

Town of Yorktown, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2014

Town of Yorktown, New York

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Independent Auditors' Report

The Honorable Supervisor and Town Board of
the Town of Yorktown, New York

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2014, and the respective changes in financial position 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.

O'CONNOR DAVIES, LLP

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Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133 Audits of State, Local Governments and Non-Profit Organizations 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 and the schedule of expenditures of federal awards 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2015 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

June 17, 2015

Town of Yorktown, New York

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

Introduction

The following discussion and analysis of the Town of Yorktown, New York's ("Town") financial statements provides an overview of the financial activities of the Town for the year ended December 31, 2014. This should be read in conjunction with the basic financial statements and the accompanying notes to those financial statements that follow this section.

Financial Highlights

- On the government-wide financial statements, the assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$84,921,444. Of this amount, the unrestricted portion which decreased by \$1,690,627, resulted in a deficit of \$367,866.
- The Town recorded its liability of \$20,180,000 for the accounting and financial reporting of the Other Post Employment Benefits Obligations, other than pensions as per Governmental Accounting Standards Board ("GASB") Statement No. 45 in the government-wide financial statements.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,575,695, a decrease of \$388,126 from the prior fiscal year.
- At the end of the current fiscal year, the assigned and unassigned components of fund balance for the General Fund aggregated \$6,739,181, or 27%, of the total General Fund expenditures and other financing uses. These balances increased from the prior year, when the amount of \$6,271,285, was 25%, of total General Fund expenditures and other financing uses.
- During the 2014 year, the Town did not issue any short-term obligations, while retiring \$1,245,000 of this type of debt.
- The Town also did not issue any long-term obligations, and retired \$1,560,000 of this debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements (3) and notes to financial statements. This report also contains combining and individual fund statements and schedules in addition to the basic financial statement and other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

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

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

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

The government-wide financial statements present the functions of the Town that are principally supported by taxes and intergovernmental revenues for governmental services. The governmental activities of the Town include: general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains the following governmental funds: General Fund, Highway Fund, Special Districts Fund, Capital Projects Fund, Community Development Fund, Public Library Fund, Special Purpose Fund, and Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Highway Fund, Special Districts Fund and Capital Projects Fund, since they are classified as major funds. Individual fund data for the Community Development Fund, Public Library Fund, Special Purpose Fund and the Debt Service Fund is included under the caption "Non-Major Governmental Funds."

The Town adopts annual appropriated budgets for the General Fund, Highway Fund, Special Districts Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General, Highway and Special Districts funds to demonstrate compliance with the respective budgets.

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

Proprietary Funds are used to show activities that operate similar to private business enterprises. The town maintains two proprietary funds, which are internal service funds, to account for its self insured worker's compensation and general liability claims programs. Internal service funds are used to accumulate and allocate costs internally among the Town's various functions. These benefits have been included within the governmental activities in the government-wide financial statements.

The proprietary funds financial statements can be found in the basic financial statement section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The Town maintains one Fiduciary fund, an Agency Fund. Resources are held in this fund by the Town purely in a custodial capacity. The activity in the Agency Fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individuals, organizations or governments.

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

Notes to Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's net position at fiscal year-end December 31, 2014 was \$84,921,444. Of this amount, \$11,939,951 is restricted for various purposes (debt service and special revenue funds). The net investment in capital assets accounts for \$73,349,359 of the total net position. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The balance of the net position is a deficit of \$367,866.

Statement of Net Position

	2014	2013
Current Assets	\$ 89,249,999	\$ 89,818,217
Capital Assets, net	96,521,686	98,581,215
Total Assets	185,771,685	188,399,432
Current Liabilities	57,431,454	58,138,328
Long-term Liabilities	43,224,311	41,626,672
Total Liabilities	100,655,765	99,765,000
Deferred Inflows of Resources	194,476	192,429
 NET POSITION		
Net investment in capital assets	73,349,359	73,655,125
Restricted	11,939,951	13,464,117
Unrestricted	(367,866)	1,322,761
Total Net Position	\$ 84,921,444	\$ 88,442,003

The restricted net position of \$11,939,951 represents resources that are subject to external restrictions on how they may be used.

Change in Net Position

	2014	2013
PROGRAM REVENUES		
Charges for Services	\$ 11,339,866	\$ 12,588,849
Operating Grants and Contributions	2,155,616	3,641,140
Capital Grants and Contributions	6,365	55,902
General Revenues		
Real Property Taxes	29,001,744	28,258,680
Other Tax items	1,067,634	1,293,451
Non-Property Taxes	6,201,206	6,209,083
Unrestricted Use of Money and Property	66,530	67,327
Sale of Property and Compensation for Loss	123,940	11,229
Unrestricted State Aid	1,120,874	1,460,965
Miscellaneous	195,293	164,562
Total Revenues	<u>51,279,068</u>	<u>53,751,188</u>
PROGRAM EXPENSES		
General Government Support	7,545,229	8,269,706
Public Safety	14,673,262	14,899,560
Health	521,739	530,765
Transportation	6,537,763	6,788,820
Economic Opportunity and Development	2,237,510	2,354,149
Culture and Recreation	7,008,769	6,875,693
Home and Community Services	15,706,828	15,976,361
Interest	568,527	672,973
Total Expenses	<u>54,799,627</u>	<u>56,368,027</u>
Change in Net Position	(3,520,559)	(2,616,839)
NET POSITION		
Beginning	<u>88,442,003</u>	<u>91,058,842</u>
Ending	<u>\$ 84,921,444</u>	<u>\$ 88,442,003</u>

For the fiscal year ended December 31, 2014, revenues from governmental activities totaled \$51,279,068. Real Property Tax revenues of \$29,001,744 represent 57% of total revenues, with additional revenue increases attributed to departmental income, sale of equipment and non property tax items.

Expenses from governmental activities for the fiscal year ended December 31, 2014 totaled \$54,799,627 a decrease of \$1,568,400, from fiscal year 2013, which can be attributed to a significant reduction in governmental support activities.

Financial Analysis of the Town's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$19,575,695, a decrease of \$388,126 from the prior year. Of this amount, \$4,738,892 (or 24%) is reported as either *nonspendable* or *restricted*, which indicates that it is not available for new spending because it has already been set aside for:

1) Employee benefit accrued liability	\$ 1,377,593
2) Debt service	1,210,855
3) Parklands	483,039
4) Trusts	653,808
5) Prepaid expenditures	907,672
6) Advances	105,925

\$14,626,522 constitutes *assigned fund balances*, of which \$4,721,500 has been appropriated for subsequent year's expenditures and represents the amount estimated for use in the 2015 budget, while \$529,810 has been assigned for tax certiorari payments and \$25,000 has been assigned for ballpark, leaving an assigned fund balance of \$9,350,212, representing the residual fund balances of the Highway and Special Districts funds and Community Development and Public Library funds, respectively. The Town's total *unassigned fund balance* for governmental funds is \$210,281 which consists of an unassigned fund balance of \$5,268,008 in the General Fund offset by a deficit of \$5,057,727 in the Capital Projects Fund. The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$8,320,285.

As a measure of the General Fund's liquidity, it is useful to compare the committed, assigned and unassigned fund balance to the total fund balance and to the General Fund expenditures and other financing uses. The assigned and unassigned fund balance of \$6,739,181 represents 81% of the total fund balance and represents 27% of the General Fund's expenditures and other financing uses.

When the fiscal 2014 General Fund budget was adopted, it anticipated the use of \$800,000 of fund balance. Actual results of operations resulted in an increase of \$208,378 in the General Fund total fund balance. The increase in the fund balance can be attributed to an increase in sales tax and a grant received by the Nutrition Department. There was a decrease in expenditures since neither the junior attorney or deputy comptroller positions were filled as well as reductions in various departmental disbursements and employee benefit costs. These reductions were offset but an increase in expenditures in public safety and employee benefit costs.

In the Highway Fund, the fund balance decreased by \$93,047 to \$392,669 in the current fiscal year. The fund balance decrease is directly related to the additional purchases of salt and an increase in employee benefits.

General Fund Budgetary Highlights

There was a difference between the budgeted and actual revenues and other financing sources recorded for the General Fund with the original amount budgeted of \$25,390,782 and actual revenue collected of \$25,175,053. The actual results realized for the year ended December 31, 2014 did not meet the budgeted amount \$215,729. This shortfall can primarily be attributed to reductions in:

General Administration Fees	\$ 85,742
YCCC Rental Fees	50,664
Building Permit Fees	95,106
Fines and Forfeited Bail	140,007
Planning Fees	40,858

The difference between the expenditures and other financing uses budgeted (\$26,448,967) and actual expenditures (\$24,966,675) in the General Fund showed a positive budgetary variance of \$1,482,292. Savings can primarily be attributed to the following functions: \$886,961 in General Government Support, \$201,186 in Public Safety and \$154,173 in Culture and Recreation.

Capital Assets

The Town's capital assets net of accumulated depreciation for its governmental activities as of December 31, 2014 amounted to \$96,521,686. The net investment in capital assets includes land, land improvements, buildings and improvements, infrastructure, machinery and equipment and construction-in-progress.

Capital Assets (Net of Accumulated Depreciation)

	2014	2013
Land	\$ 15,184,930	\$ 15,184,930
Land Improvements	3,778,740	4,070,213
Buildings and Improvements	22,890,379	23,369,561
Infrastructure	21,358,547	22,540,040
Machinery and Equipment	3,480,067	3,595,799
Construction-in-Progress	29,829,023	29,820,672
Total	<u>\$ 96,521,686</u>	<u>\$ 98,581,215</u>

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

Long Term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$20,950,000. The Town's serial bond debt decreased by \$1,560,000. Payments on short-term obligations totaled \$1,245,000. All of this debt is backed by the full faith and credit of the Town.

New York State statutes place a limit on the maximum amount of total outstanding long-term debt that may be incurred by a local municipal entity at no more than seven percent of the five-year average full valuation of all real property.

Additional information on the Town's long-term and short-term debt can be found in Notes 3, G and H in the notes to financial statements.

Economic Factors and Next Year's Budget and Rates

According to the United States Bureau of Labor Statistics, the unemployment rate for Westchester County was 4.5% as of December 31, 2014. This compares favorably to the 5.8% rate for New York State and the 5.6% national unemployment rate. The Consumer Price Index (less food and energy) for the area (New York-Northern New Jersey-Long Island) from 2013-2014 was 2.3% a reduction of .1% from 2012-2013.

New construction and development continued to remain stable in the Town during 2014, due to economic conditions and the unvarying housing market.

As a result of the national economic conditions, the pension portfolio value of the New York State and Local Retirement Systems ("Systems"), of which the Town is a member, had declined dramatically in the early part of this decade. The result was that the Town's employee pension contribution rates had increased substantially from what they had been during the late 1990's. Contributions by the Town are significantly greater than they were just five years ago. Additionally, the costs of employee health insurance premiums have also been escalating at the same time. Both of these factors were considered by management in preparing the Town's 2015 budget.

Requests for Information

This financial report is designed to provide a general overview of the Town of Yorktown, New York's finances for all those with an interest in those finances. Questions and comments concerning any of the information provided in this report should be addressed to Town Comptroller, Town of Yorktown, 363 Underhill Avenue, Yorktown Heights, NY 10598.

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Town of Yorktown, New York

Statement of Net Position
December 31, 2014

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 27,670,497
Restricted investments	114,756
Receivables	
Taxes, net	48,737,878
Accounts	1,367,908
Due from other governments	1,395,817
Advances for proposed special districts	105,925
Prepaid expenses	907,672
Investment in joint venture	8,949,546
Capital assets	
Not being depreciated	45,013,953
Being depreciated, net	<u>51,507,733</u>
Total Assets	<u>185,771,685</u>
LIABILITIES	
Accounts payable	1,930,028
Retained percentages payable	60,855
Due to other governments	86,619
Due to school districts	50,118,752
Overpayments	4,125
Bond anticipation notes payable	5,097,000
Accrued interest payable	134,075
Non-current liabilities	
Due within one year	1,823,000
Due in more than one year	<u>41,401,311</u>
Total Liabilities	<u>100,655,765</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes collected in advance	<u>194,476</u>
NET POSITION	
Net Investment in capital assets	73,349,359
Restricted	
Debt service	1,210,855
Special Revenue funds	
Special districts	9,569,023
Community development	23,226
Trusts	653,808
Parklands	483,039
Unrestricted	<u>(367,866)</u>
Total Net Position	<u>\$ 84,921,444</u>

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

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Town of Yorktown, New York

Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 7,545,229	\$ 1,829,761	\$ -	\$ -	\$ (5,715,468)
Public safety	14,673,262	579,703	15,473	-	(14,078,086)
Health	521,739	-	38,916	-	(482,823)
Transportation	6,537,763	-	496,884	-	(6,040,879)
Economic opportunity and development	2,237,510	-	1,462,339	-	(775,171)
Culture and recreation	7,008,769	1,557,288	53,238	-	(5,398,243)
Home and community services	15,706,828	7,373,114	88,766	6,192	(8,238,756)
Interest	568,527	-	-	173	(568,354)
Total Governmental Activities	\$ 54,799,627	\$ 11,339,866	\$ 2,155,616	\$ 6,365	(41,297,780)
General revenues					
Real property taxes					29,001,744
Other tax items					
Interest and penalties on real property taxes					1,022,823
Payments in lieu of taxes					44,811
Non-property taxes					
Non-property tax distribution from County					5,253,721
Franchise fees					947,485
Unrestricted use of money and property					66,530
Sale of property and compensation for loss					123,940
Unrestricted State aid					1,120,874
Miscellaneous					195,293
Total General Revenues					37,777,221
Change in Net Position					(3,520,559)
Net Position - Beginning					88,442,003
Net Position - Ending					\$ 84,921,444

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

Town of Yorktown, New York

Balance Sheet
 Governmental Funds
 December 31, 2014

	General	Highway	Special Districts	Capital Projects
ASSETS				
Cash and equivalents	\$ 10,947,891	\$ 468,096	\$ 13,484,308	\$ 114,778
Restricted investments	-	-	-	114,756
Taxes receivable, net	48,737,878	-	-	-
Other receivables				
Accounts	219,390	-	1,148,518	-
Due from other governments	1,392,950	-	-	-
Advances for proposed special districts	105,925	-	-	-
Due from other funds	162,514	-	-	-
	1,880,779	-	1,148,518	-
Prepaid expenditures	623,536	96,793	126,837	-
Total Assets	<u>\$ 62,190,084</u>	<u>\$ 564,889</u>	<u>\$ 14,759,663</u>	<u>\$ 229,534</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)				
Liabilities				
Accounts payable	\$ 651,993	\$ 172,220	\$ 1,066,626	\$ 11
Retainaged percentages payable	2,523	-	-	58,332
Due to other governments	86,619	-	-	-
Due to school districts	50,118,752	-	-	-
Due to other funds	-	-	-	131,918
Overpayments	4,125	-	-	-
Bond anticipation notes payable	-	-	-	5,097,000
Total Liabilities	50,864,012	172,220	1,066,626	5,287,261
Deferred inflows of resources				
Taxes collected in advance	194,476	-	-	-
Deferred tax revenues	2,811,311	-	-	-
Total Deferred Inflows of Resources	3,005,787	-	-	-
Total Liabilities and Deferred Inflows of Resources	53,869,799	172,220	1,066,626	5,287,261
Fund balances (deficits)				
Nonspendable	729,461	96,793	126,837	-
Restricted	851,643	251,280	1,329,220	-
Assigned	1,471,173	44,596	12,236,980	-
Unassigned	5,268,008	-	-	(5,057,727)
Total Fund Balances (Deficits)	8,320,285	392,669	13,693,037	(5,057,727)
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 62,190,084</u>	<u>\$ 564,889</u>	<u>\$ 14,759,663</u>	<u>\$ 229,534</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 2,233,832	\$ 27,248,905
-	114,756
-	48,737,878
-	1,367,908
2,867	1,395,817
-	105,925
-	162,514
2,867	3,032,164
60,506	907,672
<u>\$ 2,297,205</u>	<u>\$ 80,041,375</u>

\$ 39,178	\$ 1,930,028
-	60,855
-	86,619
-	50,118,752
30,596	162,514
-	4,125
-	5,097,000
69,774	57,459,893
-	194,476
-	2,811,311
-	3,005,787
69,774	60,465,680
60,506	1,013,597
1,293,152	3,725,295
873,773	14,626,522
-	210,281
2,227,431	19,575,695
<u>\$ 2,297,205</u>	<u>\$ 80,041,375</u>

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Town of Yorktown, New York

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

Fund Balances - Total Governmental Funds	\$ 19,575,695
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds.	96,521,686
Investment in joint venture	<u>8,949,546</u>
	<u>105,471,232</u>
Other long-term assets that are not available to pay for current-period expenditures are deferred in the funds.	
Real property taxes	<u>2,811,311</u>
Internal service funds are used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	<u>(295,124)</u>
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(134,075)
Bonds payable	(20,950,000)
Compensated absences	(1,377,595)
Other post employment benefit obligations payable	<u>(20,180,000)</u>
	<u>(42,641,670)</u>
Net Position of Governmental Activities	<u>\$ 84,921,444</u>

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

Town of Yorktown, New York

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

	General	Highway	Special Districts	Capital Projects
REVENUES				
Real property taxes	\$ 11,313,910	\$ 4,627,976	\$ 10,382,002	\$ -
Other tax items	1,067,634	-	-	-
Non-property taxes	6,201,206	-	-	-
Departmental income	2,057,580	-	6,384,153	-
Intergovernmental charges	-	-	806,366	-
Use of money and property	652,881	4,134	51,392	-
Licenses and permits	569,483	-	-	-
Fines and forfeitures	509,993	-	-	-
Sale of property and compensation for loss	123,940	52,852	76,672	-
State aid	1,177,750	422,029	-	6,192
Federal aid	51,378	-	-	-
Miscellaneous	57,493	17,869	2,410	-
Total Revenues	23,783,248	5,124,860	17,702,995	6,192
EXPENDITURES				
Current				
General government support	5,596,928	-	-	-
Public safety	9,585,106	-	-	-
Health	1,250	-	512,683	-
Transportation	356,242	4,501,283	-	-
Economic opportunity and development	575,584	-	-	-
Culture and recreation	2,986,931	-	178,065	-
Home and community services	519,374	-	12,962,142	-
Employee benefits	4,779,143	804,898	1,250,505	-
Debt service				
Principal	300,000	-	1,260,000	-
Interest	36,117	-	559,610	-
Capital outlay	-	-	-	173,184
Total Expenditures	24,736,675	5,306,181	16,723,005	173,184
Excess (Deficiency) of Revenues Over Expenditures	(953,427)	(181,321)	979,990	(166,992)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,391,805	88,274	510,708	1,347,916
Transfers out	(230,000)	-	(2,481,197)	(474,590)
Total Other Financing Sources (Uses)	1,161,805	88,274	(1,970,489)	873,326
Net Change in Fund Balances	208,378	(93,047)	(990,499)	706,334
FUND BALANCES (DEFICITS)				
Beginning of year	8,111,907	485,716	14,683,536	(5,764,061)
End of Year	<u>\$ 8,320,285</u>	<u>\$ 392,669</u>	<u>\$ 13,693,037</u>	<u>\$ (5,057,727)</u>

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

Non-Major Governmental	Total Governmental Funds
\$ 1,944,431	\$ 28,268,319
-	1,067,634
-	6,201,206
44,841	8,486,574
307,200	1,113,566
7,848	716,255
-	569,483
-	509,993
-	253,464
9,472	1,615,443
1,357,381	1,408,759
90,830	168,602
<u>3,762,003</u>	<u>50,379,298</u>
-	5,596,928
-	9,585,106
-	513,933
-	4,857,525
1,426,183	2,001,767
2,040,494	5,205,490
-	13,481,516
359,377	7,193,923
-	1,560,000
2,325	598,052
-	173,184
<u>3,828,379</u>	<u>50,767,424</u>
<u>(66,376)</u>	<u>(388,126)</u>
-	3,338,703
<u>(152,916)</u>	<u>(3,338,703)</u>
<u>(152,916)</u>	<u>-</u>
(219,292)	(388,126)
<u>2,446,723</u>	<u>19,963,821</u>
<u>\$ 2,227,431</u>	<u>\$ 19,575,695</u>

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Town of Yorktown, New York

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

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

Net Change in Fund Balances - Total Governmental Funds \$ (388,126)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This amount may be less than the total capital outlay since capital outlay includes amounts under the capitalization threshold. This is the amount by which depreciation expense exceeded capital outlays and the change in equity of the joint venture in the current period.

Capital outlay expenditures	643,347
Depreciation expense	(2,702,876)
Equity interest in joint venture	(266,862)
	<u>(2,326,391)</u>

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

Real property taxes	<u>733,425</u>
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal paid on bonds	<u>1,560,000</u>
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	29,525
Compensated absences	(3,056)
Other post employment benefit obligations	(3,390,000)
	<u>(3,363,531)</u>

The net revenue of the activities of internal service funds are reported within governmental activities.

	<u>264,064</u>
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Change in Net Position of Governmental Activities \$ (3,520,559)

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

Town of Yorktown, 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			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 12,097,777	\$ 12,097,777	\$ 11,313,910	\$ (783,867)
Other tax items	765,000	765,000	1,067,634	302,634
Non-property taxes	5,515,000	5,515,000	6,201,206	686,206
Departmental income	2,183,900	2,183,900	2,057,580	(126,320)
Intergovernmental charges	-	-	-	-
Use of money and property	676,500	676,500	652,881	(23,619)
Licenses and permits	664,600	664,600	569,483	(95,117)
Fines and forfeitures	650,000	650,000	509,993	(140,007)
Sale of property and compensation for loss	7,000	7,000	123,940	116,940
State aid	1,217,500	1,217,500	1,177,750	(39,750)
Federal aid	55,000	55,000	51,378	(3,622)
Miscellaneous	166,700	166,700	57,493	(109,207)
Total Revenues	<u>23,998,977</u>	<u>23,998,977</u>	<u>23,783,248</u>	<u>(215,729)</u>
EXPENDITURES				
Current				
General government support	6,539,614	6,483,889	5,596,928	886,961
Public safety	9,666,488	9,786,292	9,585,106	201,186
Health	1,250	1,250	1,250	-
Transportation	345,913	358,981	356,242	2,739
Economic opportunity and development	630,381	630,092	575,584	54,508
Culture and recreation	3,076,903	3,141,104	2,986,931	154,173
Home and community services	548,940	569,509	519,374	50,135
Employee benefits	4,825,500	4,903,350	4,779,143	124,207
Debt service				
Principal	300,000	300,000	300,000	-
Interest	44,500	44,500	36,117	8,383
Total Expenditures	<u>25,979,489</u>	<u>26,218,967</u>	<u>24,736,675</u>	<u>1,482,292</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,980,512)</u>	<u>(2,219,990)</u>	<u>(953,427)</u>	<u>1,266,563</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,391,805	1,391,805	1,391,805	-
Transfers out	(230,000)	(230,000)	(230,000)	-
Total Other Financing Sources (Uses)	<u>1,161,805</u>	<u>1,161,805</u>	<u>1,161,805</u>	<u>-</u>
Net Change in Fund Balances	(818,707)	(1,058,185)	208,378	1,266,563
FUND BALANCES				
Beginning of year	818,707	1,058,185	8,111,907	7,053,722
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,320,285</u>	<u>\$ 8,320,285</u>

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

Highway				Special Districts			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,627,976	\$ 4,627,976	\$ 4,627,976	\$ -	\$ 10,382,654	\$ 10,382,654	\$ 10,382,002	\$ (652)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	7,236,500	7,236,500	6,384,153	(852,347)
-	-	-	-	806,366	806,366	806,366	-
6,000	6,000	4,134	(1,866)	50,775	50,775	51,392	617
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	52,852	52,852	23,000	23,000	76,672	53,672
378,350	378,350	422,029	43,679	-	-	-	-
-	-	-	-	-	-	-	-
45,500	45,500	17,869	(27,631)	10,500	10,500	2,410	(8,090)
<u>5,057,826</u>	<u>5,057,826</u>	<u>5,124,860</u>	<u>67,034</u>	<u>18,509,795</u>	<u>18,509,795</u>	<u>17,702,995</u>	<u>(806,800)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	536,950	536,950	512,683	24,267
4,413,538	4,522,965	4,501,283	21,682	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	255,265	286,013	178,065	107,948
-	-	-	-	15,146,319	16,442,610	12,962,142	3,480,468
738,000	821,420	804,898	16,522	1,209,283	1,334,883	1,250,505	84,378
-	-	-	-	807,500	1,144,050	1,269,374	(125,324)
-	-	-	-	601,950	602,579	550,236	52,343
<u>5,151,538</u>	<u>5,344,385</u>	<u>5,306,181</u>	<u>38,204</u>	<u>18,557,267</u>	<u>20,347,085</u>	<u>16,723,005</u>	<u>3,624,080</u>
<u>(93,712)</u>	<u>(286,559)</u>	<u>(181,321)</u>	<u>105,238</u>	<u>(47,472)</u>	<u>(1,837,290)</u>	<u>979,990</u>	<u>2,817,280</u>
88,274	88,274	88,274	-	29,770	366,320	510,708	144,388
-	-	-	-	(2,474,849)	(2,474,849)	(2,481,197)	(6,348)
88,274	88,274	88,274	-	(2,445,079)	(2,108,529)	(1,970,489)	138,040
(5,438)	(198,285)	(93,047)	105,238	(2,492,551)	(3,945,819)	(990,499)	2,955,320
5,438	198,285	485,716	287,431	2,492,551	3,945,819	14,683,536	10,737,717
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,669</u>	<u>\$ 392,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,693,037</u>	<u>\$ 13,693,037</u>

Town of Yorktown, New York

Statement of Net Position
Proprietary Fund - Internal Service Funds
December 31, 2014

	Governmental Activities - Internal Service Funds
ASSETS	
Current assets	
Cash and equivalents	\$ 421,592
LIABILITIES	
Current liabilities - Current portion of claims payable	75,000
Non-current liabilities - Claims payable, less current portion	641,716
 Total Liabilities	 716,716
NET POSITION	
Unrestricted	\$ (295,124)

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

Town of Yorktown, New York

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

	Governmental Activities - Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 622,364
Miscellaneous	<u>165,843</u>
Total Operating Revenues	<u>788,207</u>
OPERATING EXPENSES	
Workers' compensation benefits	474,853
Judgments and claims	<u>49,792</u>
Total Operating Expenses	<u>524,645</u>
Income from Operations	263,562
NON-OPERATING REVENUES	
Interest income	<u>502</u>
Change in Net Position	264,064
NET POSITION	
Beginning of Year	<u>(559,188)</u>
End of Year	<u><u>\$ (295,124)</u></u>

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

Town of Yorktown, New York

Statement of Cash Flows
Proprietary Fund - Internal Service Funds
Year Ended December 31, 2014

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 622,364
Cash received from insurance carriers, claimants and others	165,843
Cash payments to insurance carriers, claimants and others	<u>(760,062)</u>
Net Cash from Operating Activities	<u>28,145</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>502</u>
Net Increase in Cash and Equivalents	28,647
CASH AND EQUIVALENTS	
Beginning of Year	<u>392,945</u>
End of Year	<u><u>\$ 421,592</u></u>
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES	
Income from operations	\$ 263,562
Adjustments to reconcile income from operations to net cash from operating activities	
Changes in assets and liabilities	
Claims payable	<u>(235,417)</u>
Net Cash from Operating Activities	<u><u>\$ 28,145</u></u>

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

Town of Yorktown, New York

Statement of Assets and Liabilities

Fiduciary Fund

December 31, 2014

	<u>Agency</u>
ASSETS	
Cash and equivalents	\$ 1,990,645
LIABILITIES	
Employee payroll deductions	\$ 16,274
Deposits	<u>1,974,371</u>
Total Liabilities	<u>\$ 1,990,645</u>

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

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Note 1 - Summary of Significant Accounting Policies

The Town of Yorktown, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as the chief executive officer and the Town Comptroller serves as the 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, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Internal Service Funds are charges to customers for services. Operating expenses for the Internal Service Funds include 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 aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in 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 operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific 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 revenues of this fund are real property taxes and State aid.

Note 1 - Summary of Significant Accounting Policies (Continued)

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, sewer, refuse, park and advanced life-support districts. The major revenues of this fund are real property taxes, departmental income and intergovernmental charges.

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

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

Special Revenue Funds:

Community Development Fund - Housing Assistance Payments Program - The Community Development Fund is used to account for grants and entitlements received by the Town from the U.S. Department of Housing and Urban Development.

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

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.

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

- b. Proprietary Funds - Proprietary funds consist of internal service funds. Internal service funds account for those operations that provide services to other departments or agencies of the government, or to other governments on a cost reimbursement basis. The Town has established its Workers' Compensation Benefits and General Liability Claims funds as internal service funds.
- 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 deposits and other liabilities 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as do the Internal Service Funds. 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 and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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, accordingly, the Town's policy provides for no credit risk on investments.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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 or credit risk.

Restricted Investments - Restricted investments in the Capital Projects Fund consist of bond proceeds held by a State agency. The bond proceeds are to be used for Town sewer reconstruction projects.

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 April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

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

Advances for Proposed Special Districts - Advances for proposed special districts represent funds expended prior to the establishment of a special district. The advances will be repaid when the district's operations commence. The advances are equally offset by a nonspendable fund balance, in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not "available spendable resources" even though they are a component of current assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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.

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

Investment in Joint Venture - The investment in joint venture represents the Town's 49% equity interest in the Northern Westchester Joint Water Works.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the governmental 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 as 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 and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

<u>Class</u>	<u>Life in Years</u>
Land improvements	20
Buildings and improvements	20-50
Infrastructure	20-40
Machinery and equipment	5-20

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

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

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

The Town reported deferred inflows of resources of \$2,811,311 for real property taxes in the General Fund. The Town also reported deferred inflows of resources of \$194,476 for taxes collected in advance in the General Fund and in the government-wide Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if

Note 1 - Summary of Significant Accounting Policies (Continued)

the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represents 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 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 debt service and special revenue funds. 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 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 the 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 Comptroller for amounts assigned as encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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 17, 2015.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

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

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 2 - Stewardship, Compliance and Accountability (Continued)

- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts, Public Library and Debt Service funds.
- i) Budgets for General, Highway, Special Districts, Public Library and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Community Development, Special Purpose and Proprietary funds.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Town Board.
- k) Appropriations in the General, Highway, Special Districts, Public Library and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances, if any, 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.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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

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

D. Fund Deficits

A deficit balance of \$264,105 exists in the Internal Service Fund – Workers Compensation Benefits Fund and a deficit balance of \$31,019 exists in the Internal Service Fund – General Liability Claims Fund as of December 31, 2014. The Workers' Compensation Benefits Fund and General Liability Claims Fund deficits are attributable to the accrual of claims including incurred but not reported claims which will be satisfied in subsequent years. These deficits will be addressed in future periods.

E. Capital Projects Fund Deficit

The unassigned deficit of \$5,057,727 in the Capital Projects Fund arises in-part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed or converted to permanent financing. These deficits will be reduced and eliminated as the bond anticipation notes are redeemed from interfund transfers from other governmental funds or are converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficit, arise because of expenditures exceeding current financing on these projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 2 - Stewardship, Compliance and Accountability (Continued)

F. Actual Expenditures in Excess of Budget

The following functional expenditure categories exceeded their budgetary authorization by the amounts indicated:

Special Districts Funds	
Debt Service - Principle	\$ 125,324
Transfers Out	6,348

G. Excess of Actual Expenditures Over Budget

The WPC Ammonia Removal and Equipment Upgrade and the JV Sidewalk East Main Street projects exceeded their budgetary authorizations by \$4,078 and \$6,180, respectively.

Note 3 - Detailed Notes on All Funds

A. Restricted Investments

The restricted investments of \$114,756 in the Capital Projects Fund consist of investments, the use of which is restricted to sewer reconstruction projects. These investments are held by a State agency and are not subject to risk categorization.

B. Taxes Receivable

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

Town and County taxes - Current	\$ 608,597
School districts taxes - Current	45,875,709
Taxes receivable - Overdue	3,300,284
Property acquired for taxes	<u>633,953</u>
	50,418,543
Allowance for uncollectible taxes	<u>(1,680,665)</u>
	<u>\$ 48,737,878</u>

School district taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2015. Taxes receivable are also partially offset by deferred tax revenues of \$2,811,311, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

C. 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	\$ 162,514	\$ -
Capital Projects	-	131,918
Non-Major Governmental	-	30,596
	<u>\$ 162,514</u>	<u>\$ 162,514</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.

D. Investment in Joint Venture

The Town, together with the Town of Cortlandt, the Town of Somers and the Montrose Improvement District, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 49%.

The following is an audited summary of financial information included in the financial statements of the joint venture.

Total Assets	\$ 21,900,296
Total Liabilities	3,635,917
Total Equity	18,264,379
Total Operating Revenues	10,142,888
Total Non-Operating Revenues	20,118
Total Expenses	10,707,622

E. Capital Assets

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

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2014</u>
Capital Assets, not being depreciated				
Land	\$ 15,184,930	\$ -	\$ -	\$ 15,184,930
Construction-in-progress	29,820,672	8,351	-	29,829,023
Total Capital Assets, not being depreciated	<u>\$ 45,005,602</u>	<u>\$ 8,351</u>	<u>\$ -</u>	<u>\$ 45,013,953</u>

Town of Yorktown, 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
Capital Assets, being depreciated				
Land improvements	\$ 8,227,519	\$ -	\$ -	\$ 8,227,519
Buildings and improvements	32,631,520	164,830	-	32,796,350
Infrastructure	66,424,848	-	-	66,424,848
Machinery and equipment	15,833,930	470,166	662,647	15,641,449
Total Capital Assets, being depreciated	123,117,817	634,996	662,647	123,090,166
Less Accumulated Depreciation for				
Land improvements	4,157,306	291,473	-	4,448,779
Buildings and improvements	9,261,959	644,012	-	9,905,971
Infrastructure	43,884,808	1,181,493	-	45,066,301
Machinery and equipment	12,238,131	585,898	662,647	12,161,382
Total Accumulated Depreciation	69,542,204	2,702,876	662,647	71,582,433
Total Capital Assets, being depreciated, net	\$ 53,575,613	\$ (2,067,880)	\$ -	\$ 51,507,733
Capital Assets, net	\$ 98,581,215	\$ (2,059,529)	\$ -	\$ 96,521,686

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

Governmental Activities:	
General Government Support	\$ 132,406
Public Safety	187,620
Transportation	934,321
Economic Opportunity and Development	15,334
Culture and Recreation	448,525
Home and Community Services	984,670
Total Depreciation Expense	\$ 2,702,876

F. Pension Plans

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

Town of Yorktown, New York

Notes to Financial Statements (Continued)
 December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of member's 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 plans' year ended March 31, 2015 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	27.7%
	2 75I	25.3
	3 A14	20.3
	4 A15	20.3
	5 A15	16.6
	6 A15	10.9
PFRS	1 384D	32.5
	2 384D	27.3
	5 384D	22.0
	6 384D	15.4

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

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 2,420,341	\$ 1,632,765
2013	2,544,831	2,005,661
2012	1,993,072	1,386,049

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	\$ 1,309,692
Highway	387,894
Special Districts	503,681
Non-Major Governmental	219,074
	<u>\$ 2,420,341</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

G. Short-Term Capital Borrowings

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

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2014	Redemptions	Balance December 31, 2014
Hunterbrook Rt. 202 Extension	12/05/08	12/18/15	0.97 %	\$ 878,000	\$ 135,000	\$ 743,000
Gomer Street Sewer	12/05/08	12/18/15	0.97	480,000	30,000	450,000
Library HVAC	12/20/10	12/18/15	0.97	250,000	50,000	200,000
Commerce Streetscape Phase II	12/30/09	12/18/15	0.97	280,000	140,000	140,000
Yorktown Sewer Consent Order Improvement	12/15/03	12/18/15	0.97	1,375,000	250,000	1,125,000
Suncrest Sewer	12/05/08	12/18/15	0.97	621,000	31,000	590,000
Kitchawan Water District	12/15/05	12/18/15	0.97	150,000	55,000	95,000
Shrub Oak Lake Dredging	12/10/04	-	-	12,000	12,000	-
Overlook Sewer	12/05/08	12/18/15	0.97	1,108,000	60,000	1,048,000
Baptist/Mohegan/Sherman/Old Crompond Bridge	12/30/09	12/18/15	0.97	180,000	90,000	90,000
Open Space	12/20/10	12/18/15	0.97	1,008,000	392,000	616,000
				<u>\$ 6,342,000</u>	<u>\$ 1,245,000</u>	<u>\$ 5,097,000</u>

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

Interest expenditures of \$58,980 were recorded in the fund financial statements in the funds identified below. Interest expense of \$56,063 was recorded in the government-wide financial statements for governmental activities.

Fund	Amount
General	\$ 4,278
Special Districts	52,377
Non-Major Governmental	<u>2,325</u>
	<u>\$ 58,980</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

H. Long-Term Liabilities

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

	Balance January 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Bonds Payable					
Capital Construction	\$ 19,665,000	\$ -	\$ 1,035,000	\$ 18,630,000	\$ 1,060,000
Other	2,845,000	-	525,000	2,320,000	550,000
	<u>22,510,000</u>	<u>-</u>	<u>1,560,000</u>	<u>20,950,000</u>	<u>1,610,000</u>
Other Non-Current Liabilities:					
Claims Payable	952,133	524,645	760,062	716,716	75,000
Compensated Absences	1,374,539	140,056	137,000	1,377,595	138,000
Other Post Employment Benefit Obligations Payable	16,790,000	4,000,000	610,000	20,180,000	-
Total Other Non-Current Liabilities	<u>19,116,672</u>	<u>4,664,701</u>	<u>1,507,062</u>	<u>22,274,311</u>	<u>213,000</u>
Total Long-Term Liabilities	<u>\$ 41,626,672</u>	<u>\$ 4,664,701</u>	<u>\$ 3,067,062</u>	<u>\$ 43,224,311</u>	<u>\$ 1,823,000</u>

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

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 Rate	Amount Outstanding at December 31, 2014
Sewer District Improvements	1996	\$ 260,000	June, 2016	2.324 - 2.637 %	\$ 30,000
Environmental Improvements	1998	1,500,000	June, 2018	2.255 - 3.105	395,000
Environmental Improvements Shrub Oak Memorial Park	1998	7,400,113	June, 2018	2.307 - 3.283	1,925,000
Pool Improvements	2000	4,000,000	October, 2015	5.250	300,000
Sewer District Improvements	2002	670,800	October, 2031	3.602 - 5.082	360,000
Sewer District Improvements	2003	5,644,195	July, 2030	3.946 - 6.306	3,595,000
Sewer District Improvements	2004	5,960,770	May, 2033	3.655 - 4.625	4,280,000
Sewer District Improvements	2007	11,995,329	March, 2037	4.080 - 4.656	10,065,000
					<u>\$ 20,950,000</u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Interest expenditures of \$539,072 were recorded in the fund financial statements in the following funds:

<u>Fund</u>	<u>Amount</u>
General	\$ 31,839
Special Districts	<u>507,233</u>
	<u>\$ 539,072</u>

Interest expense of \$512,464 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2014 including interest payments of \$10,060,302 are as follows:

<u>Year Ended</u> <u>December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,610,000	\$ 951,117	\$ 2,561,117
2016	1,345,000	888,320	2,233,320
2017	1,375,000	837,312	2,212,312
2018	1,420,000	782,309	2,202,309
2019	820,000	734,425	1,554,425
2020-2024	4,440,000	3,045,191	7,485,191
2025-2029	4,500,000	1,899,189	6,399,189
2030-2034	3,815,000	806,355	4,621,355
2035-2037	<u>1,625,000</u>	<u>116,084</u>	<u>1,741,084</u>
	<u>\$ 20,950,000</u>	<u>\$ 10,060,302</u>	<u>\$ 31,010,302</u>

Claims Payable

The Internal Service Funds and the government-wide financial statements reflect workers' compensation liabilities and general liability claim liabilities. These liabilities are based upon estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported, but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

historical data that reflects past inflation and other factors that are considered to be appropriate modifiers of past experience.

An analysis of the activity of unpaid claim liabilities for the year ended December 31, 2014 is as follows:

	Year Ended December 31, 2014		Year Ended December 31, 2013	
	Workers' Compensation Benefits	General Liability Claims	Workers' Compensation Benefits	General Liability Claims
Balance - Beginning of Year	\$ 817,904	\$ 134,229	\$ 597,682	\$ 103,071
Provision for Claims and Claims Adjustment Expenses	474,853	49,792	765,220	107,515
Claims and Claims Adjustment Expenses Paid	<u>(646,077)</u>	<u>(113,985)</u>	<u>(544,998)</u>	<u>(76,357)</u>
Balance - End of Year	<u>\$ 646,680</u>	<u>\$ 70,036</u>	<u>\$ 817,904</u>	<u>\$ 134,229</u>
Due Within One Year	<u>\$ 65,000</u>	<u>\$ 10,000</u>	<u>\$ 82,000</u>	<u>\$ 13,400</u>

Compensated Absences

The collective bargaining agreements with the Superior Police Officers and all other Police Officers provide that an officer with twenty years of service shall be compensated for 75% of accumulated sick leave at current salary rates. Employees with ten years of service and who have attained the age of 55 are entitled to 50% of their accumulated sick leave. All employees are compensated for unused vacation leave upon retirement. The value of the compensated absences has been reflected in the government-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post-employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's 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 as claims are paid within the governmental funds.

Town of Yorktown, New York

Notes to Financial Statements (Continued)

December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

The Town's annual other post employment benefits ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability" and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

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

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

<u>Year Ended December 31,</u>	<u>Assumed Increase</u>
2015	9.50 %
2016	9.00
2017	8.50
2018	8.00
2019	7.50
2020	7.00
2021	6.50
2022	6.00

The amortization basis is the level percentage of payroll method with an open amortization approach. The actuarial assumptions include a 4.5% 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 unit credit method.

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

Active Employees	226
Retired Employees	<u>94</u>
Total	<u><u>320</u></u>

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2014	\$ 40,990,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$ 40,990,000</u>
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active Plan Members)	<u>\$ 19,840,000</u>
UAAL as a Percentage of Covered Payroll	<u>206.60%</u>
Annual Required Contribution	\$ 4,230,000
Interest on Net OPEB Obligation	760,000
Adjustment to Annual Required Contribution	<u>(990,000)</u>
Annual OPEB Cost	4,000,000
Contributions Made	<u>(610,000)</u>
Increase in Net OPEB Obligation	3,390,000
Net OPEB Obligation - Beginning of Year	<u>16,790,000</u>
Net OPEB Obligation -End of Year	<u>\$ 20,180,000</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 two preceding years is as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 3,750,000	17.3 %	\$ 13,480,000
2013	3,950,000	16.2	16,790,000
2014	4,000,000	15.3	20,180,000

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.

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 reflected below have been reflected as transfers:

Town of Yorktown, New York

Notes to Financial Statements (Continued)
December 31, 2014

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfers In				Total
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	
General Fund	\$ -	\$ -	\$ -	\$ 230,000	\$ 230,000
Special Districts Fund	1,391,805	88,274	36,118	965,000	2,481,197
Capital Projects Fund	-	-	474,590	-	474,590
Non-Major Governmental Funds	-	-	-	152,916	152,916
	<u>\$ 1,391,805</u>	<u>\$ 88,274</u>	<u>\$ 510,708</u>	<u>\$ 1,347,916</u>	<u>\$ 3,338,703</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move amounts earmarked in the operating funds to fulfill commitments for General, Highway and Special District funds expenditures.

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.

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

Restricted for Special Revenue Funds - 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 Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the gift or grant.

Restricted for Parklands - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

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

Town of Yorktown, 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	Other Governmental Funds	Total	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable												
Advances	\$ 105,925	\$ -	\$ -	\$ -	\$ -	\$ 105,925	\$ 99,366	\$ -	\$ -	\$ -	\$ -	\$ 99,366
Prepaid expenditures	623,536	96,793	126,837	-	60,506	907,672	857,672	80,918	107,021	-	46,217	1,091,828
Total Nonspendable	729,461	96,793	126,837	-	60,506	1,013,597	957,038	80,918	107,021	-	46,217	1,191,194
Restricted												
Employee benefit accrued liability	851,643	251,280	178,128	-	96,542	1,377,593	883,584	192,135	164,113	-	134,707	1,374,539
Debt service	-	-	1,151,092	-	59,763	1,210,855	-	-	1,151,092	-	59,590	1,210,682
Parklands	-	-	-	-	483,039	483,039	-	-	-	-	520,571	520,571
Trusts	-	-	-	-	653,808	653,808	-	-	-	-	634,322	634,322
Total Restricted	851,643	251,280	1,329,220	-	1,293,152	3,725,295	883,584	192,135	1,315,205	-	1,349,190	3,740,114
Assigned												
Purchases on order												
General government support	11,012	-	-	-	-	11,012	8,647	-	-	-	-	8,647
Public safety	4,472	-	-	-	-	4,472	2,230	-	-	-	-	2,230
Health	-	-	-	-	-	-	-	-	-	-	-	-
Transportation	-	12,849	-	-	-	12,849	1,000	5,438	-	-	-	6,438
Economic opportunity and development	754	-	-	-	-	754	86	-	-	-	-	86
Culture and recreation	-	-	18,093	-	-	18,093	6,744	-	3,975	-	2,277	12,996
Home and community services	125	-	909,723	-	-	909,848	-	-	30,576	-	-	30,576
	16,363	12,849	927,816	-	-	957,028	18,707	5,438	34,551	-	2,277	60,973
Subsequent year's expenditures	900,000	-	3,571,500	-	250,000	4,721,500	800,000	-	2,458,000	-	225,000	3,483,000
Tax certiorari	529,810	-	-	-	-	529,810	529,810	-	-	-	-	529,810
Ballpark	25,000	-	-	-	-	25,000	25,000	-	-	-	-	25,000
Major funds	-	31,747	7,737,664	-	-	7,769,411	-	207,225	10,768,759	-	-	10,975,984
Non-major funds												
Community development	-	-	-	-	18,549	18,549	-	-	-	-	77,425	77,425
Public Library	-	-	-	-	605,224	605,224	-	-	-	-	746,614	746,614
Total Assigned	1,471,173	44,596	12,236,980	-	873,773	14,626,522	1,373,517	212,663	13,261,310	-	1,051,316	15,898,806
Unassigned	5,268,008	-	-	(5,057,727)	-	210,281	4,897,768	-	-	(5,764,061)	-	(866,293)
Total Fund Balances	\$ 8,320,285	\$ 392,669	\$ 13,693,037	\$ (5,057,727)	\$ 2,227,431	\$ 19,575,695	\$ 8,111,907	\$ 485,716	\$ 14,683,536	\$ (5,764,061)	\$ 2,446,723	\$ 19,963,821

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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.

Reserved

Advances have been established to indicate the long-term nature of funds advanced to the Special Districts Fund. These funds do not represent "available" spendable resources even though they are component of current assets.

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

Employee Benefit Accrued Liability - the component of fund balance that has been restricted pursuant to General Municipal Law to provide funds for the payment of unused sick time and other forms of payment for accrued leave time granted upon termination or separation from service.

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

Subsequent year's expenditures represent that at December 31, 2014, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for tax certiorari is used to segregate a portion of the fund balance of the General Fund to be utilized for potential tax certiorari settlements.

Assigned for ballpark has been established to set aside funds to renovate a Town owned Ballpark.

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

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 also numerous tort claims pending against the Town. Town management has indicated there are individual tort claims for amounts in excess of insurance coverage. However, it is anticipated that insurance coverage will be sufficient to satisfy any resolution of the tort claims pending against the Town. The Town's claims administrator has reviewed the status of pending general liability and workers' compensation actions and has determined that the amounts reflected as liabilities in the Internal Service Funds are sufficient to satisfy any payments arising therefrom.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

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 decisions will be funded in the year the payment is made.

B. Risk Management

The Town has General Liability coverage with limits of \$1,000,000 each occurrence with a \$3,000,000 general aggregate with a deductible of \$25,000 each occurrence. Additional coverage has been purchased for liability claims with a limit of \$10,000,000 each occurrence with a \$10,000,000 aggregate. In addition the Town purchased insurance for Workers Compensation benefits with a maximum limit of \$10,000,000 with a self retention limit per occurrence for police officers of \$650,000 and for all other Town employees of \$575,000. The governmental funds are charged premiums by the Internal Service Funds. Accrued liabilities in the Internal Service Funds include provisions for claims reported and claims incurred but not reported.

C. Contingencies

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

Note 5 - Subsequent Event

The Town, in May 2015, issued bond anticipation notes in the amount of \$3,124,889 for various capital improvements. The bonds mature in May 2016 with interest at .99%.

Town of Yorktown, New York

Required Supplementary Information
 Schedule of Funding Progress - Other Postemployment 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, 2012	\$ -	\$ 37,340,000	\$ 37,340,000	- %	\$ 19,720,000	189.35 %
January 1, 2013	-	39,720,000	39,720,000	-	19,580,000	202.86
January 1, 2014	-	40,990,000	40,990,000	-	19,840,000	206.60

Town of Yorktown, New York

General Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	\$ 10,947,891	\$ 21,345,372
Taxes receivable		
Town and County taxes	608,597	580,314
School districts taxes	45,875,709	34,094,280
Taxes receivable - Overdue	3,300,284	2,581,390
Property acquired for taxes	633,953	801,157
	<u>50,418,543</u>	<u>38,057,141</u>
Allowance for uncollectible taxes	(1,680,665)	(1,728,668)
	<u>48,737,878</u>	<u>36,328,473</u>
Other receivables		
Accounts	219,390	117,427
Due from other governments	1,392,950	1,336,687
Advances for proposed special districts	105,925	99,366
Due from other funds	162,514	164,495
	<u>1,880,779</u>	<u>1,717,975</u>
Prepaid expenditures	<u>623,536</u>	<u>857,672</u>
Total Assets	<u>\$ 62,190,084</u>	<u>\$ 60,249,492</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 651,993	\$ 793,790
Retainaged percentages payable	2,523	7,781
Due to other governments	86,619	55,397
Due to school districts	50,118,752	49,010,184
Overpayments	4,125	118
Total Liabilities	<u>50,864,012</u>	<u>49,867,270</u>
Deferred inflows of resources		
Taxes collected in advance	194,476	192,429
Deferred tax revenues	2,811,311	2,077,886
Total Deferred Inflows of Resources	<u>3,005,787</u>	<u>2,270,315</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,869,799</u>	<u>52,137,585</u>
Fund balance		
Nonspendable	729,461	957,038
Restricted	851,643	883,584
Assigned	1,471,173	1,373,517
Unassigned	5,268,008	4,897,768
Total Fund Balance	<u>8,320,285</u>	<u>8,111,907</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 62,190,084</u>	<u>\$ 60,249,492</u>

Town of Yorktown, New York

General Fund

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

2014

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 12,097,777	\$ 12,097,777	\$ 11,313,910	\$ (783,867)
Other tax items	765,000	765,000	1,067,634	302,634
Non-property taxes	5,515,000	5,515,000	6,201,206	686,206
Departmental income	2,183,900	2,183,900	2,057,580	(126,320)
Use of money and property	676,500	676,500	652,881	(23,619)
Licenses and permits	664,600	664,600	569,483	(95,117)
Fines and forfeitures	650,000	650,000	509,993	(140,007)
Sale of property and compensation for loss	7,000	7,000	123,940	116,940
State aid	1,217,500	1,217,500	1,177,750	(39,750)
Federal aid	55,000	55,000	51,378	(3,622)
Miscellaneous	166,700	166,700	57,493	(109,207)
Total Revenues	23,998,977	23,998,977	23,783,248	(215,729)
EXPENDITURES				
Current				
General government support	6,539,614	6,483,889	5,596,928	886,961
Public safety	9,666,488	9,786,292	9,585,106	201,186
Health	1,250	1,250	1,250	-
Transportation	345,913	358,981	356,242	2,739
Economic opportunity and development	630,381	630,092	575,584	54,508
Culture and recreation	3,076,903	3,141,104	2,986,931	154,173
Home and community services	548,940	569,509	519,374	50,135
Employee benefits	4,825,500	4,903,350	4,779,143	124,207
Debt service				
Principal	300,000	300,000	300,000	-
Interest	44,500	44,500	36,117	8,383
Total Expenditures	25,979,489	26,218,967	24,736,675	1,482,292
Deficiency of Revenues Over Expenditures	(1,980,512)	(2,219,990)	(953,427)	1,266,563
OTHER FINANCING SOURCES (USES)				
Transfers in	1,391,805	1,391,805	1,391,805	-
Transfers out	(230,000)	(230,000)	(230,000)	-
Total Other Financing Sources	1,161,805	1,161,805	1,161,805	-
Net Change in Fund Balance	(818,707)	(1,058,185)	208,378	1,266,563
FUND BALANCE				
Beginning of Year	818,707	1,058,185	8,111,907	7,053,722
End of Year	\$ -	\$ -	\$ 8,320,285	\$ 8,320,285

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 11,855,437	\$ 11,855,437	\$ 11,586,667	\$ (268,770)
715,000	715,000	1,252,019	537,019
5,315,000	5,315,000	6,209,083	894,083
2,235,605	2,235,605	2,119,638	(115,967)
627,000	627,000	684,131	57,131
582,700	582,700	712,043	129,343
450,000	450,000	672,139	222,139
11,500	11,500	11,229	(271)
1,153,460	1,153,460	1,518,671	365,211
184,860	184,860	200,214	15,354
67,500	67,500	60,967	(6,533)
<u>23,198,062</u>	<u>23,198,062</u>	<u>25,026,801</u>	<u>1,828,739</u>
6,232,482	6,453,818	5,913,006	540,812
9,542,134	9,650,773	9,377,299	273,474
1,250	1,250	1,250	-
344,425	357,768	352,242	5,526
580,850	588,050	574,952	13,098
2,926,327	2,958,741	2,895,290	63,451
532,540	542,014	497,062	44,952
4,434,200	5,503,743	5,187,835	315,908
300,000	300,000	300,000	-
84,650	84,650	54,383	30,267
<u>24,978,858</u>	<u>26,440,807</u>	<u>25,153,319</u>	<u>1,287,488</u>
<u>(1,780,796)</u>	<u>(3,242,745)</u>	<u>(126,518)</u>	<u>3,116,227</u>
1,381,759	1,381,759	1,381,760	1
(200,000)	(200,000)	(200,000)	-
<u>1,181,759</u>	<u>1,181,759</u>	<u>1,181,760</u>	<u>1</u>
(599,037)	(2,060,986)	1,055,242	3,116,228
<u>599,037</u>	<u>2,060,986</u>	<u>7,056,665</u>	<u>4,995,679</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,111,907</u>	<u>\$ 8,111,907</u>

Town of Yorktown, 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
REAL PROPERTY TAXES	\$ 12,097,777	\$ 12,097,777	\$ 11,313,910	\$ (783,867)	\$ 11,586,667
OTHER TAX ITEMS					
Interest and penalties on real property taxes	750,000	750,000	1,022,823	272,823	1,175,706
Payments in lieu of taxes	15,000	15,000	44,811	29,811	76,313
	765,000	765,000	1,067,634	302,634	1,252,019
NON-PROPERTY TAXES					
Non-property tax distribution from County	4,700,000	4,700,000	5,253,721	553,721	5,075,440
Franchise fees	815,000	815,000	947,485	132,485	1,133,643
	5,515,000	5,515,000	6,201,206	686,206	6,209,083
DEPARTMENTAL INCOME					
Tax collector fees	10,000	10,000	6,691	(3,309)	14,154
Town Clerk fees	42,000	42,000	33,964	(8,036)	53,572
Police fees	10,000	10,000	6,180	(3,820)	11,517
Police alarm fees	65,000	65,000	63,530	(1,470)	65,892
Parks and recreation fees	1,080,500	1,080,500	1,129,823	49,323	1,108,134
Planning Board fees	60,000	60,000	19,142	(40,858)	32,665
Zoning fees	15,000	15,000	14,397	(603)	22,723
Inspection fees	50,000	50,000	41,496	(8,504)	62,979
Title search fees	49,000	49,000	34,427	(14,573)	44,502
General administration fees	91,000	91,000	5,258	(85,742)	14,679
ABACA	15,000	15,000	7,393	(7,607)	7,082
Assessors fees	2,000	2,000	1,145	(855)	1,296
Tax map	500	500	111	(389)	471
School resources officers	415,000	415,000	419,233	4,233	402,061
Services to other governments	167,000	167,000	158,134	(8,866)	157,369
Driving While Intoxicated Program	3,500	3,500	2,027	(1,473)	-
Section 8 Housing Assistance Fund reimbursement	108,400	108,400	114,629	6,229	121,178
	2,183,900	2,183,900	2,057,580	(126,320)	2,120,274

USE OF MONEY AND PROPERTY

Earnings on investments	65,500	65,500	66,028	528	66,876
Rental of real property	375,000	375,000	324,336	(50,664)	379,282
Special facility charges (YCCC)	236,000	236,000	262,517	26,517	237,973

	676,500	676,500	652,881	(23,619)	684,131
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LICENSES AND PERMITS

Certificates of occupancy	10,000	10,000	10,527	527	10,313
Bingo licenses	2,000	2,000	2,584	584	1,590
Dog license fund apportionment	15,000	15,000	14,843	(157)	14,604
Building permits	626,000	626,000	530,894	(95,106)	671,330
Plumbing fees	10,000	10,000	9,585	(415)	11,695
Non-conforming building permits	1,600	1,600	1,050	(550)	1,875

	664,600	664,600	569,483	(95,117)	711,407
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FINES AND FORFEITURES

Fines and forfeited bail	650,000	650,000	509,993	(140,007)	672,139
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SALE OF PROPERTY AND COMPENSATION FOR LOSS

Minor sales	2,000	2,000	2,438	438	3,702
Sale of equipment	-	-	121,502	121,502	2,462
Insurance recoveries	5,000	5,000	-	(5,000)	5,065

	7,000	7,000	123,940	116,940	11,229
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STATE AID

Per capita	180,000	180,000	176,777	(3,223)	176,777
Mortgage tax	975,000	975,000	941,477	(33,523)	1,284,188
Youth officer	8,000	8,000	-	(8,000)	8,328
Programs for the aging	-	-	-	-	38,664
Seatbelt grant	12,000	12,000	10,000	(2,000)	10,714
Nutrition program	40,000	40,000	46,876	6,876	-
Court grant	2,500	2,500	-	(2,500)	-
Other	-	-	2,620	2,620	-

	1,217,500	1,217,500	1,177,750	(39,750)	1,518,671
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FEDERAL AID

Emergency management assistance	-	-	-	-	149,208
Nutrition program	55,000	55,000	47,932	(7,068)	49,091
Bullet proof vest	-	-	3,446	3,446	1,915

	55,000	55,000	51,378	(3,622)	200,214
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Town of Yorktown, 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
MISCELLANEOUS					
Refund of prior year's expenditures	\$ 5,000	\$ 5,000	\$ 3,439	\$ (1,561)	\$ 6,620
Medicare Part D reimbursements	40,000	40,000	-	(40,000)	20,029
County grants	106,700	106,700	28,043	(78,657)	18,088
Unclassified	15,000	15,000	26,011	11,011	16,230
	<u>166,700</u>	<u>166,700</u>	<u>57,493</u>	<u>(109,207)</u>	<u>60,967</u>
TOTAL REVENUES	<u>23,998,977</u>	<u>23,998,977</u>	<u>23,783,248</u>	<u>(215,729)</u>	<u>25,026,801</u>
OTHER FINANCING SOURCES					
Transfers in					
Special Districts Fund					
Consolidated Water District	538,193	538,193	538,193	-	490,956
Sewer districts	565,482	565,482	565,482	-	591,754
Refuse district	261,380	261,380	261,380	-	270,969
Park districts	26,750	26,750	26,750	-	28,081
	<u>1,391,805</u>	<u>1,391,805</u>	<u>1,391,805</u>	<u>-</u>	<u>1,381,760</u>
TOTAL OTHER FINANCING SOURCES	<u>1,391,805</u>	<u>1,391,805</u>	<u>1,391,805</u>	<u>-</u>	<u>1,381,760</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 25,390,782</u>	<u>\$ 25,390,782</u>	<u>\$ 25,175,053</u>	<u>\$ (215,729)</u>	<u>\$ 26,408,561</u>

Town of Yorktown, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2014

(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 149,982	\$ 149,981	\$ 92,486	\$ 57,495	\$ 136,357
Town Justice	629,894	628,659	587,840	40,819	547,266
Supervisor	483,890	479,666	353,548	126,118	467,520
Finance	514,825	513,108	477,994	35,114	461,093
Auditor	35,000	35,000	30,774	4,226	29,501
Receiver of Taxes	210,500	261,125	248,095	13,030	180,047
Purchasing	140,250	142,183	124,339	17,844	103,316
Board of Assessors	384,275	381,842	355,764	26,078	350,289
Town Clerk	339,800	339,308	325,103	14,205	328,581
Town Attorney	572,450	572,164	439,115	133,049	477,585
Engineer	783,000	782,875	714,583	68,292	814,058
Elections	93,600	93,600	88,956	4,644	82,966
Buildings	607,489	616,145	534,713	81,432	525,522
Community and cultural center	317,870	371,931	332,431	39,500	347,066
Public safety facilities	132,384	140,326	139,601	725	127,659
Central services	55,156	55,156	47,187	7,969	45,420
Central garage	307,749	314,520	264,778	49,742	274,975
Unallocated insurance	297,000	291,000	275,688	15,312	282,208
Municipal association dues	2,000	2,800	2,800	-	2,800
Taxes on Town-owned property	110,000	110,000	78,678	31,322	89,933
Property tax refunds	225,500	55,500	38,477	17,023	195,257
Metropolitan commuter transportation mobility tax	47,000	47,000	43,978	3,022	43,587
Contingency	100,000	100,000	-	100,000	-
	<u>6,539,614</u>	<u>6,483,889</u>	<u>5,596,928</u>	<u>886,961</u>	<u>5,913,006</u>
PUBLIC SAFETY					
Police Department	8,886,038	8,985,401	8,803,123	182,278	8,650,192
Traffic control	16,500	23,083	18,664	4,419	9,311
Jail	850	850	204	646	336
Building inspector	754,650	768,507	754,954	13,553	709,487
Civil defense	8,450	8,451	8,161	290	7,973
	<u>9,666,488</u>	<u>9,786,292</u>	<u>9,585,106</u>	<u>201,186</u>	<u>9,377,299</u>

HEALTH

Health services	1,250	1,250	1,250	-	1,250
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TRANSPORTATION

Superintendent of Highways	214,913	216,790	215,301	1,489	228,204
Street lighting	131,000	142,191	140,941	1,250	124,038
	345,913	358,981	356,242	2,739	352,242

ECONOMIC OPPORTUNITY AND DEVELOPMENT

Nutrition program	627,381	627,092	574,506	52,586	573,431
Historical celebrations	3,000	3,000	1,078	1,922	1,521
	630,381	630,092	575,584	54,508	574,952

CULTURE AND RECREATION

Recreation administration	519,231	524,751	521,737	3,014	482,325
Theater	64,700	64,700	1,914	62,786	2,111
Playgrounds and recreation centers	1,269,631	1,301,917	1,290,647	11,270	1,267,828
Joint Program for Developmentally Disabled	38,232	76,464	38,232	38,232	38,232
Swimming pool	411,249	396,374	387,588	8,786	384,911
Special events	20,050	20,150	18,156	1,994	14,907
Adult recreation	73,000	70,980	60,370	10,610	63,726
Youth programs	584,160	589,118	577,428	11,690	545,254
Museum	65,400	65,400	62,225	3,175	64,726
Senior citizens program	31,250	31,250	28,634	2,616	31,270
	3,076,903	3,141,104	2,986,931	154,173	2,895,290

HOME AND COMMUNITY SERVICES

Zoning Board	4,150	4,150	3,045	1,105	1,375
Section 8 Housing	89,305	89,305	87,610	1,695	88,015
Planning Board	442,110	462,679	418,376	44,303	396,519
Conservation	13,375	13,375	10,343	3,032	11,153
	548,940	569,509	519,374	50,135	497,062

EMPLOYEE BENEFITS

State retirement	1,249,000	1,310,000	1,309,692	308	1,516,714
Police retirement	1,855,000	1,632,903	1,632,765	138	2,005,661
Social security	975,000	975,000	960,257	14,743	952,312
Hospital, medical and dental insurance	526,000	580,158	560,632	19,526	524,465
Workers' compensation benefits	156,000	340,789	290,773	50,016	153,891
Unemployment benefits	20,000	20,000	5,771	14,229	18,947
Other	44,500	44,500	19,253	25,247	15,845
	4,825,500	4,903,350	4,779,143	124,207	5,187,835

(Continued)

Town of Yorktown, 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
DEBT SERVICE					
Principal					
Serial bonds	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ 300,000
Interest					
Serial bonds	37,000	37,000	31,839	5,161	47,255
Bond anticipation notes	7,500	7,500	4,278	14,532	7,128
	<u>44,500</u>	<u>44,500</u>	<u>36,117</u>	<u>19,693</u>	<u>54,383</u>
	<u>344,500</u>	<u>344,500</u>	<u>336,117</u>	<u>19,693</u>	<u>354,383</u>
 TOTAL EXPENDITURES	 25,979,489	 26,218,967	 24,736,675	 1,482,292	 25,153,319
OTHER FINANCING USES					
Transfers out					
Capital Projects Fund	230,000	230,000	230,000	-	200,000
 TOTAL EXPENDITURES AND OTHER FINANCING USES	 <u>\$ 26,209,489</u>	 <u>\$ 26,448,967</u>	 <u>\$ 24,966,675</u>	 <u>\$ 1,482,292</u>	 <u>\$ 25,353,319</u>

Town of Yorktown, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 468,096	\$ 788,494
Prepaid expenditures	<u>96,793</u>	<u>80,918</u>
Total Assets	<u>\$ 564,889</u>	<u>\$ 869,412</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 172,220</u>	<u>\$ 383,696</u>
Fund balance		
Nonspendable	96,793	80,918
Restricted	251,280	192,135
Assigned	<u>44,596</u>	<u>212,663</u>
Total Fund Balance	<u>392,669</u>	<u>485,716</u>
Total Liabilities and Fund Balance	<u>\$ 564,889</u>	<u>\$ 869,412</u>

Town of Yorktown, New York

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

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 4,627,976	\$ 4,627,976	\$ 4,627,976	\$ -
Use of money and property	6,000	6,000	4,134	(1,866)
Sale of property and compensation for loss	-	-	52,852	52,852
State aid	378,350	378,350	422,029	43,679
Federal aid	-	-	-	-
Miscellaneous	45,500	45,500	17,869	(27,631)
Total Revenues	<u>5,057,826</u>	<u>5,057,826</u>	<u>5,124,860</u>	<u>67,034</u>
EXPENDITURES				
Current				
Transportation	4,413,538	4,522,965	4,501,283	21,682
Employee benefits	738,000	821,420	804,898	16,522
Total Expenditures	<u>5,151,538</u>	<u>5,344,385</u>	<u>5,306,181</u>	<u>38,204</u>
Deficiency of Revenues Over Expenditures	(93,712)	(286,559)	(181,321)	105,238
OTHER FINANCING SOURCES				
Transfers in	88,274	88,274	88,274	-
Net Change in Fund Balance	<u>(5,438)</u>	<u>(198,285)</u>	<u>(93,047)</u>	<u>105,238</u>
FUND BALANCE				
Beginning of Year	5,438	198,285	485,716	287,431
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,669</u>	<u>\$ 392,669</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 4,486,629	\$ 4,486,629	\$ 4,486,629	\$ -
5,500	5,500	6,272	772
9,500	9,500	47,989	38,489
296,000	296,000	394,987	98,987
-	-	532,181	532,181
35,000	35,000	546,328	511,328
4,832,629	4,832,629	6,014,386	1,181,757
4,176,103	5,507,324	5,279,873	227,451
742,000	746,674	746,674	-
4,918,103	6,253,998	6,026,547	227,451
(85,474)	(1,421,369)	(12,161)	1,409,208
85,474	85,474	84,746	(728)
-	(1,335,895)	72,585	1,408,480
-	1,335,895	413,131	(922,764)
\$ -	\$ -	\$ 485,716	\$ 485,716

Town of Yorktown, New York

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

	Combined Water Districts	Combined Sewer Districts	Refuse District
ASSETS			
Cash and equivalents	\$ 4,502,245	\$ 7,404,221	\$ 909,855
Accounts receivable	1,036,078	103,727	-
Prepaid expenditures	58,379	32,500	35,958
Total Assets	<u>\$ 5,596,702</u>	<u>\$ 7,540,448</u>	<u>\$ 945,813</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 607,719	\$ 170,421	\$ 279,082
Fund balances			
Nonspendable	58,379	32,500	35,958
Restricted	460,036	779,624	62,083
Assigned	4,470,568	6,557,903	568,690
Total Fund Balances	<u>4,988,983</u>	<u>7,370,027</u>	<u>666,731</u>
Total Liabilities and Fund Balances	<u>\$ 5,596,702</u>	<u>\$ 7,540,448</u>	<u>\$ 945,813</u>

Combined Park Districts	Advanced Life-Support District	Totals	
		2014	2013
\$ 629,086	\$ 38,901	\$ 13,484,308	\$ 14,614,495
-	8,713	1,148,518	1,240,243
-	-	126,837	107,021
<u>\$ 629,086</u>	<u>\$ 47,614</u>	<u>\$ 14,759,663</u>	<u>\$ 15,961,759</u>
<u>\$ 9,397</u>	<u>\$ 7</u>	<u>\$ 1,066,626</u>	<u>\$ 1,278,223</u>
-	-	126,837	107,021
27,477	-	1,329,220	1,315,205
<u>592,212</u>	<u>47,607</u>	<u>12,236,980</u>	<u>13,261,310</u>
<u>619,689</u>	<u>47,607</u>	<u>13,693,037</u>	<u>14,683,536</u>
<u>\$ 629,086</u>	<u>\$ 47,614</u>	<u>\$ 14,759,663</u>	<u>\$ 15,961,759</u>

Town of Yorktown, 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)

	Combined Water Districts	Combined Sewer Districts	Refuse District
REVENUES			
Real property taxes	\$ 1,364,308	\$ 3,328,553	\$ 4,480,895
Other tax items	-	-	-
Departmental income	5,785,703	551,785	46,665
Intergovernmental charges	-	806,366	-
Use of money and property	16,615	25,526	5,950
Sale of property and compensation for loss	22,265	-	16,000
Federal aid	-	-	-
Miscellaneous	2,029	381	-
Total Revenues	<u>7,190,920</u>	<u>4,712,611</u>	<u>4,549,510</u>
EXPENDITURES			
Current			
Health	-	-	-
Culture and recreation	-	-	-
Home and community services	6,567,236	2,448,735	3,946,171
Employee benefits	684,786	205,510	356,374
Debt service			
Principal			
Serial bonds	525,000	735,000	-
Interest			
Serial bonds	46,487	460,746	-
Bond anticipation notes	1,395	41,496	-
Total Expenditures	<u>7,824,904</u>	<u>3,891,487</u>	<u>4,302,545</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(633,984)</u>	<u>821,124</u>	<u>246,965</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	510,708	-
Transfers out	(593,193)	(1,151,737)	(305,517)
Total Other Financing Uses	<u>(593,193)</u>	<u>(641,029)</u>	<u>(305,517)</u>
Net Change in Fund Balances	(1,227,177)	180,095	(58,552)
FUND BALANCES			
Beginning of year	<u>6,216,160</u>	<u>7,189,932</u>	<u>725,283</u>
End of Year	<u>\$ 4,988,983</u>	<u>\$ 7,370,027</u>	<u>\$ 666,731</u>

Combined Park Districts	Advanced Life-Support District	Totals	
		2014	2013
\$ 687,773	\$ 520,473	\$ 10,382,002	\$ 10,771,845
-	-	-	41,432
-	-	6,384,153	7,275,718
-	-	806,366	806,366
2,792	509	51,392	66,492
-	38,407	76,672	38,655
-	-	-	238,924
-	-	2,410	13,946
<u>690,565</u>	<u>559,389</u>	<u>17,702,995</u>	<u>19,253,378</u>
-	512,683	512,683	532,851
178,065	-	178,065	151,957
-	-	12,962,142	12,505,786
3,835	-	1,250,505	1,253,258
-	-	1,260,000	1,225,000
-	-	507,233	548,444
9,486	-	52,377	71,528
<u>191,386</u>	<u>512,683</u>	<u>16,723,005</u>	<u>16,288,824</u>
<u>499,179</u>	<u>46,706</u>	<u>979,990</u>	<u>2,964,554</u>
-	-	510,708	525,925
(430,750)	-	(2,481,197)	(2,488,431)
(430,750)	-	(1,970,489)	(1,962,506)
68,429	46,706	(990,499)	1,002,048
<u>551,260</u>	<u>901</u>	<u>14,683,536</u>	<u>13,681,488</u>
<u>\$ 619,689</u>	<u>\$ 47,607</u>	<u>\$ 13,693,037</u>	<u>\$ 14,683,536</u>

Town of Yorktown, New York

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

	Consolidated Water	Kitchawan Water	Totals	
			2014	2013
ASSETS				
Cash and equivalents	\$ 4,390,727	\$ 111,518	\$ 4,502,245	\$ 5,788,642
Accounts receivable	1,035,374	704	1,036,078	1,113,699
Prepaid expenditures	58,379	-	58,379	49,595
Total Assets	<u>\$ 5,484,480</u>	<u>\$ 112,222</u>	<u>\$ 5,596,702</u>	<u>\$ 6,951,936</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 605,740	\$ 1,979	\$ 607,719	\$ 735,776
Fund balances				
Nonspendable	58,379	-	58,379	49,595
Restricted	460,036	-	460,036	455,408
Assigned	4,360,325	110,243	4,470,568	5,711,157
Total Fund Balances	<u>4,878,740</u>	<u>110,243</u>	<u>4,988,983</u>	<u>6,216,160</u>
Total Liabilities and Fund Balances	<u>\$ 5,484,480</u>	<u>\$ 112,222</u>	<u>\$ 5,596,702</u>	<u>\$ 6,951,936</u>

Town of Yorktown, New York

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

	Consolidated Water	Kitchawan Water	Totals	
			2014	2013
REVENUES				
Real property taxes	\$ 1,297,083	\$ 67,225	\$ 1,364,308	\$ 1,369,860
Other tax items	-	-	-	36,337
Departmental income	5,762,733	22,970	5,785,703	6,606,231
Use of money and property	16,174	441	16,615	19,603
Sale of property and compensation for loss	22,265	-	22,265	13,419
Federal aid	-	-	-	35,500
Miscellaneous	2,029	-	2,029	2,520
Total Revenues	7,100,284	90,636	7,190,920	8,083,470
EXPENDITURES				
Current				
Home and community services	6,543,105	24,131	6,567,236	6,339,887
Employee benefits	684,786	-	684,786	685,448
Debt service				
Principal	525,000	-	525,000	505,000
Interest	46,487	1,395	47,882	54,275
Total Expenditures	7,799,378	25,526	7,824,904	7,584,610
Excess (Deficiency) of Revenues Over Expenditures	(699,094)	65,110	(633,984)	498,860
OTHER FINANCING USES				
Transfers out	(538,193)	(55,000)	(593,193)	(545,956)
Net Change in Fund Balances	(1,237,287)	10,110	(1,227,177)	(47,096)
FUND BALANCES				
Beginning of Year	6,116,027	100,133	6,216,160	6,263,256
End of Year	\$ 4,878,740	\$ 110,243	\$ 4,988,983	\$ 6,216,160

Town of Yorktown, New York

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

	Yorktown	Osceola	Hunter Brook
ASSETS			
Cash and equivalents	\$ 6,342,881	\$ 165,106	\$ 106,401
Accounts receivable	103,727	-	-
Prepaid expenditures	32,500	-	-
	<u>6,479,108</u>	<u>165,106</u>	<u>106,401</u>
Total Assets	<u>\$ 6,479,108</u>	<u>\$ 165,106</u>	<u>\$ 106,401</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 152,965	\$ 11,176	\$ 71
Fund balances			
Nonspendable	32,500	-	-
Restricted	644,565	-	-
Assigned	5,649,078	153,930	106,330
	<u>6,326,143</u>	<u>153,930</u>	<u>106,330</u>
Total Fund Balances	<u>6,326,143</u>	<u>153,930</u>	<u>106,330</u>
	<u>\$ 6,479,108</u>	<u>\$ 165,106</u>	<u>\$ 106,401</u>
Total Liabilities and Fund Balances	<u>\$ 6,479,108</u>	<u>\$ 165,106</u>	<u>\$ 106,401</u>

<u>Clover Road</u>	<u>Mohegan East</u>	<u>Mohegan West</u>	<u>Bonnie and Jill</u>	<u>Oakside</u>	<u>Overlook</u>	<u>Suncrest</u>
\$ 22,906	\$ 118,412	\$ 43,306	\$ 2,855	\$ 183,229	\$ 137,245	\$ 155,021
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 22,906</u>	<u>\$ 118,412</u>	<u>\$ 43,306</u>	<u>\$ 2,855</u>	<u>\$ 183,229</u>	<u>\$ 137,245</u>	<u>\$ 155,021</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	10,906	-	64,633	59,520	-
<u>22,906</u>	<u>118,412</u>	<u>32,400</u>	<u>2,855</u>	<u>118,596</u>	<u>77,725</u>	<u>155,021</u>
<u>22,906</u>	<u>118,412</u>	<u>43,306</u>	<u>2,855</u>	<u>183,229</u>	<u>137,245</u>	<u>155,021</u>
<u>\$ 22,906</u>	<u>\$ 118,412</u>	<u>\$ 43,306</u>	<u>\$ 2,855</u>	<u>\$ 183,229</u>	<u>\$ 137,245</u>	<u>\$ 155,021</u>

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Town of Yorktown, New York

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

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2014	2013
ASSETS				
Cash and equivalents	\$ 21,934	\$ 104,925	\$ 7,404,221	\$ 7,238,489
Accounts receivable	-	-	103,727	116,407
Prepaid expenditures	-	-	32,500	26,103
Total Assets	<u>\$ 21,934</u>	<u>\$ 104,925</u>	<u>\$ 7,540,448</u>	<u>\$ 7,380,999</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 6,209	\$ 170,421	\$ 191,067
Fund balances				
Nonspendable	-	-	32,500	26,103
Restricted	-	-	779,624	775,028
Assigned	<u>21,934</u>	<u>98,716</u>	<u>6,557,903</u>	<u>6,388,801</u>
Total Fund Balances	<u>21,934</u>	<u>98,716</u>	<u>7,370,027</u>	<u>7,189,932</u>
Total Liabilities and Fund Balances	<u>\$ 21,934</u>	<u>\$ 104,925</u>	<u>\$ 7,540,448</u>	<u>\$ 7,380,999</u>

Town of Yorktown, New York

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

	Yorktown	Osceola	Hunter Brook	Clover Road
REVENUES				
Real property taxes	\$ 2,422,021	\$ 27,922	\$ 297,960	\$ 5,550
Departmental income	551,785	-	-	-
Intergovernmental charges	806,366	-	-	-
Use of money and property	21,100	490	536	82
Federal aid	-	-	-	-
Miscellaneous	371	-	-	-
	<u>3,801,643</u>	<u>28,412</u>	<u>298,496</u>	<u>5,632</u>
EXPENDITURES				
Current				
Home and community services	2,318,578	27,700	88,432	49
Employee benefits	205,510	-	-	-
Debt service				
Principal				
Serial bonds	371,550	-	100,000	15,000
Interest				
Serial bonds	268,871	-	68,861	440
Bond anticipation notes	12,788	-	-	-
	<u>3,177,297</u>	<u>27,700</u>	<u>257,293</u>	<u>15,489</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>624,346</u>	<u>712</u>	<u>41,203</u>	<u>(9,857)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	370,910	-	-	-
Transfers out	(848,105)	(6,472)	(41,160)	-
	<u>(477,195)</u>	<u>(6,472)</u>	<u>(41,160)</u>	<u>-</u>
Net Change in Fund Balances	147,151	(5,760)	43	(9,857)
FUND BALANCES				
Beginning of Year	<u>6,178,992</u>	<u>159,690</u>	<u>106,287</u>	<u>32,763</u>
End of Year	<u>\$ 6,326,143</u>	<u>\$ 153,930</u>	<u>\$ 106,330</u>	<u>\$ 22,906</u>

Mohegan East	Mohegan West	Bonnie and Jill	Oakside	Overlook	Suncrest
\$ 152,500	\$ 67,200	\$ 12,300	\$ 33,000	\$ 77,700	\$ 40,900
-	-	-	-	-	-
-	-	-	-	-	-
423	168	23	528	533	520
-	-	-	-	-	-
-	10	-	-	-	-
<u>152,923</u>	<u>67,378</u>	<u>12,323</u>	<u>33,528</u>	<u>78,233</u>	<u>41,420</u>
6,964	1,178	286	2,748	631	354
-	-	-	-	-	-
150,860	45,600	10,000	41,990	-	-
78,451	17,656	1,807	24,660	-	-
-	-	-	-	10,304	5,775
<u>236,275</u>	<u>64,434</u>	<u>12,093</u>	<u>69,398</u>	<u>10,935</u>	<u>6,129</u>
<u>(83,352)</u>	<u>2,944</u>	<u>230</u>	<u>(35,870)</u>	<u>67,298</u>	<u>35,291</u>
91,460	-	-	48,338	-	-
-	-	-	-	(60,000)	(31,000)
<u>91,460</u>	<u>-</u>	<u>-</u>	<u>48,338</u>	<u>(60,000)</u>	<u>(31,000)</u>
8,108	2,944	230	12,468	7,298	4,291
<u>110,304</u>	<u>40,362</u>	<u>2,625</u>	<u>170,761</u>	<u>129,947</u>	<u>150,730</u>
<u>\$ 118,412</u>	<u>\$ 43,306</u>	<u>\$ 2,855</u>	<u>\$ 183,229</u>	<u>\$ 137,245</u>	<u>\$ 155,021</u>

(Continued)

Town of Yorktown, New York

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

	Gomer Street	Hunterbrook 202 Extension	Totals	
			2014	2013
REVENUES				
Real property taxes	\$ 37,800	\$ 153,700	\$ 3,328,553	\$ 3,772,063
Departmental income	-	-	551,785	618,406
Intergovernmental charges	-	-	806,366	806,366
Use of money and property	130	993	25,526	24,855
Federal aid	-	-	-	182,775
Miscellaneous	-	-	381	9,375
Total Revenues	37,930	154,693	4,712,611	5,413,840
EXPENDITURES				
Current				
Home and community services	273	1,542	2,448,735	2,290,759
Employee benefits	-	-	205,510	193,904
Debt service				
Principal				
Serial bonds	-	-	735,000	720,000
Interest				
Serial bonds	-	-	460,746	496,383
Bond anticipation notes	4,464	8,165	41,496	53,632
Total Expenditures	4,737	9,707	3,891,487	3,754,678
Excess (Deficiency) of Revenues Over Expenditures	33,193	144,986	821,124	1,659,162
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	510,708	525,925
Transfers out	(30,000)	(135,000)	(1,151,737)	(1,169,052)
Total Other Financing Sources (Uses)	(30,000)	(135,000)	(641,029)	(643,127)
Net Change in Fund Balances	3,193	9,986	180,095	1,016,035
FUND BALANCES				
Beginning of Year	18,741	88,730	7,189,932	6,173,897
End of Year	\$ 21,934	\$ 98,716	\$ 7,370,027	\$ 7,189,932

Town of Yorktown, New York

Special Districts Fund - Refuse District
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 909,855	\$ 984,297
Prepaid expenditures	<u>35,958</u>	<u>31,323</u>
Total Assets	<u>\$ 945,813</u>	<u>\$ 1,015,620</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	<u>\$ 279,082</u>	<u>\$ 290,337</u>
Fund balances		
Nonspendable	35,958	31,323
Restricted	62,083	57,292
Assigned	<u>568,690</u>	<u>636,668</u>
Total Fund Balances	<u>666,731</u>	<u>725,283</u>
Total Liabilities and Fund Balances	<u>\$ 945,813</u>	<u>\$ 1,015,620</u>

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Town of Yorktown, New York

Special Districts Fund - Refuse District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
Real property taxes	\$ 4,480,895	\$ 4,435,722
Departmental income	46,665	51,081
Use of money and property	5,950	6,424
Sale of property and compensation for loss	16,000	-
Federal aid	-	20,649
Miscellaneous	-	1,920
	<u>4,549,510</u>	<u>4,515,796</u>
EXPENDITURES		
Current		
Home and community services	3,946,171	3,875,140
Employee benefits	356,374	369,991
	<u>4,302,545</u>	<u>4,245,131</u>
Excess of Revenues Over Expenditures		
	246,965	270,665
OTHER FINANCING USES		
Transfers out	<u>(305,517)</u>	<u>(313,342)</u>
Net Change in Fund Balance		
	(58,552)	(42,677)
FUND BALANCE		
Beginning of Year	<u>725,283</u>	<u>767,960</u>
End of Year	<u>\$ 666,731</u>	<u>\$ 725,283</u>

Town of Yorktown, New York

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

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
ASSETS				
Cash and equivalents	<u>\$ 73,945</u>	<u>\$ 72,218</u>	<u>\$ 172,249</u>	<u>\$ 89,448</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	<u>\$ 1,750</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,747</u>
Fund balances				
Restricted	-	-	-	-
Assigned	<u>72,195</u>	<u>71,218</u>	<u>172,249</u>	<u>87,701</u>
Total Fund Balances	<u>72,195</u>	<u>71,218</u>	<u>172,249</u>	<u>87,701</u>
Total Liabilities and Fund Balances	<u>\$ 73,945</u>	<u>\$ 72,218</u>	<u>\$ 172,249</u>	<u>\$ 89,448</u>

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2014	2013
<u>\$ 120,415</u>	<u>\$ 25,423</u>	<u>\$ 93</u>	<u>\$ 75,295</u>	<u>\$ 629,086</u>	<u>\$ 570,342</u>
<u>\$ 4,240</u>	<u>\$ 660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,397</u>	<u>\$ 19,082</u>
27,477	-	-	-	27,477	27,477
<u>88,698</u>	<u>24,763</u>	<u>93</u>	<u>75,295</u>	<u>592,212</u>	<u>523,783</u>
<u>116,175</u>	<u>24,763</u>	<u>93</u>	<u>75,295</u>	<u>619,689</u>	<u>551,260</u>
<u>\$ 120,415</u>	<u>\$ 25,423</u>	<u>\$ 93</u>	<u>\$ 75,295</u>	<u>\$ 629,086</u>	<u>\$ 570,342</u>

Town of Yorktown, New York

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

	Mohegan Beach	Shrub Oak Lake Estates	Mohegan Lake Improve- ment	Amazon Beach
REVENUES				
Real property taxes	\$ 58,400	\$ 22,000	\$ 81,438	\$ 12,745
Use of money and property	243	206	537	290
Miscellaneous	-	-	-	-
	<u>58,643</u>	<u>22,206</u>	<u>81,975</u>	<u>13,035</u>
EXPENDITURES				
Current				
Culture and recreation	35,282	4,918	54,890	22,688
Employee benefits	1,337	-	2,112	-
Debt service				
Interest - Bond anticipation notes	-	-	-	-
	<u>36,619</u>	<u>4,918</u>	<u>57,002</u>	<u>22,688</u>
Excess (Deficiency) of Revenues Over Expenditures	22,024	17,288	24,973	(9,653)
OTHER FINANCING USES				
Transfers out	(5,000)	(3,000)	(6,500)	(2,000)
Net Change in Fund Balances	17,024	14,288	18,473	(11,653)
FUND BALANCES				
Beginning of year	<u>55,171</u>	<u>56,930</u>	<u>153,776</u>	<u>99,354</u>
End of Year	<u>\$ 72,195</u>	<u>\$ 71,218</u>	<u>\$ 172,249</u>	<u>\$ 87,701</u>

Shrub Oak Community Associa- tion	Mohegan Highlands Property Associa- tion	Bethel Acres	Open Space	Totals	
				2014	2013
\$ 70,300	\$ 31,000	\$ 2,000	\$ 409,890	\$ 687,773	\$ 702,793
412	84	3	1,017	2,792	15,148
-	-	-	-	-	131
<u>70,712</u>	<u>31,084</u>	<u>2,003</u>	<u>410,907</u>	<u>690,565</u>	<u>718,072</u>
38,779	20,934	-	574	178,065	151,957
-	386	-	-	3,835	3,904
<u>112</u>	<u>-</u>	<u>-</u>	<u>9,374</u>	<u>9,486</u>	<u>15,682</u>
<u>38,891</u>	<u>21,320</u>	<u>-</u>	<u>9,948</u>	<u>191,386</u>	<u>171,543</u>
31,821	9,764	2,003	400,959	499,179	546,529
<u>(17,250)</u>	<u>(3,000)</u>	<u>(2,000)</u>	<u>(392,000)</u>	<u>(430,750)</u>	<u>(460,081)</u>
14,571	6,764	3	8,959	68,429	86,448
<u>101,604</u>	<u>17,999</u>	<u>90</u>	<u>66,336</u>	<u>551,260</u>	<u>464,812</u>
<u>\$ 116,175</u>	<u>\$ 24,763</u>	<u>\$ 93</u>	<u>\$ 75,295</u>	<u>\$ 619,689</u>	<u>\$ 551,260</u>

Town of Yorktown, New York

Comparative Balance Sheet
Special Districts Fund - Advanced Life Support District
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 38,901	\$ 32,725
Accounts receivable	<u>8,713</u>	<u>10,137</u>
Total Assets	<u>\$ 47,614</u>	<u>\$ 42,862</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 7	\$ 41,961
Fund balance		
Assigned	<u>47,607</u>	<u>901</u>
Total Liabilities and Fund Balance	<u>\$ 47,614</u>	<u>\$ 42,862</u>

Town of Yorktown, New York

Special Districts Fund - Advanced Life Support District
Comparative Statement of Revenues, Expenditures and Changes
In Fund Balance
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
Real property taxes	\$ 520,473	\$ 491,407
Other tax items	-	5,095
Use of money and property	509	462
Sale of property and compensation for loss	<u>38,407</u>	<u>25,236</u>
Total Revenues	<u>559,389</u>	<u>522,200</u>
EXPENDITURES		
Current		
Health	512,683	532,851
Employee benefits	<u>-</u>	<u>11</u>
Total Expenditures	<u>512,683</u>	<u>532,862</u>
Excess (Deficiency) of Revenues Over Expenditures	46,706	(10,662)
FUND BALANCE		
Beginning of Year	<u>901</u>	<u>11,563</u>
End of Year	<u>\$ 47,607</u>	<u>\$ 901</u>

Town of Yorktown, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 114,778	\$ 178,852
Restricted investments	<u>114,756</u>	<u>589,346</u>
Total Assets	<u>\$ 229,534</u>	<u>\$ 768,198</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ 11	\$ 9
Retainage percentages payable	58,332	58,332
Due to other funds	131,918	131,918
Bond anticipation notes payable	<u>5,097,000</u>	<u>6,342,000</u>
Total Liabilities	5,287,261	6,532,259
Fund deficit		
Unassigned	<u>(5,057,727)</u>	<u>(5,764,061)</u>
Total Liabilities and Fund Deficit	<u>\$ 229,534</u>	<u>\$ 768,198</u>

Town of Yorktown, New York

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

	<u>2014</u>	<u>2013</u>
REVENUES		
State aid	\$ 6,192	\$ 55,722
EXPENDITURES		
Capital outlay	<u>173,184</u>	<u>6,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(166,992)</u>	<u>49,522</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,347,916	1,241,000
Transfers out	<u>(474,590)</u>	<u>(495,000)</u>
Total Other Financing Sources	<u>873,326</u>	<u>746,000</u>
Net Change in Fund Balance	706,334	795,522
FUND DEFICIT		
Beginning of Year	<u>(5,764,061)</u>	<u>(6,559,583)</u>
End of Year	<u>\$ (5,057,727)</u>	<u>\$ (5,764,061)</u>

Town of Yorktown, New York

Capital Projects Fund

Project-Length Schedule

Inception Of Project Through December 31, 2014

PROJECT	Sub-Fund	Authorization	Expenditures and Transfers
Granite Knolls Ballfield	HA	\$ 25,000	\$ 13,904
Hunterbrook Rt. 202 Extension	HB	3,000,000	1,358,962
Yorktown Sewer Plant Improvements	HD	350,586	211,448
Rt. 118 Sidewalks - Phase II	HE	530,000	445,815
Veterans Road Sidewalk	HF	300,000	4,250
Gomer Street Sewer	HG	610,000	601,470
Junior Lake Dredging/Dam Repairs	HJ	747,608	637,022
Library HVAC	HL	702,916	488,894
Oakside Sewer District	HM	1,500,000	1,324,446
Comprehensive Plan Study	HO	682,000	616,364
Bonnie and Jill Courts Sewer District	HP	251,000	244,396
Commerce Streetscape Phase II	HS2	1,215,041	1,215,041
1995 - Mohegan East Sewer District	HT	5,333,897	5,312,536
Yorktown Sewer Consent Order Improvement	HZ	3,000,000	2,997,890
Holland Sport Club	JA	125,000	124,211
Open Space	JB	1,780,000	1,780,000
Trailway Improvements	JC	49,500	6,800
Suncrest Sewer	JH	750,000	750,000
RR Park Rehabilitation	JJ	456,817	32,410
Kitchawan Water District	JK	850,000	848,306
NYCDEP Reimbursable	JL	3,978,759	3,112,344
Patriot Garden	JN	236,631	234,462
Yorktown Sewer Inflow/Infiltration	JO	1,912,610	1,685,874
Overlook Sewer	JW	1,600,000	1,400,000
WPC Ammonia Removal and Equipment Upgrade	JX	9,863,975	9,868,053
Baptist/Mohegan/Sherman/Old Crompond Bridge	JY	3,600,000	1,057,973
JV Sidewalk East Main Street	JY2	542,596	548,776
Totals		<u>\$ 43,993,936</u>	<u>\$ 36,921,647</u>

Unexpended Balance	Revenues	Fund Balance (Deficit) at December 31, 2014	Bond Anticipation Notes Outstanding at December 31, 2014
\$ 11,096	\$ -	\$ (13,904)	\$ -
1,641,038	763,459	(595,503)	743,000
139,138	350,586	139,138	-
84,185	491,859	46,044	-
295,750	-	(4,250)	-
8,530	151,470	(450,000)	450,000
110,586	691,886	54,864	-
214,022	200,000	(288,894)	200,000
175,554	1,395,429	70,983	-
65,636	613,019	(3,345)	-
6,604	237,448	(6,948)	-
-	1,075,041	(140,000)	140,000
21,361	5,333,897	21,361	-
2,110	1,875,000	(1,122,890)	1,125,000
789	-	(124,211)	-
-	1,164,000	(616,000)	616,000
42,700	49,500	42,700	-
-	160,000	(590,000)	590,000
424,407	54,462	22,052	-
1,694	753,306	(95,000)	95,000
866,415	2,902,858	(209,486)	-
2,169	236,631	2,169	-
226,736	1,691,629	5,755	-
200,000	352,000	(1,048,000)	1,048,000
(4,078)	9,863,975	(4,078)	-
2,542,027	934,798	(123,175)	90,000
(6,180)	521,667	(27,109)	-
<u>\$ 7,072,289</u>	<u>\$ 31,863,920</u>	<u>\$ (5,057,727)</u>	<u>\$ 5,097,000</u>

Town of Yorktown, New York

Non-Major Governmental Funds

Combining Balance Sheet

December 31, 2014

(With Comparative Totals for 2013)

	<u>Community Development</u>	<u>Public Library</u>	<u>Special Purpose</u>
ASSETS			
Cash and equivalents	\$ 47,917	\$ 989,180	\$ 1,136,972
Due from other governments	2,867	-	-
Prepaid expenditures	4,677	55,829	-
Total Assets	<u>\$ 55,461</u>	<u>\$ 1,045,009</u>	<u>\$ 1,136,972</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 1,639	\$ 37,414	\$ 125
Deposits	-	-	-
Due to other funds	30,596	-	-
Total Liabilities	<u>32,235</u>	<u>37,414</u>	<u>125</u>
Fund balances			
Nonspendable	4,677	55,829	-
Restricted	-	96,542	1,136,847
Assigned	18,549	855,224	-
Total Fund Balances	<u>23,226</u>	<u>1,007,595</u>	<u>1,136,847</u>
Total Liabilities and Fund Balances	<u>\$ 55,461</u>	<u>\$ 1,045,009</u>	<u>\$ 1,136,972</u>

Debt Service	Total Non-Major Governmental Funds	
	2014	2013
\$ 59,763	\$ 2,233,832	\$ 2,475,294
-	2,867	2,987
-	60,506	46,217
<u>\$ 59,763</u>	<u>\$ 2,297,205</u>	<u>\$ 2,524,498</u>
\$ -	\$ 39,178	\$ 34,207
-	-	10,991
-	30,596	32,577
-	69,774	77,775
-	60,506	46,217
59,763	1,293,152	1,349,190
-	873,773	1,051,316
<u>59,763</u>	<u>2,227,431</u>	<u>2,446,723</u>
<u>\$ 59,763</u>	<u>\$ 2,297,205</u>	<u>\$ 2,524,498</u>

Town of Yorktown, 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)

	Community Development	Public Library	Special Purpose
REVENUES			
Real property taxes	\$ -	\$ 1,944,431	\$ -
Departmental income	-	44,841	-
Intergovernmental charges	-	307,200	-
Use of money and property	147	5,128	2,400
State aid	-	9,472	-
Federal aid	1,357,381	-	-
Miscellaneous	10,003	5,403	75,424
Total Revenues	1,367,531	2,316,475	77,824
EXPENDITURES			
Current			
Economic opportunity and development	1,426,183	-	-
Culture and recreation	-	1,944,624	95,870
Employee benefits	-	359,377	-
Debt service			
Interest	-	2,325	-
Total Expenditures	1,426,183	2,306,326	95,870
Excess (Deficiency) of Revenues Over Expenditures	(58,652)	10,149	(18,046)
OTHER FINANCING USES			
Transfers out	-	(152,916)	-
Net Change in Fund Balances	(58,652)	(142,767)	(18,046)
FUND BALANCES			
Beginning of Year	81,878	1,150,362	1,154,893
End of Year	<u>\$ 23,226</u>	<u>\$ 1,007,595</u>	<u>\$ 1,136,847</u>

Debt Service	Total Non-Major Governmental Funds	
	2014	2013
\$ -	\$ 1,944,431	\$ 2,059,760
-	44,841	143,624
-	307,200	242,066
173	7,848	8,752
-	9,472	8,444
-	1,357,381	1,446,963
-	90,830	15,379
173	3,762,003	3,924,988
-	1,426,183	1,514,811
-	2,040,494	1,882,235
-	359,377	329,313
-	2,325	3,240
-	3,828,379	3,729,599
173	(66,376)	195,389
-	(152,916)	(50,000)
173	(219,292)	145,389
59,590	2,446,723	2,301,334
<u>\$ 59,763</u>	<u>\$ 2,227,431</u>	<u>\$ 2,446,723</u>

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 47,917	\$ 119,526
Due from other governments	2,867	2,987
Prepaid expenditures	<u>4,677</u>	<u>4,453</u>
 Total Assets	 <u>\$ 55,461</u>	 <u>\$ 126,966</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 1,639	\$ 1,520
Deposits	-	10,991
Due to other funds	<u>30,596</u>	<u>32,577</u>
 Total Liabilities	 <u>32,235</u>	 <u>45,088</u>
 Fund balance		
Nonspendable	4,677	4,453
Assigned	<u>18,549</u>	<u>77,425</u>
 Total Fund Balance	 <u>23,226</u>	 <u>81,878</u>
 Total Liabilities and Fund Balance	 <u>\$ 55,461</u>	 <u>\$ 126,966</u>

Town of Yorktown, New York

Community Development Fund -
Housing Assistance Payments Program
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
REVENUES		
Use of money and property	\$ 147	\$ 167
Federal aid	1,357,381	1,446,963
Miscellaneous	<u>10,003</u>	<u>5,685</u>
 Total Revenues	 1,367,531	 1,452,815
 EXPENDITURES		
Current		
Economic opportunity and development	<u>1,426,183</u>	<u>1,514,811</u>
 Deficiency of Revenues Over Expenditures	 (58,652)	 (61,996)
 FUND BALANCE		
Beginning of Year	<u>81,878</u>	<u>143,874</u>
 End of Year	 <u>\$ 23,226</u>	 <u>\$ 81,878</u>

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Town of Yorktown, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	\$ 989,180	\$ 1,140,905
Prepaid expenditures	<u>55,829</u>	<u>41,764</u>
Total Assets	<u>\$ 1,045,009</u>	<u>\$ 1,182,669</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	<u>\$ 37,414</u>	<u>\$ 32,307</u>
Fund balance		
Nonspendable	55,829	41,764
Restricted	96,542	134,707
Assigned	<u>855,224</u>	<u>973,891</u>
Total Fund Balance	<u>1,007,595</u>	<u>1,150,362</u>
Total Liabilities and Fund Balance	<u>\$ 1,045,009</u>	<u>\$ 1,182,669</u>

Town of Yorktown, New York

Public Library Fund

Comparative Schedule of Revenues, Expenditures and Changes in

Fund Balance - Budget and Actual

Years Ended December 31,

	2014			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 1,944,431	\$ 1,944,431	\$ 1,944,431	\$ -
Departmental income	50,000	50,000	44,841	(5,159)
Intergovernmental charges	240,000	240,000	307,200	67,200
Use of money and property	5,000	5,000	5,128	128
State aid	8,000	8,000	9,472	1,472
Miscellaneous	4,750	4,750	5,403	653
Total Revenues	<u>2,252,181</u>	<u>2,252,181</u>	<u>2,316,475</u>	<u>64,294</u>
EXPENDITURES				
Current				
Culture and recreation	2,024,683	2,047,204	1,944,624	102,580
Employee benefits	400,275	400,890	359,377	41,513
Debt service				
Interest				
Bond anticipation notes	<u>4,500</u>	<u>4,500</u>	<u>2,325</u>	<u>2,175</u>
Total Expenditures	<u>2,429,458</u>	<u>2,452,594</u>	<u>2,306,326</u>	<u>146,268</u>
Excess (Deficiency) of Revenues Over Expenditures	(177,277)	(200,413)	10,149	210,562
OTHER FINANCING USES				
Transfers out	<u>(50,000)</u>	<u>(152,916)</u>	<u>(152,916)</u>	<u>-</u>
Net Change in Fund Balance	(227,277)	(353,329)	(142,767)	210,562
FUND BALANCE				
Beginning of Year	<u>227,277</u>	<u>353,329</u>	<u>1,150,362</u>	<u>797,033</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,007,595</u>	<u>\$ 1,007,595</u>

2013

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,059,750	\$ 2,059,750	\$ 2,059,760	\$ 10
50,000	50,000	57,128	7,128
233,000	233,000	242,066	9,066
5,000	5,000	5,159	159
8,000	8,000	8,444	444
5,650	5,650	9,694	4,044
<u>2,361,400</u>	<u>2,361,400</u>	<u>2,382,251</u>	<u>20,851</u>
1,938,400	1,935,971	1,845,882	90,089
364,500	366,929	329,313	37,616
<u>8,500</u>	<u>8,500</u>	<u>3,240</u>	<u>5,260</u>
<u>2,311,400</u>	<u>2,311,400</u>	<u>2,178,435</u>	<u>132,965</u>
50,000	50,000	203,816	153,816
<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
-	-	153,816	153,816
-	-	996,546	996,546
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,362</u>	<u>\$ 1,150,362</u>

Town of Yorktown, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 1,136,972</u>	<u>\$ 1,155,273</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 125	\$ 380
Fund balance		
Restricted	<u>1,136,847</u>	<u>1,154,893</u>
Total Liabilities and Fund Balance	<u>\$ 1,136,972</u>	<u>\$ 1,155,273</u>

Town of Yorktown, 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>
REVENUES		
Use of money and property	\$ 2,400	\$ 3,246
Miscellaneous	<u>75,424</u>	<u>86,496</u>
Total Revenues	77,824	89,742
EXPENDITURES		
Current		
Culture and recreation	<u>95,870</u>	<u>36,353</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,046)	53,389
FUND BALANCE		
Beginning of Year	<u>1,154,893</u>	<u>1,101,504</u>
End of Year	<u><u>\$ 1,136,847</u></u>	<u><u>\$ 1,154,893</u></u>

Town of Yorktown, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2014</u>	<u>2013</u>
ASSETS		
Cash and equivalents	<u>\$ 59,763</u>	<u>\$ 59,590</u>
FUND BALANCE		
Restricted	<u>\$ 59,763</u>	<u>\$ 59,590</u>

Town of Yorktown, New York

Debt Service Fund
Comparative Statement of Revenues, Expenditures and Changes
in Fund Balance
Years Ended December 31,

	<u>2014</u>	<u>2013</u>
	<u>Actual</u>	<u>Actual</u>
REVENUES		
Use of money and property	\$ 173	\$ 180
EXPENDITURES		
	-	-
Excess of Revenues Over Expenditures	173	180
FUND BALANCE		
Beginning of Year	<u>59,590</u>	<u>59,410</u>
End of Year	<u><u>\$ 59,763</u></u>	<u><u>\$ 59,590</u></u>

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Net Position
 December 31, 2014
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2014	2013
ASSETS				
Cash and equivalents	\$ 382,575	\$ 39,017	\$ 421,592	\$ 392,945
LIABILITIES				
Current liabilities				
Current portion of claims payable	65,000	10,000	75,000	95,400
Non-current liabilities				
Claims payable, less current portion	581,680	60,036	641,716	856,733
Total Liabilities	646,680	70,036	716,716	952,133
NET POSITION				
Unrestricted	\$ (264,105)	\$ (31,019)	\$ (295,124)	\$ (559,188)

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Revenues, Expenses and Changes
 in Net Position
 Year Ended December 31, 2014
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	General Liability Claims	Totals	
			2014	2013
OPERATING REVENUES				
Charges for services	\$ 558,171	\$ 64,193	\$ 622,364	\$ 374,428
Miscellaneous	165,843	-	165,843	121,683
Total Operating Revenues	724,014	64,193	788,207	496,111
OPERATING EXPENSES				
Workers' compensation benefits	474,853	-	474,853	765,220
Judgments and claims	-	49,792	49,792	107,515
Total Operating Expenses	474,853	49,792	524,645	872,735
Income (Loss) from Operations	249,161	14,401	263,562	(376,624)
NON-OPERATING REVENUES				
Interest income	429	73	502	451
Change in Net Position	249,590	14,474	264,064	(376,173)
NET POSITION				
Beginning of Year	(513,695)	(45,493)	(559,188)	(183,015)
End of Year	\$ (264,105)	\$ (31,019)	\$ (295,124)	\$ (559,188)

Town of Yorktown, New York

Proprietary Funds - Internal Service Funds
 Combining Statement of Cash Flows
 Year Ended December 31, 2014
 (With Comparative Totals for 2013)

	Workers' Compensation Benefits	General Liability Claims
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from charges for services	\$ 558,171	\$ 64,193
Cash received from insurance carriers, claimants and others	165,843	-
Cash payments to insurance carriers, claimants and others	<u>(646,077)</u>	<u>(113,985)</u>
Net Cash from Operating Activities	<u>77,937</u>	<u>(49,792)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>429</u>	<u>73</u>
Net Change in Cash and Equivalents	78,366	(49,719)
CASH AND EQUIVALENTS		
Beginning of Year	<u>304,209</u>	<u>88,736</u>
End of Year	<u>\$ 382,575</u>	<u>\$ 39,017</u>
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH FROM OPERATING ACTIVITIES		
Income (loss) from operations	\$ 249,161	\$ 14,401
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Changes in assets and liabilities		
Accounts receivable	-	-
Claims payable	<u>(171,224)</u>	<u>(64,193)</u>
Net Cash from Operating Activities	<u>\$ 77,937</u>	<u>\$ (49,792)</u>

Totals	
2014	2013
\$ 622,364	\$ 422,231
165,843	121,683
<u>(760,062)</u>	<u>(621,355)</u>
<u>28,145</u>	<u>(77,441)</u>
<u>502</u>	<u>451</u>
28,647	(76,990)
<u>392,945</u>	<u>469,935</u>
<u>\$ 421,592</u>	<u>\$ 392,945</u>
\$ 263,562	\$ (376,624)
-	47,803
<u>(235,417)</u>	<u>251,380</u>
<u>\$ 28,145</u>	<u>\$ (77,441)</u>

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Yorktown, 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, and have issued our report thereon dated June 17, 2015.

Internal Control Over Financial Reporting

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

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

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

O'CONNOR DAVIES, LLP

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Compliance and Other Matters

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

We noted certain matters that we reported to the management of the Town in a separate letter.

Purpose of this Report

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

O'Connor Davies, LLP

O'Connor Davies, LLP

Harrison, New York

June 17, 2015

**Report on Compliance For Each Major Federal Program and Report on
Internal Control Over Compliance**

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Yorktown, New York's ("Town") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2014. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of finding and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



O'Connor Davies, LLP

Harrison, New York

June 17, 2015

Town of Yorktown, New York

Schedule of Expenditures of Federal Awards
Year Ending December 31, 2014

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number (1)</u>	<u>Federal Program Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>		
Direct Program Section 8 Housing Choice Vouchers	14.871	<u>\$ 1,426,183</u>
<u>Department of Justice</u>		
Direct Program Bullet Proof Vest	16.607	<u>3,446</u>
<u>U.S. Department of Health and Human Services</u>		
Indirect Programs - Passed through County of Westchester Special Programs for the Aging - Title III Part B	93.044	6,743
Special Programs for the Aging - Title III Part C	93.045	<u>41,189</u>
Total U.S. Department of Health and Human Services		<u>47,932</u>
Total		<u>\$ 1,477,561</u>

(1) Catalog of Federal Domestic Assistance Number

The accompanying notes are an integral part of this schedule.

Town of Yorktown, New York

Notes to Schedule of Expenditures of Federal Awards
December 31, 2014

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Town of Yorktown, New York (the "Town") under programs of the federal government for the year ended December 31, 2014. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in the net position or cash flows of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, which establishes principles and standards for determining costs for the Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and Local governments.

Town of Yorktown, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014

None

Town of Yorktown, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditors' report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

Yes No

Identification of major programs

CFDA Number(s)

Name of Federal Program or Cluster

14.871

Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between Type A and Type B programs
Auditee qualified as low-risk auditee?

\$300,000
 Yes No

Town of Yorktown, New York

Schedule of Findings and Questioned Costs (Concluded)
Year Ended December 31, 2014

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

Finding 2014-001: *Depository Agreement*

Federal Agency: U.S. Department of Housing and Urban Development
CFDA 14.871, Section 8 Housing Choice Vouchers

Criteria:

Public Housing Authority's (PHA's) are required to enter into depository agreements with their financial institutions in the form required by HUD. The agreements serve as safeguards for Federal funds and provide third-party rights to HUD. Among the terms in many agreements are requirements for funds to be placed in an interest-bearing account.

Condition:

The PHA has requested a depository agreement with their bank, however, the agreement was not in place at the end of the current fiscal year.

Cause:

The PHA has not received from its bank the required depository agreement.

Effect:

The PHA is not in compliance with the HUD requirements.

Recommendation:

PHA has must meet the terms of the agreements, including that funds are placed in an interest-bearing account if required by the depository agreement.

