

Town of Lewisboro, New York

Financial Statements
and
Supplementary Information

Year Ended December 31, 2014

Town of Lewisboro, New York

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Independent Auditors' Report

**The Honorable Supervisor and Town Board of
the Town of Lewisboro, New York**

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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.

Auditors' 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. 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 auditors' 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

O'CONNOR DAVIES, LLP

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2014, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General, Highway and Special Districts funds 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 Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

June 15, 2015

Town of Lewisboro, New York

Management's Discussion and Analysis (MD&A) December 31, 2014

Introduction

The following discussion and analysis of the Town of Lewisboro, New York's financial statements provides an overview of the financial activities of the Town for the fiscal year ending December 31, 2014. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- On the government-wide financial statements, the Town's liabilities exceeded its assets at the close of fiscal year 2014 by \$7,748,333. Of this amount, the unrestricted portion is a deficit of \$9,523,489. This deficit results primarily from the accrual of certain operating liabilities pursuant to GASB Statement No. 34, inclusive of other post employment benefit obligations ("OPEB"), coupled with the deficit reported in the Capital Projects Fund.
- As of the close of fiscal year 2014, the Town's governmental funds reported a combined ending fund balance of \$644,947, an overall decrease of \$331,416 as compared to the prior year ending combined fund balance of \$976,363. The net decrease in the deficit is attributed to the combination of a surplus generated by the Capital Fund of \$976,470, and a surplus in the Special Districts Fund of \$101,364 while the General Fund, Highway Fund and Other Governmental Funds had shortfalls of \$11,698, \$63,940 and \$25,833, respectively.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$303,350 and represented 3.95% of total General Fund expenditures and other financing uses. The General Fund reported a total ending fund balance of \$1,036,398, a decrease of \$11,698 as compared to the prior year, as a result of current year operating activities.
- During the current fiscal year, the Town retired \$645,000 of general obligation debt and issued \$1,125,900 in new general obligation debt. The Town's outstanding general obligation bonds payable at December 31, 2014 totaled \$11,480,900.
- Throughout the current fiscal year, the Town retired \$1,242,850 of short-term capital debt in the form of bond anticipation notes and issued new short term debt in the amount of \$390,000. Short-term obligations amounted to \$1,395,000 at the end of the fiscal year.

Overview of the Financial Statements

The following is intended to serve as an introduction to the Town's financial statements, which includes three basic components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information reflecting how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave and OPEB obligations).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government support, public safety, health, transportation, culture and recreation, home and community services and interest.

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

Fund Financial Statements

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. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year*. Such information may be useful in evaluating a government's near-term financing requirements.

Government-wide financial statements cover a broad spectrum of financial reporting. It is, therefore, also useful to examine the information presented in each separate governmental fund since it more closely represents the cost of individual governmental activities. This will also help readers understand both the long and short-term impacts of financial decisions. The governmental fund balance sheets and statement of revenues, expenditures and changes in the year-end fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Town maintains five individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Special Districts Fund and Capital Projects Fund, which are considered to be major funds. Individual fund data for the non-major governmental fund, the Debt Service Fund, is provided elsewhere in this report.

The Town adopts an annual appropriation budget for its General Fund, Highway Fund, Special Districts and Debt Service Funds. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with the respective budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town programs. The Town maintains only one type of fiduciary fund, an Agency Fund. The Town holds resources in this fund purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located following the basic financial statements section of this report.

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, liabilities exceeded assets by \$7,748,333 at the close of the current fiscal year.

Statement of Net Position

	2014	2013
Current Assets	\$ 36,668,605	\$ 35,742,394
Capital Assets, net	13,783,934	14,297,159
Total Assets	<u>50,452,539</u>	<u>50,039,553</u>
Current Liabilities	35,910,001	35,990,290
Long-term Liabilities	22,290,871	20,476,738
Total Liabilities	<u>58,200,872</u>	<u>56,467,028</u>
Net Position		
Net investment in capital assets	1,724,064	1,741,719
Unrestricted	<u>(9,472,397) *</u>	<u>(8,169,194)</u>
Total Net Position	<u>\$ (7,748,333)</u>	<u>\$ (6,427,475)</u>

*Includes the Special Purpose Fund fund balance of \$76,925 which previously had been reported in the Agency Fund.

The largest component of the Town's net position reflects its net investment in capital assets, amounting to \$1,724,064. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

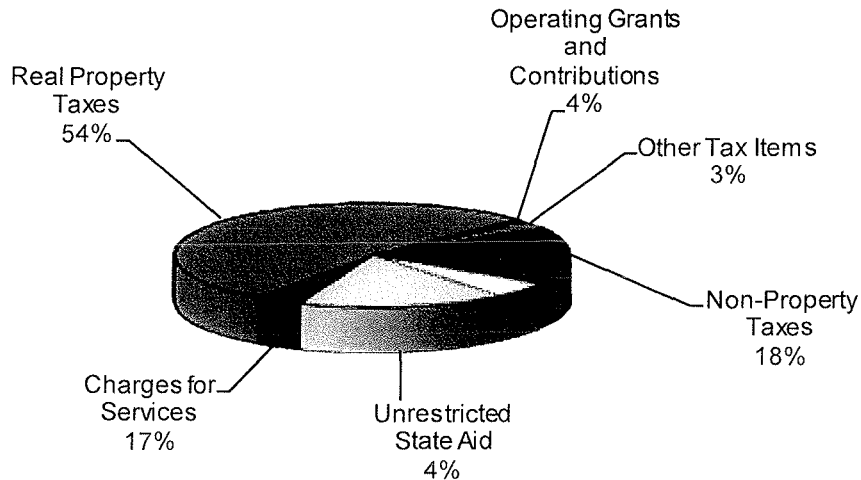
The remaining balance of unrestricted net position, which is a deficit of \$9,523,489, must be financed from future operations. This deficit results from a combination of the Town's long-term commitments, including repayment of general obligation bonds (\$11,480,900), retirement incentives and other pension obligations (\$615,199), compensated absences (\$503,647), claims payable (\$178,773) and other post employment benefit obligations (\$9,512,352). These obligations are greater than currently available resources. Payments for these liabilities will be budgeted in the year the actual payment will be made.

**Changes in Net Position
December 31,**

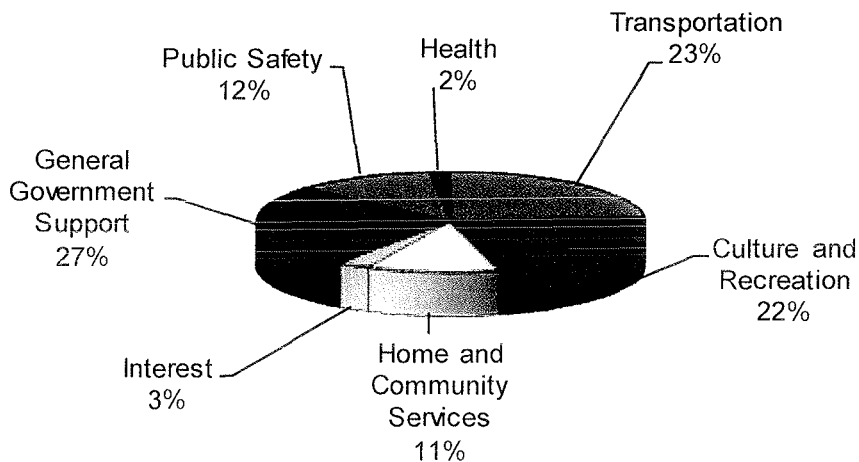
	<u>2014</u>	<u>2013</u>
Program Revenues		
Charges for Services	\$ 1,959,687	\$ 2,329,241
Operating Grants and Contributions	455,659	420,570
Capital Grants and Contributions	108,240	8,450
General Revenues		
Real Property Taxes	6,204,580	6,097,960
Other Tax items	294,825	235,363
Non-Property Taxes	2,086,612	2,061,598
Unrestricted Use of Money and Property	16,484	17,237
Sale of Property and Compensation for Loss	2,466	52,107
Unrestricted State Aid	578,721	644,286
Miscellaneous	71,027	9,990
Total Revenues	<u>11,778,301</u>	<u>11,876,802</u>
Program Expenses		
General Government Support	3,563,842	3,678,846
Public Safety	1,554,116	1,622,961
Health	209,678	199,378
Transportation	3,074,631	2,711,119
Culture and Recreation	2,975,736	2,826,081
Home and Community Services	1,443,247	1,404,382
Interest	354,834	367,600
Total Expenses	<u>13,176,084</u>	<u>12,810,367</u>
Change in Net Position	(1,397,783)	(933,565)
Deficit - Beginning, as restated	<u>(6,350,550) *</u>	<u>(5,493,910)</u>
Deficit - Ending	<u>\$ (7,748,333)</u>	<u>\$ (6,427,475)</u>

*Includes the Special Purpose Fund fund balance of \$76,925 which previously had been reported in the Agency Fund.

Sources of Revenue for Fiscal Year 2014 Governmental Activities



Expenses for Fiscal Year 2014 Governmental Activities



Governmental Activities: Governmental activities decreased the Town's deficit by \$1,397,783 for the fiscal year ended December 31, 2014. The total Town governmental activities revenues were \$11,778,301. Real property taxes provide 54% of total revenues and non-property tax items provide 18%. Charges for services and operating grants and contributions provided 21%. Total revenues decreased by \$98,501 from the prior year. Governmental activities expenditures of the Town for the year ended December 31, 2014 totaled \$13,176,084. The largest components of these expenses are in the areas of General Government Support (27%), Transportation (23%) and Culture and Recreation (22%). Total expenses increased by \$365,717 from the prior year.

The major changes in 2014 as compared to 2013 are as follows:

Revenues:

- Real Property Taxes increased by \$106,620 due to better than anticipated tax collections.
- Operating grants and contributions as well as capital grants and contributions primarily increased due to State reimbursements received for Capital and Highway projects.

Expenses:

- Transportation expenditures increased by \$363,512 and that was attributable to more road resurfacing, paving and repair work which occurred in 2014. Expenditures relating to overtime, sand/salt purchases and road resurfacing were greater in 2014 due to a more demanding winter as compared to 2013.

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$644,947, a decrease of \$331,416 from the prior year combined ending fund balances of \$976,363. Of the total combined fund balances, \$319,303 constitutes an unassigned fund deficit.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund reflected a positive fund balance of \$1,036,398, an overall decrease of \$11,698 from the prior year. The unassigned fund balance of the General Fund was \$303,350 and represented 29.3% of total fund balance of the General Fund. The nonspendable fund balance component is \$733,048. This consists of amounts representing prepaid expenditures of \$99,668. Prepaid expenditures have been established to account for insurance payments and a portion of the New York State retirement payments made in advance. The balance of \$633,380 represents an estimate of school taxes receivable which will not be collected within the subsequent year. Overall, General Fund expenditures and other financing uses were \$7,669,018. The budget in the aggregate and by function was very close to the actual results with no major variances observed. General Fund revenues were \$7,657,320, an amount which approximates the original budget.

The Highway Fund containing activity for transportation expenditures reflected a fund deficit of \$11,558 at the end of the current fiscal year, a decrease to fund balance of \$63,940. Overall, actual Highway Fund expenditures and other financing uses were \$64,299 greater than the final budget and actual revenues were \$359 greater than the final budget, resulting in the total budgetary shortfall of \$63,940.

The Capital Projects Fund reflected a deficit of \$578,970 at December 31, 2014. This represents a decrease from prior year's deficit of \$1,555,440. The decrease is partially attributed to the issuance of bonds of \$1,125,900 for various public improvements. This deficit arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance capital projects are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

The Special Districts Fund reflected a combined fund balance of \$147,985. This is an increase from the prior year of \$101,364.

The Non-Major Governmental Funds consists of the Debt Service and Special Purpose funds. The combined fund balance as of December 31, 2014 is \$51,092 all of which is restricted.

Capital Assets

The Town's investment in capital assets for its governmental activities as of December 31, 2014, amounted to \$13,783,934 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment and infrastructure.

Capital Assets (Net of Accumulated Depreciation)

	2014	2013
Land	\$ 725,000	\$ 725,000
Land Improvements	975,255	1,018,864
Buildings and Improvements	870,606	915,629
Machinery and Equipment	49,335	54,412
Infrastructure	11,163,738	11,583,254
Total	<u>\$ 13,783,934</u>	<u>\$ 14,297,159</u>

Additional information on the Town's capital assets can be found in Note 3,C, in the notes to financial statements.

Long-term / Short-Term Indebtedness

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$11,480,000. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

The Town issued new bonds in fiscal year 2014 in the amount of \$1,125,900 and paid \$645,000 in principal on outstanding obligations.

Short-term debt for the Town totaled \$1,395,000 in the form of bond anticipation notes (BAN's). The Town redeemed \$1,242,850 of short-term debt while issuing \$390,000 in new BANS for various capital projects.

Additional information on the Town's long-term debt can be found in Note 3,F, of this report.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Supervisor, Town of Lewisboro, 11 Main Street, South Salem, NY 10590.

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Town of Lewisboro, New York

Statement of Net Position
December 31, 2014

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 11,888,561
Receivables	
Taxes, net	23,877,439
Accounts	262,636
Due from other governments	458,176
State and Federal aid	50,000
Prepaid expenses	131,793
Capital assets	
Not being depreciated	725,000
Being depreciated, net	13,058,934
	<hr/>
Total Assets	50,452,539
	<hr/>
LIABILITIES	
Accounts payable	109,251
Accrued liabilities	146,839
Due to school districts	34,057,780
Deposits	126,172
Bond anticipation notes payable	1,395,000
Accrued interest payable	74,959
Non-current liabilities	
Due within one year	1,086,859
Due in more than one year	21,204,012
	<hr/>
Total Liabilities	58,200,872
	<hr/>
NET POSITION	
Net investment in capital assets	1,724,064
Restricted	
Special purpose	45,764
Debt service	5,328
Unrestricted	(9,523,489)
	<hr/>
Total Net Position	\$ (7,748,333)
	<hr/>

The notes to the financial statements are an integral part of this statement.

Town of Lewisboro, New York

Statement of Activities

Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government support	\$ 3,563,842	\$ 364,854	\$ 2,750	\$ -
Public safety	1,554,116	202,901	-	-
Health	209,678	-	-	-
Transportation	3,074,631	4,530	217,584	-
Culture and recreation	2,975,736	1,176,262	31,133	-
Home and community services	1,443,247	211,140	204,192	102,912
Interest	354,834	-	-	5,328
Total Governmental Activities	<u>\$ 13,176,084</u>	<u>\$ 1,959,687</u>	<u>\$ 455,659</u>	<u>\$ 108,240</u>

General revenues

Real property taxes

Other tax items

Interest and penalties on real property taxes

Non-property taxes

Franchise fees

Non-property tax distribution from County

Unrestricted use of money and property

Sale of property and compensation for loss

Unrestricted State aid

Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION

Beginning of Year, as restated

Ending

The notes to the financial statements are an integral part of this statement.

<hr/> Net (Expense) Revenue and Changes in Net Assets	
\$	(3,196,238)
	(1,351,215)
	(209,678)
	(2,852,517)
	(1,768,341)
	(925,003)
	(349,506)
	<hr/> (10,652,498) <hr/>
	6,204,580
	294,825
	279,459
	1,807,153
	16,484
	2,466
	578,721
	71,027
	<hr/> 9,254,715 <hr/>
	(1,397,783)
	<hr/> (6,350,550) <hr/>
\$	<u><u>(7,748,333)</u></u>

Town of Lewisboro, New York

Balance Sheet
Governmental Funds
December 31, 2014

	General	Highway	Capital Projects
ASSETS			
Cash and equivalents	\$ 10,973,374	\$ 187,873	\$ 352,924
Taxes receivable, net	23,877,439	-	-
Other receivables			
Accounts	180,487	-	-
Due from other governments	458,176	-	-
State and Federal aid	-	50,000	-
Due from other funds	6,565	-	465,006
	645,228	50,000	465,006
Prepaid expenditures	99,668	32,125	-
Total Assets	\$ 35,595,709	\$ 269,998	\$ 817,930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 39,904	\$ 35,035	\$ 1,900
Accrued liabilities	146,839	-	-
Due to school districts	34,057,780	-	-
Due to other funds	-	246,521	-
Deposits	126,172	-	-
Bond anticipation notes payable	-	-	1,395,000
Total Liabilities	34,370,695	281,556	1,396,900
Deferred inflows of resources			
Deferred tax revenues	188,616	-	-
Total Liabilities and Deferred Inflows of Resources	34,559,311	281,556	1,396,900
Fund balances (deficits)			
Nonspendable	733,048	32,125	-
Restricted	-	-	-
Assigned	-	-	-
Unassigned	303,350	(43,683)	(578,970)
Total Fund Balances (Deficits)	1,036,398	(11,558)	(578,970)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 35,595,709	\$ 269,998	\$ 817,930

The notes to the financial statements are an integral part of this statement.

Special Districts	Other Governmental	Total Governmental Funds
\$ 328,626	\$ 45,764	\$ 11,888,561
-	-	23,877,439
82,149	-	262,636
-	-	458,176
-	-	50,000
169,459	5,328	646,358
251,608	5,328	1,417,170
-	-	131,793
<u>\$ 580,234</u>	<u>\$ 51,092</u>	<u>\$ 37,314,963</u>

\$ 32,412	\$ -	\$ 109,251
-	-	146,839
-	-	34,057,780
399,837	-	646,358
-	-	126,172
-	-	1,395,000
432,249	-	36,481,400
-	-	188,616
432,249	-	36,670,016
-	-	765,173
-	51,092	51,092
147,985	-	147,985
-	-	(319,303)
147,985	51,092	644,947
<u>\$ 580,234</u>	<u>\$ 51,092</u>	<u>\$ 37,314,963</u>

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Town of Lewisboro, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2014

Fund Balances - Total Governmental Funds	\$ 644,947
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Amounts Reported for Governmental Activities in the Statement of Net
Position are Different Because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	13,783,934
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Real property taxes	188,616
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Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(74,959)
Bonds payable	(11,480,900)
Compensated absences	(503,647)
Retirement incentives and other pension obligations	(615,199)
Claims payable	(178,773)
Other post employment benefit obligations payable	(9,512,352)
	(22,365,830)

Net Position of Governmental Activities	\$ (7,748,333)
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The notes to the financial statements are an integral part of this statement.

Town of Lewisboro, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2014

	General	Highway	Capital Projects
REVENUES			
Real property taxes	\$ 2,819,374	\$ 2,741,685	\$ -
Other tax items	294,825	-	-
Non-property taxes	2,086,612	-	-
Departmental income	1,539,618	-	-
Intergovernmental charges	1,696	-	-
Use of money and property	37,654	20	-
Licenses and permits	19,732	-	-
Fines and forfeitures	202,845	-	-
Sale of property and compensation for loss	2,466	50	-
State aid	581,471	217,225	102,912
Miscellaneous	71,027	289	-
Total Revenues	7,657,320	2,959,269	102,912
EXPENDITURES			
Current			
General government support	2,164,862	55,000	-
Public safety	845,193	-	-
Health	207,440	-	-
Transportation	132,592	1,859,245	-
Culture and recreation	1,858,535	-	-
Home and community services	154,059	-	-
Employee benefits	1,813,612	780,862	-
Debt service			
Principal	-	-	-
Interest	6,403	1,652	-
Capital outlay	-	-	369,292
Total Expenditures	7,182,696	2,696,759	369,292
Excess (Deficiency) of Revenues Over Expenditures	474,624	262,510	(266,380)
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	-	1,125,900
Transfers in	-	-	116,950
Transfers out	(486,322)	(326,450)	-
Total Other Financing Sources (Uses)	(486,322)	(326,450)	1,242,850
Net Change in Fund Balances	(11,698)	(63,940)	976,470
FUND BALANCES (DEFICITS)			
Beginning of Year, as restated	1,048,096	52,382	(1,555,440)
End of Year	\$ 1,036,398	\$ (11,558)	\$ (578,970)

The notes to the financial statements are an integral part of this statement.

Special Districts	Other Governmental	Total Governmental Funds
\$ 674,998	\$ -	\$ 6,236,057
-	-	294,825
-	-	2,086,612
174,626	-	1,714,244
-	-	1,696
67	5,328	43,069
-	-	19,732
-	-	202,845
-	-	2,516
204,125	-	1,105,733
-	31,133	102,449
<u>1,053,816</u>	<u>36,461</u>	<u>11,809,778</u>
24,400	-	2,244,262
-	-	845,193
-	-	207,440
13,530	-	2,005,367
-	62,294	1,920,829
633,876	-	787,935
-	-	2,594,474
-	645,000	645,000
4,214	327,254	339,523
-	-	369,292
<u>676,020</u>	<u>1,034,548</u>	<u>11,959,315</u>
<u>377,796</u>	<u>(998,087)</u>	<u>(149,537)</u>
-	-	1,125,900
-	972,254	1,089,204
(276,432)	-	(1,089,204)
<u>(276,432)</u>	<u>972,254</u>	<u>1,125,900</u>
101,364	(25,833)	976,363
<u>46,621</u>	<u>76,925</u>	<u>(331,416)</u>
<u>\$ 147,985</u>	<u>\$ 51,092</u>	<u>\$ 644,947</u>

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Town of Lewisboro, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2014

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	\$ 976,363
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlay in the current period.

Capital outlay expenditures	369,292
Depreciation expense	<u>(882,517)</u>
	<u>(513,225)</u>

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

Real property taxes	<u>(31,477)</u>
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Bonds issued	(1,125,900)
Principal paid on bonds	<u>645,000</u>
	<u>(480,900)</u>

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

Accrued interest	(15,311)
Compensated absences	(31,544)
Retirement incentives and other pension obligations	(109,146)
Claims payable	42,262
Other post employment benefit obligations	<u>(1,234,805)</u>
	<u>(1,348,544)</u>

Change in Net Position of Governmental Activities	<u>\$ (1,397,783)</u>
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The notes to the financial statements are an integral part of this statement.

Town of Lewisboro, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Highway and Special Districts Funds
Year Ended December 31, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,787,897	\$ 2,787,897	\$ 2,819,374	\$ 31,477
Other tax items	225,000	225,000	294,825	69,825
Non-property taxes	2,058,000	2,058,000	2,086,612	28,612
Departmental income	1,675,800	1,675,800	1,539,618	(136,182)
Intergovernmental charges	6,700	6,700	1,696	(5,004)
Use of money and property	44,640	44,640	37,654	(6,986)
Licenses and permits	14,670	14,670	19,732	5,062
Fines and forfeitures	180,000	180,000	202,845	22,845
Sale of property and compensation for loss	-	-	2,466	2,466
State aid	642,000	642,000	581,471	(60,529)
Miscellaneous	23,500	23,500	71,027	47,527
Total Revenues	7,658,207	7,658,207	7,657,320	(887)
EXPENDITURES				
Current				
General government support	2,219,229	2,208,966	2,164,862	44,104
Public safety	807,288	874,023	845,193	28,830
Health	207,440	207,440	207,440	-
Transportation	128,976	132,592	132,592	-
Culture and recreation	1,908,766	1,880,198	1,858,535	21,663
Home and community services	160,346	158,789	154,059	4,730
Employee benefits	1,733,436	1,703,473	1,813,612	(110,139)
Debt service				
Interest	6,404	6,404	6,403	1
Total Expenditures	7,171,885	7,171,885	7,182,696	(10,811)
Excess of Revenues Over Expenditures	486,322	486,322	474,624	(11,698)
OTHER FINANCING USES				
Transfers out	(486,322)	(486,322)	(486,322)	-
Net Change in Fund Balances	-	-	(11,698)	(11,698)
FUND BALANCES (DEFICITS)				
Beginning of Year	-	-	1,048,096	1,048,096
End of Year	\$ -	\$ -	\$ 1,036,398	\$ 1,036,398

Highway Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,741,685	\$ 2,741,685	\$ 2,741,685	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	20	20
-	-	-	-
-	-	-	-
-	-	50	50
115,000	217,225	217,225	-
-	-	289	289
<u>2,856,685</u>	<u>2,958,910</u>	<u>2,959,269</u>	<u>359</u>
55,000	55,000	55,000	-
-	-	-	-
-	-	-	-
1,738,289	1,861,885	1,859,245	2,640
-	-	-	-
-	-	-	-
735,294	713,923	780,862	(66,939)
1,652	1,652	1,652	-
<u>2,530,235</u>	<u>2,632,460</u>	<u>2,696,759</u>	<u>(64,299)</u>
326,450	326,450	262,510	(63,940)
<u>(326,450)</u>	<u>(326,450)</u>	<u>(326,450)</u>	<u>-</u>
-	-	(63,940)	(63,940)
-	-	52,382	52,382
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,558)</u>	<u>\$ (11,558)</u>

(Continued)

Town of Lewisboro, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual (Continued)
General, Highway and Special Districts Funds
Year Ended December 31, 2014

	Special Districts Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 675,118	\$ 675,118	\$ 674,998	\$ (120)
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	193,475	193,475	174,626	(18,849)
Intergovernmental charges	-	-	-	-
Use of money and property	-	-	67	67
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
State aid	81,435	81,435	204,125	122,690
Miscellaneous	-	-	-	-
Total Revenues	950,028	950,028	1,053,816	103,788
EXPENDITURES				
Current				
General government support	39,399	24,400	24,400	-
Public safety	-	-	-	-
Health	-	-	-	-
Transportation	13,725	13,725	13,530	195
Culture and recreation	-	-	-	-
Home and community services	616,258	631,257	633,876	(2,619)
Employee benefits	-	-	-	-
Debt service				
Interest	4,214	4,214	4,214	-
Total Expenditures	673,596	673,596	676,020	(2,424)
Excess of Revenues Over Expenditures	276,432	276,432	377,796	101,364
OTHER FINANCING USES				
Transfers out	(276,432)	(276,432)	(276,432)	-
Net Change in Fund Balances	-	-	101,364	101,364
FUND BALANCES (DEFICITS)				
Beginning of Year	-	-	46,621	46,621
End of Year	\$ -	\$ -	\$ 147,985	\$ 147,985

The notes to the financial statement are an integral part of this statement.

Town of Lewisboro, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2014

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 608,686
	<u> </u>
LIABILITIES	
Accounts payable	\$ 182,651
Deposits	426,035
	<u> </u>
Total Liabilities	\$ 608,686
	<u> </u>

The notes to the financial statement are an integral part of this statement.

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Note 1 - Summary of Significant Accounting Policies

The Town of Lewisboro, New York ("Town") was established in 1731 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as the chief executive officer and the Director of Finance serves as the chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

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

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for or reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue fund of the Town is as follows:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes and State aid.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's sewer, water and lighting districts. The major revenues of this fund are real property taxes, departmental income and State aid.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental fund.

Debt Service Fund - The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and certain fiscal agent fees and for financial resources that are being accumulated for principal and interest maturing in future years.

Special Purpose Fund – The Special Purpose Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Fund is used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety day availability period is used for revenue recognition for most other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, certain claims and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposit and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Town's investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions, and accordingly, the Town's policy provides for no credit risk on investments.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2014.

The Town was invested only in the above mentioned obligations and, accordingly, was not exposed to any interest rate risk.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect

Note 1 - Summary of Significant Accounting Policies (Continued)

County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the governmental funds are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets, the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Land is not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Infrastructure	10-50

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reported deferred inflows of resources of \$188,616 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount become available.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expended as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position - Net position represent the difference between assets, deferred outflows of resources, and liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes net investment in capital assets and restricted for special purpose and debt service. The balance is classified as unrestricted.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows at resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances that are not classified as nonspendable and are neither restricted or committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds

Note 1 - Summary of Significant Accounting Policies (Continued)

other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Highway and Special Districts funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is June 15, 2015.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts and Debt Service funds.
- i) Budgets for General, Highway, Special Districts and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- k) Appropriations in the General, Highway, Special Districts and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Town Board.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This law applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year, beginning with the 2012 fiscal year. It expires on June 16, 2016.

Note 2 - Stewardship, Compliance and Accountability (Continued)

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Council may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Council first enacts, by a vote of at least sixty percent of the total voting power of the Town Council, a local law to override such limit for such coming fiscal year.

C. Prior Period Adjustments

During the 2014 year, it was determined that Special Purpose Fund amounts had been included in the Agency Fund. As a result, the opening fund balance of \$76,925 attributable to the Special Purpose Fund was removed from the Agency Fund and a separate fund was established. This resulted in an increase to the fund balance in the Special Purpose Fund and an increase in Net Position in the government-wide financial statements with a corresponding decrease to the liabilities of the Agency Fund as of January 1, 2014.

D. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of \$578,970 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 2 - Stewardship, Compliance and Accountability (Continued)

E. Expenditures in Excess of Budget

The following categories of expenditure exceeded their budgetary provisions by the amounts indicated:

General Fund	
Employee benefits	
State retirement	\$ 11,860
Hospitalization, medical and dental insurance	112,227
Highway Fund	
Employee benefits	66,939
Special Districts Fund	
Home and community services	2,619

In addition, the entire General Fund, Highway Fund and Special Districts Fund budgets exceeded their budgetary provision by \$10,811, \$64,299 and \$2,424, respectively.

F. Fund Deficits

The following funds reflect a deficit at December 31, 2014:

Special Districts Fund -	
Oak Ridge Sewer District	\$ 226,815
Water District	34,800
Highway Fund - unassigned	43,683

The Town plans to address this deficit in future periods.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2014 consisted of the following:

Town and County taxes - Current	\$ 157,629
School districts taxes - Current	22,700,182
Tax liens	1,019,628
Property acquired for taxes	<u>166,280</u>
	24,043,719
Allowance for uncollectible taxes	<u>(166,280)</u>
	<u>\$ 23,877,439</u>

School districts taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2015. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$188,616, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year. School taxes receivable are classified as nonspendable in the fund financial statements in the amount of \$633,380, which represents an estimate of school taxes receivable which will not be collected within the subsequent year.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2014 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 6,565	\$ -
Highway	-	246,521
Capital Projects	465,006	-
Special Districts	169,459	399,837
Non-Major Governmental	5,328	-
	<u>\$ 646,358</u>	<u>\$ 646,358</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

Changes in the Town's capital assets are as follows:

<u>Class</u>	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Balance December 31, 2014</u>
Capital Assets, not being depreciated			
Land	<u>\$ 725,000</u>	<u>\$ -</u>	<u>\$ 725,000</u>
Capital Assets, being depreciated			
Land improvements	\$ 1,982,349	\$ 54,292	\$ 2,036,641
Buildings and improvements	2,374,580	-	2,374,580
Machinery and equipment	1,975,482	-	1,975,482
Infrastructure	<u>43,996,991</u>	<u>315,000</u>	<u>44,311,991</u>
Total Capital Assets, being depreciated	<u>50,329,402</u>	<u>369,292</u>	<u>50,698,694</u>
Less Accumulated Depreciation for			
Land improvements	963,485	97,901	1,061,386
Buildings and improvements	1,458,951	45,023	1,503,974
Machinery and equipment	1,921,070	5,077	1,926,147
Infrastructure	<u>32,413,737</u>	<u>734,516</u>	<u>33,148,253</u>
Total Accumulated Depreciation	<u>36,757,243</u>	<u>882,517</u>	<u>37,639,760</u>
Total Capital Assets, being depreciated, net	<u>\$ 13,572,159</u>	<u>\$ (513,225)</u>	<u>\$ 13,058,934</u>
Governmental Activities			
Capital Assets, net	<u>\$ 14,297,159</u>	<u>\$ (513,225)</u>	<u>\$ 13,783,934</u>

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation expense was charged to the Town's functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 60,638
Public Safety	750
Transportation	126,173
Culture and Recreation	66,788
Home and Community Services	<u>628,168</u>
Total Depreciation Expense	<u>\$ 882,517</u>

D. Accrued Liabilities

Accrued liabilities at December 31, 2014 consisted of payroll and employee benefits of \$146,839 reflected in the General Fund.

E. Pension Plans

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("Systems"). These Systems are cost-sharing, multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plan year ended March 31, 2015 are as follows:

	<u>Tier/Plan/Option</u>	<u>Rate</u>
ERS	1 75I	27.4%
	2 75I	25.1
	4 A15	20.1
	5 A15	16.4
	6 A15	10.8
PFRS	2 375E	17.8
	2 384D	27.3
	6 384D	15.4

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Contributions made to the Systems for the current and two preceding years were as follows:

	ERS	PFRS
2014	\$ 353,338	\$ 97,477
2013	349,178	127,383
2012	357,214	68,858

These contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

The current ERS contribution was charged to the funds identified below. The current PFRS contribution was charged to the General Fund.

Fund	Amount
General	\$ 186,568
Highway	166,770
	<u>\$ 353,338</u>

F. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance January 1, 2014	New Issues	Redemptions	Balance December 31, 2014
Bond Anticipation Notes							
Water District Capital Improvements	2003	4/23/15	0.75 %	\$ 654,000	\$ -	\$ 10,000	\$ 644,000
Various Capital Improvements	2008	-	-	500,850	-	500,850	-
Various Capital Improvements	2011	4/23/15	0.75	368,000	-	7,000	361,000
Various Capital Improvements	2012	-	-	725,000	-	725,000	-
Various Capital Improvements	2014	4/23/15	0.98	-	390,000	-	390,000
				<u>\$ 2,247,850</u>	<u>\$ 390,000</u>	<u>\$ 1,242,850</u>	<u>\$ 1,395,000</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures/expense of \$12,269 were recorded in the fund financial statements in the funds identified below and in the government-wide financial statements for governmental activities.

<u>Fund</u>	<u>Amount</u>
General	\$ 6,403
Highway	1,652
Special Districts	4,214
	<u>\$ 12,269</u>

G. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2014:

	<u>Balance January 1, 2014</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2014</u>	<u>Due Within One Year</u>
Bonds Payable	\$ 11,000,000	\$ 1,125,900	\$ 645,000	\$ 11,480,900	\$ 755,900
Retirement Incentives and Other Pension Obligations	506,053	193,117	83,971	615,199	102,186
Compensated Absences	472,103	78,544	47,000	503,647	50,000
Claims Payable	221,035	815,842	858,104	178,773	178,773
Other Post Employment Benefit Obligations	8,277,547	1,740,361	505,556	9,512,352	-
Total Long-Term Liabilities	<u>\$ 20,476,738</u>	<u>\$ 3,953,764</u>	<u>\$ 2,139,631</u>	<u>\$ 22,290,871</u>	<u>\$ 1,086,859</u>

Each governmental fund's liability for bonds is liquidated by the Debt Service Fund. The liability for retirement incentives and other pension obligations, compensated absences, claims and other post employment benefit obligations is liquidated by the General, Highway and Special Districts funds.

Bonds Payable

Bonds payable at December 31, 2014 are comprised of the following individual issues:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Issue Amount</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Amount Outstanding at December 31, 2014</u>
Public Improvements - Open Space and Pool	2006	\$ 2,758,000	June, 2021	4.000 - 4.500 %	\$ 1,500,000
Public Improvements - Road Resurfacing	2008	3,085,000	June, 2022	4.000 - 5.000	1,980,000
Land Acquisition - Bell Property	2009	2,160,000	June, 2029	1.500 - 4.000	1,765,000
EFC - Oakridge Sewer District	2010	5,925,822	October, 2039	0.383 - 4.603	5,110,000
Public Improvements - Various	2014	1,125,900	April, 2024	0.383 - 4.603	1,125,900
					<u>\$ 11,480,900</u>

Interest expenditures of \$327,254 were recorded in the Debt Service Fund. Interest expense of \$342,565 was recorded in the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds (Continued)

Retirement Incentives and Other Pension Obligations

Chapter 105 of the Laws of 2010 created a temporary retirement incentive applicable to governments who participate in the New York State Employee Retirement System. Any government that elects to participate in the Incentive Program can choose between either a Targeted Incentive (Part A) or a 55/25 Retirement Benefit (Part B). The retirement incentive is only available in 2010, and employees who elect to take advantage of the incentive cannot be replaced. Part A of the Incentive Program allows governments to target certain positions as eligible for the retirement incentive. Employees must be at least 50 years of age and have at least 10 years of service on the effective date of their retirement to qualify. An additional 1 month of service credit for each year of service credit the employee has as of the date of their retirement will be given to participating employees. Governments must make additional contributions to the retirement system based on each retiring employee's annual salary. This contribution can either be paid in one lump sum or over five years, with payments beginning in the fiscal year ending March 31, 2012 (for municipalities that annually select the early payment option, the first payment would be due December 15, 2011). The Town has elected to participate in Part A of the incentive program. This has resulted in a liability to the Town of \$235,294. Payments are to be made over a 5 year period with interest at 8%. Payments of \$60,315 were made in the current year. The balance due at December 31, 2014 was \$56,107.

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Town has elected to amortize the maximum allowable ERS contribution for fiscal years 2012, 2013 and 2014. In 2012 the total amount amortized under this option was \$204,973, including interest of \$30,127. In 2013 the total amount amortized under this option was \$300,289, including interest of \$62,129. In 2014 the total amount amortized under this option was \$239,814, including interest of \$46,697. In the current year \$20,497 was paid for this obligation. The balance due at December 31, 2014 was \$559,092.

The current year payments were charged to General Fund retirement expenditures.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2014 including interest payments of \$2,898,502 are as follows:

Year Ending December 31,	Bonds Payable		Retirement Incentives and Other Pension Obligations		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 755,900	\$ 339,664	\$ 102,186	23,634	\$ 858,086	\$ 363,298
2016	790,000	302,269	47,655	17,850	837,655	320,119
2017	825,000	274,431	49,285	16,221	874,285	290,652
2018	845,000	246,079	50,970	14,536	895,970	260,615
2019	870,000	218,414	52,714	12,792	922,714	231,206
2020-2024	3,425,000	712,971	250,306	36,229	3,675,306	749,200
2025-2029	1,720,000	391,879	62,083	2,912	1,782,083	394,791
2030-2034	1,085,000	207,676	-	-	1,085,000	207,676
2035-2039	1,165,000	80,945	-	-	1,165,000	80,945
	<u>\$ 11,480,900</u>	<u>\$ 2,774,328</u>	<u>\$ 615,199</u>	<u>\$ 124,174</u>	<u>\$ 12,096,099</u>	<u>\$ 2,898,502</u>

The above general obligation bonds and retirement incentives and other pension obligations are direct obligations of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Claims Payable

Health benefit liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported (IBNR's). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation and changes in doctrines of legal liability, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities is as follows:

	2014	2013
Balance - Beginning of Year	\$ 221,035	\$ 187,868
Provision for Claims and Claims Adjustment Expenses	815,842	1,094,130
Claims and Claims Adjustment Expenses Paid	<u>(858,104)</u>	<u>(1,060,963)</u>
Balance - End of Year	<u>\$ 178,773</u>	<u>\$ 221,035</u>

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

Pursuant to the Town's collective bargaining agreements, when an employee separates from service in good standing and has given at least two weeks notice, the employee or beneficiary will be compensated for their accumulated sick leave. The employee shall be paid for up to 45 days at the current salary rate. For each day in excess of 45 days, the employee shall be paid one half the current salary rate. Fulltime employees who are not members of collective bargaining agreements hired after January 1, 2009, who separate from service in good standing and provided at least two weeks notice, will receive accumulated sick leave for up to, but not to exceed 45 days at the current salary rate.

Employees are allowed to carry a maximum of five vacation days from a given calendar year into the following calendar year except for those employees who are members of the Municipal Workers Association. Upon separation from service in good standing the employee shall be paid at the current salary rate.

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employee's may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure/expense as claims are paid. The Town has recognized revenues and expenditures of \$56,420 for Medicare Part D payments made directly to its health insurance carrier on behalf of its retirees.

The Town's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. 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.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized 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 of the OPEB plan reflect a long-term perspective.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post-retirement benefits are as follows:

<u>Year Ended December 31,</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Prescription Drug</u>
2015	8.00	6.50	6.00
2016	7.50	6.25	5.75
2017	7.00	6.00	5.50
2018	6.50	5.75	5.38
2019	6.00	5.50	5.25
2020	5.50	5.25	5.13
2021+	5.00	5.00	5.00

The amortization basis is the level dollar method with an open amortization approach with 25 years remaining in the amortization period. The actuarial assumptions include a 4% investment rate of return and a 2.5% payroll growth rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2014 was as follows:

Active Employees	42
Retired Employees	<u>62</u>
	<u>104</u>

Amortization Component	
Actuarial Accrued Liability as of January 1, 2013	\$ 20,502,306
Assets at Market Value	<u> </u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 20,502,306</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 3,916,327</u>
UAAL as a Percentage of Covered Payroll	<u>524%</u>
Annual Required Contribution	\$ 1,865,935
Interest on Net OPEB Obligation	281,709
Adjustments to Annual Required Contribution	<u>(407,283)</u>
Annual OPEB Cost	1,740,361
Contributions Made	<u>(505,556)</u>
Increase in Net OPEB Obligation	1,234,805
Net OPEB Obligation - Beginning of Year	<u>8,277,547</u>
Net OPEB Obligation - End of Year	<u>\$ 9,512,352</u>

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and preceding year is as follows:

<u>Fiscal Year Ended December 31,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2014	\$ 1,740,361	29.0 %	\$ 9,512,352
2013	1,740,361	29.0	8,277,547
2012	1,953,120	26.8	7,042,742

H. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

<u>Transfers Out</u>	<u>Transfers In</u>		<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	
General Fund	\$ 82,100	\$ 404,222	\$ 486,322
Highway Fund	22,850	303,600	326,450
Special Districts Fund	12,000	264,432	276,432
	<u>\$ 116,950</u>	<u>\$ 972,254</u>	<u>\$ 1,089,204</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move amounts to the Debt Service Fund from the operating funds as debt service principal and interest payments become due.

I. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Debt Service - the component of net position that reports the difference between certain assets and liabilities with constraints placed on their use by the Local Finance Law of the State of New York.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Restricted for Special Purpose - the component of net position that has been established to set aside funds in accordance with the terms of the trust for park improvements.

Unrestricted - all other net amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2014						2013				
	General Fund	Highway Fund	Capital Projects Fund	Special Districts Funds	Non-Major Governmental	Total	General Fund	Highway Fund	Capital Projects Fund	Special Districts Funds	Total
Nonspendable											
Prepaid expenditures	\$ 99,668	\$ 32,125	\$ -	\$ -	\$ -	\$ 131,793	\$ 207,173	\$ 91,709	\$ -	\$ -	\$ 298,882
Long-term receivables	633,380	-	-	-	-	633,380	506,643	-	-	-	506,643
Total Nonspendable	733,048	32,125	-	-	-	765,173	713,816	91,709	-	-	805,525
Restricted											
Debt service	-	-	-	-	5,328	5,328	-	-	-	-	-
Trusts	-	-	-	-	45,764	45,764	-	-	-	-	-
Total Restricted	-	-	-	-	51,092	51,092	-	-	-	-	-
Assigned											
Major funds	-	-	-	147,985	-	147,985	-	-	-	46,621	46,621
Unassigned	303,350	(43,683)	(578,970)	-	-	(319,303)	334,280	(39,327)	(1,555,440)	-	(1,260,487)
Total Fund Balances	\$ 1,036,398	\$ (11,558)	\$ (578,970)	\$ 147,985	\$ 51,092	\$ 644,947	\$ 1,048,096	\$ 52,382	\$ (1,555,440)	\$ 46,621	\$ (408,341)

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Long-Term Receivables have been classified as nonspendable to indicate the long-term nature of taxes receivable collected for other governments. These funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balance in this fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Town if adversely settled, except as disclosed above.

The Town is also defendant in various claims by taxpayers for redetermination of assessed valuation and special franchises. The settlement of such claims could result in the payment of refunds by the Town. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from such claims will be funded in the year the payment is made.

B. Risk Management

The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, law enforcement and public official's liability policies maintained provide coverage up to \$1 million per occurrence. The Town also maintains an umbrella liability policy which provides coverage up to \$10 million per occurrence.

Workers' compensation coverage is secured at statutory levels. However, the Town will pay two-thirds of employee salary for the first week and supplement workers compensation up to two-thirds of salary for each week thereafter.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

The Town, along with other municipal entities, participates in the Municipal Employee Benefits Consortium ("MEBCO"). MEBCO is a public entity risk pool currently operating as a common risk management and health insurance program for its members. MEBCO was formed in April 1988 pursuant to an act of the Board of Legislators of the County of Westchester. This act provided cities, towns and villages throughout Westchester County with an opportunity to participate in a cooperative program for providing health benefits to municipal employees by entering into an intermunicipal agreement pursuant to Article 5-G of the General Municipal Law. The purpose of the pool is to stabilize the cost of medical benefits provided to employees (see unpaid claim liabilities). MEBCO functions primarily as a claims service whereby each participating municipality retains its own risk. MEBCO does not transfer risk since charges to each municipality are ultimately determined by their individual claims/loss experience.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Note 5 - Subsequent Event

The Town, on April 22, 2015, issued bond anticipation notes in the amount of \$1,978,000. The notes are due on April 22, 2016, with an interest at 0.55%. The proceeds were used to renew bond anticipation notes outstanding at December 31, 2014.

Town of Lewisboro, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2014	\$ -	\$ 20,502,306	\$ 20,502,306	- %	\$ 3,916,327	523.51 %
January 1, 2013	-	20,502,306	20,502,306	-	3,928,000	521.95
January 1, 2012	-	21,671,699	21,671,699	-	3,940,000	550.04

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Town of Lewisboro, New York

General Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	\$ 10,973,374	\$ 11,090,430
Taxes receivable		
Town and County taxes	157,629	163,631
School districts taxes	22,700,182	21,824,615
Tax liens	1,019,628	834,874
Property acquired for taxes	166,280	166,280
	24,043,719	22,989,400
Allowance for uncollectible taxes	(166,280)	(166,280)
	23,877,439	22,823,120
Other receivables		
Accounts	180,487	164,879
Due from other governments	458,176	442,871
State and Federal aid	-	49,245
Due from other funds	6,565	9,235
	645,228	666,230
Prepaid expenditures	99,668	207,173
Total Assets	\$ 35,595,709	\$ 34,786,953
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 39,904	\$ 77,602
Accrued liabilities	146,839	106,338
Due to school districts	34,057,780	33,166,217
Deposits	126,172	168,607
Total Liabilities	34,370,695	33,518,764
Deferred inflows of resources		
Deferred tax revenues	188,616	220,093
Total Liabilities and Deferred Inflows of Resources	34,559,311	33,738,857
Fund balance		
Nonspendable	733,048	713,816
Unassigned	303,350	334,280
Total Fund Balance	1,036,398	1,048,096
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 35,595,709	\$ 34,786,953

Town of Lewisboro, New York

General Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,787,897	\$ 2,787,897	\$ 2,819,374	\$ 31,477
Other tax items	225,000	225,000	294,825	69,825
Non property taxes	2,058,000	2,058,000	2,086,612	28,612
Departmental income	1,675,800	1,675,800	1,539,618	(136,182)
Intergovernmental charges	6,700	6,700	1,696	(5,004)
Use of money and property	44,640	44,640	37,654	(6,986)
Licenses and permits	14,670	14,670	19,732	5,062
Fines and forfeitures	180,000	180,000	202,845	22,845
Sale of property and compensation for loss	-	-	2,466	2,466
State aid	642,000	642,000	581,471	(60,529)
Miscellaneous	23,500	23,500	71,027	47,527
Total Revenues	7,658,207	7,658,207	7,657,320	(887)
EXPENDITURES				
Current				
General government support	2,219,229	2,208,966	2,164,862	44,104
Public safety	807,288	874,023	845,193	28,830
Health	207,440	207,440	207,440	-
Transportation	128,976	132,592	132,592	-
Culture and recreation	1,908,766	1,880,198	1,858,535	21,663
Home and community services	160,346	158,789	154,059	4,730
Employee benefits	1,733,436	1,703,473	1,813,612	(110,139)
Debt service				
Interest	6,404	6,404	6,403	1
Total Expenditures	7,171,885	7,171,885	7,182,696	(10,811)
Excess of Revenues Over Expenditures	486,322	486,322	474,624	(11,698)
OTHER FINANCING USES				
Transfers out	(486,322)	(486,322)	(486,322)	-
Net Change in Fund Balance	-	-	(11,698)	(11,698)
FUND BALANCE				
Beginning of Year	-	-	1,048,096	1,048,096
End of Year	\$ -	\$ -	\$ 1,036,398	\$ 1,036,398

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,875,788	\$ 2,875,788	\$ 2,839,918	\$ (35,870)
225,000	225,000	235,363	10,363
1,940,000	1,940,000	2,061,598	121,598
1,665,500	1,665,500	1,727,953	62,453
-	-	-	-
42,940	42,940	37,552	(5,388)
15,241	15,241	16,052	811
180,000	180,000	189,065	9,065
14,100	14,100	58,407	44,307
595,000	595,000	705,104	110,104
23,500	23,500	9,990	(13,510)
<u>7,577,069</u>	<u>7,577,069</u>	<u>7,881,002</u>	<u>303,933</u>
2,164,986	2,202,031	2,202,031	-
803,018	839,642	839,642	-
197,283	197,283	197,283	-
124,414	126,550	126,550	-
1,901,756	1,850,816	1,850,816	-
183,457	163,493	163,493	-
1,760,378	1,753,827	1,740,935	12,892
<u>12,137</u>	<u>12,136</u>	<u>12,136</u>	<u>-</u>
<u>7,147,429</u>	<u>7,145,778</u>	<u>7,132,886</u>	<u>12,892</u>
429,640	431,291	748,116	316,825
<u>(429,640)</u>	<u>(431,291)</u>	<u>(436,975)</u>	<u>(5,684)</u>
-	-	311,141	311,141
-	-	736,955	736,955
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,048,096</u>	<u>\$ 1,048,096</u>

Town of Lewisboro, New York

General Fund

Schedule of Revenues Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
REAL PROPERTY TAXES	<u>\$ 2,787,897</u>	<u>\$ 2,787,897</u>	<u>\$ 2,819,374</u>	<u>\$ 31,477</u>	<u>\$ 2,839,918</u>
OTHER TAX ITEMS					
Interest and penalties on real property taxes	<u>225,000</u>	<u>225,000</u>	<u>294,825</u>	<u>69,825</u>	<u>235,363</u>
NON-PROPERTY TAXES					
Franchise fees	240,000	240,000	279,459	39,459	315,768
Non-property tax distribution from County	<u>1,818,000</u>	<u>1,818,000</u>	<u>1,807,153</u>	<u>(10,847)</u>	<u>1,745,830</u>
	<u>2,058,000</u>	<u>2,058,000</u>	<u>2,086,612</u>	<u>28,612</u>	<u>2,061,598</u>
DEPARTMENTAL INCOME					
Tax collector fees	3,000	3,000	3,715	715	5,345
Town Clerk fees	3,500	3,500	3,611	111	4,281
Police fees	50	50	56	6	38
Dog shelter redemptions	1,200	1,200	816	(384)	792
Inspection fees	400,000	400,000	316,269	(83,731)	436,687
Parking lot fees and on-street parking	4,950	4,950	4,530	(420)	4,275
Parks and recreation charges	1,229,000	1,229,000	1,176,262	(52,738)	1,230,193
Planning board fees	20,000	20,000	10,709	(9,291)	27,288
Cemetery fees	14,100	14,100	23,650	9,550	17,000
	<u>1,675,800</u>	<u>1,675,800</u>	<u>1,539,618</u>	<u>(136,182)</u>	<u>1,725,899</u>

INTERGOVERNMENTAL CHARGES

Charges for services to other governments	<u>6,700</u>	<u>6,700</u>	<u>1,696</u>	<u>(5,004)</u>	<u>8,354</u>
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USE OF MONEY AND PROPERTY

Earnings on investments	20,000	20,000	16,484	(3,516)	17,237
Rental of real property	<u>24,640</u>	<u>24,640</u>	<u>21,170</u>	<u>(3,470)</u>	<u>20,315</u>
	<u>44,640</u>	<u>44,640</u>	<u>37,654</u>	<u>(6,986)</u>	<u>37,552</u>

LICENSES AND PERMITS

Dog licenses	12,000	12,000	15,248	3,248	13,063
Other licenses	<u>2,670</u>	<u>2,670</u>	<u>4,484</u>	<u>1,814</u>	<u>2,989</u>
	<u>14,670</u>	<u>14,670</u>	<u>19,732</u>	<u>5,062</u>	<u>16,052</u>

FINES AND FORFEITURES

Fines and forfeited bail	<u>180,000</u>	<u>180,000</u>	<u>202,845</u>	<u>22,845</u>	<u>189,065</u>
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**SALE OF PROPERTY AND
COMPENSATION FOR LOSS**

Sale of equipment	-	-	500	500	3,300
Insurance recoveries	<u>-</u>	<u>-</u>	<u>1,966</u>	<u>1,966</u>	<u>48,807</u>
	<u>-</u>	<u>-</u>	<u>2,466</u>	<u>2,466</u>	<u>52,107</u>

STATE AID

Mortgage tax	525,000	525,000	558,630	33,630	606,947
Per capita	37,000	37,000	20,091	(16,909)	37,339
Public safety grant	80,000	80,000	-	(80,000)	48,372
Court facilities	<u>-</u>	<u>-</u>	<u>2,750</u>	<u>2,750</u>	<u>12,446</u>
	<u>642,000</u>	<u>642,000</u>	<u>581,471</u>	<u>(60,529)</u>	<u>705,104</u>

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Town of Lewisboro, New York

General Fund

Schedule of Revenues Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
MISCELLANEOUS					
Medicare Part D reimbursement	\$ 19,000	\$ 19,000	\$ 56,420	\$ 37,420	\$ 1,348
Unclassified	4,500	4,500	14,607	10,107	8,642
	<u>23,500</u>	<u>23,500</u>	<u>71,027</u>	<u>47,527</u>	<u>9,990</u>
TOTAL REVENUES	<u>\$ 7,658,207</u>	<u>\$ 7,658,207</u>	<u>\$ 7,657,320</u>	<u>\$ (887)</u>	<u>\$ 7,881,002</u>

Town of Lewisboro, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 55,524	\$ 55,524	\$ 55,524	\$ -	\$ 54,076
Town Justice	163,877	161,048	160,048	1,000	173,286
Supervisor	145,444	145,987	145,277	710	191,855
Finance	129,675	142,511	140,546	1,965	178,172
Independent auditing	34,000	34,000	33,150	850	36,241
Receiver of Taxes	134,133	143,255	142,468	787	138,455
Assessor	111,105	119,807	119,506	301	109,546
Town Clerk	139,029	136,966	136,035	931	131,282
Law	147,750	164,326	164,326	-	142,195
Engineer	59,500	57,500	57,500	-	58,015
Elections	7,300	7,300	7,265	35	7,198
Records management	6,995	4,702	4,701	1	7,640
Shared services	634,081	697,533	681,069	16,464	679,736
Central printing and mailing	46,621	48,472	46,702	1,770	40,809
Technical services	92,750	96,912	80,474	16,438	75,132
Insurance	137,000	141,851	141,851	-	140,376
Municipal association dues	2,250	2,321	2,321	-	2,250
Judgment and claims	49,500	35,790	35,790	-	25,007
Contingent	110,695	1,161	-	1,161	-
Metropolitan commuter transportation mobility tax	12,000	12,000	10,309	1,691	10,760
	<u>2,219,229</u>	<u>2,208,966</u>	<u>2,164,862</u>	<u>44,104</u>	<u>2,202,031</u>

PUBLIC SAFETY

Police	570,261	636,347	610,868	25,479	610,606
Control of dogs	5,602	5,602	3,315	2,287	2,462
Safety inspections	231,425	232,074	231,010	1,064	226,574

	807,288	874,023	845,193	28,830	839,642
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HEALTH

Registrar of vital statistics	2,200	2,200	2,200	-	2,200
Advanced life support services	198,740	198,740	198,740	-	188,583
Drug abuse prevention council	6,500	6,500	6,500	-	6,500

	207,440	207,440	207,440	-	197,283
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TRANSPORTATION

Superintendent of highways	116,976	116,976	116,976	-	113,438
Street lighting	12,000	15,616	15,616	-	13,112

	128,976	132,592	132,592	-	126,550
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CULTURE AND RECREATION

Recreational administration	208,157	206,944	206,214	730	203,832
Parks	148,515	147,385	145,194	2,191	133,630
Playgrounds and day camp	468,455	418,375	417,595	780	449,578
Beach and pool	216,265	211,362	204,434	6,928	200,996
Tennis facility	29,950	31,546	31,116	430	26,602
Youth programs	245,883	268,791	268,187	604	253,599
Library	356,935	356,935	356,935	-	345,546
Historian	1,490	1,490	1,394	96	1,231
Celebrations	33,991	35,695	33,972	1,723	33,733
Program for the aging	74,765	74,976	72,040	2,936	84,880
Adult and family activities	26,860	29,105	28,460	645	24,418
Transportation	97,500	97,594	92,994	4,600	92,771

	1,908,766	1,880,198	1,858,535	21,663	1,850,816
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Town of Lewisboro, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
HOME AND COMMUNITY SERVICES					
Zoning	\$ -	\$ -	\$ -	\$ -	\$ 500
Planning board	27,850	28,150	27,350	800	42,442
Planning consultant	59,500	61,200	59,171	2,029	57,966
Environmental control	28,000	28,758	28,758	-	33,570
Storm water	3,400	3,400	3,133	267	3,325
Recycling	1,900	2,300	2,240	60	2,955
Community beautification	1,940	1,940	1,221	719	1,940
Cemeteries	17,856	19,002	18,147	855	11,833
Architectural	19,900	14,039	14,039	-	8,962
	<u>160,346</u>	<u>158,789</u>	<u>154,059</u>	<u>4,730</u>	<u>163,493</u>
EMPLOYEE BENEFITS					
State retirement	281,000	280,000	291,860	(11,860)	269,892
Police retirement	141,000	101,490	97,477	4,013	127,383
Social security	228,641	220,772	220,772	-	235,948
Hospitalization, medical and dental insurance	826,745	841,466	953,693	(112,227)	867,577
Workers' compensation benefits	140,000	129,997	129,997	-	135,430
Disability	22,750	22,750	15,838	6,912	9,152
Dental	30,000	34,437	34,437	-	37,118
Medicare	32,800	32,800	31,470	1,330	31,470
Wellcare benefit	23,000	23,000	21,307	1,693	19,301
Unemployment benefits	7,500	16,761	16,761	-	7,664
	<u>1,733,436</u>	<u>1,703,473</u>	<u>1,813,612</u>	<u>(110,139)</u>	<u>1,740,935</u>

DEBT SERVICE

Interest

Bond anticipation notes

<u>6,404</u>	<u>6,404</u>	<u>6,403</u>	<u>1</u>	<u>12,136</u>
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TOTAL EXPENDITURES

<u>7,171,885</u>	<u>7,171,885</u>	<u>7,182,696</u>	<u>(10,811)</u>	<u>7,132,886</u>
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OTHER FINANCING USES

Transfers out

Capital Projects Fund

82,100	82,100	82,100	-	32,600
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Debt Service Fund

<u>404,222</u>	<u>404,222</u>	<u>404,222</u>	<u>-</u>	<u>404,375</u>
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TOTAL OTHER FINANCING USES

<u>486,322</u>	<u>486,322</u>	<u>486,322</u>	<u>-</u>	<u>436,975</u>
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

<u>\$ 7,658,207</u>	<u>\$ 7,658,207</u>	<u>\$ 7,669,018</u>	<u>\$ (10,811)</u>	<u>\$ 7,569,861</u>
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Town of Lewisboro, New York

Highway Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	\$ 187,873	\$ 171,017
Receivables		
State and Federal aid	50,000	-
Prepaid expenditures	32,125	91,709
Total Assets	<u>\$ 269,998</u>	<u>\$ 262,726</u>
LIABILITIES AND FUND BALANCE (DEFICIT)		
Liabilities		
Accounts payable	\$ 35,035	\$ 26,276
Accrued liabilities	-	5,890
Due to other funds	246,521	178,178
Total Liabilities	<u>281,556</u>	<u>210,344</u>
Fund balance (deficit)		
Nonspendable	32,125	91,709
Unassigned	(43,683)	(39,327)
Total Fund Balance (Deficit)	<u>(11,558)</u>	<u>52,382</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 269,998</u>	<u>\$ 262,726</u>

Town of Lewisboro, New York

Highway Fund

Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 2,741,685	\$ 2,741,685	\$ 2,741,685	\$ -
Use of money and property	-	-	20	20
Sale of property and compensation for loss	-	-	50	50
State aid	115,000	217,225	217,225	-
Federal aid	-	-	-	-
Miscellaneous	-	-	289	289
Total Revenues	2,856,685	2,958,910	2,959,269	359
EXPENDITURES				
Current				
General government support	55,000	55,000	55,000	-
Transportation	1,738,289	1,861,885	1,859,245	2,640
Employee benefits	735,294	713,923	780,862	(66,939)
Debt service				
Interest	1,652	1,652	1,652	-
Total Expenditures	2,530,235	2,632,460	2,696,759	(64,299)
Excess of Revenues Over Expenditures	326,450	326,450	262,510	(63,940)
OTHER FINANCING USES				
Transfers out	(326,450)	(326,450)	(326,450)	-
Net Change in Fund Balance	-	-	(63,940)	(63,940)
FUND BALANCE				
Beginning of Year	-	-	52,382	52,382
End of Year	\$ -	\$ -	\$ (11,558)	\$ (11,558)

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,544,233	\$ 2,544,233	\$ 2,544,233	\$ -
-	-	16	16
100	100	2,605	2,505
115,000	115,000	169,971	54,971
-	-	6,967	6,967
-	-	7,469	7,469
2,659,333	2,659,333	2,731,261	71,928
56,000	58,324	58,324	-
1,506,934	1,516,981	1,637,269	(120,288)
763,081	750,710	745,808	4,902
2,293	2,293	2,293	-
2,328,308	2,328,308	2,443,694	(115,386)
331,025	331,025	287,567	(43,458)
(331,025)	(331,025)	(331,025)	-
-	-	(43,458)	(43,458)
-	-	95,840	95,840
\$ -	\$ -	\$ 52,382	\$ 52,382

Town of Lewisboro, New York

Special Districts Fund

Combining Balance Sheet - Sub-Funds

December 31, 2014

(With Comparative Totals for 2013)

	Wild Oaks Sewer District	Oak Ridge Sewer District	Water District
ASSETS			
Cash and equivalents	\$ 246,102	\$ 1,700	\$ 80,797
Receivables			
Water rents	-	-	82,149
State and Federal aid	-	-	-
Due from other funds	153,957	-	-
	153,957	-	82,149
Total Assets	<u>\$ 400,059</u>	<u>\$ 1,700</u>	<u>\$ 162,946</u>
LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 4,858	\$ 5,579	\$ 20,845
Due to other funds	-	222,936	176,901
Total Liabilities	4,858	228,515	197,746
Fund balances (deficits)			
Assigned	395,201	(226,815)	(34,800)
Total Liabilities and Fund Balances (Deficits)	<u>\$ 400,059</u>	<u>\$ 1,700</u>	<u>\$ 162,946</u>

Lighting District	Totals	
	2014	2013
\$ 27	\$ 328,626	\$ 173,737
-	82,149	77,354
-	-	126,965
15,502	169,459	163,222
15,502	251,608	367,541
\$ 15,529	\$ 580,234	\$ 541,278
\$ 1,130	\$ 32,412	\$ 26,258
-	399,837	468,399
1,130	432,249	494,657
14,399	147,985	46,621
\$ 15,529	\$ 580,234	\$ 541,278

Town of Lewisboro, New York

Special Districts Fund

Combining Schedule of Revenues, Expenditures and Changes

in Fund Balances - Sub-Funds

Year Ended December 31, 2014

(With Comparative Totals for 2013)

	Wild Oaks Sewer District	Oak Ridge Sewer District	Water District
REVENUES			
Real property taxes	\$ 186,313	\$ 474,968	\$ -
Departmental income	-	-	174,626
Use of money and property	36	-	31
Sale of property and compensation for loss	-	-	-
State aid	204,125	-	-
Total Revenues	390,474	474,968	174,657
EXPENDITURES			
Current			
General government support	18,200	6,200	-
Transportation	-	-	-
Home and community services	247,264	181,992	204,620
Debt service			
Interest	410	-	3,804
Total Expenditures	265,874	188,192	208,424
Excess (Deficiency) of Revenues Over Expenditures	124,600	286,776	(33,767)
OTHER FINANCING USES			
Transfers out	(2,000)	(264,432)	(10,000)
Net Change in Fund Balances	122,600	22,344	(43,767)
FUND BALANCES (DEFICITS)			
Beginning of Year	272,601	(249,159)	8,967
End of Year	\$ 395,201	\$ (226,815)	\$ (34,800)

Lighting District	Totals	
	2014	2013
\$ 13,717	\$ 674,998	\$ 675,076
-	174,626	375,806
-	67	60
-	-	869
-	204,125	165,545
13,717	1,053,816	1,217,356
-	24,400	24,680
13,530	13,530	12,647
-	633,876	585,371
-	4,214	5,766
13,530	676,020	628,464
187	377,796	588,892
-	(276,432)	(276,301)
187	101,364	312,591
14,212	46,621	(265,970)
<u>\$ 14,399</u>	<u>\$ 147,985</u>	<u>\$ 46,621</u>

Town of Lewisboro, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	\$ 352,924	\$ 323,894
Due from other funds	465,006	3,064,967
Total Assets	<u>\$ 817,930</u>	<u>\$ 3,388,861</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 1,900	\$ 2,692
Due to other funds	-	2,590,847
Unearned revenues	-	102,912
Bond anticipation notes payable	1,395,000	2,247,850
Total Liabilities	1,396,900	4,944,301
Fund deficit		
Unassigned	(578,970)	(1,555,440)
Total Liabilities and Fund Deficit	<u>\$ 817,930</u>	<u>\$ 3,388,861</u>

Town of Lewisboro, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
State aid	\$ 102,912	\$ 8,450
EXPENDITURES		
Capital outlay	<u>369,292</u>	<u>103,216</u>
Deficiency of Revenues Over Expenditures	<u>(266,380)</u>	<u>(94,766)</u>
OTHER FINANCING SOURCES		
Bonds issued	1,125,900	-
Transfers in	<u>116,950</u>	<u>65,650</u>
Total Other Financing Sources	<u>1,242,850</u>	<u>65,650</u>
Net Change in Fund Balance	976,470	(29,116)
FUND DEFICIT		
Beginning of Year	<u>(1,555,440)</u>	<u>(1,526,324)</u>
End of Year	<u>\$ (578,970)</u>	<u>\$ (1,555,440)</u>

Town of Lewisboro, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2014
(With Comparative Totals for 2013)

			Totals	
	Debt Service	Special Purpose	2014	2013
ASSETS				
Cash and equivalents	\$ -	\$ 45,764	\$ 45,764	\$ -
Due from other funds	5,328	-	5,328	893,868
Total Assets	<u>\$ 5,328</u>	<u>\$ 45,764</u>	<u>\$ 51,092</u>	<u>\$ 893,868</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Due to other funds	\$ -	\$ -	\$ -	\$ 893,868
Fund balance				
Restricted	5,328	45,764	51,092	-
Total Liabilities and Fund Balance	<u>\$ 5,328</u>	<u>\$ 45,764</u>	<u>\$ 51,092</u>	<u>\$ 893,868</u>

Town of Lewisboro, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2014
(With Comparative Totals for 2013)

			Totals	
	Debt Service	Special Purpose	2014	2013
REVENUES				
Use of money and property	\$ 5,328	\$ -	\$ 5,328	\$ -
Miscellaneous	-	31,133	31,133	-
Total Revenues	5,328	31,133	36,461	-
EXPENDITURES				
Current				
Culture and recreation	-	62,294	62,294	-
Debt service				
Principal	645,000	-	645,000	630,000
Interest	327,254	-	327,254	348,651
Total Expenditures	972,254	62,294	1,034,548	978,651
Deficiency of Revenues Over Expenditures	(966,926)	(31,161)	(998,087)	(978,651)
OTHER FINANCING SOURCES				
Transfers in	972,254	-	972,254	978,651
Net Change in Fund Balances	5,328	(31,161)	(25,833)	-
FUND BALANCES				
Beginning of Year, as restated	-	76,925	76,925	-
End of Year	\$ 5,328	\$ 45,764	\$ 51,092	\$ -

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Town of Lewisboro, New York

**Non-Major Governmental Fund - Debt Service Fund
Comparative Balance Sheet
December 31,**

	<u>2014</u>	<u>2013</u>
ASSETS		
Due from other funds	<u>\$ 5,328</u>	<u>\$ 893,868</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	\$ 893,868
Fund balance		
Restricted	<u>5,328</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 5,328</u>	<u>\$ 893,868</u>

Town of Lewisboro, New York

**Non-Major Governmental Fund - Debt Service Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,**

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Use of money and property	\$ -	\$ -	\$ 5,328	\$ 5,328
EXPENDITURES				
Debt service				
Serial bonds				
Principal	645,000	645,000	645,000	-
Interest	327,254	327,254	327,254	-
Total Expenditures	972,254	972,254	972,254	-
Deficiency of Revenues Over Expenditures	(972,254)	(972,254)	(966,926)	5,328
OTHER FINANCING SOURCES				
Transfers in	972,254	972,254	972,254	-
Net Change in Fund Balance	-	-	5,328	5,328
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ 5,328	\$ 5,328

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
630,000	630,000	630,000	-
348,651	348,651	348,651	-
978,651	978,651	978,651	-
(978,651)	(978,651)	(978,651)	-
971,316	978,651	978,651	-
(7,335)	-	-	-
7,335	-	-	-
\$ -	\$ -	\$ -	\$ -

Town of Lewisboro, New York

Non-Major Governmental Fund - Special Purpose Fund

Balance Sheet

December 31, 2014

ASSETS

Cash and equivalents

\$ 45,764

FUND BALANCE

Restricted

\$ 45,764

Town of Lewisboro, New York

Non-Major Governmental Fund - Special Purpose Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
Year Ended December 31, 2014

REVENUES

Miscellaneous	<u>\$ 31,133</u>
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EXPENDITURES

Current

Culture and recreation	<u>62,294</u>
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Deficiency of Revenues

Over Expenditures	(31,161)
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FUND BALANCE

Beginning of Year, as restated	<u>76,925</u>
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End of Year	<u><u>\$ 45,764</u></u>
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