

**Town of Walkill, New York**

Financial Statements And  
Supplementary Information

Year Ended December 31, 2014

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# Town of Wallkill, New York

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## **Independent Auditors' Report**

**The Town Board  
of the Town of Walkill, New York**

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Town of Walkill, 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 did not audit the financial statements of the Town of Walkill Industrial Development Agency (a component unit) for the year ended December 31, 2014, which represents 20.5%, 0% and 100% respectively of the assets, net position and revenues of the component units. Those statements were audited by another auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for such component unit, is based solely on the report of the other auditor. 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows, 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 schedule 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**

Harrison, New York

June \_\_\_\_, 2015

**Town of Walkill, New York**

Statement of Net Position  
December 31, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and equivalents	\$ 16,874,353	\$ 115,902	\$ 16,990,255
Investments	-	-	-
Accounts receivable	661,986	5,236	667,222
State and Federal aid	809,050	-	809,050
Due from other governments	1,764,296	-	1,764,296
Water and sewer rents	1,995,430	-	1,995,430
Capital assets			
Not being depreciated	4,713,053	522,634	5,235,687
Being depreciated, net	33,669,582	869,497	34,539,079
Total Assets	<u>60,487,750</u>	<u>1,513,269</u>	<u>62,001,019</u>
<b>LIABILITIES</b>			
Accounts payable	1,231,532	2,972	1,234,504
Accrued liabilities	590,611	5,877	596,488
Due to retirement systems	1,291,857	38,741	1,330,598
Bond anticipation notes payable	11,479,000	-	11,479,000
Internal balances	(1,848,021)	1,848,021	-
Accrued interest payable	141,827	-	141,827
Non-current liabilities			
Due within one year	732,362	37,824	770,186
Due in more than one year	26,231,767	621,575	26,853,342
Total Liabilities	<u>39,850,935</u>	<u>2,555,010</u>	<u>42,405,945</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts on payments made in lieu of taxes	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	18,129,652	1,258,071	19,387,723
Restricted for			
Future capital projects	2,120,582	-	2,120,582
Liability and casualty	10,598	-	10,598
Special Districts			
Water	5,606,911	-	5,606,911
Sewer	3,842,537	-	3,842,537
Street lighting	314,013	-	314,013
Road improvement area	761,245	-	761,245
Drainage	37,427	-	37,427
Parklands	223,662	-	223,662
Unrestricted	<u>(10,409,812)</u>	<u>(2,299,812)</u>	<u>(12,709,624)</u>
Total Net Position	<u>\$ 20,636,815</u>	<u>\$ (1,041,741)</u>	<u>\$ 19,595,074</u>

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



**Town of Wallkill, New York**

Statement of Activities  
Year Ended December 31, 2014

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities				
General government support	\$ 2,919,182	\$ 90,312	\$ 146,005	\$ -
Public safety	8,077,711	1,370,968	7,388	-
Health	15,493	47,470	-	-
Transportation	8,364,222	39,392	1,367,939	-
Economic opportunity and development	5,714	-	-	-
Culture and recreation	1,352,196	256,022	11,331	-
Home and community services	7,117,797	5,293,607	181,829	-
Interest	402,924	-	-	6,629
<b>Total Governmental Activities</b>	<b>28,255,239</b>	<b>7,097,771</b>	<b>1,714,492</b>	<b>6,629</b>
Business-type activities				
Golf Course	1,226,047	1,060,686	-	-
<b>Total</b>	<b>\$ 29,481,286</b>	<b>\$ 8,158,457</b>	<b>\$ 1,714,492</b>	<b>\$ 6,629</b>
<b>Component units</b>				
Town of Wallkill Housing Authority	\$ 7,004	\$ -	\$ -	\$ -
Town of Wallkill Industrial Development Agency	1,928	-	-	-
<b>Total Component Units</b>	<b>\$ 8,932</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
General revenues				
Real property taxes				
Other tax items				
Payments in lieu of taxes				
Interest and penalties on real property taxes				
Franchise fees				
Non-property taxes				
Non-property tax distribution from County				
Unrestricted use of money and property				
Sale of property and compensation for loss				
Unrestricted State aid				
Miscellaneous				
Sale of real property				
<b>Total General Revenues</b>				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Town of Walkill Housing Authority	Town of Walkill Industrial Development Authority
\$ (2,682,865)	\$ -	\$ (2,682,865)	\$ -	\$ -
(6,699,355)	-	(6,699,355)	-	-
31,977	-	31,977	-	-
(6,956,891)	-	(6,956,891)	-	-
(5,714)	-	(5,714)	-	-
(1,084,843)	-	(1,084,843)	-	-
(1,642,361)	-	(1,642,361)	-	-
(396,295)	-	(396,295)	-	-
(19,436,347)	-	(19,436,347)	-	-
-	(165,361)	(165,361)	-	-
(19,436,347)	(165,361)	(19,601,708)	-	-
-	-	-	(7,004)	-
-	-	-	-	(1,928)
-	-	-	(7,004)	(1,928)
12,123,468	-	12,123,468	-	-
1,078,640	-	1,078,640	-	-
37,353	-	37,353	-	-
273,285	-	273,285	-	-
4,141,128	-	4,141,128	-	-
12,977	420	13,397	-	457
72,838	-	72,838	-	-
581,819	-	581,819	-	-
67,117	-	67,117	-	-
22,500	-	22,500	-	-
18,411,125	420	18,411,545	-	457
(1,025,222)	(164,941)	(1,190,163)	(7,004)	(1,471)
21,662,037	(876,800)	20,785,237	748,440	(7,818)
<u>\$ 20,636,815</u>	<u>\$ (1,041,741)</u>	<u>\$ 19,595,074</u>	<u>\$ 741,436</u>	<u>\$ (9,289)</u>

**Town of Walkkill, New York**

Balance Sheet  
 Governmental Funds  
 December 31, 2014

	General	Highway	Special Districts
<b>ASSETS</b>			
Cash and equivalents	\$ 2,881,946	\$ 1,496,781	\$ 5,806,194
Receivables			
Accounts	232,669	415,645	13,672
State and Federal aid	809,050	-	-
Due from other governments	1,450,322	258,974	-
Water and sewer rents	-	-	1,995,430
Due from other funds	244,960	667,608	5,688,794
Advances to other funds	1,779,382	-	-
	<u>4,516,383</u>	<u>1,342,227</u>	<u>7,697,896</u>
Total Assets	<u>\$ 7,398,329</u>	<u>\$ 2,839,008</u>	<u>\$ 13,504,090</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>			
Liabilities			
Accounts payable	\$ 297,539	\$ 101,250	\$ 262,145
Accrued liabilities	495,773	49,945	44,893
Due to retirement systems	943,184	193,707	154,966
Due to other funds	247,198	94,503	204,760
Bond anticipation notes payable	-	-	-
Total Liabilities	<u>1,983,694</u>	<u>439,405</u>	<u>666,764</u>
Fund balances (deficits)			
Nonspendable	1,779,382	-	-
Restricted	608,122	300,000	1,223,058
Assigned	25,554	2,099,603	11,614,268
Unassigned	3,001,577	-	-
Total Fund Balances (Deficits)	<u>5,414,635</u>	<u>2,399,603</u>	<u>12,837,326</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 7,398,329</u>	<u>\$ 2,839,008</u>	<u>\$ 13,504,090</u>

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

<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>\$ 6,465,770</u>	<u>\$ 223,662</u>	<u>\$ 16,874,353</u>
-	-	661,986
-	-	809,050
-	55,000	1,764,296
-	-	1,995,430
-	-	6,601,362
-	-	1,779,382
-	55,000	13,611,506
<u>\$ 6,465,770</u>	<u>\$ 278,662</u>	<u>\$ 30,485,859</u>
\$ 525,558	\$ 45,040	\$ 1,231,532
-	-	590,611
-	-	1,291,857
5,935,833	50,429	6,532,723
11,479,000	-	11,479,000
<u>17,940,391</u>	<u>95,469</u>	<u>21,125,723</u>
-	-	1,779,382
-	223,662	2,354,842
-	-	13,739,425
(11,474,621)	(40,469)	(8,513,513)
<u>(11,474,621)</u>	<u>183,193</u>	<u>9,360,136</u>
<u>\$ 6,465,770</u>	<u>\$ 278,662</u>	<u>\$ 30,485,859</u>

**Town of Wallkill, New York**

Reconciliation of Governmental Funds

Balance Sheet to the Government-Wide Statement of Net Position

December 31, 2014

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

Fund Balances - Total Governmental Funds	<u>\$ 9,360,136</u>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>38,382,635</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(141,827)
Bonds payable	(8,720,000)
Capital leases payable	(58,362)
Compensated absences	(848,914)
Landfill closure costs	(144,868)
Other post employment benefit obligations payable	<u>(17,191,985)</u>
	<u>(27,105,956)</u>
Net Position of Governmental Activities	<u><u>\$ 20,636,815</u></u>

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

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**Town of Walkill, New York**

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

	General	Highway	Special Districts
<b>REVENUES</b>			
Real property taxes	\$ 5,271,083	\$ 4,088,578	\$ 2,763,807
Other tax items	904,835	462,169	22,274
Non-property taxes	4,141,128	-	-
Departmental income	861,122	-	4,465,198
Intergovernmental charges	146,005	353,873	-
Use of money and property	69,741	7,688	20,706
Sale of property and compensation for loss	72,838	66,541	4,898
Interfund revenues	-	250,690	-
Licenses and permits	678,329	-	-
Fines and forfeitures	996,358	-	-
State aid	676,323	440,671	-
Federal aid	230,000	167,655	-
Miscellaneous	67,117	22,572	103,494
<b>Total Revenues</b>	<b>14,114,879</b>	<b>5,860,437</b>	<b>7,380,377</b>
<b>EXPENDITURES</b>			
Current			
General government support	2,387,869	37,456	-
Public safety	4,554,926	-	-
Health	15,493	-	-
Transportation	808,132	4,141,985	59,189
Economic opportunity and development	5,714	-	-
Culture and recreation	1,079,507	-	-
Home and community services	203,520	-	4,633,934
Employee benefits	3,772,499	1,256,874	675,802
Debt service			
Principal	375,000	109,095	280,000
Interest	296,044	21,051	110,750
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>13,498,704</b>	<b>5,566,461</b>	<b>5,759,675</b>
Excess (Deficiency) of Revenues Over Expenditures	616,175	293,976	1,620,702
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of real property	22,500	-	-
Transfers in	223,391	-	-
Transfers out	(191,025)	(201,241)	(865,000)
<b>Total Other Financing Sources (Uses)</b>	<b>54,866</b>	<b>(201,241)</b>	<b>(865,000)</b>
<b>Net Change in Fund Balances</b>	<b>671,041</b>	<b>92,735</b>	<b>755,702</b>
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	4,743,594	2,306,868	12,081,624
End of Year	<u>\$ 5,414,635</u>	<u>\$ 2,399,603</u>	<u>\$ 12,837,326</u>

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ -	\$ -	\$ 12,123,468
-	-	1,389,278
-	-	4,141,128
-	40,000	5,366,320
-	-	499,878
6,629	885	105,649
-	-	144,277
-	-	250,690
-	-	678,329
-	-	996,358
-	-	1,116,994
-	55,000	452,655
-	-	193,183
<u>6,629</u>	<u>95,885</u>	<u>27,458,207</u>
-	-	2,425,325
-	-	4,554,926
-	-	15,493
-	-	5,009,306
-	-	5,714
-	-	1,079,507
-	52,308	4,889,762
-	-	5,705,175
-	-	764,095
-	-	427,845
2,439,129	-	2,439,129
<u>2,439,129</u>	<u>52,308</u>	<u>27,316,277</u>
<u>(2,432,500)</u>	<u>43,577</u>	<u>141,930</u>
-	-	22,500
1,257,266	-	1,480,657
-	(223,391)	(1,480,657)
<u>1,257,266</u>	<u>(223,391)</u>	<u>22,500</u>
(1,175,234)	(179,814)	164,430
<u>(10,299,387)</u>	<u>363,007</u>	<u>9,195,706</u>
<u>\$ (11,474,621)</u>	<u>\$ 183,193</u>	<u>\$ 9,360,136</u>

**Town of Walkill, 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

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

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 164,430</u>
<p>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 is the amount by which depreciation expense exceeded capital outlays in the current period. This amount may be less than total capital outlay since capital outlay includes amounts that are under the capitalization threshold.</p>	
Capital outlay expenditures	2,804,117
Depreciation expense	<u>(3,215,382)</u>
	<u>(411,265)</u>
<p>Debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>	
Principal paid on bonds	655,000
Principal paid on capital leases	<u>109,095</u>
	<u>764,095</u>
<p>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.</p>	
Accrued interest	24,920
Compensated absences	558,708
Landfill closure costs	4,108
Other post employment benefit obligations	<u>(2,130,218)</u>
	<u>(1,542,482)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,025,222)</u>

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

**Town of Wallkill, 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			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 5,271,083	\$ 5,271,083	\$ 5,271,083	\$ -
Other tax items	831,373	831,373	904,835	73,462
Non-property taxes	3,800,000	3,800,000	4,141,128	341,128
Departmental income	707,576	707,576	861,122	153,546
Intergovernmental charges	100,000	147,728	146,005	(1,723)
Use of money and property	46,000	46,000	69,741	23,741
Sale of property and compensation for loss	27,350	27,350	72,838	45,488
Interfund revenues	10,000	10,000	-	(10,000)
Licenses and permits	419,500	420,775	678,329	257,554
Fines and forfeitures	981,600	981,600	996,358	14,758
State aid	754,000	754,000	676,323	(77,677)
Federal aid	230,000	230,000	230,000	-
Miscellaneous	14,090	14,090	67,117	53,027
<b>Total Revenues</b>	<b>13,192,572</b>	<b>13,241,575</b>	<b>14,114,879</b>	<b>873,304</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,438,233	2,420,831	2,387,869	32,962
Public safety	4,229,882	4,585,929	4,554,926	31,003
Health	19,500	15,867	15,493	374
Transportation	775,999	831,757	808,132	23,625
Economic opportunity and development	10,000	10,000	5,714	4,286
Culture and recreation	849,268	1,094,324	1,079,507	14,817
Home and community services	249,375	206,022	203,520	2,502
Employee benefits	3,868,104	3,774,848	3,772,499	2,349
Debt service				
Principal	522,396	375,000	375,000	-
Interest	294,372	296,499	296,044	455
<b>Total Expenditures</b>	<b>13,257,129</b>	<b>13,611,077</b>	<b>13,498,704</b>	<b>112,373</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(64,557)</b>	<b>(369,502)</b>	<b>616,175</b>	<b>985,677</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of real property	19,000	19,000	22,500	3,500
Transfers in	70,000	223,391	223,391	-
Transfers out	(37,500)	(191,025)	(191,025)	-
<b>Total Other Financing Sources (Uses)</b>	<b>51,500</b>	<b>51,366</b>	<b>54,866</b>	<b>3,500</b>
<b>Net Change in Fund Balances</b>	<b>(13,057)</b>	<b>(318,136)</b>	<b>671,041</b>	<b>989,177</b>
<b>FUND BALANCES</b>				
Beginning of Year	13,057	318,136	4,743,594	4,425,458
End of Year	\$ -	\$ -	\$ 5,414,635	\$ 5,414,635

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

Highway Fund				Special Districts Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,088,578	\$ 4,088,578	\$ 4,088,578	\$ -	\$ 2,761,515	\$ 2,761,515	\$ 2,763,807	\$ 2,292
440,000	440,000	462,169	22,169	22,431	22,431	22,274	(157)
-	-	-	-	-	-	-	-
-	-	-	-	4,143,759	4,143,759	4,465,198	321,439
317,500	317,500	353,873	36,373	-	-	-	-
10,000	10,000	7,688	(2,312)	25,000	25,000	20,706	(4,294)
-	-	66,541	66,541	-	-	4,898	4,898
200,000	200,000	250,690	50,690	-	-	-	-
35,500	35,500	-	(35,500)	-	-	-	-
-	-	-	-	-	-	-	-
345,000	345,000	440,671	95,671	-	-	-	-
-	-	167,655	167,655	-	-	-	-
28,580	28,580	22,572	(6,008)	13,583	23,913	103,494	79,581
<u>5,465,158</u>	<u>5,465,158</u>	<u>5,860,437</u>	<u>395,279</u>	<u>6,966,288</u>	<u>6,976,618</u>	<u>7,380,377</u>	<u>403,759</u>
5,000	37,457	37,456	1	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,967,466	4,333,960	4,141,985	191,975	148,115	148,115	59,189	88,926
-	-	-	-	-	-	-	-
-	-	-	-	4,788,376	5,014,522	4,633,934	380,588
1,454,433	1,344,150	1,256,874	87,276	754,091	763,370	675,802	87,568
51,816	109,096	109,095	1	280,000	280,000	280,000	-
17,000	21,052	21,051	1	114,620	134,431	110,750	23,681
<u>5,495,715</u>	<u>5,845,715</u>	<u>5,566,461</u>	<u>279,254</u>	<u>6,085,202</u>	<u>6,340,438</u>	<u>5,759,675</u>	<u>580,763</u>
<u>(30,557)</u>	<u>(380,557)</u>	<u>293,976</u>	<u>674,533</u>	<u>881,086</u>	<u>636,180</u>	<u>1,620,702</u>	<u>984,522</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>(50,000)</u>	<u>(201,241)</u>	<u>(201,241)</u>	<u>-</u>	<u>(957,381)</u>	<u>(865,000)</u>	<u>(865,000)</u>	<u>-</u>
<u>(50,000)</u>	<u>(201,241)</u>	<u>(201,241)</u>	<u>-</u>	<u>(957,381)</u>	<u>(865,000)</u>	<u>(865,000)</u>	<u>-</u>
<u>(80,557)</u>	<u>(581,798)</u>	<u>92,735</u>	<u>674,533</u>	<u>(76,295)</u>	<u>(228,820)</u>	<u>755,702</u>	<u>984,522</u>
<u>80,557</u>	<u>581,798</u>	<u>2,306,868</u>	<u>1,725,070</u>	<u>76,295</u>	<u>228,820</u>	<u>12,081,624</u>	<u>11,852,804</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,399,603</u>	<u>\$ 2,399,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,837,326</u>	<u>\$ 12,837,326</u>

**Town of Walkill, New York**

Statement of Net Position  
Proprietary Fund  
December 31, 2014

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	<u>Golf Fund</u>
<b>ASSETS</b>	
Current assets	
Cash and equivalents	\$ 115,902
Accounts receivable	<u>5,236</u>
Total Current Assets	<u>121,138</u>
Capital assets	
Not being depreciated	522,634
Being depreciated, net	<u>869,497</u>
Total Capital Assets	<u>1,392,131</u>
Total Assets	<u>1,513,269</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	2,972
Accrued liabilities	5,877
Due to retirement systems	38,741
Due to other funds	68,639
Advances from other funds	<u>1,779,382</u>
Total Current Liabilities	<u>1,895,611</u>
Noncurrent liabilities	
Due within one year	37,824
Due in more than one year	<u>621,575</u>
Total Noncurrent Liabilities	<u>659,399</u>
Total Liabilities	<u>2,555,010</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,258,071
Unrestricted	<u>(2,299,812)</u>
Total Net Position	<u>\$ (1,041,741)</u>

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

**Town of Walkill, New York**

Statement of Revenues, Expenses and  
Changes in Net Position  
Proprietary Fund  
Year Ended December 31, 2014

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	<u>Golf Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,060,686
<b>OPERATING EXPENSES</b>	
Personal services	421,684
Contractual and other	325,993
Employee benefits	358,838
Depreciation	<u>111,449</u>
Total Operating Expenses	<u>1,217,964</u>
Loss from Operations	<u>(157,278)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest income	420
Interest expense	<u>(8,083)</u>
Total Non-Operating Expenses	<u>(7,663)</u>
Change in Net Position	(164,941)
<b>NET POSITION</b>	
Beginning of year	<u>(876,800)</u>
End of year	<u><u>\$ (1,041,741)</u></u>

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

**Town of Wallkill, New York**

Statement of Cash Flows  
Proprietary Fund  
Year Ended December 31, 2014

	<u>Golf Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 1,067,050
Cash payments for goods and services	(344,374)
Cash payments to employees	(437,890)
Cash payments for employee benefits	(265,558)
	<u>19,228</u>
Net Cash from Operating Activities	<u>19,228</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Advances from other funds	<u>13,050</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on installment purchase debt	(42,958)
Interest paid on indebtedness	(8,083)
	<u>(51,041)</u>
Net Cash from Capital and Related Financing Activities	<u>(51,041)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	<u>420</u>
Net Change in Cash and Equivalents	(18,343)
<b>CASH AND EQUIVALENTS</b>	
Beginning of Year	<u>134,245</u>
End of Year	<u>\$ 115,902</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>	
Loss from operations	\$ (157,278)
Adjustments to reconcile loss from operations to net cash from operating activities	
Depreciation	111,449
Changes in assets and liabilities	
Accounts receivable	6,364
Accounts payable	(923)
Accrued liabilities	(1,577)
Due to retirement systems	(3,158)
Due to other funds	(17,458)
Compensated absences	(14,629)
Other post employment benefit obligations payable	96,438
	<u>19,228</u>
Net Cash from Operating Activities	<u>\$ 19,228</u>

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

**Town of Walkill, New York**

Statement of Assets and Liabilities

Fiduciary Funds

December 31, 2014

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and equivalents	<u>\$ 2,600,977</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 399,540
Employee payroll deductions	29,725
Deposits	<u>2,171,712</u>
 Total Liabilities	 <u>\$ 2,600,977</u>

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

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## Town of Wallkill, New York

Notes to Financial Statements  
December 31, 2014

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### **Note 1 - Summary of Significant Accounting Policies**

The Town of Wallkill, New York ("Town") was established in 1772 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 both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, 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, the following component units are included in the Town's reporting entity because of their operational or financial relationship with the Town.

The Wallkill Housing Authority ("Housing Authority") was organized in 1966 as a municipal housing authority created and established for the Town under the Public Housing Law of the State of New York for the purpose of providing decent, safe and sanitary housing for persons of low income and other related purposes. Since the Housing Authority does not provide services entirely or almost entirely to the Town, the financial statements of the Housing Authority have been reflected as a discretely presented component unit. Complete financial statements of the component unit can be obtained from the Wallkill Housing Authority, 99 Tower Drive, Middletown, New York 10941.

The Wallkill Industrial Development Agency ("Agency") is a public benefit corporation created by State legislation to promote the economic welfare, recreation opportunities and prosperity of the Town's inhabitants. Members of the Agency are appointed by the Town Board. Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The Town is not liable for Agency bonds or notes. The governing board of the Agency serves at the pleasure of the Town Board and, therefore, the primary government is considered to be able to impose its will on the Agency. Since the Agency does not provide services entirely or almost entirely to the Town, the financial statements of the Agency have been reflected as a discretely presented component unit. Complete financial statements may be obtained from the Wallkill Industrial Development Agency, 99 Tower Drive, Middletown, NY 10941.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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 primary government as a whole and its component units. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Net Position presents the financial position of the Town and its component units 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, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Enterprise Fund is charges to customers for services. Operating expenses for the Enterprise Fund include the cost of services, administrative expenses, depreciation costs and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

**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/net position, revenues and expenditures/expenses. 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 page following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

The Town's resources are reflected in the fund financial statements in three 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 fund of the Town and is used to account for and report all financial resources not accounted for and 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 funds of the Town are 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 revenue of this fund is real property taxes.

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

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned for capital outlay, including the acquisition or construction of major capital facilities and other capital assets, other than those financed by proprietary funds.

The Town also reports the following non-major governmental funds:

Special Revenue Funds:

Community Development Fund - The Community Development Fund is used to account for projects and subsidies financed by entitlements from the U.S. Department of Housing and Urban Development.

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. Proprietary Funds - Proprietary funds include enterprise funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for

**Note 1 - Summary of Significant Accounting Policies (Continued)**

those operations that provide services to the public. The operations of the Golf Course are recorded as a major enterprise fund. The Town applies all applicable Financial Accounting Standards Board ("FASB") guidance issued after November 30, 1989 in accounting and reporting for its enterprise operations.

- c. 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 also used to account for employee payroll tax withholdings or 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 and the proprietary funds 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 all 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 compensated absences, landfill closure and other post employment benefit obligations payable 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)**

**Component Units**

Component units are presented on the basis of accounting that most accurately reflects their activities. The Housing Authority and Industrial Development Agency are accounted for on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. The component unit applies all applicable Financial Accounting Standards Boards guidance issued after November 30, 1989 in accounting and reporting for its operations.

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

**Deposits 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.

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 or credit 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 district taxes which are due January 1st and payable without penalty until January 31st. The Town retains the total amount of town, highway and special district and taxes from the total collection and returns the balance plus the uncollected items to the County, which assumes collection responsibility.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**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. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as internal balances.

**Advances To/From Other Funds** - Advances to/from other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the fund financial statements which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

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

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business type activities column 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 (i.e., those reported by governmental activities), 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 by 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.

Land and construction-in-progress are not depreciated. Property, plant and equipment of the primary government, as well as the component unit, are depreciated using the straight line method over the following estimated useful lives.

Class	Life in Years
Buildings and improvements	40
Improvements other than buildings	20
Infrastructure	15-50
Machinery and equipment	5

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 has reported deferred inflows of resources of \$201,233 on the component units Statement of Net Position. These amounts represent portions of payments made in lieu of taxes, which have been withheld from certain taxing authorities for legal expenses, pending resolution of tax assessment disputes.

**Long-Term Liabilities** - In the government-wide and proprietary fund financial statements, long-term debt and other long-term liabilities 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 or Debt Service funds 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 and proprietary fund 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.

**Net Position** - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its projects, 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, restricted for future capital projects, liability and casualty, special districts and parklands. The balance is classified as unrestricted.

**Fund Balances** - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 Town Board 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 balancing the subsequent year's budget or the Town Supervisor 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 other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

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 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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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 \_\_\_\_, 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) The Town Supervisor shall prepare a tentative budget in September and submit it to the Town Clerk by September 30th. The tentative budget includes the estimated revenues and expenditures for the ensuing fiscal year.
- b) The Town clerk must present the tentative budget to the Town Board by October 5<sup>th</sup>. Between October 5<sup>th</sup> and October 10<sup>th</sup>, the Town Board shall prepare a preliminary budget. Immediately after the preliminary budget has been approved, the Town Board shall file the original copy with the Town Clerk where it shall be available for inspection by the public. In addition, the Town Board shall adopt a resolution specifying the time and place of a public hearing, which shall be held on or before election day during an election year and by November 10<sup>th</sup> in a non-election year.
- c) At the public hearing, taxpayers may comment on the preliminary budget.
- d) Within five days after the hearing, the Town Board shall adopt the preliminary budget as originally compiled or it may, by a majority vote, diminish or reject certain items contained therein as prescribed by law.

## Town of Wallkill, New York

Notes to Financial Statements (Continued)  
December 31, 2014

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

- e) The Town Board must submit and adopted budget to the County by November 20<sup>th</sup>.
- f) Formal budgetary integration is employed during the year as a management control device for General, Highway and Special Districts funds.
- g) Budgets for General, Highway and Special Districts funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Community Development, Special Purpose or Proprietary funds.
- h) 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 Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- i) Appropriations in the General, Highway and Special Districts 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 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 year. It expires on June 16, 2016.

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 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

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 2 - Stewardship, Compliance and Accountability (Continued)**

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 Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

**C. Fund Deficits**

The unassigned deficit of \$11,474,621 in the Capital Projects Fund arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes payable 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.

The following funds have deficits at December 31, 2014:

Community Development Fund	\$	40,469
Enterprise Fund		
Golf Course		1,041,741

These deficits will be addressed in the ensuing years.

**Note 3 - Detailed Notes on All Funds**

**A. 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	\$ 244,960	\$ 247,198
Highway	667,608	94,503
Special Districts	5,688,794	204,760
Capital Projects	-	5,935,833
Non-Major Government Funds	-	50,429
Golf Course	-	68,639
	<u>\$ 6,601,362</u>	<u>\$ 6,601,362</u>

The outstanding balances between funds result 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.

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**B. Advances To/From Other Funds**

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

Fund	Due From	Due To
General	\$ 1,779,382	\$ -
Golf Fund	-	1,779,382
	<u>\$ 1,779,382</u>	<u>\$ 1,779,382</u>

The outstanding balances between funds represent loans which are not expected to be repaid within the subsequent operating cycle.

**C. Capital Assets**

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

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
<b>Governmental Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 1,584,505	\$ -	\$ -	\$ 1,584,505
Construction-in-progress	3,275,296	2,327,897	2,474,645	3,128,548
Total Capital Assets, not being depreciated	<u>\$ 4,859,801</u>	<u>\$ 2,327,897</u>	<u>\$ 2,474,645</u>	<u>\$ 4,713,053</u>
Capital Assets, being depreciated				
Buildings and improvements	\$ 13,249,571	\$ 1,597,271	\$ 57,483	\$ 14,789,359
Improvements other than buildings	4,932,528	-	-	4,932,528
Infrastructure	87,207,470	809,603	96,492	87,920,581
Machinery and equipment	10,224,383	543,991	597,064	10,171,310
Total Capital Assets, being depreciated	<u>115,613,952</u>	<u>2,950,865</u>	<u>751,039</u>	<u>117,813,778</u>
Less Accumulated Depreciation for				
Buildings and improvements	5,433,369	432,259	57,483	5,808,145
Improvements other than buildings	1,818,039	275,148	-	2,093,187
Infrastructure	65,999,219	1,821,579	96,492	67,724,306
Machinery and equipment	8,429,226	686,396	597,064	8,518,558
Total Accumulated Depreciation	<u>81,679,853</u>	<u>3,215,382</u>	<u>751,039</u>	<u>84,144,196</u>
Total Capital Assets, being depreciated, net	<u>\$ 33,934,099</u>	<u>\$ (264,517)</u>	<u>\$ -</u>	<u>\$ 33,669,582</u>
Governmental Activities Capital Assets, net	<u>\$ 38,793,900</u>	<u>\$ 2,063,380</u>	<u>\$ 2,474,645</u>	<u>\$ 38,382,635</u>

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
<b>Business-type Activities</b>				
Capital Assets, not being depreciated				
Land	\$ 522,634	\$ -	\$ -	\$ 522,634
Capital Assets, being depreciated				
Buildings and improvements	\$ 1,583,576	\$ -	\$ -	\$ 1,583,576
Improvements other than buildings	5,456,334	-	-	5,456,334
Machinery and equipment	880,878	-	24,734	856,144
Total Capital Assets, being depreciated	7,920,788	-	24,734	7,896,054
Less Accumulated Depreciation for				
Buildings and improvements	880,438	40,668	-	921,106
Improvements other than buildings	5,290,570	2,088	-	5,292,658
Machinery and equipment	768,834	68,693	24,734	812,793
Total Accumulated Depreciation	6,939,842	111,449	24,734	7,026,557
Total Capital Assets, being depreciated, net	\$ 980,946	\$ (111,449)	\$ -	\$ 869,497
Business-type Activities Capital Assets, net	\$ 1,503,580	\$ (111,449)	\$ -	\$ 1,392,131

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

Governmental Activities	
General Government Support	\$ 55,750
Public Safety	131,472
Transportation	1,657,637
Culture and Recreation	84,696
Home and Community Services	1,285,827
Total Depreciation Expense - Governmental Activities	\$ 3,215,382
Business-type Activities - Golf Fund	\$ 111,449

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**D. Accrued Liabilities**

Accrued liabilities at December 31, 2014 were as follows:

	Fund				Total
	General	Highway	Special Districts	Golf Course	
Payroll and Employee Benefits	\$ 495,773	\$ 49,945	\$ 44,893	\$ 5,877	\$ 596,488

**E. Pension Plans**

The primary government 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 and 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 a regular pension contribution. Contribution rates for the plan year ended March 31, 2015 are as follows:

	Tier/Plan	Rate
ERS	1 75i 41J	27.7%
	3 A14 41J	20.3
	4 A15 41J	20.3
	5 A15 41J	16.6
	6 A15 41J1	10.9
	6 A15 41J2	11.0
PFRS	2 384D	27.3
	5 384D	22.0
	6 384D	15.4

**Town of Wallkill, 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:

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 995,116	\$ 799,224
2013	875,168	723,602
2012	842,346	680,812

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

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

<u>Fund</u>	<u>Amount</u>
General	\$ 479,957
Highway	264,353
Special Districts	198,098
Golf Course	52,708
	<u>\$ 995,116</u>

The Agency and Housing Authority do not pay wages and, accordingly, do not participate in a retirement system.

**F. Short-Term Capital Borrowings**

<u>Purpose</u>	<u>Original Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance January 1, 2014</u>	<u>Redemptions</u>	<u>Balance December 31, 2014</u>
Governmental Type Activities						
Capital Projects Fund						
Consolidated Sewer District	01/19/2012	01/16/2015	0.62 %	\$ 720,000	\$ 25,000	\$ 695,000
Sewer District	03/08/2012	08/05/2015	0.46	2,865,000	70,000	2,795,000
Computer Equipment/Software	03/08/2012	01/16/2015	0.62	112,500	37,500	75,000
Water District	09/06/2012	01/16/2015	0.62	5,035,000	70,000	4,965,000
Circleville Park Class A Building	08/06/2013	08/05/2015	0.46	1,032,000	-	1,032,000
Circleville Park Class B Building	08/06/2013	08/05/2015	0.46	408,000	-	408,000
Salt Barn	08/06/2013	08/05/2015	0.46	773,000	-	773,000
Highway Vehicles	08/06/2013	01/16/2015	0.62	920,000	184,000	736,000
				<u>\$ 11,865,500</u>	<u>\$ 386,500</u>	<u>\$ 11,479,000</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

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures of \$111,567 were recorded in the fund financial statements below.

<u>Fund</u>	<u>Amount</u>
General	\$ 22,127
Highway	15,322
Special Districts	<u>74,118</u>
	<u>\$ 111,567</u>

Interest expense of \$90,619 was recorded in the government-wide financial statements for governmental activities.

**G. Long-Term Indebtedness**

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

	<u>Balance January 1, 2014, as reported</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2014</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable					
Capital Construction	\$ 9,275,000	\$ -	\$ 555,000	\$ 8,720,000	\$ 575,000
Other	100,000	-	100,000	-	-
	<u>9,375,000</u>	<u>-</u>	<u>655,000</u>	<u>8,720,000</u>	<u>575,000</u>
Capital Leases Payable	167,457	-	109,095	58,362	58,362
	<u>9,542,457</u>	<u>-</u>	<u>764,095</u>	<u>8,778,362</u>	<u>633,362</u>
Other Noncurrent Liabilities					
Compensated Absences	1,407,622	-	558,708	848,914	85,000
Landfill Closure	148,976	-	4,108	144,868	14,000
Other Post Employment Benefit Obligations Payable	<u>15,061,767</u>	<u>2,889,781</u>	<u>759,563</u>	<u>17,191,985</u>	<u>-</u>
Total Other Noncurrent Liabilities	<u>16,618,365</u>	<u>2,889,781</u>	<u>1,322,379</u>	<u>18,185,767</u>	<u>99,000</u>
Governmental Activities Long-Term Liabilities	<u>\$ 26,160,822</u>	<u>\$ 2,889,781</u>	<u>\$ 2,086,474</u>	<u>\$ 26,964,129</u>	<u>\$ 732,362</u>

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

	Balance January 1, 2014, as reported	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Business-Type Activities					
Capital Leases Payable	\$ 177,018	\$ -	\$ 42,958	\$ 134,060	\$ 32,924
Other Noncurrent Liabilities					
Compensated Absences	63,718	-	14,629	49,089	4,900
Other Post Employment Benefit Obligations Payable	379,812	96,438	-	476,250	-
Total Other Noncurrent Liabilities	443,530	96,438	14,629	525,339	4,900
Business-Type Activities Long-Term Liabilities	\$ 620,548	\$ 96,438	\$ 57,587	\$ 659,399	\$ 37,824

Each governmental fund's liability for bonds, compensated absences and other post employment benefit obligations payable is liquidated by the General, Highway and Special Districts funds. The Town's indebtedness for landfill closure costs is satisfied by the General Fund. The Town's indebtedness for capital leases payable is satisfied by the Highway Fund.

**Bonds Payable**

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

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2014
Water Improvements	2000	3,512,925	January, 2020	1.801 - 3.815 %	1,195,000
Sewer Reconstruction	2001	1,857,000	November, 2021	1.388 - 3.420	765,000
Public Improvements	2010	7,665,000	January, 2031	3.50-4.250	6,760,000
					\$ 8,720,000

Interest expenditures of \$273,917 and \$36,632 were recorded in the fund financial statements in the General Fund and Special Districts Fund, respectively. Interest expense of \$306,576 was recorded in the government-wide financial statements for governmental activities.

**Capital Leases Payable**

The Town, in prior years, entered into capital leases for various highway vehicles and golf equipment. The annual payments include interest at various amounts and mature at various times, ranging from February 2015 through June 2018. The balance due at December 31, 2014 is \$192,421.

Interest expenditures/expense of \$5,729 was recorded in the fund financial statements in the Highway Fund and in the government-wide financial statements for governmental activities.

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expense of \$8,083 was recorded in the fund financial statements in the Enterprise Fund - Golf Course and the government-wide financial statements for business-type activities.

**Payments to Maturity**

The annual requirements to amortize all bonded and capital lease debt outstanding as of December 31, 2014, including interest payments of \$2,836,830 are as follows:

Year Ended December 31,	Bonds		Capital Leases Payable				Totals	
	Governmental Activities		Governmental Activities		Business-type Activities		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2015	\$ 575,000	\$ 318,798	\$ 58,362	\$ 1,704	\$ 32,924	\$ 6,154	\$ 666,286	\$ 326,656
2016	600,000	302,125	-	-	32,208	4,660	632,208	306,785
2017	610,000	283,951	-	-	33,688	3,179	643,688	287,130
2018	630,000	264,322	-	-	35,240	1,627	665,240	265,949
2019	645,000	242,258	-	-	-	-	645,000	242,258
2020-2024	2,320,000	899,027	-	-	-	-	2,320,000	899,027
2025-2029	2,285,000	463,978	-	-	-	-	2,285,000	463,978
2030-2031	1,055,000	45,047	-	-	-	-	1,055,000	45,047
	<u>\$ 8,720,000</u>	<u>\$ 2,819,506</u>	<u>\$ 58,362</u>	<u>\$ 1,704</u>	<u>\$ 134,060</u>	<u>\$ 15,620</u>	<u>\$ 8,912,422</u>	<u>\$ 2,836,830</u>

The above general obligation bonds and capital lease 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.

**Compensated Absences**

Under the terms of existing collective bargaining agreements, employees are entitled to accumulate sick and vacation leave based upon the terms of their respective collective bargaining agreements. Payment upon separation of service varies with each agreement. The value of all compensated absences has been reflected in the government-wide financial statements.

**Landfill Closure Costs**

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill site was capped in 1997 and subsequently has been subject to monitoring in accordance with NYS regulations. The amount of \$144,868 reported as a landfill closure cost liability in the government-wide financial statements for governmental activities, at December 31, 2014, represents the estimated total future post-closure costs. Actual costs may be higher due to inflation, changes in technology or changes in regulation.

**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. Substantially all of the Town's employees 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 within the governmental funds.

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

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 the 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.

The Town is required to accrue on the government-wide and proprietary fund financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the expected rate of return on the Town's general assets. 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>
2015	8.50 %	8.50 %
2016	8.00	8.00
2017	7.50	7.50
2018	7.00	7.00
2019	6.50	6.50
2020	6.00	6.00
2021	5.50	5.50
2022	5.00	5.00

The amortization basis is the level dollar method with an open amortization approach with 24 years remaining in the amortization period. The actuarial assumptions included in 4.0% investment rate of return. 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. A separate postemployment benefit plan report is not available.

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

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

	Governmental Funds	Enterprise Funds	Total
Active Employees	119	5	124
Retired Employees	48	-	48
	<u>167</u>	<u>5</u>	<u>172</u>

	Governmental Funds	Enterprise Fund	Total
Amortization Component:			
Actuarial Accrued Liability as of January 1, 2013	\$ 34,464,573	\$ 812,974	\$ 35,277,547
Assets at Market Value	-	-	-
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 34,464,573</u>	<u>\$ 812,974</u>	<u>\$ 35,277,547</u>
Funded Ratio	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered Payroll (Active plan members)	<u>\$ 7,355,049</u>	<u>\$ 317,348</u>	<u>\$ 7,672,397</u>
UAAL as a Percentage of Covered Payroll	<u>468.58%</u>	<u>256.18%</u>	<u>459.80%</u>
Annual Required Contribution	\$ 2,491,232	\$ 85,537	\$ 2,576,769
Interest on Net OPEB Obligation	602,471	15,192	617,663
Adjustments to Annual Required Contribution	(203,922)	(4,291)	(208,213)
Annual OPEB Cost	2,889,781	96,438	2,986,219
Contributions Made	(759,563)	-	(759,563)
Increase in Net OPEB Obligation	2,130,218	96,438	2,226,656
Net OPEB Obligation - Beginning of Year	<u>15,061,767</u>	<u>379,812</u>	<u>15,441,579</u>
Net OPEB Obligation - End of Year	<u>\$ 17,191,985</u>	<u>\$ 476,250</u>	<u>\$ 17,668,235</u>

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 the two preceding years is as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 2,986,219	25.44 %	\$ 17,668,235
2013	2,785,426	25.77	15,441,579
2012	2,593,432	25.03	13,374,025

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

**H. Significant Commitments - Encumbrances**

As discussed in Note 2,A, Budgetary Data, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At December 31, 2014, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

General Fund	\$ 25,554
Highway Fund	48,547
Special Districts Fund	<u>124,233</u>
Total	<u>\$ 198,334</u>

**I. 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 below have been reflected as transfers.

Transfers Out	Transfers In		Total
	General Fund	Capital Projects Fund	
General Fund	\$ -	\$ 191,025	\$ 191,025
Highway	-	201,241	201,241
Special Districts	-	865,000	865,000
Non-Major Governmental Funds	<u>223,391</u>	<u>-</u>	<u>223,391</u>
	<u>\$ 223,391</u>	<u>\$ 1,257,266</u>	<u>\$ 1,480,657</u>

Transfers are used to move amounts earmarked in the operating funds to 1) fulfill obligations of the Capital Projects Fund and 2) fulfill commitments for the General Fund.

**J. 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.

**Town of Wallkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

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**Note 3 - Detailed Notes on All Funds (Continued)**

*Restricted for Future Capital Projects* - the component of net position that has been established to set aside funds to be used to finance all or part of the construction or acquisition of a specific type of improvement in accordance with Section 6c of General Municipal Law.

*Restricted for Liability and Casualty* - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6n of General Municipal Law.

*Restricted for Special Districts* - the component of net position that represents funds restricted for specific purposes under New York State law or by external parties and/or statutes.

*Restricted for Parklands* - the component of net position that has been established pursuant to Section 277 of Town Law. This amount represents funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may only be used for recreation purposes.

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

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**Town of Walkill, New York**

Notes to Financial Statements (Continued)  
December 31, 2014

**Note 3 - Detailed Notes on All Funds (Continued)**

**K. Fund Balances**

	2014					2013						
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Non-Major Governmental	Total
<b>Nonspendable</b>												
Advances	\$ 1,779,382	\$ -	\$ -	\$ -	\$ -	\$ 1,779,382	\$ 1,766,332	\$ -	\$ -	\$ -	\$ -	\$ 1,766,332
<b>Restricted</b>												
Future capital projects	597,524	300,000	1,223,058	-	-	2,120,582	606,952	-	379,737	-	-	986,689
Liability and casualty	10,598	-	-	-	-	10,598	10,575	-	-	-	-	10,575
Parklands	-	-	-	-	223,662	223,662	-	-	-	-	406,176	406,176
<b>Total Restricted</b>	<b>608,122</b>	<b>300,000</b>	<b>1,223,058</b>	<b>-</b>	<b>223,662</b>	<b>2,354,842</b>	<b>617,527</b>	<b>-</b>	<b>379,737</b>	<b>-</b>	<b>406,176</b>	<b>1,403,440</b>
<b>Assigned</b>												
<b>Purchases on order</b>												
General government support	1,841	-	-	-	-	1,841	2,133	-	-	-	-	2,133
Public safety	13,360	-	-	-	-	13,360	4,308	-	-	-	-	4,308
Transportation	3,720	48,547	3,005	-	-	55,272	1,779	80,557	3,005	-	-	85,341
Culture and recreation	6,183	-	-	-	-	6,183	4,582	-	-	-	-	4,582
Home and community services	450	-	121,228	-	-	121,678	255	-	73,290	-	-	73,545
	25,554	48,547	124,233	-	-	198,334	13,057	80,557	76,295	-	-	169,909
Major Funds	-	2,051,056	-	-	-	2,051,056	-	2,226,311	-	-	-	2,226,311
Special Districts	-	-	11,490,035	-	-	11,490,035	-	-	11,625,592	-	-	11,625,592
<b>Total Assigned</b>	<b>25,554</b>	<b>2,099,603</b>	<b>11,614,268</b>	<b>-</b>	<b>-</b>	<b>13,739,425</b>	<b>13,057</b>	<b>2,306,868</b>	<b>11,701,887</b>	<b>-</b>	<b>-</b>	<b>14,021,812</b>
<b>Unassigned</b>	<b>3,001,577</b>	<b>-</b>	<b>-</b>	<b>(11,474,621)</b>	<b>(40,469)</b>	<b>(8,513,513)</b>	<b>2,346,678</b>	<b>-</b>	<b>-</b>	<b>(10,299,387)</b>	<b>(43,169)</b>	<b>(7,995,878)</b>
<b>Total Fund Balances</b>	<b>\$ 5,414,635</b>	<b>\$ 2,399,603</b>	<b>\$ 12,837,326</b>	<b>\$ (11,474,621)</b>	<b>\$ 183,193</b>	<b>\$ 9,360,136</b>	<b>\$ 4,743,594</b>	<b>\$ 2,306,868</b>	<b>\$ 12,081,624</b>	<b>\$ (10,299,387)</b>	<b>\$ 363,007</b>	<b>\$ 9,195,706</b>

**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.

Advances have been established to indicate the long-term nature of funds advanced to the Enterprise fund. The amount is classified as nonspendable to indicate that these funds do not represent "available" spendable resources.

Purchases on order are assigned and represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the Capital Projects and Community Development funds represents the excess of cumulative expenditures over current funding.

**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. There are several tort claims pending against the Town. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Town.

There are currently pending certiorari proceedings, the results of which could require the payment of future tax refunds by the Town, if existing assessment rolls are modified based on the outcome of the litigation proceedings. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from adverse decision will be funded in the year payment is made.

**B. Risk Management**

The Town purchases various conventional insurance to reduce its exposure to loss. The public officials and general liability policies provide coverage of up to \$1.0 million. In addition, the Town maintains an umbrella policy with a limit of \$4.0 million. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Town also purchases conventional medical and workers' compensation coverage.

**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.

**Town of Walkill, New York**

Notes to Financial Statements (Concluded)  
December 31, 2014

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**Note 5 - Subsequent Event**

The Town, in January 2015, issued bond anticipation notes in the amount of \$6,934,411. The notes are due on January 15, 2016, with interest at .48%. The proceeds were used to renew portions of the \$6,471,000 bond anticipation notes outstanding at December 31, 2014 and provide new proceeds of \$720,911 for various capital projects.

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**Town of Walkill, 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	\$ -	\$ 35,277,547	\$ 35,277,547	- %	\$ 7,672,397	460 %
January 1, 2013	-	33,373,109	33,373,109	-	7,420,854	450
January 1, 2012	-	31,522,578	31,522,578	-	7,462,158	422

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**Town of Walkill, New York**

General Fund  
Comparative Balance Sheet  
December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,881,946	\$ 1,947,319
Receivables		
Accounts	232,669	411,036
State and Federal aid	809,050	675,536
Due from other governments	1,450,322	1,357,481
Due from other funds	244,960	86,097
Advances to other funds	1,779,382	1,766,332
	<u>4,516,383</u>	<u>4,296,482</u>
Total Assets	<u>\$ 7,398,329</u>	<u>\$ 6,243,801</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 297,539	\$ 264,285
Accrued liabilities	495,773	165,834
Due to retirement systems	943,184	827,991
Due to other funds	247,198	242,097
	<u>1,983,694</u>	<u>1,500,207</u>
Fund balance		
Nonspendable	1,779,382	1,766,332
Restricted	608,122	617,527
Assigned	25,554	13,057
Unassigned	3,001,577	2,346,678
	<u>5,414,635</u>	<u>4,743,594</u>
Total Fund Balance	<u>5,414,635</u>	<u>4,743,594</u>
Total Liabilities and Fund Balance	<u>\$ 7,398,329</u>	<u>\$ 6,243,801</u>

**Town of Wallkill, 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	
<b>REVENUES</b>				
Real property taxes	\$ 5,271,083	\$ 5,271,083	\$ 5,271,083	\$ -
Other tax items	831,373	831,373	904,835	73,462
Non-property taxes	3,800,000	3,800,000	4,141,128	341,128
Departmental income	707,576	707,576	861,122	153,546
Intergovernmental charges	100,000	147,728	146,005	(1,723)
Use of money and property	46,000	46,000	69,741	23,741
Sale of property and compensation for loss	27,350	27,350	72,838	45,488
Interfund revenues	10,000	10,000	-	(10,000)
Licenses and permits	419,500	420,775	678,329	257,554
Fines and forfeitures	981,600	981,600	996,358	14,758
State aid	754,000	754,000	676,323	(77,677)
Federal aid	230,000	230,000	230,000	-
Miscellaneous	14,090	14,090	67,117	53,027
<b>Total Revenues</b>	<b>13,192,572</b>	<b>13,241,575</b>	<b>14,114,879</b>	<b>873,304</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,438,233	2,420,831	2,387,869	32,962
Public safety	4,229,882	4,585,929	4,554,926	31,003
Health	19,500	15,867	15,493	374
Transportation	775,999	831,757	808,132	23,625
Economic opportunity and development	10,000	10,000	5,714	4,286
Culture and recreation	849,268	1,094,324	1,079,507	14,817
Home and community services	249,375	206,022	203,520	2,502
Employee benefits	3,868,104	3,774,848	3,772,499	2,349
Debt service				
Principal	522,396	375,000	375,000	-
Interest	294,372	296,499	296,044	455
<b>Total Expenditures</b>	<b>13,257,129</b>	<b>13,611,077</b>	<b>13,498,704</b>	<b>112,373</b>
Excess (Deficiency) of Revenues Over Expenditures	(64,557)	(369,502)	616,175	985,677
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of real property	19,000	19,000	22,500	3,500
Transfers in	70,000	223,391	223,391	-
Transfers out	(37,500)	(191,025)	(191,025)	-
<b>Total Other Financing Sources</b>	<b>51,500</b>	<b>51,366</b>	<b>54,866</b>	<b>3,500</b>
<b>Net Change in Fund Balance</b>	<b>(13,057)</b>	<b>(318,136)</b>	<b>671,041</b>	<b>989,177</b>
<b>FUND BALANCE</b>				
Beginning of Year	13,057	318,136	4,743,594	4,425,458
End of Year	\$ -	\$ -	\$ 5,414,635	\$ 5,414,635

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 5,137,510	\$ 5,137,510	\$ 5,137,826	\$ 316
832,338	832,338	941,513	109,175
3,617,704	3,617,704	4,145,827	528,123
679,626	679,626	753,275	73,649
114,850	114,850	180,591	65,741
35,220	35,220	55,808	20,588
42,800	42,800	56,697	13,897
30,000	30,000	-	(30,000)
365,300	365,300	503,818	138,518
1,092,000	1,092,000	928,184	(163,816)
773,000	773,000	919,276	146,276
230,000	230,000	230,000	-
-	-	54,026	54,026
<u>12,950,348</u>	<u>12,950,348</u>	<u>13,906,841</u>	<u>956,493</u>
2,611,782	2,386,524	2,071,144	315,380
4,074,811	4,287,162	4,237,041	50,121
13,500	18,388	18,388	-
693,385	815,577	812,713	2,864
10,000	12,914	12,905	9
980,219	946,029	890,721	55,308
277,063	213,166	201,676	11,490
3,665,987	3,665,987	3,498,155	167,832
565,000	565,000	365,000	200,000
295,502	295,502	291,448	4,054
<u>13,187,249</u>	<u>13,206,249</u>	<u>12,399,191</u>	<u>807,058</u>
<u>(236,901)</u>	<u>(255,901)</u>	<u>1,507,650</u>	<u>1,763,551</u>
-	19,000	25,200	6,200
250,000	250,000	200,002	(49,998)
<u>(37,500)</u>	<u>(37,500)</u>	<u>(37,500)</u>	<u>-</u>
<u>212,500</u>	<u>231,500</u>	<u>187,702</u>	<u>(43,798)</u>
<u>(24,401)</u>	<u>(24,401)</u>	<u>1,695,352</u>	<u>1,719,753</u>
<u>24,401</u>	<u>24,401</u>	<u>3,048,242</u>	<u>3,023,841</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,743,594</u>	<u>\$ 4,743,594</u>

**Town of Wallkill, New York**

General Fund  
 Schedule of Revenues and Other Financing Sources 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
<b>REAL PROPERTY TAXES</b>	\$ 5,271,083	\$ 5,271,083	\$ 5,271,083	\$ -	\$ 5,137,826
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	516,373	516,373	594,197	77,824	574,499
Interest and penalties on real property taxes	40,000	40,000	37,353	(2,647)	99,175
Franchise fees	275,000	275,000	273,285	(1,715)	267,839
	<u>831,373</u>	<u>831,373</u>	<u>904,835</u>	<u>73,462</u>	<u>941,513</u>
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	3,800,000	3,800,000	4,141,128	341,128	4,145,827
<b>DEPARTMENTAL INCOME</b>					
Town Clerk fees	3,650	3,650	5,550	1,900	5,011
Assessor label fees	1,700	1,700	5,330	3,630	3,020
Police fees	1,000	1,000	11,720	10,720	7,289
Vital statistics fees	55,000	55,000	47,470	(7,530)	49,162
Safety inspection fees	81,000	81,000	173,220	92,220	114,265
Parking tickets	125,000	125,000	189,670	64,670	151,530
Bus operations	48,000	48,000	39,392	(8,608)	34,455
Parks and recreation fees	272,500	272,500	226,308	(46,192)	211,023
Zoning fees	6,000	6,000	23,915	17,915	16,399
Planning Board fees	37,000	37,000	57,413	20,413	62,595
Refuse and garbage charges	6,000	6,000	4,500	(1,500)	3,000
Water and sewer management charge	68,226	68,226	68,226	-	68,226
Miscellaneous	2,500	2,500	8,408	5,908	27,300
	<u>707,576</u>	<u>707,576</u>	<u>861,122</u>	<u>153,546</u>	<u>753,275</u>
<b>INTERGOVERNMENTAL CHARGES</b>					
Chargebacks from Agencies	100,000	147,728	146,005	(1,723)	180,591

**USE OF MONEY AND PROPERTY**

Earnings on investments	6,000	6,000	12,977	6,977	8,942
Rental of real property	40,000	40,000	56,764	16,764	46,765
Commissions	-	-	-	-	101
	<u>46,000</u>	<u>46,000</u>	<u>69,741</u>	<u>23,741</u>	<u>55,808</u>

**SALE OF PROPERTY AND  
COMPENSATION FOR LOSS**

Sale of equipment	3,000	3,000	8,673	5,673	6,449
Minor sales	350	350	607	257	475
Insurance recoveries	24,000	24,000	63,558	39,558	49,773
	<u>27,350</u>	<u>27,350</u>	<u>72,838</u>	<u>45,488</u>	<u>56,697</u>

**INTERFUND REVENUES**

	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
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**LICENSES AND PERMITS**

Bingo licenses	2,000	2,000	3,209	1,209	2,554
Dog licenses	2,000	2,000	4,295	2,295	4,306
Building permits	414,500	414,500	669,025	254,525	494,469
Other licenses and permits	1,000	2,275	1,800	(475)	2,489
	<u>419,500</u>	<u>420,775</u>	<u>678,329</u>	<u>257,554</u>	<u>503,818</u>

**FINES AND FORFEITURES**

Fines and forfeited bail	<u>981,600</u>	<u>981,600</u>	<u>996,358</u>	<u>14,758</u>	<u>928,184</u>
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**STATE AID**

Per capita	89,000	89,000	89,881	881	89,881
Mortgage tax	480,000	480,000	491,938	11,938	527,013
Park and ride aid	60,000	60,000	73,187	13,187	60,184
Transportation aid					
Galleria tunnel	-	-	-	-	45,546
Police safety grant	-	-	7,388	7,388	66,782
Youth aid	-	-	8,978	8,978	-
Transportation aid	125,000	125,000	4,951	(120,049)	129,870
	<u>754,000</u>	<u>754,000</u>	<u>676,323</u>	<u>(77,677)</u>	<u>919,276</u>

(Continued)

**Town of Wallkill, New York**

General Fund  
 Schedule of Revenues and Other Financing Sources 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
<b>FEDERAL AID</b>					
Bus aid	\$ 230,000	\$ 230,000	\$ 230,000	\$ -	\$ 230,000
<b>MISCELLANEOUS</b>					
Refund of prior year's expenditures	-	-	12,500	12,500	35,332
Unclassified	14,090	14,090	54,617	40,527	18,694
	14,090	14,090	67,117	53,027	54,026
<b>TOTAL REVENUES</b>	<u>13,192,572</u>	<u>13,241,575</u>	<u>14,114,879</u>	<u>873,304</u>	<u>13,906,841</u>
<b>OTHER FINANCING SOURCES</b>					
Sale of real property	19,000	19,000	22,500	3,500	25,200
Transfers in Special Purpose Fund	70,000	223,391	223,391	-	200,002
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>89,000</u>	<u>242,391</u>	<u>245,891</u>	<u>3,500</u>	<u>225,202</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 13,281,572</u>	<u>\$ 13,483,966</u>	<u>\$ 14,360,770</u>	<u>\$ 876,804</u>	<u>\$ 14,132,043</u>

**Town of Walkkill, 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
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town Board	\$ 34,452	\$ 35,272	\$ 35,216	\$ 56	\$ 34,857
Town Justice	403,314	451,574	448,885	2,689	377,048
Supervisor	173,347	204,111	200,389	3,722	190,872
Auditor	40,000	49,149	48,721	428	44,173
Tax collection	21,800	21,800	20,830	970	24,429
Budget	4,041	4,041	3,878	163	4,038
Assessor	195,190	205,052	203,873	1,179	195,161
Town Clerk	69,375	71,877	71,037	840	73,904
Attorney	192,000	229,124	228,917	207	167,096
Engineer	9,000	34,155	33,783	372	8,587
Elections	72,000	62,341	62,215	126	38,414
Public works administration	69,591	71,052	70,072	980	92,627
Buildings	320,909	328,334	319,302	9,032	267,186
Central communications	35,000	32,484	32,484	-	31,493
Central storeroom	100	100	-	100	-
Central printing	101,456	60,048	53,666	6,382	62,674
Data processing	147,000	153,003	148,955	4,048	149,933
Unallocated insurance	334,000	261,389	261,052	337	268,243
Municipal association dues	2,500	2,500	2,000	500	3,760
Judgments and claims	35,000	114,138	114,138	-	7,744
Taxes and assessments on property	13,000	13,000	12,169	831	12,289
Metropolitan commuter transportation mobility tax	17,000	16,287	16,287	-	16,616
Contingency	148,158	-	-	-	-
	<u>2,438,233</u>	<u>2,420,831</u>	<u>2,387,869</u>	<u>32,962</u>	<u>2,071,144</u>

**PUBLIC SAFETY**

Police	3,693,641	4,008,768	3,985,737	23,031	3,706,714
Traffic control	45,500	40,678	40,675	3	33,443
Parking enforcement	51,040	42,475	39,663	2,812	49,865
Dog control	27,240	27,242	24,442	2,800	51,623
Safety inspection	412,461	466,766	464,409	2,357	395,396
	<u>4,229,882</u>	<u>4,585,929</u>	<u>4,554,926</u>	<u>31,003</u>	<u>4,237,041</u>

**HEALTH**

Registrar	<u>19,500</u>	<u>15,867</u>	<u>15,493</u>	<u>374</u>	<u>18,388</u>
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**TRANSPORTATION**

Highway garage	240,359	261,691	245,101	16,590	236,544
Street lighting	161,129	180,599	177,184	3,415	182,053
Park and ride lot	60,000	65,076	64,623	453	65,350
Tunnel road	-	4,000	4,000	-	13,344
Bus operations	314,511	320,391	317,224	3,167	315,422
	<u>775,999</u>	<u>831,757</u>	<u>808,132</u>	<u>23,625</u>	<u>812,713</u>

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Publicity	3,300	3,300	3,300	-	3,300
Veteran's service	700	700	162	538	691
Programs for the aging	6,000	6,000	2,252	3,748	8,914
	<u>10,000</u>	<u>10,000</u>	<u>5,714</u>	<u>4,286</u>	<u>12,905</u>

**CULTURE AND RECREATION**

Recreation administration	332,285	566,377	557,991	8,386	439,167
Parks	488,516	520,880	517,637	3,243	447,601
Fireworks	20,000	-	-	-	-
Historian	8,467	7,067	3,879	3,188	3,953
	<u>849,268</u>	<u>1,094,324</u>	<u>1,079,507</u>	<u>14,817</u>	<u>890,721</u>

**HOME AND COMMUNITY SERVICES**

Zoning	15,885	18,119	17,374	745	15,686
Planning	89,440	84,137	83,339	798	89,950
Master plan	7,000	1,600	1,575	25	6,313
Human rights commission	1,000	1,000	510	490	473
Refuse and garbage	106,500	70,078	70,078	-	70,964
Landfill	4,550	4,550	4,107	443	1,164
Urban renewal	25,000	26,538	26,537	1	17,126
	<u>249,375</u>	<u>206,022</u>	<u>203,520</u>	<u>2,502</u>	<u>201,676</u>

(Continued)

**Town of Walkill, 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
<b>EMPLOYEE BENEFITS</b>					
State retirement	\$ 1,137,400	\$ 1,279,183	\$ 1,279,181	\$ 2	\$ 1,091,260
Social security	432,500	427,395	427,394	1	430,243
Workers' compensation benefits	322,000	285,666	285,665	1	252,694
Unemployment benefits	2,500	20,602	20,601	1	1,379
Disability	8,000	3,898	3,192	706	738
Health insurance	1,965,704	1,758,104	1,756,466	1,638	1,721,841
	<u>3,868,104</u>	<u>3,774,848</u>	<u>3,772,499</u>	<u>2,349</u>	<u>3,498,155</u>
<b>DEBT SERVICE</b>					
Principal					
Serial bonds	522,396	375,000	375,000	-	365,000
Interest					
Serial bonds	274,372	274,372	273,917	455	284,243
Bond anticipation notes	20,000	22,127	22,127	-	7,205
	<u>294,372</u>	<u>296,499</u>	<u>296,044</u>	<u>455</u>	<u>291,448</u>
	<u>816,768</u>	<u>671,499</u>	<u>671,044</u>	<u>455</u>	<u>656,448</u>
<b>TOTAL EXPENDITURES</b>	<u>13,257,129</u>	<u>13,611,077</u>	<u>13,498,704</u>	<u>112,373</u>	<u>12,399,191</u>
<b>OTHER FINANCING USES</b>					
Transfers out					
Capital Projects Fund	37,500	191,025	191,025	-	37,500
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 13,294,629</u>	<u>\$ 13,802,102</u>	<u>\$ 13,689,729</u>	<u>\$ 112,373</u>	<u>\$ 12,436,691</u>

**Town of Walkill, New York**

Highway Fund  
 Comparative Balance Sheet  
 December 31,

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,496,781	\$ 2,855,503
Receivables		
Accounts	415,645	73,764
Due from other governments	258,974	-
Due from other funds	667,608	291,660
	<u>1,342,227</u>	<u>365,424</u>
Total Assets	<u>\$ 2,839,008</u>	<u>\$ 3,220,927</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 101,250	\$ 196,309
Accrued liabilities	49,945	46,833
Due to retirement systems	193,707	211,938
Due to other funds	94,503	458,979
Total Liabilities	<u>439,405</u>	<u>914,059</u>
Fund balance		
Restricted	300,000	-
Assigned	2,099,603	2,306,868
Total Fund Balance	<u>2,399,603</u>	<u>2,306,868</u>
Total Liabilities and Fund Balance	<u>\$ 2,839,008</u>	<u>\$ 3,220,927</u>

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**Town of Walkill, 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	
<b>REVENUES</b>				
Real property taxes	\$ 4,088,578	\$ 4,088,578	\$ 4,088,578	\$ -
Other tax items	440,000	440,000	462,169	22,169
Intergovernmental charges	317,500	317,500	353,873	36,373
Use of money and property	10,000	10,000	7,688	(2,312)
Sale of property and compensation for loss	35,500	35,500	66,541	31,041
Interfund revenues	200,000	200,000	250,690	50,690
State aid	345,000	345,000	440,671	95,671
Federal aid	-	-	167,655	167,655
Miscellaneous	28,580	28,580	22,572	(6,008)
<b>Total Revenues</b>	<b>5,465,158</b>	<b>5,465,158</b>	<b>5,860,437</b>	<b>395,279</b>
<b>EXPENDITURES</b>				
Current				
General government support	5,000	37,457	37,456	1
Transportation	3,967,466	4,333,960	4,141,985	191,975
Employee benefits	1,454,433	1,344,150	1,256,874	87,276
Debt service				
Principal	51,816	109,096	109,095	1
Interest	17,000	21,052	21,051	1
<b>Total Expenditures</b>	<b>5,495,715</b>	<b>5,845,715</b>	<b>5,566,461</b>	<b>279,254</b>
Excess (Deficiency) of Revenues Over Expenditures	(30,557)	(380,557)	293,976	674,533
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond anticipation notes authorized	-	-	-	-
Transfers out	(50,000)	(201,241)	(201,241)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(50,000)</b>	<b>(201,241)</b>	<b>(201,241)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>(80,557)</b>	<b>(581,798)</b>	<b>92,735</b>	<b>674,533</b>
<b>FUND BALANCE</b>				
Beginning of Year	80,557	581,798	2,306,868	1,725,070
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,399,603</u>	<u>\$ 2,399,603</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,036,397	\$ 4,036,397	\$ 4,036,670	\$ 273
440,000	440,000	452,030	12,030
277,500	277,500	343,920	66,420
10,000	10,000	10,369	369
44,000	44,000	54,937	10,937
200,000	200,000	331,660	131,660
270,000	345,274	345,274	-
-	60,386	60,386	-
1,500	1,500	33,945	32,445
<u>5,279,397</u>	<u>5,415,057</u>	<u>5,669,191</u>	<u>254,134</u>
78,917	7,631	4,358	3,273
3,727,881	4,920,862	3,842,564	1,078,298
1,450,807	1,319,947	1,298,793	21,154
33,000	138,220	105,220	33,000
17,000	26,605	9,605	17,000
<u>5,307,605</u>	<u>6,413,265</u>	<u>5,260,540</u>	<u>1,152,725</u>
<u>(28,208)</u>	<u>(998,208)</u>	<u>408,651</u>	<u>1,406,859</u>
-	920,000	-	(920,000)
<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(50,000)</u>	<u>920,000</u>	<u>-</u>	<u>(920,000)</u>
<u>(78,208)</u>	<u>(78,208)</u>	<u>408,651</u>	<u>486,859</u>
<u>78,208</u>	<u>78,208</u>	<u>1,898,217</u>	<u>1,820,009</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,306,868</u>	<u>\$ 2,306,868</u>

**Town of Walkill, New York**

Special Districts Fund  
 Combining Balance Sheet - Sub Funds  
 December 31, 2014  
 (With Comparative Totals for 2013)

	Combined Water Districts	Combined Sewer Districts	Combined Lighting Districts
<b>ASSETS</b>			
Cash and equivalents	\$ 2,155,916	\$ 2,584,682	\$ 317,353
Receivables			
Accounts	317	13,355	-
Water and sewer rents	963,238	1,032,192	-
Due from other funds	3,507,628	2,130,737	-
	<u>4,471,183</u>	<u>3,176,284</u>	<u>-</u>
Total Assets	<u>\$ 6,627,099</u>	<u>\$ 5,760,966</u>	<u>\$ 317,353</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 193,920	\$ 64,885	\$ 3,340
Accrued liabilities	16,804	28,089	-
Due to retirement systems	69,735	85,231	-
Due to other funds	123,308	81,452	-
Total Liabilities	<u>403,767</u>	<u>259,657</u>	<u>3,340</u>
Fund balances			
Restricted	203,058	1,020,000	-
Assigned	6,020,274	4,481,309	314,013
Total Fund Balances	<u>6,223,332</u>	<u>5,501,309</u>	<u>314,013</u>
Total Liabilities and Fund Balances	<u>\$ 6,627,099</u>	<u>\$ 5,760,966</u>	<u>\$ 317,353</u>

Road Improvement Area	Combined Drainage Districts	Totals	
		2014	2013
\$ 710,816	\$ 37,427	\$ 5,806,194	\$ 10,537,736
-	-	13,672	12,729
-	-	1,995,430	1,534,438
50,429	-	5,688,794	535,909
50,429	-	7,697,896	2,083,076
<u>\$ 761,245</u>	<u>\$ 37,427</u>	<u>\$ 13,504,090</u>	<u>\$ 12,620,812</u>
\$ -	\$ -	\$ 262,145	\$ 223,267
-	-	44,893	38,818
-	-	154,966	129,397
-	-	204,760	147,706
-	-	666,764	539,188
-	-	1,223,058	379,737
761,245	37,427	11,614,268	11,701,887
761,245	37,427	12,837,326	12,081,624
<u>\$ 761,245</u>	<u>\$ 37,427</u>	<u>\$ 13,504,090</u>	<u>\$ 12,620,812</u>

**Town of Walkill, 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)

	Water Districts			Sewer Districts	
	Consolidated	Arfman Tract	Lorelei	Consolidated	Arfman Tract
<b>REVENUES</b>					
Real property taxes	\$ 1,178,404	\$ -	\$ -	\$ 1,460,432	\$ -
Other tax items	-	-	-	-	-
Departmental income	1,869,666	317,261	6,366	2,100,934	170,971
Use of money and property	8,336	150	-	9,895	48
Sale of property and compensation for loss	-	-	-	4,898	-
Federal aid	-	-	-	-	-
Miscellaneous	56,413	-	-	47,081	-
<b>Total Revenues</b>	<b>3,112,819</b>	<b>317,411</b>	<b>6,366</b>	<b>3,623,240</b>	<b>171,019</b>
<b>EXPENDITURES</b>					
Current					
Transportation	-	-	-	-	-
Home and community services	2,213,844	339,790	-	1,910,405	169,895
Employee benefits	329,488	-	-	346,314	-
Debt service					
Principal	185,000	-	-	95,000	-
Interest	57,813	-	-	52,937	-
<b>Total Expenditures</b>	<b>2,786,145</b>	<b>339,790</b>	<b>-</b>	<b>2,404,656</b>	<b>169,895</b>
Excess (Deficiency) of Revenues Over Expenditures	326,674	(22,379)	6,366	1,218,584	1,124
<b>OTHER FINANCING USES</b>					
Transfers out	(70,000)	-	-	(795,000)	-
<b>Net Change in Fund Balances</b>	<b>256,674</b>	<b>(22,379)</b>	<b>6,366</b>	<b>423,584</b>	<b>1,124</b>
<b>FUND BALANCES</b>					
Beginning of Year	5,940,889	41,782	-	5,070,463	6,138
End of Year	\$ 6,197,563	\$ 19,403	\$ 6,366	\$ 5,494,047	\$ 7,262

Lighting Districts				Road Improvement Area	Drainage Districts		
District #1	District #2	District #3	District #4		District A	District B	District #1
\$ 5,569	\$ 30,000	\$ 2,610	\$ 2,000	\$ 65,000	\$ 2,292	\$ 2,500	\$ 2,500
22,274	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
375	333	5	5	1,476	10	10	10
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>28,218</u>	<u>30,333</u>	<u>2,615</u>	<u>2,005</u>	<u>66,476</u>	<u>2,302</u>	<u>2,510</u>	<u>2,510</u>
25,906	30,769	1,678	836	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>25,906</u>	<u>30,769</u>	<u>1,678</u>	<u>836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,312	(436)	937	1,169	66,476	2,302	2,510	2,510
-	-	-	-	-	-	-	-
2,312	(436)	937	1,169	66,476	2,302	2,510	2,510
165,170	142,680	1,070	1,111	694,769	2,504	2,478	2,504
<u>\$ 167,482</u>	<u>\$ 142,244</u>	<u>\$ 2,007</u>	<u>\$ 2,280</u>	<u>\$ 761,245</u>	<u>\$ 4,806</u>	<u>\$ 4,988</u>	<u>\$ 5,014</u>

(Continued)

**Town of Walkill, New York**

Special Districts Fund  
 Combining Schedule of Revenues, Expenditures and Changes  
 in Fund Balances - Sub Funds (Continued)  
 Year Ended December 31, 2014  
 (With Comparative Totals for 2013)

	Drainage Districts				
	District #4	District #5	District #6	District #7	District #8
<b>REVENUES</b>					
Real property taxes	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Other tax items	-	-	-	-	-
Departmental income	-	-	-	-	-
Use of money and property	10	10	13	10	10
Sale of property and compensation for loss	-	-	-	-	-
Federal aid	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<u>2,510</u>	<u>2,510</u>	<u>2,513</u>	<u>2,510</u>	<u>2,510</u>
<b>EXPENDITURES</b>					
Current					
Transportation	-	-	-	-	-
Home and community services	-	-	-	-	-
Employee benefits	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	2,510	2,510	2,513	2,510	2,510
<b>OTHER FINANCING USES</b>					
Transfers out	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<u>2,510</u>	<u>2,510</u>	<u>2,513</u>	<u>2,510</u>	<u>2,510</u>
<b>FUND BALANCES</b>					
Beginning of Year	<u>2,504</u>	<u>2,504</u>	<u>50</u>	<u>2,504</u>	<u>2,504</u>
End of Year	<u>\$ 5,014</u>	<u>\$ 5,014</u>	<u>\$ 2,563</u>	<u>\$ 5,014</u>	<u>\$ 5,014</u>

Totals	
2014	2013
\$ 2,763,807	\$ 2,831,809
22,274	26,423
4,465,198	4,302,199
20,706	28,341
4,898	8,547
-	24,160
103,494	5,439
<u>7,380,377</u>	<u>7,226,918</u>
59,189	180,024
4,633,934	4,356,034
675,802	634,106
280,000	660,000
110,750	100,958
<u>5,759,675</u>	<u>5,931,122</u>
1,620,702	1,295,796
<u>(865,000)</u>	<u>(130,000)</u>
755,702	1,165,796
<u>12,081,624</u>	<u>10,915,828</u>
<u>\$ 12,837,326</u>	<u>\$ 12,081,624</u>

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**Town of Walkill, New York**

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 6,465,770	\$ 1,742,362
Due from other funds	<u>-</u>	<u>458,979</u>
Total Assets	<u>\$ 6,465,770</u>	<u>\$ 2,201,341</u>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities		
Accounts payable	\$ 525,558	\$ 247,891
Due to other funds	5,935,833	387,337
Bond anticipation notes payable	<u>11,479,000</u>	<u>11,865,500</u>
Total Liabilities	17,940,391	12,500,728
Fund deficit		
Unassigned	<u>(11,474,621)</u>	<u>(10,299,387)</u>
Total Liabilities and Fund Deficit	<u>\$ 6,465,770</u>	<u>\$ 2,201,341</u>

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**Town of Wallkill, New York**

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

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	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Use of money and property	\$ 6,629	\$ 2,345
<b>EXPENDITURES</b>		
Capital outlay	<u>2,439,129</u>	<u>2,240,178</u>
Deficiency of Revenues Over Expenditures	(2,432,500)	(2,237,833)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>1,257,266</u>	<u>167,500</u>
Net Change in Fund Balance	(1,175,234)	(2,070,333)
<b>FUND DEFICIT</b>		
Beginning of Year	<u>(10,299,387)</u>	<u>(8,229,054)</u>
End of Year	<u><u>\$ (11,474,621)</u></u>	<u><u>\$ (10,299,387)</u></u>

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**Town of Walkill, New York**

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

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	<u>Community Development</u>	<u>Special Purpose</u>
<b>ASSETS</b>		
Cash and equivalents	\$ -	\$ 223,662
Due from other governments	55,000	-
	<u>55,000</u>	<u>-</u>
Total Assets	<u>\$ 55,000</u>	<u>\$ 223,662</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>		
Liabilities		
Accounts payable	\$ 45,040	\$ -
Due to other funds	50,429	-
	<u>95,469</u>	<u>-</u>
Total Liabilities	<u>95,469</u>	<u>-</u>
Fund balances (deficits)		
Restricted	-	223,662
Unassigned	(40,469)	-
	<u>(40,469)</u>	<u>223,662</u>
Total Fund Balances (Deficits)	<u>(40,469)</u>	<u>223,662</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 55,000</u>	<u>\$ 223,662</u>

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Total Non-Major  
Governmental Funds

2014	2013
\$ 223,662	\$ 413,436
55,000	-
<u>\$ 278,662</u>	<u>\$ 413,436</u>
\$ 45,040	\$ -
50,429	50,429
<u>95,469</u>	<u>50,429</u>
223,662	406,176
(40,469)	(43,169)
<u>183,193</u>	<u>363,007</u>
<u>\$ 278,662</u>	<u>\$ 413,436</u>

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**Town of Walkill, New York**

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

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	<u>Community Development</u>	<u>Special Purpose</u>
<b>REVENUES</b>		
Departmental income	\$ -	\$ 40,000
Use of money and property	8	877
Federal aid	<u>55,000</u>	<u>-</u>
Total Revenues	55,008	40,877
<b>EXPENDITURES</b>		
Current		
Home and community services	<u>52,308</u>	<u>-</u>
Excess of Revenues Over Expenditures	2,700	40,877
<b>OTHER FINANCINGS USES</b>		
Transfers out	<u>-</u>	<u>(223,391)</u>
Net Change in Fund Balances	2,700	(182,514)
<b>FUND BALANCES (DEFICITS)</b>		
Beginning of Year	<u>(43,169)</u>	<u>406,176</u>
End of Year	<u>\$ (40,469)</u>	<u>\$ 223,662</u>

Total Non-Major  
Governmental Funds

2014	2013
\$ 40,000	\$ 300,500
885	998
<u>55,000</u>	<u>5,767</u>
95,885	307,265
<u>52,308</u>	<u>5,767</u>
43,577	301,498
<u>(223,391)</u>	<u>(200,002)</u>
(179,814)	101,496
<u>363,007</u>	<u>261,511</u>
<u>\$ 183,193</u>	<u>\$ 363,007</u>

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**Town of Walkill, New York**

Community Development Fund  
Comparative Balance Sheet  
December 31,

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	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	\$ -	\$ 7,260
Due from other governments	<u>55,000</u>	<u>-</u>
Total Assets	<u><u>\$ 55,000</u></u>	<u><u>\$ 7,260</u></u>
<b>LIABILITIES AND FUND DEFICIT</b>		
Liabilities		
Accounts payable	\$ 45,040	\$ -
Due to other funds	<u>50,429</u>	<u>50,429</u>
Total Liabilities	95,469	50,429
Fund deficit		
Unassigned	<u>(40,469)</u>	<u>(43,169)</u>
Total Liabilities and Fund Deficit	<u><u>\$ 55,000</u></u>	<u><u>\$ 7,260</u></u>

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**Town of Walkill, New York**

Community Development Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended December 31,

---

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Use of money and property	\$ 8	\$ 7
Federal aid	<u>55,000</u>	<u>5,767</u>
Total Revenues	55,008	5,774
<b>EXPENDITURES</b>		
Current		
Home and community services	<u>52,308</u>	<u>5,767</u>
Excess of Revenues Over Expenditures	2,700	7
<b>FUND DEFICIT</b>		
Beginning of Year	<u>(43,169)</u>	<u>(43,176)</u>
End of Year	<u><u>\$ (40,469)</u></u>	<u><u>\$ (43,169)</u></u>

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**Town of Walkill, New York**

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2014</u>	<u>2013</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 223,662</u>	<u>\$ 406,176</u>
 <b>FUND BALANCE</b>		
Restricted	<u>\$ 223,662</u>	<u>\$ 406,176</u>

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**Town of Walkill, New York**

Special Purpose Fund  
Comparative Statement of Revenues, Expenditures and Changes  
in Fund Balance  
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
<b>REVENUES</b>		
Departmental income	\$ 40,000	\$ 300,500
Use of money and property	<u>877</u>	<u>991</u>
Total Revenues	40,877	301,491
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	40,877	301,491
<b>OTHER FINANCING USES</b>		
Transfers out	<u>(223,391)</u>	<u>(200,002)</u>
Net Change in Fund Balance	(182,514)	101,489
<b>FUND BALANCE</b>		
Beginning of Year	<u>406,176</u>	<u>304,687</u>
End of Year	<u>\$ 223,662</u>	<u>\$ 406,176</u>

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**Town of Walkkill, New York**

Enterprise Fund - Golf Fund  
Comparative Statement of Net Position  
December 31,

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<b>ASSETS</b>	<u>2014</u>	<u>2013</u>
Current assets		
Cash and equivalents	\$ 115,902	\$ 134,245
Accounts receivable	5,236	11,600
Total Current Assets	<u>121,138</u>	<u>145,845</u>
Capital assets		
Not being depreciated	522,634	522,634
Being depreciated, net	869,497	980,946
Total Capital Assets	<u>1,392,131</u>	<u>1,503,580</u>
Total Assets	<u>1,513,269</u>	<u>1,649,425</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	2,972	3,895
Accrued liabilities	5,877	7,454
Due to retirement systems	38,741	41,899
Due to other funds	68,639	86,097
Advances from other funds	1,779,382	1,766,332
Total Current Liabilities	<u>1,895,611</u>	<u>1,905,677</u>
Noncurrent liabilities		
Due within one year	37,824	49,457
Due in more than one year	621,575	571,091
Total Noncurrent Liabilities	<u>659,399</u>	<u>620,548</u>
Total Liabilities	<u>2,555,010</u>	<u>2,526,225</u>
<b>NET POSITION</b>		
Net investment in capital assets	1,258,071	1,326,562
Unrestricted	<u>(2,299,812)</u>	<u>(2,203,362)</u>
Total Net Position	<u>\$ (1,041,741)</u>	<u>\$ (876,800)</u>

**Town of Walkill, New York**

Enterprise Fund - Golf Fund  
Comparative Statement of Revenues, Expenses and Changes in  
Net Position  
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,060,686	\$ 1,045,919
Federal aid	<u>-</u>	<u>9,280</u>
Total Revenues	<u>1,060,686</u>	<u>1,055,199</u>
<b>OPERATING EXPENSES</b>		
Personal services	421,684	457,692
Contractual and other	325,993	359,394
Employee benefits	358,838	357,009
Depreciation	<u>111,449</u>	<u>82,113</u>
Total Operating Expenses	<u>1,217,964</u>	<u>1,256,208</u>
Loss from Operations	<u>(157,278)</u>	<u>(201,009)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest income	420	142
Interest expense	<u>(8,083)</u>	<u>(7,593)</u>
Total Non-Operating Expenses	<u>(7,663)</u>	<u>(7,451)</u>
Change in Net Position	(164,941)	(208,460)
<b>NET POSITION</b>		
Beginning of Year	<u>(876,800)</u>	<u>(668,340)</u>
End of Year	<u>\$ (1,041,741)</u>	<u>\$ (876,800)</u>

**Town of Walkill, New York**

Enterprise Fund - Golf Fund  
 Comparative Statement of Cash Flows  
 Years Ended December 31,

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 1,067,050	\$ 1,048,427
Cash received from grants	-	9,280
Cash payments for goods and services	(344,374)	(359,353)
Cash payments to employees	(437,890)	(463,304)
Cash payments for employee benefits	(265,558)	(268,072)
Net Cash from Operating Activities	<u>19,228</u>	<u>(33,022)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Advances from other funds	<u>13,050</u>	<u>88,461</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and construction of capital assets	-	(77,772)
Proceeds from installment purchase debt	-	77,772
Principal paid on installment purchase debt	(42,958)	(43,526)
Interest paid on indebtedness	(8,083)	(7,593)
Net Cash from Capital and Related Financing Activities	<u>(51,041)</u>	<u>(51,119)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	<u>420</u>	<u>142</u>
Net Change in Cash and Equivalents	(18,343)	4,462
<b>CASH AND EQUIVALENTS</b>		
Beginning of Year	<u>134,245</u>	<u>129,783</u>
End of Year	<u>\$ 115,902</u>	<u>\$ 134,245</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Loss from operations	\$ (157,278)	\$ (201,009)
Adjustments to reconcile loss from operations to net cash from operating activities		
Depreciation	111,449	82,113
Changes in assets and liabilities		
Accounts receivable	6,364	2,508
Accounts payable	(923)	(13,048)
Accrued liabilities	(1,577)	1,275
Due to retirement systems	(3,158)	1,138
Due to other funds	(17,458)	13,089
Compensated absences	(14,629)	(6,887)
Other post employment benefit obligations payable	96,438	87,799
Net Cash from Operating Activities	<u>\$ 19,228</u>	<u>\$ (33,022)</u>