\$ 80,828,588	0.0%	\$ 15,015,475	538.30%

Schedule of Employer Contributions

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2013	\$ 3,784,056	24.13%
2014	\$ 3,977,416	26.09%
2015	\$ 6,720,012	16.62%

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET
PENSION LIABILITY
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>ERS</u>				
Town's proportion of the net pension liability(asset)	0.020181%	N/A	N/A	N/A
Town's proportionate share of the net pension liability/(asset)	\$ 682	N/A	N/A	N/A
Town's-covered employee payroll	\$ 4,807	N/A	N/A	N/A
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	14.19%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability/(asset)	97.95%	N/A	N/A	N/A
<u>PFRS</u>				
Town's proportion of the net pension liability(asset)	0.274231%	N/A	N/A	N/A
Town's proportionate share of the net pension liability/(asset)	\$ 754	N/A	N/A	N/A
Town's-covered employee payroll	\$ 9,475	N/A	N/A	N/A
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	7.96%	N/A	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability/(asset)	99.03%	N/A	N/A	N/A

See Paragraph on Supplementary Schedules Included in
Independent Auditor's Report.

TOWN OF HAVERSTRAW
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>ERS</u>				
Contractually required contribution	\$ 836	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	<u>836</u>	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	N/A	N/A	N/A
Town's-covered employee payroll	\$ 4,807	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	17.39%	N/A	N/A	N/A
<u>PFRS</u>				
Contractually required contribution	\$ 1,970	N/A	N/A	N/A
Contributions in relation to the contractually required contribution	<u>1,970</u>	N/A	N/A	N/A
Contribution deficiency (excess)	<u>\$ -</u>	N/A	N/A	N/A
Town's-covered employee payroll	\$ 9,475	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	20.79%	N/A	N/A	N/A

See Paragraph on Supplementary Schedules Included in
Independent Auditor's Report.

TOWN OF HAVERSTRAW
GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2015

ASSETS

CASH

Demand Deposits	\$ 9,622,362
Restricted Deposits	1,008,503
Departmental Petty Cash	150
<u>TOTAL CASH</u>	<u>\$ 10,631,015</u>

RECEIVABLES

Accounts Receivable	\$ 541,863
Due from Other Governments	-
Due from Other Funds	3,758,650
<u>TOTAL RECEIVABLES</u>	<u>\$ 4,300,513</u>

OTHER ASSETS

Prepaid Expenditures	\$ 641,983
<u>TOTAL OTHER ASSETS</u>	<u>\$ 641,983</u>

TOTAL ASSETS

\$ 15,573,511

LIABILITIES & FUND BALANCES

LIABILITIES

Accounts Payable	\$ 270,233
Accrued Liabilities	343,720
Unearned Revenue	7,547
Due to Other Funds	-
<u>TOTAL LIABILITIES</u>	<u>\$ 621,500</u>

DEFERRED INFLOWS

\$ 381,815

FUND BALANCE

Nonspendable	\$ 641,983
Restricted for:	
Seized and Forfeited Property	92,137
Workers' Compensation	600,198
Unemployment Claims	239,904
Parklands	62,759
Debt Redemption	13,505
Assigned to:	
Public Safety	2,085
Subsequent Years Budget	1,200,000
Unassigned	11,717,625
<u>TOTAL FUND BALANCES</u>	<u>\$ 14,570,196</u>

TOTAL LIABILITIES AND FUND

BALANCES \$ 15,573,511

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2015

REVENUES

Real Property Taxes	\$ 23,370,159
Other Tax Items	2,511,536
Departmental Income	2,925,429
Intergovernmental Charges	-
Use of Money and Property	639,485
Licenses and Permits	37,211
Gifts and Donations	-
Fines and Forfeitures	216,642
Sale of Property and Compensation for Loss	38,609
Miscellaneous	26,052
Federal Aid	78,197
State Aid	559,185
<u>TOTAL REVENUES</u>	<u>\$ 30,402,505</u>

EXPENDITURES

General Government Support	\$ 2,756,657
Public Safety	10,984,919
Health	20,000
Transportation	167,766
Economic Assistance Opportunity	96,985
Culture and Recreation	2,500,871
Home and Community Services	135,568
Employee Benefits	7,443,410
Debt Service	2,676,356
<u>TOTAL EXPENDITURES</u>	<u>\$ 26,782,532</u>

Excess (Deficiency) of Revenues Over Expenditures	\$ 3,619,973
--	--------------

OTHER FINANCING SOURCES (USES)

Proceeds From:	
Operating Transfers In	\$ 3,052
Proceeds From Debt	-
Operating Transfers Out	(113,460)
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ (110,408)</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	\$ 3,509,565
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Fund Balance at Beginning of Year	<u>11,060,631</u>
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Fund Balance at End of Year	<u>\$ 14,570,196</u>
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The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2015

ASSETS

CASH

Demand Deposit	\$ 404,064
<u>TOTAL CASH</u>	<u>\$ 404,064</u>

RECEIVABLES

Accounts Receivable	\$ 376,742
<u>TOTAL RECEIVABLES</u>	<u>\$ 376,742</u>

<u>TOTAL ASSETS</u>	<u>\$ 780,806</u>
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LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts Payable	\$ 140,622
Due to Other Funds	581,679
<u>TOTAL LIABILITIES</u>	<u>\$ 722,301</u>

FUND BALANCE

Restricted for:	
Capital Projects	\$ 58,505
<u>TOTAL FUND BALANCE</u>	<u>\$ 58,505</u>

<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 780,806</u>
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The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2015

REVENUES

Federal Aid	\$ 132,703
State Aid	-
Miscellaneous	-
Transfers from Other Funds	113,460
<u>TOTAL REVENUES AND TRANSFERS</u>	<u>\$ 246,163</u>

EXPENDITURES

Capital Projects Expenditures	\$ 239,487
Transfers to Other Funds	3,052
<u>TOTAL EXPENDITURES AND TRANSFERS</u>	<u>\$ 242,539</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 3,624
Fund Balance at Beginning of Year	<u>54,881</u>
Fund Balance at End of Year	<u>\$ 58,505</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
NONMAJOR FUNDS
COMBINING BALANCE SHEETS
DECEMBER 31, 2015

	General Fund Town Outside <u>Villages</u>	Highway Fund Townwide (DA)	Highway Fund Town Outside <u>Villages (DB)</u>	Special District Fund <u>Sewer</u>
<u>ASSETS</u>				
<u>CASH</u>				
Demand Deposits	\$ 1,603,803	\$ 1,640,010	\$ 1,249,061	\$ 1,003,951
Restricted Deposits	-	-	-	-
Petty Cash	-	-	-	-
<u>TOTAL CASH</u>	<u>\$ 1,603,803</u>	<u>\$ 1,640,010</u>	<u>\$ 1,249,061</u>	<u>\$ 1,003,951</u>
<u>RECEIVABLES</u>				
Accounts Receivable	\$ 11,201	\$ 5,580	\$ 1,197	\$ 902,571
Due From Other Funds	-	-	-	-
<u>TOTAL RECEIVABLES</u>	<u>\$ 11,201</u>	<u>\$ 5,580</u>	<u>\$ 1,197</u>	<u>\$ 902,571</u>
<u>OTHER ASSETS</u>				
Prepaid Expenditures	\$ 14,639	\$ 20,912	\$ 20,912	\$ 6,274
<u>TOTAL OTHER ASSETS</u>	<u>\$ 14,639</u>	<u>\$ 20,912</u>	<u>\$ 20,912</u>	<u>\$ 6,274</u>
<u>TOTAL ASSETS</u>	<u>\$ 1,629,643</u>	<u>\$ 1,666,502</u>	<u>\$ 1,271,170</u>	<u>\$ 1,912,796</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 21,611	\$ 13,671	\$ 1,332	\$ 746
Accrued Liabilities	4,997	30,975	10,932	1,968
Unearned Revenue	-	-	-	-
Bond Anticipation Notes	-	-	-	900,000
Due to Other Funds	60,056	86,653	86,653	25,095
<u>TOTAL LIABILITIES</u>	<u>\$ 86,664</u>	<u>\$ 131,299</u>	<u>\$ 98,917</u>	<u>\$ 927,809</u>
<u>FUND BALANCE</u>				
Nonspendable	\$ 14,639	\$ 20,912	\$ 20,912	\$ 6,274
Assigned to:				
Special Revenue Funds	1,328,340	1,358,984	1,101,341	878,713
Transportation	-	5,307	-	-
Subsequent Years' Expenditures	200,000	150,000	50,000	100,000
Unassigned	-	-	-	-
<u>TOTAL FUND BALANCE</u>	<u>\$ 1,542,979</u>	<u>\$ 1,535,203</u>	<u>\$ 1,172,253</u>	<u>\$ 984,987</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 1,629,643</u>	<u>\$ 1,666,502</u>	<u>\$ 1,271,170</u>	<u>\$ 1,912,796</u>

The accompanying notes are an integral part of the financial statements.

Special District Fund <u>Sanitation</u>	Special District Fund <u>Lighting</u>	Special District Fund <u>Water</u>	Special District Fund <u>Ambulance</u>	Special District Fund <u>Urban Renewal</u>	Total 2015
\$ 71,792	\$ 67,457	\$ 91,749	\$ 1,150,623	\$ 1,421	\$ 6,879,867
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 71,792</u>	<u>\$ 67,457</u>	<u>\$ 91,749</u>	<u>\$ 1,150,623</u>	<u>\$ 1,421</u>	<u>\$ 6,879,867</u>
\$ -	\$ -	\$ -	\$ 49,611	\$ -	\$ 970,160
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,611</u>	<u>\$ -</u>	<u>\$ 970,160</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,737
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,737</u>
<u>\$ 71,792</u>	<u>\$ 67,457</u>	<u>\$ 91,749</u>	<u>\$ 1,200,234</u>	<u>\$ 1,421</u>	<u>\$ 7,912,764</u>
\$ -	\$ 20,410	\$ -	\$ 54,692	\$ -	\$ 112,462
-	-	-	-	-	48,872
-	-	-	-	-	-
-	-	-	-	-	900,000
-	-	-	-	2,918,514	3,176,971
<u>\$ -</u>	<u>\$ 20,410</u>	<u>\$ -</u>	<u>\$ 54,692</u>	<u>\$ 2,918,514</u>	<u>\$ 4,238,305</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,737
71,792	42,047	91,749	945,542	-	5,818,508
-	-	-	-	-	5,307
-	5,000	-	200,000	-	705,000
-	-	-	-	(2,917,093)	(2,917,093)
<u>\$ 71,792</u>	<u>\$ 47,047</u>	<u>\$ 91,749</u>	<u>\$ 1,145,542</u>	<u>\$ (2,917,093)</u>	<u>\$ 3,674,459</u>
<u>\$ 71,792</u>	<u>\$ 67,457</u>	<u>\$ 91,749</u>	<u>\$ 1,200,234</u>	<u>\$ 1,421</u>	<u>\$ 7,912,764</u>

TOWN OF HAVERSTRAW
NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund Town Outside <u>Village</u>	Highway Fund Townwide (DA)	Highway Fund Town Outside <u>Village (DB)</u>	Special District Fund <u>Sewer</u>
REVENUES				
Real Property Taxes	\$ 1,059,639	\$ 1,729,000	\$ 1,582,308	\$ 339,777
Other Tax Items	-	-	-	-
Departmental Income	510,181	14,271	19,243	2,172,871
Intergovernmental Charges	-	8,606	18,578	386,078
Interest Earnings	4,287	5,139	4,095	797
Licenses and Permits	-	-	-	-
Gifts and Donations	-	-	-	-
Sale of Property and Compensation for Loss	-	2,200	3,919	-
Miscellaneous	-	-	-	-
Federal Aid	-	-	-	-
State Aid	-	19,991	-	-
Refund of Prior Year Expenditures	-	-	-	-
<u>TOTAL REVENUE</u>	<u>\$ 1,574,107</u>	<u>\$ 1,779,207</u>	<u>\$ 1,628,143</u>	<u>\$ 2,899,523</u>
EXPENDITURES				
General Government Support	\$ 68,680	\$ -	\$ -	\$ 27,007
Public Safety	389,454	-	-	-
Cultural & Recreation	252,494	-	-	-
Transportation	-	1,771,843	1,390,645	-
Home and Community Services	366,549	-	-	2,535,728
Health	-	-	-	-
Employee Benefits	215,363	-	-	33,554
Debt Service	-	17,503	-	386,078
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,292,540</u>	<u>\$ 1,789,346</u>	<u>\$ 1,390,645</u>	<u>\$ 2,982,367</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	\$ -	\$ -	\$ -	\$ -
Operating Transfers Out	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ 281,567	\$ (10,139)	\$ 237,498	\$ (82,844)
Fund Balance at Beginning of Year	<u>1,261,412</u>	<u>1,545,342</u>	<u>934,755</u>	<u>1,067,831</u>
Fund Balance at End of Year	<u>\$ 1,542,979</u>	<u>\$ 1,535,203</u>	<u>\$ 1,172,253</u>	<u>\$ 984,987</u>

The accompanying notes are an integral part of the financial statements.

Special District Fund Sanitation	Special District Fund Lighting	Special District Fund Water	Special District Fund Ambulance	Special District Fund Urban Renewal	Total 2015
\$ 486,723	\$ 195,908	\$ 275,803	\$ 293,586	\$ -	\$ 5,962,744
-	-	-	-	-	-
-	-	-	990,929	-	3,707,495
106	48	73	1,543	-	413,262
-	-	-	-	-	16,088
-	-	-	-	-	-
-	-	-	-	-	6,119
-	-	-	-	-	-
-	-	-	-	-	19,991
-	-	-	-	-	-
<u>\$ 486,829</u>	<u>\$ 195,956</u>	<u>\$ 275,876</u>	<u>\$ 1,286,058</u>	<u>\$ -</u>	<u>\$ 10,125,699</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,687
-	-	-	-	-	389,454
-	-	-	-	-	252,494
-	-	-	-	-	3,162,488
486,723	179,392	259,612	-	782	3,828,786
-	-	-	1,227,677	-	1,227,677
-	-	-	-	-	248,917
-	-	-	133,894	287,752	825,227
<u>\$ 486,723</u>	<u>\$ 179,392</u>	<u>\$ 259,612</u>	<u>\$ 1,361,571</u>	<u>\$ 288,534</u>	<u>\$ 10,030,730</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 106	\$ 16,564	\$ 16,264	\$ (75,513)	\$ (288,534)	\$ 94,969
<u>71,686</u>	<u>30,483</u>	<u>75,485</u>	<u>1,221,055</u>	<u>(2,628,559)</u>	<u>\$ 3,579,490</u>
<u>\$ 71,792</u>	<u>\$ 47,047</u>	<u>\$ 91,749</u>	<u>\$ 1,145,542</u>	<u>\$ (2,917,093)</u>	<u>\$ 3,674,459</u>

TOWN OF HAVERSTRAW
GENERAL FUND TOWN OUTSIDE VILLAGE (B) - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Town Outside Village Amended Budget		Actual	Favorable (Unfavorable)
<u>REVENUES</u>					
Real Property Taxes	\$ 1,058,500	\$ 1,058,500	\$ 1,059,639	\$ 1,139	\$ 1,139
Interest Earnings	-	-	4,287	4,287	4,287
Departmental Income	127,000	252,000	510,181	258,181	258,181
State Aid	-	-	-	-	-
<u>TOTAL REVENUES AND TRANSFERS</u>	<u>\$ 1,185,500</u>	<u>\$ 1,310,500</u>	<u>\$ 1,574,107</u>	<u>\$ 263,607</u>	<u>\$ 263,607</u>

<u>EXPENDITURES</u>					
General Government	\$ 150,000	\$ 150,000	\$ 68,680	\$ 81,320	\$ 81,320
Public Safety	285,000	395,000	389,454	5,546	5,546
Culture & Recreation	270,000	270,000	252,494	17,506	17,506
Home and Community Services	415,000	430,000	366,549	63,451	63,451
Employee Benefits	265,500	265,500	215,363	50,137	50,137
Interfund Transfers	-	-	-	-	-
<u>TOTAL EXPENDITURES AND TRANSFERS</u>	<u>\$ 1,385,500</u>	<u>\$ 1,510,500</u>	<u>\$ 1,292,540</u>	<u>\$ 217,960</u>	<u>\$ 217,960</u>

<u>OTHER FINANCING SOURCES (USES)</u>					
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers Out	-	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ -</u>				

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (200,000)	\$ (200,000)	\$ 281,567	\$ 481,567	\$ 481,567
Fund Balance at Beginning of Year	1,261,412	1,261,412	1,261,412	-	-
Fund Balance at End of Year	<u>\$ 1,061,412</u>	<u>\$ 1,061,412</u>	<u>\$ 1,542,979</u>	<u>\$ 481,567</u>	<u>\$ 481,567</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
HIGHWAY FUND TOWNWIDE (DA), HIGHWAY FUND OUTSIDE VILLAGE (DB) - SPECIAL REVENUE FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Highway Fund Townwide (DA)			Highway Fund Outside Village (DB)				
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
REVENUES								
Real Property Taxes	\$ 1,729,000	\$ 1,729,000	\$ 1,729,000	\$ -	\$ 1,581,000	\$ 1,581,000	\$ 1,582,308	\$ 1,308
Interest Earnings	3,000	3,000	5,139	2,139	2,000	2,000	4,095	2,095
Services to Other Governments	70,000	70,000	14,271	(55,729)	18,000	18,000	19,243	1,243
Sale of Equipment and Insurance Recoveries	-	-	2,200	2,200	-	-	3,919	3,919
Miscellaneous	-	-	-	-	-	-	-	-
State Aid	12,000	12,000	19,991	7,991	10,000	10,000	-	(10,000)
Federal Aid	-	-	-	-	-	-	-	-
Intergovernmental Charges	-	-	8,606	8,606	-	-	18,578	18,578
TOTAL REVENUES AND TRANSFERS	\$ 1,814,000	\$ 1,814,000	\$ 1,779,207	\$ (34,793)	\$ 1,611,000	\$ 1,611,000	\$ 1,628,143	\$ 17,143
EXPENDITURES								
Transportation	\$ 1,946,000	\$ 1,955,921	\$ 1,771,843	\$ 184,078	\$ 1,661,000	\$ 1,661,000	\$ 1,390,645	\$ 270,355
Debt Service	18,000	18,000	17,503	497	-	-	-	-
Interfund Expenditure	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES AND TRANSFERS	\$ 1,964,000	\$ 1,973,921	\$ 1,789,346	\$ 184,575	\$ 1,661,000	\$ 1,661,000	\$ 1,390,645	\$ 270,355
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers Out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (150,000)	\$ (159,921)	\$ (10,139)	\$ 149,782	\$ (50,000)	\$ (50,000)	\$ 237,498	\$ 287,498
Fund Balance at Beginning of Year	1,545,342	1,545,342	1,545,342	-	934,755	934,755	934,755	-
Fund Balance at End of Year	\$ 1,395,342	\$ 1,385,421	\$ 1,535,203	\$ 149,782	\$ 884,755	\$ 884,755	\$ 1,172,253	\$ 287,498

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
SPECIAL DISTRICT FUND - SEWER, SANITATION - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED DECEMBER 31, 2015

	Sewer Fund			Sanitation				
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
<u>REVENUES</u>								
Real Property Taxes	\$ 338,144	\$ 338,144	\$ 339,777	\$ 1,633	\$ 488,000	\$ 488,000	\$ 486,723	\$ (1,277)
Interest Earnings	2,000	2,000	797	(1,203)	-	-	106	106
Rents and Charges	2,142,856	2,142,856	2,172,871	30,015	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
State Aid	-	-	-	-	-	-	-	-
Federal Aid	-	-	-	-	-	-	-	-
Debt Service Revenue	418,000	418,000	386,078	(31,922)	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-
<u>TOTAL REVENUES AND TRANSFERS</u>	<u>\$ 2,901,000</u>	<u>\$ 2,901,000</u>	<u>\$ 2,899,523</u>	<u>\$ (1,477)</u>	<u>\$ 488,000</u>	<u>\$ 488,000</u>	<u>\$ 486,829</u>	<u>\$ (1,171)</u>
<u>EXPENDITURES</u>								
General Government	\$ 40,000	\$ 40,000	\$ 27,007	\$ 12,993	\$ -	\$ -	\$ -	\$ -
Home and Community Services	2,495,000	2,595,000	2,535,728	59,272	488,000	488,000	486,723	1,277
Employee Benefits	48,000	48,000	33,554	14,446	-	-	-	-
Debt Service	418,000	418,000	386,078	31,922	-	-	-	-
Interfund Transfers	-	-	-	-	-	-	-	-
<u>TOTAL EXPENDITURES AND TRANSFERS</u>	<u>\$ 3,001,000</u>	<u>\$ 3,101,000</u>	<u>\$ 2,982,367</u>	<u>\$ 118,633</u>	<u>\$ 488,000</u>	<u>\$ 488,000</u>	<u>\$ 486,723</u>	<u>\$ 1,277</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (100,000)	\$ (200,000)	\$ (82,844)	\$ 117,156	\$ -	\$ -	\$ 106	\$ 106
Fund Balance at Beginning of Year	1,067,831	1,067,831	1,067,831	-	71,686	71,686	71,686	-
Fund Balance at End of Year	\$ 967,831	\$ 867,831	\$ 984,987	\$ 117,156	\$ 71,686	\$ 71,686	\$ 71,792	\$ 106

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
 SPECIAL DISTRICT FUND - LIGHTING, WATER - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Lighting Fund			Water Fund				
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
<u>REVENUES</u>								
Real Property Taxes	\$ 195,000	\$ 195,000	\$ 195,908	\$ 908	\$ 275,000	\$ 275,000	\$ 275,803	\$ 803
Interest Earnings	-	-	48	48	-	-	73	73
<u>TOTAL REVENUES AND TRANSFERS</u>	<u>\$ 195,000</u>	<u>\$ 195,000</u>	<u>\$ 195,956</u>	<u>\$ 956</u>	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 275,876</u>	<u>\$ 876</u>
<u>EXPENDITURES</u>								
Home and Community Services	\$ 200,000	\$ 200,000	\$ 179,392	\$ 20,608	\$ 275,000	\$ 275,000	\$ 259,612	\$ 15,388
<u>TOTAL EXPENDITURES AND TRANSFERS</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 179,392</u>	<u>\$ 20,608</u>	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 259,612</u>	<u>\$ 15,388</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (5,000)	\$ (5,000)	\$ 16,564	\$ 21,564	\$ -	\$ -	\$ 16,264	\$ 16,264
Fund Balance at Beginning of Year	30,483	30,483	30,483	-	75,485	75,485	75,485	-
Fund Balance at End of Year	<u>\$ 25,483</u>	<u>\$ 25,483</u>	<u>\$ 47,047</u>	<u>\$ 21,564</u>	<u>\$ 75,485</u>	<u>\$ 75,485</u>	<u>\$ 91,749</u>	<u>\$ 16,264</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
SPECIAL DISTRICT FUND - AMBULANCE AND URBAN RENEWAL AGENCY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2015

	Ambulance			Urban Renewal Agency				
	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)	Original Budget	Amended Budget	Actual	Favorable (Unfavorable)
<u>REVENUES</u>								
Real Property Taxes	\$ 292,500	\$ 292,500	\$ 293,586	\$ 1,086	\$ -	\$ -	\$ -	\$ -
Ambulance Charges	900,000	900,000	990,929	90,929	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Interest Earnings	2,000	2,000	1,543	(457)	-	-	-	-
<u>TOTAL REVENUES AND TRANSFERS</u>	<u>\$ 1,194,500</u>	<u>\$ 1,194,500</u>	<u>\$ 1,286,058</u>	<u>\$ 91,558</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EXPENDITURES</u>								
Home & Community Health	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 782	\$ (782)
Debt Service	1,260,000	1,260,000	1,227,677	32,323	-	-	-	-
	134,500	134,500	133,894	606	-	-	287,752	(287,752)
<u>TOTAL EXPENDITURES AND TRANSFERS</u>	<u>\$ 1,394,500</u>	<u>\$ 1,394,500</u>	<u>\$ 1,361,571</u>	<u>\$ 32,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,534</u>	<u>\$ (288,534)</u>
<u>OTHER FINANCING SOURCES (USES)</u>								
Operating Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers Out	-	-	-	-	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (200,000)	\$ (200,000)	\$ (75,513)	\$ 124,487	\$ -	\$ -	\$ (288,534)	\$ (288,534)
Fund Balance at Beginning of Year	1,221,055	1,221,055	1,221,055	-	(2,628,559)	(2,628,559)	(2,628,559)	-
Fund Balance at End of Year	\$ 1,021,055	\$ 1,021,055	\$ 1,145,542	\$ 124,487	\$ (2,628,559)	\$ (2,628,559)	\$ (2,917,093)	\$ (288,534)

The accompanying notes are an integral part of the financial statements.

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TOWN OF HAVERSTRAW
CAPITAL PROJECTS FUND
ANALYSIS OF CAPITAL PROJECTS FUND BY PROJECT
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>PROJECT</u>	<u>Expenditures to Date</u>			
	<u>Appropriation</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Ambulance Building	\$ 2,975,000	\$ 2,919,193	\$ -	\$ 2,919,193
Belgian Block 2012	110,000	93,371	-	93,371
Landfill Stormwater Drainage	80,000	79,580	-	79,580
Bowline Recreational Pier	300,000	-	132,703	132,703
Backup Generator	95,000	-	78,668	78,668
Access Control	100,000	87,442	9,716	97,158
Bowline Shore Mitigation	420,000	350,740	18,400	369,140
	<u>\$ 4,080,000</u>	<u>\$ 3,530,326</u>	<u>\$ 239,487</u>	<u>\$ 3,769,813</u>

The accompanying notes are an integral part of the financial statements.

Unexpended Balance	Methods of Financing				Fund Balance at December 31, 2015
	Proceeds of Obligations	Other	Transfers	Total	
\$ 55,807	\$ 2,300,000	\$ -	\$ 675,000	\$ 2,975,000	\$ 55,807
16,629	-	40,622	57,515	98,137	4,766
420		39,790	39,790	79,580	-
167,297		132,703	-	132,703	-
16,332			95,000	95,000	16,332
2,842			97,158	97,158	-
50,860	-	332,280	18,460	350,740	(18,400)
<u>\$ 310,187</u>	<u>\$ 2,300,000</u>	<u>\$ 545,395</u>	<u>\$ 982,923</u>	<u>\$ 3,828,318</u>	<u>\$ 58,505</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF HAVERSTRAW
TOWN JUSTICE
CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>CASH BALANCE - JANUARY 1, 2015</u>	\$ 38,955
Receipts:	
Bail Money	<u>53,504</u>
	\$ 92,459
Disbursements:	
Bail Money Returned	<u>57,248</u>
<u>CASH BALANCE - DECEMBER 31, 2015</u>	<u>\$ 35,211</u>
<u>CASH - BALANCE COMPRISED OF THE FOLLOWING:</u>	
Bail Money Held in Pending Cases	<u>\$ 35,211</u>
	<u>\$ 35,211</u>

TOWN OF HAVERSTRAW
TOWN JUSTICE
CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>CASH BALANCE - JANUARY 1, 2015</u>	\$ 21,970
Receipts:	
Bail Money	<u>50,173</u>
	\$ 72,143
Disbursements:	
Bail Money Returned	<u>38,029</u>
	\$ 34,114
<u>CASH BALANCE - DECEMBER 31, 2015</u>	<u>\$ 34,114</u>
<u>CASH - BALANCE COMPRISED OF THE FOLLOWING:</u>	
Bail Money Held in Pending Cases	<u>\$ 34,114</u>
	<u>\$ 34,114</u>

