TOWN OF PLATTSBURGH, NEW YORK

Independent Auditors' Report
Financial Statements and Required Supplementary Information

December 31, 2014

TOWN OF PLATTSBURGH, NEW YORK

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INDEPENDENT AUDITORS' REPORT

To the Town Board and Supervisor
Town of Plattsburgh, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Plattsburgh, New York, 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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Basis for Qualified Opinion

The financial statements of the Town of Plattsburgh, New York include account balances of certain Major Special Revenue Funds that are unaudited, as discussed in note 9 to these financial statements. We were unable to audit a significant portion of the Town's Special Revenue Water, Sewer and Water/Sewer Administration Funds due to lack of sufficient accounting reports supporting the financial activities and we were unable to satisfy ourselves by means of other auditing procedures.

Qualified Opinion

In our opinion, except for the possible effects of the matter discussed in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the Major Special Revenue Water, Sewer and Water/Sewer Administration Funds for the Town of Plattsburgh, New York, as of December 31, 2014 and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information for the Town of Plattsburgh, New York, as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information:

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and post-employment health care benefits on pages 3 through 8 and 41 through 44 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

Abbott, Frenyea & Russell
CPA's, P.C.

July 29, 2015

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TOWN OF PLATTSBURGH

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2014

As management of the Town of Plattsburgh, this narrative is an overview and analysis of the financial activities of the Town of Plattsburgh for the fiscal year ended December 31, 2014. This material is presented here in conjunction with additional information that the Town has furnished in the financial statement that follows this narrative.

Financial Highlights

- The assets of the Town of Plattsburgh exceeded its liabilities at the close of the fiscal year 2014 by $36,191,228; an increase of $840,266 from the fiscal year 2013
- As of the close of the fiscal year, the Town of Plattsburgh's funds reported a total ending fund balance of $7,644,254, an increase of $2,536,213 from the fiscal year 2013. Approximately 96% is available for spending at the government's discretion.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was $1,051,666 for the fiscal year 2014. This represents a $558,976 increase from the fiscal year 2013.
- The Town of Plattsburgh's total debt decreased by $1,103,420 during the current fiscal year.

An actuarial study determined that the Town's total actuarial accrued liability at December 31, 2014 at 4.0% discount rate, totaled $5,326,074. As of December 31, 2014, the Town has recognized a liability for other post-employment liabilities based on the net Annual Required Contribution (ARC) in the amount of $2,469,218. The gross ARC amounted to $634,919 and the Town contributed $62,150 through benefit payments in 2014.

Overview of the Financial Statements

The Town of Plattsburgh's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial

statements. The basic financial statements present two different views of the Town of Plattsburgh fiscal positions through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the understanding of the financial condition of the Town of Plattsburgh.

BASIC FINANCIAL STATEMENTS

The first two statements in the basic financial statements are the Government wide Financial Statements. They provide both short and long term information about the Town's financial status. The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of the Town's government. There are three parts to the Fund Financial Statements: 1) the governmental fund statements: 2) the budgetary comparison statements: and 3) the proprietary statement, if applicable.

The next section of the basic financial statements is the notes. The notes to the financial statements help explain some to the data contained in those statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

GOVERNMENT WIDE-FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide a broad overview of the Town of Plattsburgh's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town of Plattsburgh financial status as a whole. The two government-wide statements report the Town of Plattsburgh's net assets and how they have changed from the previous year. Net assets are the difference between the total assets and total liabilities. Measuring net assets is one way to gauge the financial condition of the Town.

The government-wide statements are divided into three categories: 1) governmental activities: 2) business type activities: and 3) component units. The governmental type activities include all of the Town's basic services such as public safety, highway, parks and recreation, general administration and water and sewer services. Sales taxes, services to other governments, local sources and user charges finance most of these activities.

The government-wide financial statements are on Exhibits A and B of this report.

FUND FINANCIAL STATMENTS

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The Town uses fund accounting to ensure and reflect compliance with finance related legal requirements such as General Statutes or Laws. All funds of the Town can be divided into two categories: government funds or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using the modified accrual method of accounting that

provides a short term spending focus. As a result, the governmental fund financial statements give a detailed short term view that helps determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

The Town of Plattsburgh adopts an annual budget for its General Fund as required by General Statutes. The budget is a legally adopted document that incorporates input from the citizens, the management of the Town and the decisions of the Town Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting in the same format and classifications as the legal budget document.

The statement shows five columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual revenues, charges to appropriations and the ending balances; 4) the encumbered charges; and 5) the difference between the final budget and the actual revenues or charges.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements are found on pages 16 to 36 of this report.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Town of Plattsburgh
Statement of Net Assets

	2014	2013
Current assets	$ 10,796,718	$ 9,748,180
Capital assets, net	37,728,601	38,651,211
Other Assets	-	-
Total Assets	48,525,319	48,399,391
Long-term Liabilities	8,703,664	7,933,325
Other liabilities	3,630,427	5,115,104
Total Liabilities	12,334,091	13,048,429
Net Assets		
Investment in capital assets	29,369,884	29,099,065
Restricted	-	35,902
Unrestricted	6,821,344	6,215,995
TOTAL NET ASSETS (EQUITY)	**$ 36,191,228**	**$ 35,350,962**

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Town exceeded liabilities by $36,191,228 as of December 31, 2014. The Town's net position increased by $840,266 for the fiscal year ended December 31, 2014. However, the largest portion (81%) of net assets reflects the Town of Plattsburgh's investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt still outstanding that was issued to acquire those items. The Town of Plattsburgh uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

Several aspects of the Town of Plattsburgh financial operations that positively influenced the total unrestricted governmental net assets are:

- Sales tax revenues continue to remain steady due to economic growth in the Town.
- Continued low cost of debt due to the current interest rate structure.
- Review by the Town Board of all expenditures to control unnecessary spending.

Financial Analysis of the Town of Plattsburgh Funds

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

Governmental funds focus is to provide information on near term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements in the upcoming years. Specifically, unreserved fund balance can be useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $1,051,666. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35% of the total General Fund expenditures.

At December 31, 2014, the governmental funds of the Town of Plattsburgh reported a combined fund balance of $7,644,254; a 50% increase over 2013. The change in fund balance is primarily due to a reduction in the workforce and related benefits, decrease in capital expenditures, a change in ambulance collections and an increase in revenues due to a bond issuance.

General Fund budgetary highlights: During the fiscal year, the Town of Plattsburgh revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts; and 3) increases in appropriations that become necessary to maintain services.

Capital Assets and Debt Administration

The Town of Plattsburgh's 2014 investment in capital assets for its governmental activities as of December 31, total $37,728,601 (net of accumulated depreciation). These assets include

buildings, roads, land, machinery, equipment, park facilities and vehicles. Major transactions during the year include the purchase of the Cadyville park property, the purchase of street lighting, improvements in the Water Districts and continuing road paving projects.

Capital assets net of depreciation:	2014	2013
Land	$ 1,018,024	$ 1,018,024
Construction in Progress	$ 1,231,876	$ 646,047
Building and Infrastructure	$ 33,826,109	$ 35,207,980
Furniture and Equipment	$ 1,652,592	$ 1,779,160
Total Capital Assets	**$ 37,728,601**	**$ 38,651,211**

As of December 31, 2014 the Town had total bonded debt outstanding of $8,358,726, a decrease in debt when compared to the end of 2013 of $9,462,146. The general statutes limit the amount of general obligation debt that the Town can issue up to seven percent of the total assessed value taxable property located within that government's boundaries. The legal debt limit for the Town of Plattsburgh in 2014 was $73,466,441.

	2014	2013
Total Serial bonds outstanding	$ 5,983,726	$ 5,747,146
Total BAN outstanding	$ 2,375,000	$ 3,715,000
Installment debt	-	-
Total Debt Outstanding	**$ 8,358,726**	**$ 9,462,146**

Below is a comparative statement of the activities for the Town of Plattsburgh fiscal years 2014 and 2013.

STATEMENT OF ACTIVITIES

Functions and programs:	2014	2013
Revenues:		
Charges for services	$ 2,716,911	$ 2,734,879
Operating grant and contributions	8,869	139,129
Capital grants and contributions	166,041	149,826
	$ 2,891,821	$ 3,023,834
Total expenses	$(11,067,629)	$(11,861,049)
Total functions and programs	$ (8,175,808)	$ (8,837,215)
General revenues:		
Real property taxes and related tax items	$ 3,920,853	$ 3,392,808
Non-property tax items	3,825,417	3,854,172
Use of money and property	20,318	19,111
Miscellaneous	791,066	1,270,941
State sources	400,261	346,891
Total general revenues	$ 8,957,915	$ 8,883,923
Change in net assets	$ 782,107	$ 46,708
Total net assets - beginning of year	$ 35,350,962	$ 35,335,222
Adjustment to net assets	58,159	(30,968)
Total net assets - end of year	**$ 35,409,121**	**$ 35,350,962**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budget Highlights for the Fiscal Year Ending December 31, 2014:

Governmental Activities: Economic development in the Town continues to expand providing for economic growth in the Town. The Town is experiencing growth in both the residential and commercial sectors which will have a positive change in the Town's assessed property values. Sales tax revenues which make up a significant portion of the general fund revenues and a moderate portion of the highway revenues are expected to remain constant or decrease slightly. As the State continues to recover from the economic down turn State Aid is expected to remain constant. Property taxes in the special districts continue to be supplemented with PILOT payments from Saranac Power Partners. The Highway Fund will continue to fund expenditures with a highway Town-wide real property tax and sales tax revenues. The Town will use these revenues to keep programs currently in place running.

On June 5, 2015 the New York State Department of State, Division of Cemeteries, made a determination that the Whispering Maples Memorial Gardens, Inc., a not for profit cemetery, was an abandoned cemetery. Whispering Maples Memorial Gardens consists of a mausoleum located in the Town of Plattsburgh and a mausoleum and crematorium located in the Town of Ellenburg. Per Town Law Section 291, the Division removed their board members and ordered that the Towns must accept responsibility for the properties. As a result the mausoleum located within the Town of Plattsburgh's boundaries is expected to be managed by the Town of Plattsburgh.

The Division expects the Town to be responsible for the day-to-day operations and the maintenance of the mausoleum. This abandonment would include all assets and liabilities that the not for profit had incurred. In addition, the Town of Plattsburgh must accept joint ownership of the crematorium located in the Town of Ellenburg. The Town of Plattsburgh will be working with the Town of Ellenburg to determine how the crematorium will be utilized in the future. The Town of Plattsburgh and the Town of Ellenburg Town Boards have retained the legal services of Featherstonehaugh, Wiley & Clyne, LLP to represent them during this process. The municipalities have concerns with the manner in which the Division of Cemeteries has taken this action and with the legal and procedural processes necessary to transfer responsibility of the properties and financial assets and obligations. At this time it is unknown how long the process will take or the final outcomes.

Health Insurance rates, NYS Retirement System employer contributions, fuel costs, road salt and the improvement and maintenance of infrastructure will be the major factors in any increases in the budget.

REQUESTS FOR INFORMATION

This report is designed to provide an overview of the Town of Plattsburgh's finances for those with an interest in this area. Questions concerning any of the information should be direct to Patrick Bowen, Finance Manager, 151 Banker Road, Plattsburgh, New York 12901 or call 518-562-6825

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Exhibit A

Town of Plattsburgh, New York
Statement of Net Position
Governmental Activities
December 31, 2014

ASSETS	
Current Assets:	
Cash:	
Unrestricted	$ 9,117,646
Receivables:	
State and Federal aid	61,141
Due from other governments	1,185,470
Other	432,461
Total current assets	10,796,718
Capital Assets (note 4):	
Land	1,018,024
Buildings	6,019,647
Equipment and furniture	5,802,939
Infastructure	66,075,183
Work in progress	1,231,876
	80,147,669
Less accummulated depreciation	(42,419,068)
Capital assets, net	37,728,601
Total assets	48,525,319
LIABILITIES AND NET POSITION	
Current Liabilities:	
Bonds payable - current portion (note 5)	449,338
Bond anticipation notes (note 5)	2,375,000
Accounts payable	262,058
Accrued liabilities	50,238
Due to employees' retirement	446,896
Due to other governments	43,169
Unearned revenue	3,728
Total current liabilities	3,630,427
Long-term Liabilities:	
Bonds payable - long-term portion (note 5)	5,534,388
Compensated absences (note 5)	700,058
Other post-employment benefits (note 6)	2,469,218
Total long-term liabilities	8,703,664
Total liabilities	12,334,091
Commitments and contingencies (notes 1, 5, 6, and 7)	
Net Position:	
Investment in capital assets, net of related debt	29,369,884
Restricted	-
Unrestricted	6,821,344
Total net position	$ 36,191,228

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See accompanying notes and independent auditors' report.

Exhibit B

Town of Plattsburgh, New York
Statement of Activities
Governmental Activities
For the Year Ended December 31, 2014

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
FUNCTIONS/PROGRAMS					
General support	$ 2,736,824	186,098	5,049	-	(2,545,677)
Public safety	27,834	75	-	-	(27,759)
Health	617,133	-	-	-	(617,133)
Transportation	2,340,276	68,877	-	166,041	(2,105,358)
Economic opportunity and development	27,288	-	-	-	(27,288)
Culture and recreation	292,258	17,908	3,820	-	(270,530)
Home and community service	2,454,271	2,443,953	-	-	(10,318)
Employee benefits (note 6)	2,435,737	-	-	-	(2,435,737)
Interest on long-term debt (note 5)	136,008	-	-	-	(136,008)
Total functions and programs	$ 11,067,629	2,716,911	8,869	166,041	(8,175,808)
GENERAL REVENUES					
Real property taxes and related tax items					3,920,853
Non-property tax items					3,825,417
Use of money and property					20,318
Miscellaneous					791,066
State sources					400,261
Total general revenues					8,957,915
Change in net position					782,107
Total net position - beginning of year, as restated (note 8)					35,409,121
Total net position - end of year					$ 36,191,228

See accompanying notes and independent auditors' report.

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Town of Plattsburgh, New York
Balance Sheet - Governmental Funds
December 31, 2014

Exhibit C

	General	Capital Projects	Major Special Revenue: Highway	Major Special Revenue: Miscellaneous	Major Special Revenue: Sewer	Major Special Revenue: Water	Non-Major Special Revenue	Total Governmental Funds
ASSETS								
Cash:								
Unrestricted	$ 891,745	1,912,150	186,354	782,250	2,571,595	2,087,775	685,777	9,117,646
Receivables:								
Due from other funds (note 3)	-	107,000	150,673	-	131,000	10,000	-	398,673
State and Federal aid	-	61,141	-	-	-	-	-	61,141
Due from other governments	590,409	-	420,895	5,617	92,565	75,984	-	1,185,470
Other	137,215	-	-	26,241	169,195	99,810	-	432,461
Total assets	$1,619,369	2,080,291	757,922	814,108	2,964,355	2,273,569	685,777	11,195,391
LIABILITIES								
Payables:								
Accounts payable	$ 50,796	16,874	26,527	18,038	61,794	78,166	9,863	262,058
Accrued liabilities	7,058	-	7,862	6,408	-	-	284	21,612
Due to employees' retirement	216,007	-	107,587	117,970	-	-	5,333	446,897
Bond anticipation notes	-	2,375,000	-	-	-	-	-	2,375,000
Due to other funds (note 3)	150,673	141,000	-	-	107,000	-	-	398,673
Due to other governments	43,169	-	-	-	-	-	-	43,169
Unearned revenues	-	-	-	-	-	3,728	-	3,728
Total liabilities	467,703	2,532,874	141,976	142,416	168,794	81,894	15,480	3,551,137
Commitments and contingencies (notes 1, 5, 6, and 7)								
FUND BALANCES								
Fund Balances (note 8):								
Assigned	100,000	2,088,659	615,946	2,083,128	2,379,867	1,195,933	670,297	9,133,830
Unassigned	1,051,666	(2,541,242)	-	-	-	-		(1,489,576)
Total fund balances	1,151,666	(452,583)	615,946	2,083,128	2,379,867	1,195,933	670,297	7,644,254
Total liabilities and fund balances	$1,619,369	2,080,291	757,922	2,225,544	2,548,661	1,277,827	685,777	11,195,391

See accompanying notes and independent auditors' report.

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Exhibit D

Town of Plattsburgh, New York
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2014

	General	Capital Projects	Major Special Revenue				Non-Major Special Revenue	Total Governmental Funds
			Highway	Miscellaneous	Sewer	Water		
REVENUES								
Real property taxes	$ 80,224	-	1,093,073	488,290	489,780	1,544,150	225,336	3,920,853
Non-property tax items	2,565,071	-	1,260,346	-	-	-	-	3,825,417
Departmental income	33,370	-	-	95,659	1,381,304	951,762	-	2,462,095
Charges for services	5,347	-	68,877	180,592	-	-	-	254,816
Use of money and property	8,173	2,501	1,215	1,905	3,321	2,699	504	20,318
Licenses and permits	89,306	-	-	-	-	88,729	-	178,035
Sale of property and compensation for loss	301,578	-	12,151	250,937	-	-	-	564,666
Miscellaneous	10,434	1,500	231	36	36,514	-	-	48,715
State aid	408,780	-	166,041	-	-	-	-	574,821
Federal aid	-	-	-	-	-	-	-	-
Total revenues	3,502,283	4,001	2,601,934	1,017,419	1,910,919	2,587,340	225,840	11,849,736
EXPENDITURES								
General support	1,484,191	-	-	1,025,348	-	-	-	2,509,539
Public safety	27,834	-	-	-	-	-	-	27,834
Health	578	-	-	616,555	-	-	-	617,133
Transportation	77,193	-	1,312,850	-	-	-	158,235	1,548,278
Economic opportunity and development	27,288	-	-	-	-	-	-	27,288
Culture and recreation	248,540	-	-	-	-	-	-	248,540
Home and community service	323,103	-	-	-	854,498	383,167	352	1,561,120
Employee benefits	804,186	-	525,796	506,647	-	-	26,335	1,862,964
Debt service:								
Principal	-	60,000	100,000	-	49,863	793,668	100,000	1,103,531
Interest	3,426	-	7,595	-	76,690	51,244	4,749	143,704
Capital outlay	20,515	585,828	449,124	4,430	-	-	1,849	1,061,746
Total expenditures	3,016,854	645,828	2,395,365	2,152,980	981,051	1,228,079	291,520	10,711,677
Excess (deficiency) of revenues over expenditures	485,429	(641,827)	206,569	(1,135,561)	929,868	1,359,261	(65,680)	1,138,059
OTHER FINANCING SOURCES AND USES								
BAN's redeemed from appropriations	-	665,000	-	-	-	-	-	665,000
Serial bonds issued	-	675,000	-	-	-	-	-	675,000
Operating transfers in	15,000	332,000	-		29,229	6,509	-	382,738
Operating transfers out	-	(35,738)	-	(15,000)	(332,000)	-	-	(382,738)
Total other sources (uses)	15,000	1,636,262	-	(15,000)	(302,771)	6,509	-	1,340,000
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	500,429	994,435	206,569	(1,150,561)	627,097	1,365,770	(65,680)	2,478,059
Fund balances (deficit) - beginning of year, as restated (note 8)	651,237	(1,447,018)	409,377	1,821,975	2,166,264	828,383	735,977	5,166,195
Fund balances (deficit) - end of year	$1,151,666	(452,583)	615,946	671,414	2,793,361	2,194,153	670,297	7,644,254

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See accompanying notes and independent auditors' report.

Exhibit E

TOWN OF PLATTSBURGH, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total Fund Balances in the Fund Financial Statements for the Governmental Funds	$ 7,644,254
Capital assets are included as assets in the government-wide financial statements, net of accumulated depreciation.	37,728,601
Long-term liabilities for bonded debt are included in the government-wide financial statements as liabilities.	(5,983,726)
Current liabilities for interest payable on long-term debt are included in the government-wide financial statements as liabilities.	(28,626)
Long-term liabilities for compensated absences are included in the government-wide financial statements as liabilities.	(700,057)
Long-term liabilities for other post-employment benefits are included in the government-wide financial statements as liabilities.	(2,469,218)
Total Net Position – End of Year	$ 36,191,228

See accompanying notes and independent auditors' report.

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TOWN OF PLATTSBURGH, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Total Net Change in Fund Balances – Governmental Funds	$	2,478,059
Current year capital outlays reported as expenditures in the governmental fund financial statements are shown as increases in capital assets in the government-wide financial statements.		1,061,746
Current year debt principal payments reported as expenditures in the governmental fund financial statements are shown as a reduction in debt in the government-wide financial statements.		1,103,531
Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.		7,696
Compensated absences are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when compensated absences time is used.		28,204
Other post-employment benefits are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when benefits are paid.		(572,773)
Current year gain on sale of capital assets is reported as an increase in revenue on the government-wide financial statements and is not recorded on the governmental fund financial statements and the related proceeds are reported as a revenue on the governmental fund financial statements and are not reported on the government-wide financial statements.		-
Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position.		(1,984,356)
Bond anticipation notes redeemed from appropriations and serial bonds issued are shown as an other financing source on the governmental fund financial statements and are recorded as a liability on the government-wide financial statements.		(1,340,000)
Change in Net Position of Governmental Activities	$	782,107

See accompanying notes and independent auditors' report.

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Exhibit G

Town of Plattsburgh, New York
Statement of Fiduciary Net Position - Fiduciary Funds
December 31, 2014

	Agency
ASSETS	
Cash	$ 518,206
Total assets	518,206
LIABILITIES	
Other liabilities	518,206
Total liabilities	518,206
NET POSITION	
Net position	$ -

See accompanying notes and independent auditors' report.

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(1) Summary of Significant Accounting Policies:

The financial statements of the Town of Plattsburgh, New York have been prepared in conformity with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard-setting body for establishing governmental accounting and financial reporting principles.

Certain significant accounting principles and policies utilized by the Town are described below:

Financial Reporting Entity - The Town of Plattsburgh, New York, which was incorporated in 1785, is governed by the town law and other general laws of the State of New York and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the supervisor and four councilmen. The supervisor serves as chief executive officer and the chief fiscal officer of the Town.

The following basic services are provided:

Highways and streets
Water and sewage
Street lighting
Culture and recreation
Planning and zoning
General administrative services

The reporting entity of the Town is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the Town and any component unit or other organizational entity determined to be includable in the Town's financial reporting entity. The decision to include a potential component unit or other organizational entity in the Town's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. The Town does not have any reportable component units or other organizational entities for the year ended December 31, 2014. The Town is not a component unit of another reporting entity.

(1) Summary of Significant Accounting Policies, Continued:

Basis of Presentation -

1. Government-wide Statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other exchange and non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings.

2. Fund Financial Statements

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

(1) Summary of Significant Accounting Policies, Continued:

Basis of Presentation, Continued:

2. Fund Financial Statements, Continued:

The Town reports the following major governmental funds:

General Fund: This is the Town's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Highway Special Revenue: This fund is used to account for revenues and expenditures for highway purposes in accordance with Section 141 of the Highway Law.

Water/Sewer Administration Special Revenue Fund: This fund is used to account for revenues and expenditures for the administration of the Town's Water and Sewer Departments as well as the Town's ambulance district.

Sewer Special Revenue: This fund is used to account for taxes or other revenues, which are raised or received to provide sewage disposal services to the Town's residents and businesses.

Water Special Revenue: This fund is used to account for taxes or other revenues, which are raised or received to provide water distribution services to the Town's residents and businesses.

Capital Projects Funds: These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Measurement Focus and Basis of Accounting:

1. Government-wide Financial Statements

The Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

(1) Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting, Continued:

2. Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other governmental fund revenues.

The revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are accrued based on anticipated sales tax revenue due to the Town.

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

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

3. Cash and Investments

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts, time deposit accounts and certificates of deposit.

(1) Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting, Continued:

3. Cash and Investments, Continued

Collateral is required for demand and time deposits and certificates of deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are: obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

At December 31, 2014, the carrying amount of the Town's demand and savings deposits was $9,634,992 and the bank balance was $9,426,641. Of the bank balance, $1,686,578 was covered by Federal depository insurance and $7,740,063 was covered by collateral held by the pledging bank in the Town's name. There were no uninsured deposits.

At December 31, 2014, the Town did not hold any time deposits. All monies were deposited in demand and savings accounts.

Cash and cash equivalents include cash on hand, demand deposits and short-term investments. The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

4. Receivables

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

5. Inventories and Prepaid Items

Purchases of inventorial items are recorded as expenditures at the time of purchase and are considered immaterial in amount. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

6. Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable government or business-type activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than $250 to $1,000 (depending on the asset type) and an estimated useful life of two years or more. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated assets are recorded at estimated fair market value at the date of donation.

(1) Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting, Continued:

6. Capital Assets, Continued

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Infrastructure	$ 1,000	SL	25 – 50 Years
Buildings and improvements	1,000	SL	20 – 40 Years
Furniture and equipment	250 – 500	SL	5 – 25 Years

7. Compensated Absences

The Town employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts.

Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

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

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statement, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

(1) Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting, Continued:

8. Long-Term Obligations, Continued

In fund financial statements, governmental fund types 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 debt service expenditures.

9. Unearned Revenue

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

10. Deferred Compensation

Employees of the Town may elect to participate in the New York State Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

11. Post-Employment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees and their dependents. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age and retire under the New York State Employees Retirement System while working for the Town. The cost of providing post-retirement benefits is shared between the Town and the retired employee. The Town recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents, as an expenditure in the year paid.

(1) Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting, Continued:

12. Property Taxes

Property taxes are collected solely through the Highway Fund and Special Districts (sewer, lighting, water and drainage). The tax rates are determined by dividing each district budgeted amount by its assessment value. Revenues for the Highway Fund is received from all Town residents and revenues for special districts are received from Town residents based on whether a particular service is available in their district. The taxes collected are used strictly to extinguish debt attributable to each district.

Real property taxes are levied annually by the Town no later than January 1. Taxes are collected during the period January 1 to March 31.

Uncollected real property taxes are subsequently enforced by the County in which the Town is located. The County pays an amount representing uncollected real property taxes, transmitted to the County for enforcement, to the Town no later than the following April 1.

13. Net Position/Fund Balances:

Net position in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute.

In the governmental fund financial statements, fund balances, as required by Governmental Accounting Standards Board (GASB) Statement 54, are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of Town law, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by formal action by Town ordinance or resolution.
- Assigned - Amounts that are designated by the Town for a particular purpose but do not meet the criteria to be classified as restricted or committed.
- Unassigned - All amounts not included in other spendable classifications.

(1) Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting, Continued:

13. Net Position/Fund Balances, Continued:

The purpose of GASB 54 is to improve the usefulness, including the understandability, of governmental fund balance information by establishing criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

14. Budgetary Procedures and Accounting

1. General Budget Policies – No later than September 30th, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for the general and special revenue funds. After public hearings are conducted to obtain taxpayer comments, but no later than November 20th, the Town Board adopts the Town budget. Any revisions that alter total appropriations of any department or fund must be approved by the Town Board. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects, which remain in effect for the life of the project.

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

3. Encumbrances – Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. For budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Open encumbrances at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements:

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

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

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

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

Differences between governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

a. Long-term revenue differences:

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

b. Capital related differences:

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

c. Long-term debt transaction differences:

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

(3) Interfund Transactions:

The operations of the Town give rise to certain transactions between funds including expenditures and transfers of resources to provide services. These transactions are recorded as interfund revenues, interfund transfers and expenditures in the respective funds.

Individual fund interfund receivable and payable balances at December 31, 2014, arising from these transactions and interfund revenues and expenditures are as follows:

Fund		Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General Fund	$	-	150,673	15,000	-
Major Special Revenue		291,673	107,000	35,738	347,000
Non-Major Special Revenue		-	-	-	-
Capital Projects		107,000	141,000	332,000	35,738
Total governmental activity		398,673	398,673	382,738	382,738
Trust and Agency		-	-	-	-
Total	$	398,673	398,673	382,738	382,738

(4) Capital Assets:

A summary of capital asset balances and activity for the year ended December 31, 2014 is as follows:

	Balance Jan. 1, 2014	Adjustments/ Additions	Retirements/ Reclassifications	Balance Dec. 31, 2014
Governmental activities:				
Capital assets that are not depreciated:				
Land	$ 1,018,024	-	-	1,018,024
Construction in progress	646,047	898,479	(312,650)	1,231,876
Total nondepreciable historical cost	1,664,071	898,479	(312,650)	2,249,900
Capital assets that are depreciated:				
Buildings, infrastructure & improvements	71,782,180	312,650	-	72,094,830
Furniture and equipment	5,838,445	163,267	(198,773)	5,802,939
Total depreciable historical cost	77,620,625	475,917	(198,773)	77,897,769

(4) Capital Assets, Continued:

	Balance Jan. 1, 2014	Adjustments/ Additions	Retirements/ Reclassifications	Balance Dec. 31, 2014
Less accumulated depreciation:				
Buildings, infrastructure & improvements	36,574,200	1,694,521	-	38,268,721
Furniture and equipment	4,059,285	289,835	(198,773)	4,150,347
Total accumulated depreciation	40,633,485	1,984,356	(198,773)	42,419,068
Net depreciable historical cost	36,987,140	(1,508,439)	-	35,478,701
Governmental activities capital assets, net	$ 38,651,211	(609,960)	(312,650)	37,728,601

Depreciation expense was charged to governmental functions as follows:

General support	$ 264,243
Transportation	806,479
Culture & Recreation	30,856
Home & Community Service	882,778
Total	$ 1,984,356

(5) Indebtedness:

Long-Term Debt:

The following is a summary of changes in long-term debt:

	Balance at Dec.31, 2013	Additions	Deletions	Balance at Dec. 31, 2014	Amounts due within one year
Serial bonds	$ 5,747,146	675,000	(438,420)	5,983,726	449,338
Compensated absences	728,261	-	(28,203)	700,058	-
Total	$ 6,475,407	675,000	(466,623)	6,683,784	449,338

Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.

(5) Indebtedness, Continued:

Long-Term Debt, Continued:

Bonds are comprised of the following:

Serial Bonds:

Description of Issue	Issue Date	Final Maturity	Interest Rate %	Outstanding 12/31/14
Champlain Park Water Improvements	3/1981	2/2020	5.000	$ 48,000
Cadyville WD Construction	10/1986	10/2025	6.000	55,000
Treadwell Mills WD Improvements	9/1988	9/2027	6.375	96,000
Wallace Hill WD #1	1/1997	9/2021	5.500	74,100
Treadwell Mills WD	1/1997	9/2017	5.500	12,900
Route #3 SD	1/1997	9/2017	5.500	28,500
Bluff Point SD	1/1997	9/2017	5.500	21,000
Bluff Point WD	1/1997	9/2017	5.500	21,000
Morrisonville WD #1	1/1997	9/2021	5.500	87,500
Cadyville SD - NYSEFC	11/1998	11/2018	0.000	16,930
Wallace Hill WD #2 Phase II - NYSEFC	7/2001	5/2031	0.000	263,143
Wallace Hill SD #3 - NYSEFC	7/2003	7/2033	0.000	336,865
Cumberland Head WD - NYSEFC	7/2003	7/2022	0.000	2,387,788
Champlain Park Sewer Closure - NYSEFC	10/2010	10/2039	7.240	1,860,000
Highway Improvements	8/2014	8/2019	2.750	675,000
Total serial bonds				$ 5,983,726

Bond Anticipation Notes:

Liabilities for the bond anticipation notes (BANs) are accounted for in the capital projects fund. BANs must be renewed annually. Generally, BANs issued for assessable improvements may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. General capital purpose BANs must be converted to long-term obligations within five years after the original issue date.

(5) Indebtedness, Continued:

Long-Term Debt, Continued:

Bond Anticipation Notes, Continued:

The following is an analysis of BANs outstanding at December 31, 2014:

Description of Issue	Interest Rate %	Balance at Dec. 31, 2013	Additions	Deletions	Balance at Dec. 31, 2014
Pleasant Ridge WD/River Crossing	1.24	$525,000	-	(200,000)	325,000
Cadyville Park/ Street Light Purchase	1.19	690,000	-	(100,000)	590,000
Archie Bordeau WD	1.30	175,000	-	(115,000)	60,000
Cadyville/M'ville WD	1.35	600,000	-	(25,000)	575,000
Morrisonville Chlorination	1.35	100,000	-	(100,000)	-
Moffitt Road Water	0.82	850,000	-	(25,000)	825,000
Highway Improvements	0.98	775,000	-	(775,000)	-
		$ 3,715,000	-	(1,340,000)	2,375,000

Debt service expenditures are recorded in the fund that benefited from the capital project financed by the bonds or notes, i.e. the general fund or the appropriate special revenue fund.

Interest expense incurred on serial bonds and bond anticipation notes for the year ended December 31, 2014 is as follows:

Interest paid	$ 143,816
Less interest accrued in the prior year	(36,434)
Plus interest accrued in the current year	28,626
Total expense	$ 136,008

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(5) Indebtedness, Continued:

Long-Term Debt, Continued:

The following is a summary of maturing debt service requirements for serial bonds and bond anticipation notes:

	Interest	Principal	Total
2015	$ 66,363	449,338	515,701
2016	61,595	455,144	516,739
2017	56,564	460,950	517,514
2018	51,382	431,762	483,144
2019 - 2023	208,790	1,863,130	2,071,920
2024 - 2028	148,093	570,286	718,379
2029 - 2033	98,802	538,009	636,811
2034 - 2038	46,742	445,000	491,742
2039	2,422	95,000	97,422
	$ 740,753	5,308,619	6,049,372

(6) Retirement Benefits:

The Town of Plattsburgh participates in the New York State and Local Employees' Retirement System (ERS) and the Public Employees' Group Life Insurance Plan, collectively known as NYSLRS. These are a cost-sharing multiple-employer retirement systems. The NYSLRS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the NYSLRS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the NYSLRS and for the custody and control of the fund. The NYSLRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

(6) Retirement Benefits, Continued:

Funding Policy - The NYSLRS is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contribution based on salaries paid during the NYSLRS' fiscal year ending March 31. Contributions for the current and two preceding years were equal to 100% of the contributions required, and were as follows:

2014	$ 603,063
2013	605,904
2012	516,950

Deferred Compensation Plan - Employees of the Town of Plattsburgh may elect to participate in the NYS Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Postemployment Healthcare Plan – The Town follows GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45). As allowed by GASB 45, the Town has established the net Other Postemployment Benefits (OPEB) obligation at zero at the beginning of the transition year and has applied the measurement and recognition requirements of GASB 45 on a prospective basis.

Plan Description - The Town of Plattsburgh administers a single-employer defined benefit healthcare plan. The plan provides lifetime healthcare insurance for eligible retirees through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are negotiated between the Town and the unions representing Town employees and are negotiated each bargaining period.

Funding Policy - The Town pays 50% of the cost of the current active employee rate for health care benefits paid to qualified retirees while the retiree pays the remaining 50%. The Town has chosen to fund the healthcare benefits as costs are incurred. For the current year, the Town contributed $44,148 toward healthcare benefits.

(6) Retirement Benefits, Continued:

Postemployment Healthcare Plan, Continued:

Annual OPEB Cost and Net OPEB Obligation – The Town's OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over twenty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

Annual required contribution	$ 673,153
Interest on net OPEB obligation	75,858
Adjustment to annual required contribution	(114,092)
Annual OPEB cost	634,919
Contributions made (expected)	(62,150)
Increase in OPEB obligation	572,769
Net OPEB obligation – beginning of year	1,896,449
Net OPEB obligation – end of year	$2,469,218

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and the two preceding years were:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	$ 634,919	9.8%	$ 2,469,218
2013	598,864	9.0%	1,896,449
2012	556,451	14.6%	1,351,480

Funded Status and Funding Process – As of December 31, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was $5,326,074, and the actuarial value of assets was $0, resulting in an unfunded actuarial accrued liability (UAAL) of $5,326,074.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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(6) Retirement Benefits, Continued:

Postemployment Healthcare Plan, Continued:

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

In the December 31, 2013, full actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included an annual medical/prescription blended trend rate of 8.25% initially and a rate of inflation of 2.9%.

(7) Commitments and Contingencies:

Risk Financing and Related Insurance - The Town of Plattsburgh is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees. These risks are covered by commercial insurance purchased from independent third parties. All claims are routinely turned over to the insurance carriers.

Litigation - The Town has received a few Notices of Claims arising principally in the normal course of operations. These claims are being handled by the Town's attorneys and insurance companies. In the opinion of the attorneys, the outcome of these claims are either indeterminable, or will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

The Town also has several open Article 7 proceedings with a potential liability not to exceed approximately $46,592. The outcome of these proceedings is undeterminable and no provision for loss has been recorded.

Grant Programs - The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representative. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

Environmental Concerns - In the normal course of operations, the Town is engaged in activities (i.e. gasoline storage) that are potentially hazardous to the environment. As of December 31, 2014, the Town has not experienced any instances of significant environmental problems.

(7) Commitments and Contingencies, Continued:

Encumbrances – The Town has outstanding commitments related to unperformed contracts for goods and services at December 31, 2014 as follows:

Highway fund	$ 62,500
Water/Sewer Administration fund	85,196
	$ 147,696

(8) Net Position and Fund Balances:

GASB Statement 63, Reporting Deferred Outflows, Deferred Inflows and Net Position, requires the reporting of deferred outflows of resources and deferred inflows of resources in the statement of financial position and a change to the Statement of Net Assets title to the Statement of Position.

GASB Statement 65, Items Previously Reported as Assets and Liabilities, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The following discloses the restatement of net position as of the beginning of the fiscal year:

Net position, beginning of the year, as previously stated	$ 35,350,962
Net adjustment to prior year expenditures	(397)
Net adjustment to prior year revenues	58,547
Rounding	9
Net position, beginning of year, as restated	$ 35,409,121

The following discloses the restatement of fund balances as of the beginning of the fiscal year:

	General Fund	Special Revenue Funds	Capital Projects Fund	Non-Major Special Revenue Funds
Fund balance, beginning of year, as previously stated	$ 592,690	5,226,278	(1,446,903)	735,976
Net adjustment to prior year expenditures	-	(280)	(117)	-
Net adjustment to prior year revenues	58,547	-	-	-
Rounding	-	1	2	1
Fund balance, beginning of year, as restated	$ 651,237	5,225,999	(1,447,018)	735,977

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(8) Net Position and Fund Balances, Continued:

The following is a summary of fund balances at December 31, 2014:

	General Fund	Special Revenue Funds	Capital Projects Fund	Non-Major Special Revenue Funds	Total
Not in spendable form	-	-	-	-	-
Assigned for outstanding purchase orders	$ -	147,696	-	-	147,696
Assigned for excess 2015 budget appropriations	100,000	224,317	-	80,000	404,317
Assigned-unappropriated	-	5,902,861	2,088,659	590,297	8,581,817
Unassigned	1,051,666	-	(2,541,242)	-	(1,489,576)
	$ 1,151,666	6,274,874	(452,583)	670,297	7,644,254

(9) Unaudited Special Revenue Funds:

We were unable to audit a significant portion of the Town's Special Revenue Water, Sewer and Water/Sewer Administration funds due to the lack of sufficient accounting reports supporting its financial activities. This may have been caused by a computer software update from the utility billing software vendor that created irreconcilable errors in the utility departments' billing records. Approximately 3.7% of Special Revenue fund assets and 29.8% of Special Revenue fund revenues represent the Special Revenue Water, Sewer and Water/Sewer Administration funds respective balances that are unaudited.

(10) Use of Estimates:

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

(11) Subsequent Events:

The date to which events occurring after December 31, 2014, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is July 29, 2015, which is the date on which the financial statements were available to be issued. Management feels that no further disclosures to these financial statements are necessary other than the event indicated below:

On June 5, 2015 the New York State Department of State, Division of Cemeteries, made a determination that the Whispering Maples Memorial Gardens, Inc., a not for profit cemetery, was an abandoned cemetery.

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(11) Subsequent Events, Continued:

Whispering Maples Memorial Gardens consists of a mausoleum located in the Town of Plattsburgh and a mausoleum and crematorium located in the Town of Ellenburg. Per Town Law Section 291, the Division removed their board members and ordered that the Towns must accept responsibility for the properties. As a result the mausoleum located within the Town of Plattsburgh's boundaries is expected to be managed by the Town of Plattsburgh.

The Division expects the Town to be responsible for the day-to-day operations and the maintenance of the mausoleum. This abandonment would include all assets and liabilities that the not for profit had incurred. In addition, the Town of Plattsburgh must accept joint ownership of the crematorium located in the Town of Elenburg. The Town of Plattsburgh will be working with the Town of Ellenburg to determine how the crematorium will be utilized in the future.

The Town of Plattsburgh and the Town of Ellenburg Town Boards have retained the legal services of Featherstonehaugh, Wiley & Clyne, LLP to represent them during this process. The municipalities have concerns with the manner in which the Division of Cemeteries has taken this action and with the legal and procedural processes necessary to transfer responsibility of the properties and financial assets and obligations.

At this time it is unknown how long the process will take or the final outcomes.

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James L. Holmes, CPA

Abbott, Frenyea & Russell, CPA's, PC
Certified Public Accountants

Theodore E. Doherty, CPA
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Richard E. Coffey, CPA (1927-2001)
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Town Board and the Supervisor
Town of Plattsburgh, New York:

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plattsburgh, New York as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town of Plattsburgh, New York's basic financial statements and have issued our report thereon dated July 29, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Plattsburgh, New York'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Plattsburgh, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Plattsburgh, New York's internal control.

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

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A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. We consider item 14-01 to be a material weakness.

A significant deficiency is a deficiency, or 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. We consider the deficiency described in the accompany schedule of findings and responses to be a significant deficiency. We consider item 14-02 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Plattsburgh, New York's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as item 14-02.

Town of Plattsburgh New York's Response to Findings

The Town of Plattsburgh, New York's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Town of Plattsburgh, New York's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

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

Abbott, Frenyea & Russell
CPA's, P.C.

July 29, 2015

AF&R

13-01: (See item 14-01)

In 2011, it was discovered that the monthly utility billing interface reports could not be reconciled to the annual utility billing reports. The software company was contacted and they were unable to provide a solution. Since there were no changes or updates to the utility billing system in 2013, it was determined that the system would not provide reliable data for the 2013 yearend audit.

The Town has not been able to resolve this issue with the current software provider. As a result, the Town is in the process of reviewing and analyzing new software for replacement.

13-02: (See item 14-02)

Two instances were noted during the December 31, 2013 audit where the Town's purchasing policy was not followed in regard to bid requirements.

The Town has several departments purchasing small priced items from the same vendors throughout the fiscal year which has caused aggregate purchases with two vendors to exceed the $20,000 threshold per General Municipal Law. To go out to bid is not practical and would result in no benefit to the Town.

13-03: (Item cleared in 2014)

The Town's fixed asset accounting software is still over depreciating assets in the final depreciable year. The software company has been unable to resolve the problem.

The Town is currently developing its own fixed asset program which will properly calculate the depreciation.

13-04: (Item cleared in 2014)

Eighty four (84) items with an original cost of $187,784, including a few large pieces of equipment, were removed from the Town's fixed asset inventory listing because it was determined by management that those items no longer existed. A large number of items were also removed in 2010 and 2012.

The Town continues and will continue to update its fixed asset list to reflect the proper inventory of fixed assets maintained by the Town.

14-01:

In 2011, it was discovered that the monthly utility billing interface reports could not be reconciled to the annual utility billing reports. The software company was contacted and they were unable to provide a solution. Since there were no changes or updates to the utility billing system in 2014, it was determined that the system would not provide reliable data for the 2014 yearend audit.

The Town has not been able to resolve this issue with the current software provider. As a result, the Town is in the process of reviewing and analyzing new software for replacement.

14-02:

Four instances were noted during the December 31, 2014 audit where the Town's purchasing policy was not followed in regard to bid requirements.

The Town has several departments purchasing small priced items from the same vendors throughout the fiscal year which has caused aggregate purchases with four vendors to exceed the $20,000 threshold per General Municipal Law. To go out to bid is not practical and would result in no benefit to the Town.

Schedule 1

Town of Plattsburgh, New York
Other Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual Over (Under)
REVENUES				
Local Sources				
Real property taxes	$ 76,000	$ 76,000	80,224	4,224
Non-property tax items	2,602,631	2,602,631	2,565,071	(37,560)
Departmental income	27,500	27,500	33,370	5,870
Charges for services	3,500	3,500	5,347	1,847
Use of money and property	8,150	8,150	8,173	23
Licenses and permits	62,550	62,550	89,306	26,756
Sale of property and compensation for loss	300,500	300,500	301,578	1,078
Miscellaneous	2,250	2,250	10,434	8,184
Total Local Sources	3,083,081	3,083,081	3,093,503	10,422
State aid	290,000	290,000	408,780	118,780
Federal aid	-	-	-	-
Total Revenues	3,373,081	3,373,081	3,502,283	129,202
OTHER FINANCING SOURCES				
Transfers from other funds	15,000	15,000	15,000	-
Appropriated reserves	(46,748)	14,830	-	-
Total Revenues and Other Financing Sources	$ 3,341,333	3,402,911	3,517,283	129,202

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual And Encumbrances (Over) Under
EXPENDITURES					
General support	$ 1,620,661	$ 1,675,730	1,503,152	-	172,578
Public safety	38,725	38,243	27,834	-	10,409
Health	600	600	578	-	22
Transportation	74,993	77,606	77,193	-	413
Economic opportunity and development	29,228	29,221	27,288	-	1,933
Culture and recreation	296,338	290,805	249,140	-	41,665
Home and community service	382,156	379,086	324,057	-	55,029
Employee benefits	837,132	850,120	804,186	-	45,934
Debt service:					-
Principal	58,000	58,000	-	-	58,000
Interest	3,500	3,500	3,426	-	74
Total Expenditures	3,341,333	3,402,911	3,016,854	-	386,057
OTHER FINANCING USES					
Transfers to other funds	-	-	-	-	-
Total Expenditures and Other Uses	$ 3,341,333	3,402,911	3,016,854	-	386,057
					$ 515,259

See accompanying notes to required supplementary information and independent auditors' report.

Town of Plattsburgh, New York
Other Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual
Major Special Revenue Funds
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual Over (Under)
REVENUES				
Local Sources				
Real property taxes	$ 3,615,270	3,615,270	3,615,293	23
Non-property tax items	1,109,000	1,109,000	1,260,346	151,346
Departmental income	2,140,700	2,140,700	2,428,725	288,025
Charges for services	232,219	232,219	249,469	17,250
Use of money and property	4,425	4,425	9,140	4,715
Licenses and permits	70,400	70,400	88,729	18,329
Sale of property and compensation for loss	516,210	516,210	263,088	(253,122)
Miscellaneous	-	-	36,781	36,781
Total Local Sources	7,688,224	7,688,224	7,951,571	263,347
State aid	150,000	166,296	166,041	(255)
Federal aid	-	-	-	-
Total Revenues	7,838,224	7,854,520	8,117,612	263,092
OTHER FINANCING SOURCES				
Transfers from other funds	-	-	35,738	35,738
Appropriated reserves	(679,493)	(878,781)	-	-
Total Revenues and Other Financing Sources	$ 7,158,731	6,975,739	8,153,350	298,830

	Original Budget	Final Budget	Actual (Budgetary Basis)	Year-end Encumbrances	Final Budget Variance With Budgetary Actual And Encumbrances (Over) Under
EXPENDITURES					
General support	$ 1,432,606	1,486,722	1,029,778	85,196	371,748
Public safety	-	-	-	-	-
Health	1,010,000	1,010,000	616,555	-	393,445
Transportation	1,798,300	1,831,877	1,761,974	62,500	7,403
Economic opportunity and development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Home and community service	2,021,406	1,797,172	1,237,665	-	559,507
Employee benefits	1,133,098	1,161,224	1,032,443	-	128,781
Debt service				-	
Principal	1,010,005	990,315	943,531	-	46,784
Interest	122,300	141,990	135,529	-	6,461
Total Expenditures	8,527,715	8,419,300	6,757,475	147,696	1,514,129
OTHER FINANCING USES					
Transfers to other funds	15,000	15,000	15,000	-	-
Total Expenditures and Other Uses	$ 8,542,715	8,434,300	6,772,475	147,696	1,514,129
					$ 1,812,959

See accompanying notes to required supplementary information and independent auditors' report.

Town of Plattsburgh, New York
Other Required Supplementary Information
Schedule of Funding Progress for Post-employment Health Care Benefits
For the Year Ended December 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B - A)/C)
12/31/10	$ 0	3,802,186	3,802,186	0%	N/A	N/A
12/31/11	0	4,161,346	4,161,346	0%	N/A	N/A
12/31/12	0	4,539,049	4,539,049	0%	N/A	N/A
12/31/13	0	4,858,778	4,858,778	0%	N/A	N/A
12/31/14	0	5,326,074	5,326,074	0%	N/A	N/A

See accompanying notes to required supplementary information and independent auditors' report.

(1) Budgetary Information:

For purposes of comparing current period amounts expended and encumbered with current period budgeted amounts, encumbrances are included with expenditures on Schedule 1 – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Major Special Revenue Fund Types.

A reconciliation of expenditures for the general fund and major special revenue funds on Schedule 1 – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General and Major Special Revenue Fund Types to revenues and expenditures for the respective funds on Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds follows:

Expenditures	General Fund	Major Special Revenue Fund
Expenditures included in budget comparison - Schedule 1	$ 3,016,854	6,905,171
Less encumbrances recorded in budget comparison - Schedule 1	-	(147,696)
Expenditures per Exhibit D	$ 3,016,854	6,757,475

(2) Post-employment Benefits Other Than Pensions:

The Town administers a single employer defined benefit healthcare plan (the Plan). The Plan provides lifetime healthcare for eligible retirees and their spouses through the Town's health insurance plan which covers both active and retired members.

The Schedule of Funding Progress for Post-employment Health Care Benefits Schedule 2 presents information which compares the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets. The Town currently finances its other post-employment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio of actuarial assets to actuarial accrued liabilities is 0%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which is the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the Plan.