TOWN OF NEW HARTFORD

MANAGEMENT'S DISCUSSION AND ANALYSIS

AND

BASIC FINANCIAL STATEMENTS

For the Year Ended
December 31, 2014

TOWN OF NEW HARTFORD, NEW YORK
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Independent Auditor's Report

Town Board
Town of New Hartford

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Hartford, as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise the Town of New Hartford's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinion on Governmental Activities

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

Qualified Opinion on Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on the governmental activities fund the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities fund of the Town of New Hartford as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion – Trust and Agency Fund

The Willowvale Fire Co., Inc. Service Award Program, as reflected in the Trust and Agency Fund and the notes to the financial statements, has not been audited, and we were not engaged to audit the respective information. The assets and liabilities of the program comprise 59% of the assets and liabilities of the Trust and Agency Fund.

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

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on the Trust and Agency Fund, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major funds, the aggregate discretely presented component unit, and the aggregate remaining fund information for the Town of New Hartford, as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2015 on our consideration of the Town of New Hartford's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of New Hartford's internal control over financial reporting and compliance.

D'Arcangelo & Co., LLP

March 23, 2015

Rome, New York

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

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Town Board
Town of New Hartford

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in Government Auditing Standards issued by the Comptroller General of the United States, the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Hartford as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Town of New Hartford's basic financial statements, and have issued our report thereon dated March 23, 2015. Our opinion for the government-wide financial statements was qualified because we were unable to audit fixed assets due to the lack of supporting documentation.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and recommendations as items 2014-1 and 2009-1 to be a material weaknesses.

Compliance and Other Matters

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

Response to Finding

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

Purpose of this Report

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

D'Arcangelo & Co., LLP

March 23, 2015

Rome, New York

TOWN OF NEW HARTFORD, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

Findings - Financial Statements Audit

2014-01 Willowvale Service Award Program

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

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

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

TOWN OF NEW HARTFORD, NEW YORK
STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

Findings - Financial Statements Audit

2009-1 Fixed Assets

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

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

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

Status: The same finding was noted in the current year.

TOWN OF NEW HARTFORD, NEW YORK
MANAGEMENT'S RESPONSE TO FINDINGS
For the Year Ended December 31, 2014

We offer the following responses to the findings outlined in the 2014 financial audit. The responses are numbered in correspondence to the numbering in the report.

2009-1 Fixed Assets

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

2014-01 Willowvale Service Award Program

The Willowvale Fire Co. is under contract to provide fire protection service to a portion of the Town of New Hartford. The Service Award Program mentioned above is a benefit the Company offers to its members. The Town of New Hartford transferred all administrative responsibilities over to the Willowvale Fire Company in 2013. This was accomplished by Board Resolution, which places the responsibility of administration squarely on the fire company; this would also include accountability for all matters required by law that need to be performed. The Town will remind the Company of its obligation to fulfill all requirements under General Municipal Law.

The Town of New Hartford's discussion and analysis of financial performance provides an overall review of the Town's financial activities for the fiscal year ended December 31, 2014. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. This section will explain the differences between the current and prior-year assets, liabilities, and changes in net position. This should be read in conjunction with the financial statements, which immediately follow this section.

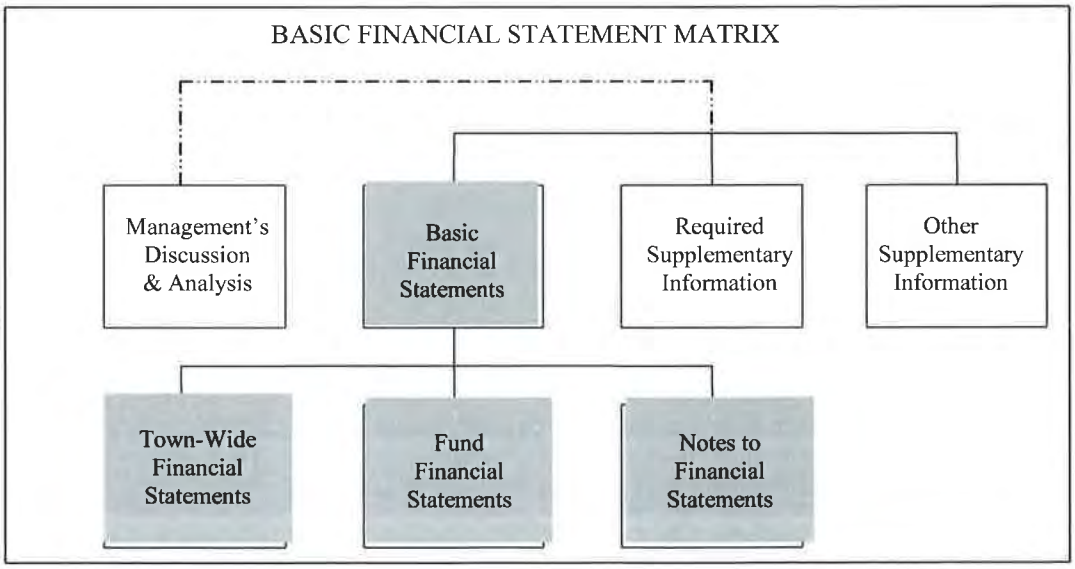
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2014 are as follows:

- The Town's total net position, as reflected in the Town-wide financial statements, decreased by $1,496,022.
- The Town's expenses for the year, as reflected in the Town-wide financial statements, totaled $16,090,817. This amount was directly offset by the following revenue sources: $1,122,822 charges for services, $89,546 operating grants, and $624,778 capital grants. General revenues of $12,757,649 amount to 87.4% of total revenues. Program expenses exceeded these revenues leaving a deficit of $1,496,022.
- The General Whole Town Fund's total fund balance, as reflected in the fund financial statements on pages 20 and 22, increased by $178,176, to a balance of $1,435,007. This was primarily due to revenues for Non-Property Tax Items exceeding the budget by $231,192.
- The Highway Part Town Fund's total fund balance, as reflected in the fund financial statements on pages 20 and 22, decreased by $243,925, to $415,578.
- In 2014, the Town incurred an expense for a Tax Certiorari for a commercial property for real property taxes $414,012 and interest of $35,693. The settlement covered the taxes collected for 2007 through 2012. The aggregate expense of $449,704 was allocated to the funds as follows: General Whole Town $116,025, Police Part-Town $208,098, Fire $81,254 and Sewer $44,327.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

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



A. Town-wide Financial Statements

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

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

The Statement of Net Position

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

The Statement of Activities

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

B. Fund Financial Statements

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

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

Governmental Funds

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

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

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

Fiduciary Funds

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

3. FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A. Net Position

The Town's total net position decreased $1,496,022 between fiscal year 2014 and 2013. A summary of the Town's Statement of Net Position at December 31, 2014 and 2013, is as follows:

	2014	(Restated) 2013	Increase (Decrease)	Percentage Change
Current and Other Assets	$ 6,887,930	$ 6,379,388	$ 508,542	8.0%
Capital Assets, (Net of Accumulated Depreciation)	14,742,509	15,512,579	(770,070)	(5.0%)
Total Assets	$ 21,630,439	$ 21,891,967	$ (261,528)	(1.2%)
Non-Current Liabilities	$ 17,222,562	$ 17,206,295	$ 16,267	0.1%
Other Liabilities	2,920,468	1,702,241	1,218,227	71.6%
Total Liabilities	$ 20,143,030	$ 18,908,536	$ 1,234,494	6.5%
Net Position				
Net Invested in Capital Assets	$ 4,552,707	$ 5,140,934	$ (588,227)	(11.4%)
Restricted	201,993	124,667	77,326	62.0%
Unrestricted (Deficit)	(3,267,291)	(2,282,170)	(985,121)	(43.2%)
Total Net Position	$ 1,487,409	$ 2,983,431	$ (1,496,022)	(50.1%)

Capital assets decreased by $770,070, as compared to the prior year. This decrease is primarily due to the depreciation expense exceeding the capital outlays in 2014.

Non-current liabilities increased by $6,267 as compared to the prior year. This increase is the result of the payments of serial bonds in the amount of a $762,223 offset by the net increase of $819,681 in the accrued liabilities for Other Post-Employment Benefits and compensated absences.

Other liabilities increased $1,218,227. This increase is primarily due to the issuance of Bond Anticipation Notes in the amount of $1,071,571.

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

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

The unrestricted net position deficit at December 31, 2014, is $3,267,291, which represents the amount by which the Town's liabilities, excluding debt related to capital construction, exceeded the Town's assets other than capital assets.

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. Nonproperty tax items primarily consist of New York State sales tax and franchise tax. A summary of this statement for the years ended December 31, 2014 and 2013, is as follows.

Revenues	2014	2013	Increase (Decrease)	Percentage Change
Program Revenues				
Charges for Services	$ 1,122,822	$ 961,106	$ 161,716	16.8%
Operating Grants	89,546	88,168	1,378	1.6%
Capital Grants	624,778	422,846	201,932	47.8%
General Revenues				
Property Taxes and Other Items	6,010,932	6,156,084	(145,152)	(2.4%)
Nonproperty Tax Items	5,847,877	5,957,749	(109,872)	(1.8%)
Gain on Disposition of Property	203,711	152,573	51,138	33.5%
State and Federal Sources	428,362	569,788	(141,426)	(24.8%)
Other	266,767	529,307	(262,540)	(49.6%)
Total Revenues	14,594,795	14,837,621	(242,826)	(1.6%)
Expenses				
General Government Support	$ 2,693,714	1,832,033	861,681	47.0%
Public Safety	5,545,362	5,462,983	82,379	1.5%
Public Health	74,534	131,609	(57,075)	(43.4%)
Transportation	4,306,430	4,655,534	(349,104)	(7.5%)
Social Services	128,990	122,851	6,139	5.0%
Home and Community Services	1,303,258	1,167,255	136,003	11.7%
Culture and Recreation	1,788,687	1,631,826	156,861	9.6%
Debt Service - Interest	249,842	223,416	26,426	11.8%
Total Expenses	16,090,817	15,227,507	863,310	5.7%
Total Change in Net Position	$ (1,496,022)	$ (389,886)	$ (1,106,136)	(283.7%)

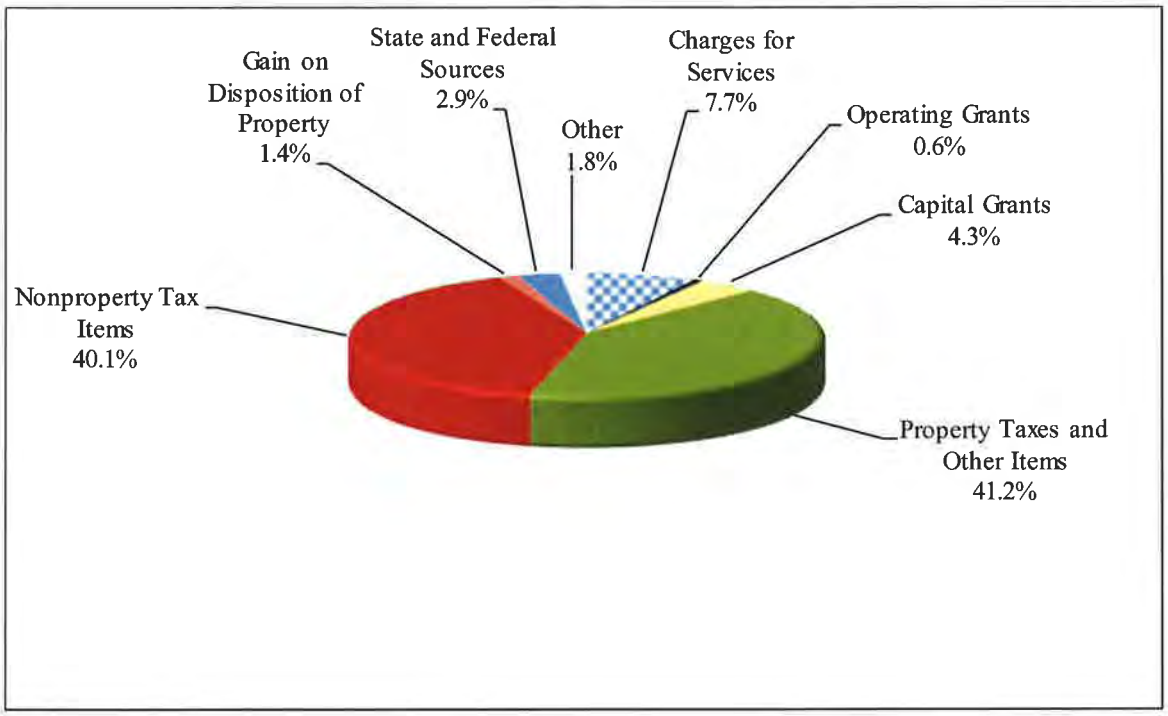
The increase in Capital Grant revenue is primarily due to an increase of $284,400 for a New York State Department of Transportation Multi-Model project for resurfacing roads.

Other miscellaneous revenues decreased by $262,540 from the prior year. Included in the prior year, was a reimbursement payment for the Route 840 access project to the Capital fund for $137,877

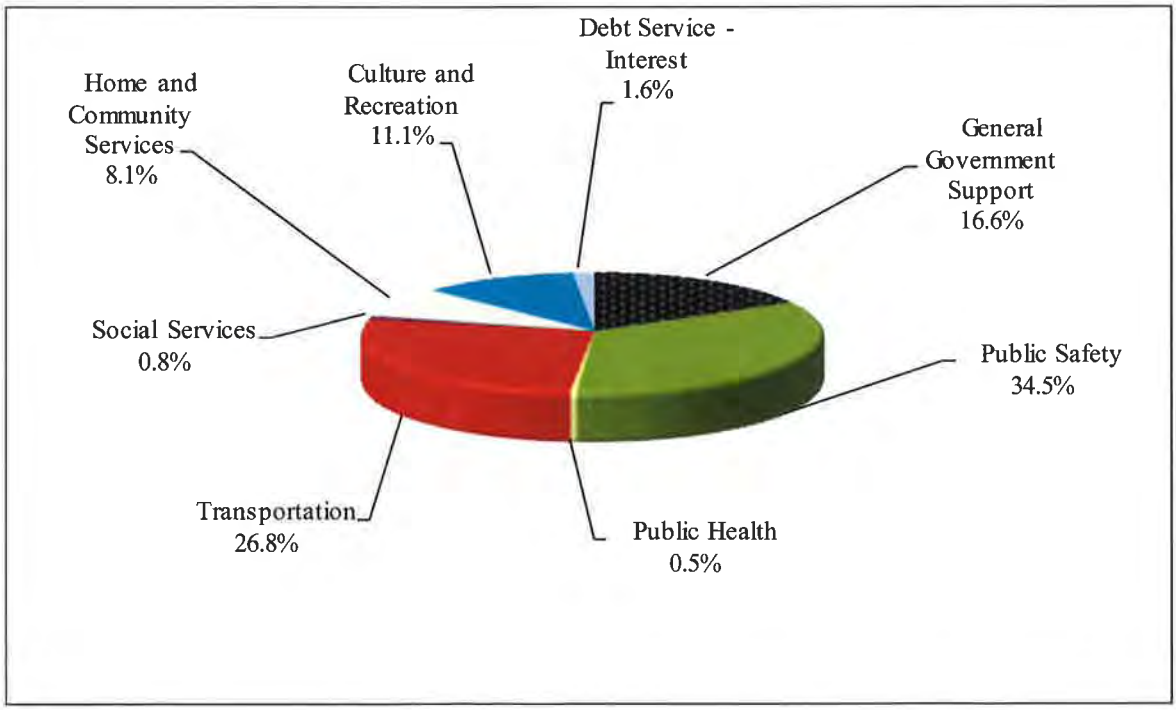
General Government Support expenses increased in the current year by $863,310. The increase is primarily due an expense for a Tax Certiorari for a commercial property for real property taxes of $414,012 and interest of $35,693. The settlement covered the taxes collected for 2007 through 2012. The aggregate expense of $449,704 was allocated to the funds as follows: General Whole Town $116,025, Police Part-Town $208,098, Fire $81,254 and Sewer $44,327.

Transportation expenses decreased $349,104 in the current year. The decrease is primarily the difference in capital projects for paving.

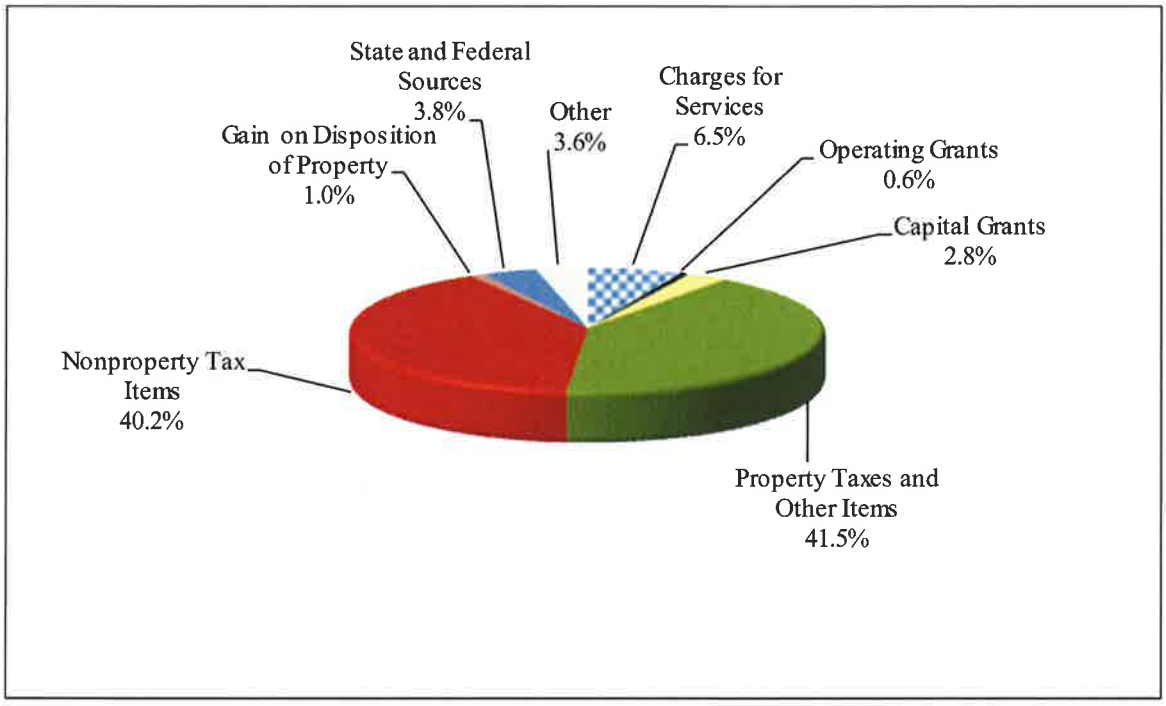
Revenues For the Year Ended December 31, 2014



Expenses For the Year Ended December 31, 2014

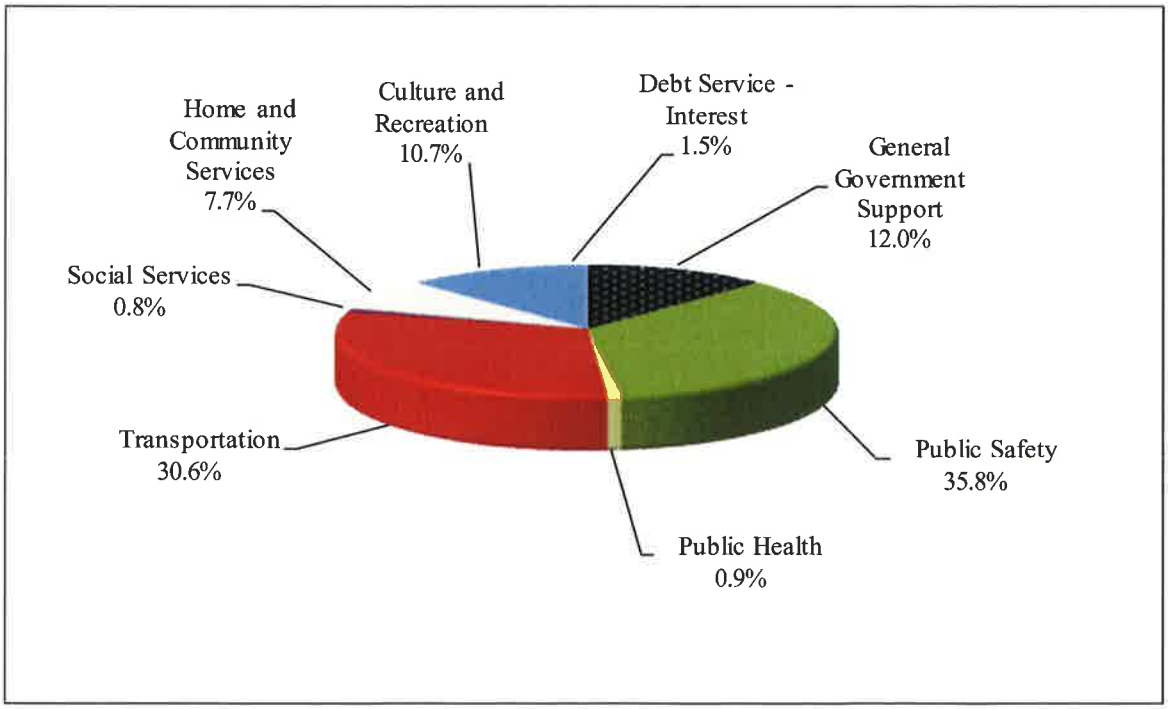


Revenues For the Year Ended December 31, 2013



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

Expenses For the Year Ended December 31, 2013



4. FINANCIAL ANALYSIS OF THE TOWN'S FUND BALANCES

At December 31, 2014, the Town's governmental funds reported a combined fund balance of $4,030,483, which is a decrease of $722,102 from the prior year. This decrease is due to an excess of expenditures over revenues for the year. A summary of the change in fund balance by fund is as follows:

	2014	2013	Increase (Decrease)
General Whole Town			
Nonspendable	$ 126,182	$ 115,778	$ 10,404
Unassigned	1,308,825	1,141,053	167,772
	1,435,007	1,256,831	178,176
General Part Town			
Nonspendable	5,573	5,208	365
Unassigned	236,742	411,916	(175,174)
	242,315	417,124	(174,809)
Police			
Nonspendable	43,726	40,263	3,463
Assigned	287,734	291,197	(3,463)
	331,460	331,460	
Highway Part Town			
Nonspendable	7,202	13,460	(6,258)
Assigned	408,376	646,043	(237,667)
	415,578	659,503	(243,925)
Fire			
Assigned		29,330	(29,330)
Unassigned (Deficit)	(21,193)		(21,193)
	(21,193)	29,330	(50,523)
Sewer			
Nonspendable	107	185	(78)
Assigned	1,792,482	1,839,819	(47,337)
	1,792,589	1,840,004	(47,415)
Mitigation			
Restricted	201,993	124,667	77,326
Capital			
Unassigned (Deficit)	(439,993)	(28,547)	(411,446)
Non-Major			
Assigned	72,727	122,213	(49,486)
Total Fund Balance	$ 4,030,483	$ 4,752,585	$ (722,102)

Combined decreases of $722,102 to the fund balances during the year ended December 31, 2014, are mainly the result of the expenses financed through the issuance of a bond anticipation notes in the amount of $1,071,571.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. 2014 Budget

The Town's adopted budget's for the year ended December 31, 2014, for the following funds was $13,562,310. This is a decrease of $11,134 over the prior year's adopted budgets. The budgets were adopted and amended as follows:

Change from Adopted Budget to Revised Budget	General Whole Town	General Part Town	Police	Highway Part Town	Fire	Sewer
Adopted Budget	$ 4,460,447	$ 413,000	$3,458,624	$3,358,016	$1,212,901	$659,322
Original and Adopted Budget	$ 4,460,447	$ 413,000	$3,458,624	$3,358,016	$1,212,901	$659,322
Amendments:						
Mowing	15,806			10,000		
Donations	5,395					
Highway Superintendent	5,000					
DCJS Grant			14,876			
Equipment Purchases				156,050		
State Multi-Modal Project				278,593		
Road Paving				166,407		
Total Amendments	26,201		14,876	611,050		
Final Budget	$ 4,486,648	$ 413,000	$3,473,500	$3,969,066	$1,212,901	$659,322

The majority of this funding source for the budgets consisted of $5,626,255 in property taxes and $5,492,385 in nonproperty taxes that include sales and franchise taxes.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At December 31, 2014, the Town had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net decrease in capital assets is due to depreciation exceeding capital additions recorded for the year ended December 31, 2014. A summary of the Town's capital assets, net of depreciation at December 31, 2014 and 2013, is as follows:

	2014	(Restated) 2013	Increase/ (Decrease)
Land	$ 611,634	$ 611,634	$
Construction in Progress	1,523,285	1,561,173	(37,888)
Buildings	1,646,132	1,776,841	(130,709)
Infrastructure	10,527,191	10,527,670	(479)
Capital Lease	218,629	119,704	98,925
Equipment	215,638	915,557	(699,919)
Capital Assets, Net	$ 14,742,509	$ 15,512,579	$ (770,070)

B. Debt Administration

At December 31, 2014, the Town had total bonds payable of $9,481,489. A summary of the outstanding debt at December 31, 2014 and 2013, is as follows:

Description		Date of Original Issue	Date of Final Maturity	Interest Rate (%)	Outstanding Amount 2014	Outstanding Amount 2013 (Restated)	Increase (Decrease)
General Fund – Whole Town							
1995		Aug-1995	Feb-2015	5-5.75	51,000	102,000	$ (51,000)
1999		Aug-1999	Feb-2014	5-5.25	0	28,000	(28,000)
2002		Feb-2002	Mar-2022	3.9-4.75	568,000	632,000	(64,000)
2009		Mar-2009	Mar-2032	3.50-5.00	1,385,000	1,460,000	(75,000)
2009		Mar-2009	Mar-2032	3.50-5.00	1,645,000	1,800,000	(155,000)
2013		Jun-2013	Apr-2027	2.5-3.25	778,500	851,700	(73,200)
					4,427,500	4,873,700	(446,200)
Highway Fund – Whole Town							
2013		Jun-2013	Apr-2027	2.5-3.25	775,500	819,000	(43,500)
Highway Fund – Part Town							
1999		Aug-1999	Feb-2014	5-5.25	0	12,000	(12,000)
2002		Feb-2011	Mar-2022	3.9-4.75	118,000	196,000	(78,000)
2013		Jun-2013	Apr-2027	2.5-3.25	814,700	860,500	(45,800)
					932,700	1,068,500	(135,800)
Police Fund – Part Town							
2013		Jun-2013	Apr-2027	2.5-3.25	46,300	48,800	(2,500)
Water Fund							
1995		Aug-1995	Feb-2015	5-5.75	9,000	18,000	(9,000)
2006	NYSEFC	Jul-2006	Jun-2036	0.00	3,226,489	3,343,712	(117,223)
					3,235,489	3,361,712	(126,223)
Sewer Fund							
2002		Feb-2002	Mar-2022	3.9-4.75	64,000	72,000	(8,000)
	Total Long Term Debt				$ 9,481,489	$ 10,243,712	$ (762,223)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

With the construction of a long awaited highway project in 2010, the Town of New Hartford has continued to grow; exceeding other municipalities in upstate and Central New York. The connection of our New Hartford Business Park with new interstate highways has propelled new development in the Town and has added over $25,000,000 to the taxable assessment roles over the last five years. It is anticipated that under current conditions the Town will realize growth of over $5,000,000 annually to its commercial tax rolls going forward for the next seven to ten years.

Although a large portion of this growth has been attributable to our business park, expansion is also occurring in other areas of the Town. Existing malls and shopping areas which have realized full occupancy for years are now expanding to meet new needs and demands. Older buildings in our commercial zone are being rehabilitated or replaced with new commercial buildings, bringing in new businesses and additional hiring of new employees. This has created an even larger retail sector keeping New Hartford as the major revenue generator for County sales tax.

As the Town of New Hartford continues to expand economically its affect is recognized not only within the Town boundaries but also far outside them. The increase in our retail sector draws from outside the Town and also from outside the County. The growth of sales tax revenue in the Town assists not only with increased County revenues but also increased Town revenues keeping property taxes low, while providing the required services demanded by this growth.

Under the current Town administration, which began in 2010, property taxes have been reduced and services have been increased to handle the additional demands placed on Town departments due to our rapid growth. New financial policies have provided significant stability to the Town's finances while adding a much needed increase to the Town's general fund balance. During this period the general fund balance has grown well over $2,000,000. The continuation of these strategies allows for our continued growth. For the upcoming years 2015 and 2016 we have already seen projected growth in new construction of over $10,000,000. It is our belief that with the continued financial management and services, growth will continue here in the Town of New Hartford well into the next decade.

8. CONTACTING THE TOWN

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

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

TOWN OF NEW HARTFORD, NEW YORK
STATEMENT OF NET POSITION
December 31, 2014

	Governmental Activities	Component Unit New Hartford Public Library
Assets		
Cash and Cash Equivalents	$ 4,033,895	$ 113,334
Restricted Cash	206,112	383,760
Accounts Receivable, Net of Allowance	310,798	6,015
Due From		
Due From Other Governments	2,154,335	
Inventory	5,163	
Prepaid Expenditures	177,627	
Capital Assets (Net of Accumulated Depreciation)	14,742,509	2,341,336
Total Assets	$ 21,630,439	$ 2,844,445
Liabilities		
Accounts Payable	$ 736,415	$ 7,293
Accrued Liabilities	55,676	15,800
Accrued Interest	63,021	
Due To Employee Retirement System	720,685	
Bond Anticipation Notes Payable	1,071,571	
Due To Fiduciary Fund	1,275	
Judgments and Claims Payable	270,350	
Unearned Revenue	1,475	3,500
Noncurrent Liabilities		
Due Within One Year		
Bonds Payable	754,144	
Capital Lease Notes	42,628	
Due in More Than One Year		
Bonds Payable	8,727,345	
Capital Lease Notes	44,114	
Compensated Absences Payable	871,116	3,554
OPEB	6,783,215	
Total Liabilities	20,143,030	30,147
Net Position		
Net Investment in Capital Assets	4,552,707	2,341,336
Restricted	201,993	376,315
Unrestricted (Deficit)	(3,267,291)	96,647
Total Net Position	1,487,409	2,814,298
Total Liabilities and Net Position	$ 21,630,439	$ 2,844,445

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

TOWN OF NEW HARTFORD, NEW YORK

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets	Component Unit New Hartford Public Library
Primary Government						
Governmental Activities						
General Government Support	$ 2,693,714	$ 168,367	$	$	$ (2,525,347)	
Public Safety	5,545,362	290,779	83,922		(5,170,661)	
Public Health	74,534				(74,534)	
Transportation	4,306,430	305,443		624,778	(3,376,209)	
Social Services	128,990				(101,748)	
Home and Community Services	1,303,258	27,242	5,624		(966,643)	
Culture and Recreation	1,788,687	330,991			(1,788,687)	
Debt Service - Interest	249,842				(249,842)	
Total Governmental Activities	$ 16,090,817	$ 1,122,822	$ 89,546	$ 624,778	(14,253,671)	
Component Unit						
New Hartford Public Library	$ 638,969	$ 23,490	$ 476,759	$ 0		(138,720)
General Revenues						
Real Property Taxes					5,626,541	
Other Real Property Taxes Items					384,391	
Nonproperty Tax Items					5,847,877	
General State Aid					428,362	
Use of Money and Property					4,362	4,013
Gain on Disposition of Property					203,711	1,346
Licenses					71,325	
Miscellaneous					191,080	46,949
Total General Revenues					12,757,649	52,308
Change in Net Position					(1,496,022)	(86,412)
Net Position, Beginning of Year					2,973,431	2,900,710
Prior Period Adjustment					10,000	
Net Position, End of Year					$ 1,487,409	$ 2,814,298

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

TOWN OF NEW HARTFORD, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2014

	Governmental									Total
	General Whole Town	General Part Town	Police	Highway Part Town	Fire	Sewer	Mitigation	Capital	Non-major Governmental	Governmental Funds
Assets										
Current Assets										
Unrestricted Cash	$ 884,300	$ 241,436	$ 745,518	$ 299,997	$ 118,042	$ 1,102,109	$	$ 481,382	$ 161,111	$ 4,033,895
Restricted Cash							206,112			206,112
Accounts Receivable	138,614	14,019	14,529	15,144		50,223		78,269		310,798
Due from Other Funds	25	4,190	9	78		764,281	14,958	25,637		809,178
Due from Other Governments	963,350		332,592	815,629				42,764		2,154,335
Inventory	5,163									5,163
Prepaid Expenditures	121,019	5,573	43,726	7,202		107				177,627
Total Current Assets	$ 2,112,471	$ 265,218	$ 1,136,374	$ 1,138,050	$ 118,042	$ 1,916,720	$ 221,070	$ 628,052	$ 161,111	$ 7,697,108
Liabilities and Fund Equity										
Current Liabilities										
Accounts Payable	$ 80,878	$ 1,163	$ 22,848	$ 402,217	$ 36	$ 27,907	$	$ 192,252	$ 9,114	$ 736,415
Accrued Liabilities	15,237	2,394	20,893	14,002		2,780			370	55,676
Due to Other Funds	226,780		58,212	148,635	9,669	14,958	19,077	254,222	78,900	810,453
Bond Anticipation Notes Payable	114,926		209,082		81,511	44,481		621,571		1,071,571
Due to Employees' Retirement System	166,270	19,346	371,489	157,618		5,962				720,685
Judgments and Claims Payable	71,898		122,390		48,019	28,043				270,350
Deferred Revenues	1,475									1,475
Total Current Liabilities	677,464	22,903	804,914	722,472	139,235	124,131	19,077	1,068,045	88,384	3,666,625
Fund Equity										
Non-spendable	126,182	5,573	43,726	7,202		107				182,790
Restricted							201,993			201,993
Assigned			287,734	408,376		1,792,482			72,727	2,561,319
Unassigned (Deficit)	1,308,825	236,742			(21,193)			(439,993)		1,084,381
Total Fund Equity (Deficit)	1,435,007	242,315	331,460	415,578	(21,193)	1,792,589	201,993	(439,993)	72,727	4,030,483
Total Liabilities and Fund Equity	$ 2,112,471	$ 265,218	$ 1,136,374	$ 1,138,050	$ 118,042	$ 1,916,720	$ 221,070	$ 628,052	$ 161,111	$ 7,697,108

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

TOWN OF NEW HARTFORD, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUND EQUITY TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2014

Governmental Fund Equity			$ 4,030,483
Amounts reported for governmental activities in the statement of net position are different due to the following:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
	Original Cost of Capital Assets	32,963,658	
	Accumulated Depreciation	(18,221,149)	14,742,509
Accrued Interest			(63,021)
Long-term liabilities, OPEB Liability and Compensated Absences, are not due and payable in the current-period and therefore are not reported in the funds			
	Bonds Payable	(9,481,489)	
	Capital Lease Notes	(86,742)	
	Compensated Absences Payable	(871,116)	
	OPEB	(6,783,215)	(17,222,562)
Net Position of Governmental Activities			$ 1,487,409

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

TOWN OF NEW HARTFORD, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Governmental									Total
	General Whole Town	General Part Town	Police	Highway Part Town	Fire	Sewer	Mitigation	Capital	Non-major Governmental	Governmental Funds
Revenues										
Real Property Taxes	$ 1,323,130	$	$ 2,228,256	$	$ 1,212,482	$ 607,994	$	$	$ 254,679	$ 5,626,541
Other Real Property Tax Items	384,391									384,391
Nonproperty Tax Items	1,815,992		1,102,062	2,929,823						5,847,877
Departmental Income	410,490	126,830	39,713	2,265		9,972				589,270
Intergovernmental Charges		13,109		262,832				20,000		295,941
Use of Money and Property	4,159		18			2	74	109		4,362
Licenses and Permits	28,989	60,264								89,253
Fines and Forfeitures	142,400									142,400
Sale of Property and Compensation for Loss			13,425	190,286						203,711
Miscellaneous	67,413		84,107	89,512						241,032
State Aid	433,986		111,253	465,100						1,010,339
Federal Aid				159,678						159,678
Total Revenues	4,610,950	200,203	3,578,834	4,099,496	1,212,482	617,968	74	20,109	254,679	14,594,795
Expenditures										
General Government Support	1,518,498	13,849	208,098		81,254	44,336				1,866,035
Public Safety	116,784		2,214,296		1,181,717			29,737		3,542,534
Public Health		42,984								42,984
Transportation	144,694			3,181,877				205,865	104,947	3,637,383
Social Services	128,990									128,990
Home and Community Services	53,270	217,798				305,308		303,501		879,877
Culture and Recreation	1,119,952							38,352		1,158,304
Employee Benefits	727,080	100,381	1,177,151	975,731		55,965				3,036,308
Debt Service - Principal	446,200		2,500	135,800		8,000			169,723	762,223
Debt Service - Interest	177,306		1,789	49,813	34	3,622			29,695	262,259
Total Expenditures	4,432,774	375,012	3,603,834	4,343,221	1,263,005	417,231		577,455	304,365	15,316,897
Excess (Deficit) Revenues Over Expenditures	178,176	(174,809)	(25,000)	(243,725)	(50,523)	200,737	74	(557,346)	(49,686)	(722,102)
Other Financing Sources (Uses)										
Interfund Transfers From			25,000				77,252	248,152	200	350,604
Interfund Transfers To				(200)		(248,152)		(102,252)		(350,604)
Total Other Financing Sources (Uses)			25,000	(200)		(248,152)	77,252	145,900	200	
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	178,176	(174,809)		(243,925)	(50,523)	(47,415)	77,326	(411,446)	(49,486)	(722,102)
Fund Equity, Beginning of Year	1,256,831	417,124	331,460	659,503	29,330	1,840,004	124,667	(28,547)	122,213	4,752,585
Fund Equity (Deficit), End of Year	$ 1,435,007	$ 242,315	$ 331,460	$ 415,578	$ (21,193)	$ 1,792,589	$ 201,993	$ (439,993)	$ 72,727	$ 4,030,483

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

TOWN OF NEW HARTFORD, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Net Changes in Fund Balance - Total Governmental Funds			$ (722,102)
Capital Outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which depreciation in the period exceeds capital outlays.			
	Capital Outlays	1,137,161	
	Depreciation	(1,907,231)	(770,070)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the statement of net position. Repayments of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the statement of net assets.			
	Principal Payments of Capital Leases	41,191	
	Principal Payments on Long Term Debt	762,223	803,414
Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.			
	OPEB Liability	(1,074,356)	
	Accrued Interest	12,417	
	Compensated Absences	254,675	(807,264)
Change in Net Positions Governmental Activities			$ (1,496,022)

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

TOWN OF NEW HARTFORD, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2014

	Agency
Assets	
Unrestricted Cash	$ 224,691
Service Award Program Assets	342,060
Due From Other Funds	1,300
Other Assets	9,391
Total Assets	$ 577,442
Liabilities and Net Position	
Agency Liabilities	$ 95,770
Service Awards	342,060
Due To Other Funds	25
Retainers Payable	139,587
Total Liabilities	$ 577,442

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Background

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

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

Financial Reporting Entity

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

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

(a) Included in the Reporting Entity

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

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

Financial Statements - Government-Wide

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

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

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

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

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

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

Basic Financial Statements - Fund Financial Statements

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

(a) Major Funds:

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

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town has defined the period of availability to be 90 days.

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

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

a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursements.

b. Principal on indebtedness is not recognized as an expenditure until due.

c. Capital fund expenditures are recorded when paid.

Estimates

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

Property Taxes

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

Capital Assets/Property, Plant, and Equipment

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

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

Receivables

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

Unearned Revenue

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

Insurance

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

Retirement Plan

The Town provides retirement benefits for substantially all of its regular, full-time employees through contributions to the New York State Employees' Retirement System and the New York State Police and Fire Retirement System. These Systems are cost-sharing, multiple-employer, public employee retirement systems. The Systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

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

Interfund Activity

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

Inventories

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

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

Compensated Absences

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

Cash and Cash Equivalents

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

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the Town's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Short-Term Debt

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

Equity classifications

(a) Government-wide Financial Statements

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

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

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

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

(b) Fund Statements

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

Non-spendable

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

Restricted Resources

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

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

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

Unrestricted Resources

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

- ***Committed*** **-** Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority, i.e., the Town Board. The Town has no committed fund balances as of December 31, 2014.

- ***Assigned*** – Includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor **committed**. Intent is expressed by (a) the Town Board or (b) the designated official, such as the Town's Purchasing Agent, to which the Board has delegated the authority to assign amounts to be used for specific purposes. The remaining fund balances in the Police, Highway Part Town, Sewer, and Non-Major funds are assigned fund balances.

- ***Unassigned*** – Includes all other fund net positions that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the respective fund.

New Accounting Standard

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

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

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

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

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

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

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

(a) Long-Term Revenue Differences

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

(b) Capital Related Differences

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

(c) Long-Term Debt Transaction Differences

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

(d) Employee Benefit Allocation

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

Budgets and Budgetary Accounting

(a) Budget Basis of Accounting

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

(b) Budget Policies

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

(c) Legally Adopted Budgets

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

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

3. ENCUMBRANCE ACCOUNTING

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

4. BUDGET LIMITATIONS AND SUPPLEMENTAL APPROPRIATIONS

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

The following supplemental appropriations occurred during the year:

	General Whole Town	General Part Town	Police	Highway Part Town	Fire	Sewer
Change from Adopted Budget to Revised Budget						
Adopted Budget	$ 4,460,447	$ 413,000	$3,458,624	$3,358,016	$1,212,901	$659,322
Original and Adopted Budget	$ 4,460,447	$ 413,000	$3,458,624	$3,358,016	$1,212,901	$659,322
Amendments:						
Mowing	15,806			10,000		
Donations	5,395					
Highway Superintendent	5,000					
DCJS Grant			14,876			
Equipment Purchases				156,050		
State Multi-Modal Project				278,593		
Road Paving				166,407		
Total Amendments	26,201		14,876	611,050		
Final Budget	$ 4,486,648	$ 413,000	$3,473,500	$3,969,066	$1,212,901	$659,322

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets

(a) Custodial Credit Risk

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

As of December 31, 2014, of the Town's bank balances of $4,784,525 were not exposed to custodial credit risk because the deposits were fully covered by FDIC and collateral pledged by financial institutions in the Town's name.

(b) Capital Assets

Capital asset activity for the governmental activities for the year ended December 31, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 611,634	$	$	$ 611,634
Construction in Progress	1,561,173	413,012	450,900	1,523,285
Total	2,172,807	413,012	450,900	2,134,919
Capital Assets Being Depreciated				
Buildings	5,228,360			5,228,360
Infrastructure	17,153,333	450,900		17,604,233
Capital Lease	199,506	132,084		331,590
Equipment	7,353,966	592,066	281,475	7,664,557
Total	29,935,165	1,175,050	281,475	30,828,740
Accumulated Depreciation				
Buildings	3,451,519	130,709		3,582,228
Infrastructure	6,625,663	451,379		7,077,042
Equipment	6,438,409	1,291,985	281,475	7,448,919
Capital Lease	79,802	33,159		112,961
Total	16,595,393	1,907,232	281,475	18,221,150
Net Capital Assets Being Depreciated	13,339,772	(732,182)		12,607,590
Net Capital Assets	$ 15,512,579	$ (319,170)	$ 450,900	$ 14,742,509

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

Governmental Activities	
General Government Support	$ 321,086
Public Safety	609,559
Transportation	625,879
Home and Community Services	151,399
Culture and Recreation	199,309
Total Depreciation Expense	$ 1,907,232

Liabilities

(a) Bond Anticipation Notes (BANs)

The Town may issue Bond Anticipation Notes (BANs) in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. The following is a summary of the BAN outstanding at December 31, 2014.

Changes in the Town's short–term outstanding debt for the year ended December 31, 2014 are as follows:

Description	Outstanding Beginning Balance	Issued	Paid	Outstanding Ending Balance
Governmental Activities				
2014 Tax Certiorari	$	$ 450,000	$	$ 450,000
Various Projects		621,571		621,571.00
Total Governmental Activities	$	$ 1,071,571	$	$ 1,071,571

The following is a summary of the BAN outstanding at December 31, 2014:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund					
2014 Tax Certiorari	12/14	$ 450,000	04/15	12/15	$ 114,926
Various Projects	05/14	$ 621,571	04/15	05/15	355,000
					469,926
Police Fund					
2014 Tax Certiorari	12/14	$ 450,000	04/15	12/15	209,082
Water Fund					
Various Projects	05/14	$ 621,571	04/15	05/15	75,000
Sewer Fund					
2014 Tax Certiorari	12/14	$ 450,000	04/15	12/15	44,481
Various Projects	05/14	$ 621,571	04/15	05/15	191,571
					236,052
Fire Fund					
2014 Tax Certiorari	12/14	$ 450,000	04/15	12/15	81,511
					$ 1,071,571

Interest costs for short–term debt for the year ended December 31, 2014 were as follows:

Interest Paid	$ 0
Less: Interest Accrued in the Prior Year	
Plus: Interest Accrued in the Current Year	3,905
Total Interest Expense on Short-Term Debt	$ 3,905

(b) Long Term Debt

The Town borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and Town-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

Long-term liability balances and activity are as follows:

Description	Beginning Balance (Restated)	Issued	Paid	Ending Balance	Due Within One Year
Governmental Activities					
Serial Bonds Payable	$ 10,243,712	$	$ (762,223)	$ 9,481,489	$ 754,144
Capital Lease Notes	127,933		(41,191)	86,742	42,628
OPEB Liability	5,708,859	1,431,944	(357,588)	6,783,215	
Compensated Absences	1,125,791		(254,675)	871,116	
Total Governmental	$ 17,206,295	$ 1,431,944	$ (1,415,677)	$ 17,222,562	$ 796,772

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

Fiscal Year Ended December 31,	Principal	Interest	Total
2015	754,144	212,534	966,678
2016	696,066	192,825	888,891
2017	682,988	173,863	856,851
2018	699,909	154,288	854,197
2019	691,831	134,044	825,875
2020-2024	2,912,980	387,150	3,300,130
2025-2029	1,581,017	124,763	1,705,780
2030-2034	984,058	16,875	1,000,933
2035-2037	478,496		478,496
Total	$ 9,481,489	$ 1,396,342	$ 10,877,831

Capital Lease Payable - The Town is obligated under certain leases accounted for as capital leases. The leased assets and related obligations are accounted for in the Governmental Funds. At December 31, 2014, assets under capital leases for the Governmental Funds totaled $331,590, and the respective depreciation was $112,961. The terms of the lease is 5 years and has an interest rate of 2.17% per annum. The following is a schedule of future minimum lease payments under capital leases.

Fiscal Year Ended December 31,	Principal	Interest	Total
2015	$ 42,628	$ 3,026	$ 45,654
2016	44,114	1,539	45,653
Total	$ 86,742	$ 4,565	$ 91,307

Details relating to general obligation (serial) bonds of the Town outstanding at December 31, 2014, are summarized as follows:

Description		Date of Original Issue	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund – Whole Town					
1995		Aug-1995	Feb-2015	5-5.75	51,000
2002		Feb-2002	Mar-2022	3.9-4.75	568,000
2009		Mar-2009	Mar-2032	3.50-5.00	1,385,000
2009		Mar-2009	Mar-2032	3.50-5.00	1,645,000
2013		Jun-2013	Apr-2027	2.5-3.25	778,500
					4,427,500
Highway Fund – Whole Town					
2013		Jun-2013	Apr-2027	2.5-3.25	775,500
Highway Fund – Part Town					
2002		Feb-2011	Mar-2022	3.9-4.75	118,000
2013		Jun-2013	Apr-2027	2.5-3.25	814,700
					932,700
Police Fund – Part Town					
2013		Jun-2013	Apr-2027	2.5-3.25	46,300
Water Fund					
1995		Aug-1995	Feb-2015	5-5.75	9,000
2006	NYSEFC	Jul-2006	Jun-2036	0.00	3,226,489
					3,235,489
Sewer Fund					
2002		Feb-2002	Mar-2022	3.9-4.75	64,000
			Total		$ 9,481,489

Total interest for the year was as follows:	
Interest Paid	$ 258,354
Less: Interest Accrued in the Prior Year	(75,438)
Plus: Interest Accrued in the Current Year	63,021
Total Interest Expense on Long-Term Debt	$ 245,937

Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the Town. The Town may issue indebtedness to the extent that the aggregate outstanding debt issued, which is subject to such limit, does not exceed 7% of the average full valuation of taxable real estate within such Town. At December 31, 2014, the total outstanding indebtedness of the Town aggregated $10,553,060, of this amount; $6,604,571 was subject to the constitutional debt limit and represented approximately 6.0% of its statutory debt limit.

Pension Plans

(a) Plan Description

The Town of New Hartford participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employee's Group Life Insurance Plan (Systems). These are cost-sharing, multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes general purpose financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Governor Alfred E. Smith State Office Building, Albany, New York 12244.

(b) Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund. The New York State Pension System has a fiscal year end of March 31.

The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year. The contribution for the March 31, 2014 billings was made in January 2014. The Town accrued 75% of the March 31, 2015 billing at December 31, 2014.

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

	For the Years Ended March 31,		
	2015	2014	2013
ERS			
Average Contribution Rate	19.1%	20.5%	20.8%
Average Contributions	$ 482,651	$ 536,876	$ 554,524
PFRS			
Average Contribution Rate	26.6%	27.8%	28.4%
Average Contributions	$ 462,992	$ 464,256	$ 428,212

LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

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

LENGTH OF SERVICE AWARD PROGRAM (LOSAP) (CONTINUED)

The Town's financial statements are for the years ended December 31, 2014. However, the actuarially calculated obligations of the plan contained in this note is based on information for the LOSAP for the plan year ended on January 1, 2013, which is the most recent plan year for which complete information is available.

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

Participation, Vesting, and Service Credit

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

Benefits

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

Fiduciary Investment and Control

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

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

Payment of Benefits:

1. Entitlement benefits - FBIS prepares and submits to the Plan Administrator (Sponsor) a Verification of Benefits statement and an Annuity Enrollment form for participants active at entitlement age and for vested participants upon terminations from the plan. Following review for accuracy, the Plan Administrator signs and returns the paperwork to VFIS to disburse entitlement benefits.

2. Death benefits - Upon notification form the Plan Administrator (Sponsor) of a participant's death, FBIS prepares a Verification of Benefits statement and a lump-sum death benefit form. Following review for accuracy, the Plan Administrator signs and returns the paperwork accompanied by a death certificate to FBIS authorizing FBIS to disburse a death benefit.

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

Payment of Administrative Expenses:

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

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

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

Program Financial Condition

The Sponsor is required to retain an actuary to determine the amount of the Sponsor's contributions to the plan. The actuary retained by the Sponsor for this purpose is FBIS. Portions of the following information are derived from a report prepared by the actuary with a valuation date of January 1, 2013 for the plan year ending December 31, 2013.

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

Program Financial Condition as of December 31, 2013
(Actuary Report not available for 2014)

Assets and Liabilities

Assets Available for Benefits

	% of Total	
Cash	5.6%	$ 17,384
Cash Value of Life Insurance	4.9%	$ 15,217
Life Insurance - Specialty	6.4%	19,844
International Stock	12.2%	37,856
Small-Cap Stock	5.7%	17,632
Large-Cap Stock	22.5%	70,008
Bonds	42.7%	132,590
Total Assets Available for Benefits at December 31, 2013	100.0%	310,531
Actuarial Present Value of January 1, 2013		(633,634)
Total Unfunded Benefits at December 31, 2013		$ (323,103)

Receipts and Disbursements for 2014

Plan net assets, beginning of year, January 1, 2014	$ 310,531
Add Plan Contributions	37,583
Investment Income	4,829
Unrealized Gain(Loss) on Investments	8,821
Less Plan Benefit Withdrawals	(10,935)
Insurance Premiums	(8,769)
Plan net assets, end of year, December 31, 2014	$ 342,060

Contributions

Amount of sponsor's contribution recommended by actuary (minimum)	$ 36,189
Amount of sponsor's actual contribution	$ 37,583

Administrative Fees

Fees paid to actuary	$ 2,206

Other Postemployment Benefits (OPEB)

(a) Plan Description

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

Changes to Plan

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

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

(b) Funding Policy

The obligations of the Plan members, employers, and other entities are established by action of the Town pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended December 31, 2014, the Town's contributions to the Plan ranged from 85% to 100% of the required annual premiums. The retirees currently contribute enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the Town.

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

(c) Annual OPEB Cost

	Total
Normal Cost	$ 627,336
Amortization of UAL	936,279
Interest	228,354
ARC	1,791,969
Adjustment to ARC	(360,025)
OPEB Expense	$ 1,431,944

(d) Reconciliation of Net OPEB Obligation

	Total
Net OPEB Obligation at the Beginning of the Year	$ 5,708,859
Annual Required Contribution	1,431,944
Net OPEB Contributions Made During the Fiscal Year	(357,588)
Net OPEB Obligation at the End of the Year	$ 6,783,215
Percentage of Expense Contributed	25%

(e) Trend Information

Fiscal Year Ending	Annual Net OPEB Expense	OPEB Expense Contributed	% of Expense Contributed	Net OPEB Obligation
December 31, 2012	$ 1,431,944	$ 249,953	17.5%	$ 4,581,204
December 31, 2013	$ 1,426,573	$ 334,804	23.5%	$ 5,708,859
December 31, 2014	$ 1,431,944	$ 357,588	25.0%	$ 6,783,215

(f) Funding Status

	Total
Actuarial Accrued Liability	$ 14,275,400
Actuarial Value of Assets	
Unfunded Actuarial Accrued Liability (UAAL)	$ 14,275,400
Funded Ratio	0%
Annual Covered Payroll	$ 4,747,901
UAAL as a Percentage of Covered Payroll	301%

(g) Actuarial Methods and Assumptions

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

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

The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The actuarial measurement date was dated January 1, 2014.

(h) Health Care Trend Factors

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

Year	Trend
2015	7.0%
2016	6.8%
2017	6.5%
2018 and Later	6.3% to 4.3%

(i) Additional Information

Actuarial Valuation Date	January 1, 2014
Actuarial Cost Method	Projected Unit Credit
Amortization Period	Level Dollar, 30 years
Amortization Period Remaining (Years)	24
Funding Interest Rate	4%
Fiscal year that the Rate Reaches the Ultimate Trend Rate	2015

Interfund receivables and Payables

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

Fund Type	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Whole Town	$ 25	$ 226,780	$	$
General Part Town	4,190			
Police	9	58,212	25,000	
Highway Part Town	78	148,635		200
Fire		9,669		
Sewer	764,281	14,958		248,152
Mitigation	14,958	19,077	77,252	
Capital	25,637	254,222	248,152	102,252
Non-Major		78,900	200	
Fiduciary Funds	1,300	25		
Total	$ 810,478	$ 810,478	$ 350,604	$ 350,604

6. COMMITMENTS AND CONTINGENCIES

Potential Grantor Liability

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

Construction Commitments

At December 31, 2014, the Town had construction commitments outstanding of approximately $202,328, which are contingent on performance of contractors. If any contract should exceed the original contract, then the excess will be financed from the remaining bond proceeds or current appropriations as approved by the voters.

Union Agreements

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

Highway	Teamsters Local No. 182	Expired December 31, 2011
Parks	Teamsters Local No. 182	Expired December 31, 2010

Judgments and Claims

The Town is a defendant in various lawsuits. In the opinion of the Town's management, after considering all relevant facts and the opinion of outside counsel in certain instances, such litigation will not in the aggregate have a materially adverse effect on the financial position of the Town.

Tax Certiorari Proceedings

In 2014, the Town incurred an expense for a Tax Certiorari for a commercial property for real property taxes $414,012 and interest of $35,693. The settlement covered the taxes collected for 2007 through 2012. The aggregate expense of $449,704 was allocated to the funds as follows: General Whole Town $116,025, Police Part-Town $208,098, Fire $81,254 and Sewer $44,327.

The Town is a defendant in a tax certiorari proceedings seeking a reduction in taxable assessments including a potential refund of prior real property taxes paid for the same commercial property noted above. Although management believes that the town will prevail in the proceedings, the potential liability of these refundings are estimated to be between $50,000 to $270,000 and.

8. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at December 31, 2014:

	General Whole Town	General Part Town	Police	Highway Part Town	Fire	Sewer	Mitigation	Capital	Non-Major Governmental	Total
Nonspendable	$ 126,182	$ 5,573	$ 43,726	$ 7,202	$	$ 107	$	$	$	$ 182,790
Restricted										
Reserve for Mitigation Capital Improvements							201,993			201,993
Assigned										
Public Safety			287,734							287,734
Transportation				408,376						408,376
Home and Community Services						1,792,482			72,727	1,865,209
Total Assigned			287,734	408,376		1,792,482			72,727	2,561,319
Unassigned	1,308,825	236,742			(21,193)			(439,993)		1,084,381
Total Fund Equity	$ 1,435,007	$ 242,315	$ 331,460	$ 415,578	$ (21,193)	$ 1,792,589	$ 201,993	$ (439,993)	$ 72,727	$ 4,030,483

9. DEFICIT FUND BALANCES

Capital

The Capital Fund had a fund deficit of $439,993 at December 31, 2014. This deficit is due to the timing of funding and reimbursements for active capital projects.

Fire Fund

The Fire Fund had a fund deficit of $21,193 at December 31, 2014. This deficit is due to a tax certiorari settlement in 2014. The deficit is expected to be eliminated through the 2015 budget.

Government-wide

The net position was increased by $10,000 due to an error in the amortization schedules for a bond issue.

10. NEW HARTFORD PUBLIC LIBRARY

Reporting Entity

The reporting entity of the Library is based upon criteria set forth by GASB. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Library has chosen to reclassify the prior year financial statement in order to present separate fund activity in the current year.

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

The decision to include a potential component unit in the Library's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no component units included in the Library's financial statements.

Cash and Cash Equivalents

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

Investments

The Library has placed its Lally Memorial Garden Fund investments in a pooled investment account with The Community Foundation of Herkimer and Oneida Counties, Inc. The Foundation maintains master investment accounts. Realized and unrealized gains and losses from securities in the master investment accounts are allocated to the individual accounts based on the relationship of the market value of each account to the total market value of the master investment accounts, as adjusted for additions to or deductions from those accounts.

Inventories

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

Capital Assets

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

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

Other Benefits

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

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

CUSTODIAL CREDIT RISK

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

POOLED INVESTMENT

The fair value of the Library's Investment balances and activity for the year ended December 31, 2014, were as follows:

Beginning Balance	$ 268,514
Investment Income Net of Fees	3,289
Return of Investment	(271,803)
Ending Balance	$ 0

CAPITAL ASSETS

Capital assets balances and activity for the year ended December 31, 2014, were as follows:

	Beginnning Balance	Additions	Ending Balance
Capital Assets Not Being Depreciated			
Land	$ 96,460	$	$ 96,460
Capital Assets Being Depreciated			
Buildings	2,952,971		2,952,971
Land Improvements	135,422		135,422
Furniture, Fixtures, and Equipment	312,383	5,060	317,443
Total	3,400,776	5,060	3,405,836
Accumulated Depreciation			
Land Improvements	64,818	9,032	73,850
Buildings	719,327	74,919	794,246
Furniture, Fixtures, and Equipment	277,580	15,284	292,864
Total	1,061,725	99,235	1,160,960
Net Capital Assets Being Depreciated	2,339,051	(94,175)	2,244,876
Net Capital Assets	$ 2,435,511	$ (94,175)	$ 2,341,336

TOWN OF NEW HARTFORD, NEW YORK

SCHEDULES OF FUNDING PROGRESS OF OTHER POST EMPLOYMENT BENEFITS

For the Year Ended December 31, 2014

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability-Projected Unit Credit	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as % of Covered Payroll
	(a)	(b)	(b)-(a)	(a)/(b)	(c)	[(b)-(a)]/(c)
December 31, 2012	$	$ 13,581,619	$ 13,581,619	0%	$ 4,213,174	322%
December 31, 2013	$	$ 14,407,870	$ 14,407,870	0%	$ 4,251,193	339%
December 31, 2014	$	$ 14,275,400	$ 14,275,400	0%	$ 4,747,901	301%

TOWN OF NEW HARTFORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -

BUDGET AND ACTUAL - GENERAL WHOLE TOWN FUND

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	$ 1,321,380	$ 1,321,380	$ 1,323,130	$ 1,750
Other Real Property Tax Items	427,002	427,002	384,391	(42,611)
Nonproperty Tax Items	1,584,800	1,584,800	1,815,992	231,192
Departmental Income	368,300	368,300	410,490	42,190
Use of Money and Property	3,200	3,200	4,159	959
Licenses and Permits	28,000	28,000	28,989	989
Fines and Forfeitures	145,000	145,000	142,400	(2,600)
Miscellaneous	73,647	99,848	67,413	(32,435)
State Aid	504,118	504,118	433,986	(70,132)
Total Revenues	4,455,447	4,481,648	4,610,950	129,302
Expenditures				
General Government Support	1,435,449	1,451,255	1,518,498	(67,243)
Public Safety	128,302	128,302	116,784	11,518
Transportation	121,982	126,982	144,694	(17,712)
Social Services	150,242	155,637	128,990	26,647
Home and Community Services	40,500	40,500	53,270	(12,770)
Culture and Recreation	1,123,555	1,123,555	1,119,952	3,603
Employee Benefits	828,710	828,710	727,080	101,630
Debt Service - Principal	456,200	456,200	446,200	10,000
Debt Service - Interest	175,507	175,507	177,306	(1,799)
Total Expenditures	4,460,447	4,486,648	4,432,774	53,874
Excess (Deficit) Revenues Over Expenditures	(5,000)	(5,000)	178,176	183,176
Other Financing Sources				
Appropriated Fund Balance	5,000	5,000		(5,000)
Total Other Financing Sources	5,000	5,000		(5,000)
Excess Revenues Over Expenditures and Other Financing Sources	$	$	$ 178,176	$ 178,176

TOWN OF NEW HARTFORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL - GENERAL PART TOWN FUND

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Nonproperty Tax Items	$	$	$	$
Departmental Income	122,800	122,800	126,830	4,030
Intergovernmental Charges			13,109	13,109
Licenses and Permits	97,200	97,200	60,264	(36,936)
Total Revenues	220,000	220,000	200,203	(19,797)
Expenditures				
General Government Support	9,043	9,043	13,849	(4,806)
Public Health	48,088	48,088	42,984	5,104
Home and Community Services	229,039	229,039	217,798	11,241
Employee Benefits	126,830	126,830	100,381	26,449
Total Expenditures	413,000	413,000	375,012	37,988
(Deficit) Revenues Over Expenditures	(193,000)	(193,000)	(174,809)	18,191
Other Financing Sources				
Appropriated Fund Balance	193,000	193,000		(193,000)
Total Other Financing Sources	193,000	193,000		(193,000)
(Deficit) Revenues Over Expenditures and Other Financing Sources	$	$	$ (174,809)	$ (174,809)

TOWN OF NEW HARTFORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL - POLICE FUND

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	$ 2,228,982	$ 2,228,982	$ 2,228,256	$ (726)
Nonproperty Tax Items	980,000	980,000	1,102,062	122,062
Departmental Income	56,500	56,500	39,713	(16,787)
Use of Money and Property			18	18
Sale of Property and Compensation for Loss	10,000	10,000	13,425	3,425
Miscellaneous	113,400	113,400	84,107	(29,293)
State Aid	69,742	84,618	111,253	26,635
Total Revenues	3,458,624	3,473,500	3,578,834	105,334
Expenditures				
General Government Support			208,098	(208,098)
Public Safety	2,294,923	2,309,799	2,214,296	95,503
Employee Benefits	1,159,499	1,159,499	1,177,151	(17,652)
Debt Service - Principal	2,500	2,500	2,500	
Debt Service - Interest	1,702	1,702	1,789	(87)
Total Expenditures	3,458,624	3,473,500	3,603,834	(130,334)
(Deficit) Revenues Over Expenditures			(25,000)	(25,000)
Other Financing Sources				
Interfund Transfers From			25,000	25,000
Total Other Financing Sources			25,000	25,000
Excess Revenues Over Expenditures and Other Financing Sources	$	$	$ 0	$ 0

TOWN OF NEW HARTFORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -

BUDGET AND ACTUAL - HIGHWAY PART TOWN FUND

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Nonproperty Tax Items	$ 2,855,178	$ 2,927,585	$ 2,929,823	$ 2,238
Departmental Income			2,265	2,265
Intergovernmental Charges	145,200	145,200	262,832	117,632
Sale of Property and Compensation for Loss	7,000	163,050	190,286	27,236
Miscellaneous	39,600	49,600	89,512	39,912
State Aid	161,038	439,631	465,100	25,469
Federal Aid		94,000	159,678	65,678
Total Revenues	3,208,016	3,819,066	4,099,496	280,430
Expenditures				
Transportation	2,179,400	2,790,450	3,181,877	(391,427)
Employee Benefits	993,003	993,003	975,731	17,272
Debt Service - Principal	135,800	135,800	135,800	
Debt Service - Interest	49,813	49,813	49,813	
Total Expenditures	3,358,016	3,969,066	4,343,221	(374,155)
(Deficit) Revenues Over Expenditures	(150,000)	(150,000)	(243,725)	(93,725)
Other Financing Sources				
Interfund Transfers From				
Interfund Transfers To			(200)	(200)
Appropriated Fund Balance	150,000	150,000		(150,000)
Total Other Financing Sources	150,000	150,000	(200)	(150,200)
(Deficit) Revenues Over Expenditures and Other Financing Sources	$	$	$ (243,925)	$ (243,925)

TOWN OF NEW HARTFORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -

BUDGET AND ACTUAL - FIRE FUND

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	$ 1,212,901	$ 1,212,901	$ 1,212,482	$ (419)
Total Revenues	1,212,901	1,212,901	1,212,482	(419)
Expenditures				
Public Safety	1,212,901	1,212,901	1,181,717	31,184
Total Expenditures	1,212,901	1,212,901	1,263,005	(50,104)
(Deficit) Revenues Over Expenditures	$	$	$ (50,523)	$ (50,523)

TOWN OF NEW HARTFORD, NEW YORK

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) - BUDGET AND ACTUAL - SEWER FUND

For the Year Ended December 31, 2014

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	$ 608,314	$ 608,314	$ 607,994	$ (320)
Departmental Income	7,781	7,781	9,972	2,191
Use of Money and Property			2	2
Total Revenues	616,095	616,095	617,968	1,873
Expenditures				
General Government Support			44,336	(44,336)
Home and Community Services	564,411	564,411	305,308	259,103
Employee Benefits	84,904	84,904	55,965	28,939
Debt Service - Principal	8,000	8,000	8,000	
Debt Service - Interest	2,007	2,007	3,622	(1,615)
Total Expenditures	659,322	659,322	417,231	242,091
Excess (Deficit) Revenues Over Expenditures	(43,227)	(43,227)	200,737	243,964
Other Financing Sources				
Interfund Transfers From			(248,152)	(248,152)
Appropriated Fund Balance	43,227	43,227		(43,227)
Total Other Financing Sources	43,227	43,227	(248,152)	(291,379)
(Deficit) Revenues Over Expenditures and Other Financing Sources	$	$	$ (47,415)	$ (47,415)

TOWN OF NEW HARTFORD, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2014

	Highway Whole Town	Water	Lighting Districts	Total Nonmajor Governmental Funds
Assets				
Current Assets				
Unrestricted Cash	$ 19,254	$ 105,124	$ 36,733	$ 161,111
Total Current Assets	$ 19,254	$ 105,124	$ 36,733	$ 161,111
Liabilities and Fund Equity				
Current Liabilities				
Accounts Payable	$ 1	$	$ 9,113	$ 9,114
Accrued Liabilities		370		370
Due to Other Funds	45,748	31,565	1,587	78,900
Total Current Liabilities	45,749	31,935	10,700	88,384
Fund Equity				
Fund Balance - Unreserved				
Designated for Subsequent Year's Expenditures				
Assigned	(26,495)	73,189	26,033	72,727
Total Fund Equity	(26,495)	73,189	26,033	72,727
Total Liabilities and Fund Equity	$ 19,254	$ 105,124	$ 36,733	$ 161,111

TOWN OF NEW HARTFORD, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Highway Whole Town	Water	Lighting Districts	Total Nonmajor Governmental Funds
Revenues				
Real Property Taxes	$	$ 145,500	$ 109,179	$ 254,679
Total Revenues		145,500	109,179	254,679
Expenditures				
Transportation	400		104,547	104,947
Debt Service - Principal	43,500	126,223		169,723
Debt Service - Interest	28,548	1,147		29,695
Total Expenditures	72,448	127,370	104,547	304,365
Excess (Deficit) Revenues Over Expenditures	(72,448)	18,130	4,632	(49,686)
Other Financing Sources				
Interfund Transfers To	200			200
Total Other Financing Sources	200			200
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	(72,248)	18,130	4,632	(49,486)
Fund Equity, Beginning of Year	45,753	55,059	21,401	122,213
Fund Equity (Deficit), End of Year	$ (26,495)	$ 73,189	$ 26,033	$ 72,727