

**TOWN OF PLATTSBURGH, NEW YORK**

**Independent Auditors' Report  
Financial Statements and Required Supplementary Information**

**December 31, 2015**

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, 2015 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.

### 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, 2015 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 above 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, 2015, 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, post-employment health care benefits, proportionate share of the net pension liability and contributions to the pension plan on pages 3 through 11 and 50 through 55 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, Frenya & Russell*  
*CPA's, P.C.*

August 5, 2016



## TOWN OF PLATTSBURGH

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Town Attorney

*Michael S. Cashman*  
Supervisor

*Meg LeFevre*  
Deputy Supervisor  
Councilor

## TOWN OF PLATTSBURGH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2015

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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, 2015. 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 and deferred outflows of resources of the Town of Plattsburgh exceeded its liabilities and deferred inflows of resources at the close of the fiscal year 2015 by \$37,049,997; an increase of \$893,577 from the fiscal year 2014
- As of the close of the fiscal year, the Town of Plattsburgh's funds reported a total ending fund balance of \$9,296,454, an increase of \$1,652,200 from the fiscal year 2014. 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 \$1,306,805 for the fiscal year 2015. This represents a \$255,139 increase from the fiscal year 2014.
- The Town of Plattsburgh's total debt decreased by \$1,246,839 during the current fiscal year.

An actuarial study determined that the Town's total actuarial accrued liability at December 31, 2015 at 4.0% discount rate, totaled \$5,816,881. As of December 31, 2015, the Town has recognized a liability for other post-employment liabilities based on the net Annual Required Contribution (ARC) in the amount of \$3,068,681. The gross ARC amounted to \$725,861 and the Town contributed \$73,187 through benefit payments in 2015.

## **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 STATEMENTS

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 19 to 46 of this report.

GOVERNMENT WIDE FINANCIAL ANALYSIS

Town of Plattsburgh, New York  
Statement of Net Position  
December 31, 2015

	2015	2014
Current assets	\$ 11,440,392	\$ 10,796,718
Capital assets, net	37,024,639	37,728,601
Total assets	<u>48,465,031</u>	<u>48,525,319</u>
Deferred Outflows	532,963	-
Total Assets and Deferred Outflows	<u>48,997,994</u>	<u>48,525,319</u>
Long-term Liabilities	9,044,921	8,703,664
Other liabilities	2,878,729	3,630,427
Total liabilities	<u>11,923,650</u>	<u>12,334,091</u>
Deferred Inflows	24,347	-
Net Position		
Investment in capital assets	29,912,752	29,369,884
Restricted	-	-
Unrestricted	7,137,245	6,821,344
Total net position	<u>37,049,997</u>	<u>36,191,228</u>
Total Net Position, Liabilities and Deferred Inflows	<u>\$ 48,997,994</u>	<u>\$ 48,525,319</u>

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$37,049,997 as of December 31, 2015. The Town's net position increased by \$893,577 for the fiscal year ended December 31, 2015. However, the largest portion (76%) 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 \$1,303,753. 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 42% of the total General Fund expenditures.

At December 31, 2015, the governmental funds of the Town of Plattsburgh reported a combined fund balance of \$9,296,454; a 18% increase over 2014. 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 2015 investment in capital assets for its governmental activities as of December 31, total \$37,024,639 (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.

**Town of Plattsburgh, New York  
Capital Assets  
December 31, 2015**

	2015	2014
Land	\$ 1,018,024	\$ 1,018,024
Construction in progress	780,411	1,231,876
Building and infrastructure	33,523,554	33,826,109
Furniture and equipment	1,702,650	1,652,592
Total capital assets	37,024,639	37,728,601

As of December 31, 2015 the Town had total bonded debt outstanding of \$7,111,887, a decrease in debt when compared to the end of 2014 of \$8,358,726. 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 2015 was \$74,856,838.

**Town of Plattsburgh, New York  
Outstanding Debt  
December 31, 2015**

	<b>2015</b>	<b>2014</b>
Serial bonds outstanding	\$ 5,399,387	\$ 5,983,726
BAN outstanding	1,712,500	2,375,000
Installment debt	-	-
Total outstanding debt	7,111,887	8,358,726

Below is a comparative statement of the activities for the Town of Plattsburgh fiscal years 2015 and 2014.

**Town of Plattsburgh  
Statement of Activities  
December 31, 2015**

	<b>2015</b>	<b>2014</b>
<b>Functions and programs:</b>		
Revenues:		
Charges for services	\$ 2,750,287	\$ 2,716,911
Operating grant and contributions	41,867	8,869
Capital grants and contributions	170,151	166,041
	2,962,305	2,891,821
Total expenses	(10,871,153)	(11,067,629)
Total functions and programs	(7,908,848)	(8,175,808)
<b>General revenues:</b>		
Real property taxes and related tax items	4,014,119	3,920,853
Non-property tax items	3,782,538	3,825,417
Use of money and property	22,176	20,318
Miscellaneous	803,746	791,066
State sources	279,885	400,261
Total general revenues	8,902,464	8,957,915
Change in net position	993,616	782,107
Total net position - beginning of year	36,191,228	35,350,962
Adjustment to net position	(134,847)	58,159
Total net position - end of year	\$ 37,049,997	\$ 36,191,228

## *ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES*

### Budget Highlights for the Fiscal Year Ending December 31, 2015:

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 decrease slightly due to lower gas prices. State Aid is expected to remain constant except for a slight increase in highway programs. 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.

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.

On June 5, 2015, the Towns of Plattsburgh and Ellenburg were contacted by representatives of the State of New York's Division of Cemeteries, indicating that Whispering Maples Memorial Gardens, Inc. (Whispering Maples) had been declared abandoned by the state.

Whispering Maples includes a crematory and stand - alone mausoleum in the Town of Ellenburg and a stand - alone Mausoleum in the Town of Plattsburgh.

This abandonment occurred because there was no longer a board of trustees sufficient to conduct the business of the cemetery and that the financial condition prevented its operation for the benefit of the lot owners. Previously, the State Cemetery Board had removed two cemetery trustees by state order which eliminated a quorum necessary for the cemetery to operate. Another not - for - profit cemetery was also solicited to take over operations but those efforts failed to materialize.

Under state law, abandoned cemeteries become the wards of the municipalities in which they are located.

The New York State Division of Cemeteries indicated that Whispering Maples was immediately being turned over to the two towns. Town representatives immediately reached out to the Association of Towns for guidance and assistance in this matter.

Plattsburgh and Ellenburg made it clear from the beginning that their stated priority was to protect the families that had invested in Whispering Maples as well as to protect the taxpayers of the towns.

The consultation with the Association of Towns provided some direction and assisted the communities in engaging the professional services of a firm that specializes in cemetery administration and abandonment.

Consultants were immediately engaged to assist the towns in this situation. The towns, working with professional staff, immediately began discussions and meetings with state officials which

ultimately led to legal action to provide the towns some breathing room so that they could examine the condition of the cemetery operations and the overall financial situation of the cemetery. Working with the Office of the Attorney General, the towns directed that a time of receivership should be implemented to provide for a proper and acceptable transfer of Whispering Maples to the towns. The consultant retained by the towns began to interview individuals for the post of a court appointed receivership. This person would review and manage operations of Whispering Maples and make recommendations relative to the ultimate transfer to the towns. The towns were appreciative of and supported the court appointment of Connie Goedert, Town of Queensbury Cemetery Superintendent, to the post of temporary receiver of the organization. She had agreed to serve at no pay.

Ms. Goedert, working with retained consultants, is updating the organization's structure and planning for the transition to the towns. As part of this process, an application is being drafted to the state's abandoned cemetery fund to allow the towns to apply for a grant of funds to enact significant and comprehensive repair of the mausoleums. Additionally, thanks to the support and efforts of Senator Betty Little and Assemblywoman Janet Duprey, a state budget designation of \$300,000 will be disbursed to the towns for permanent maintenance of the facilities.

The current temporary receivership was expected to expire in June of 2016. There is a great deal of work being conducted in advance for the transition. A structural engineer is currently reviewing all repairs and costs and management refinements are being enacted in all cemetery facilities. A joint public meeting was convened by supervisors of both towns on April 27, 2016 to allow the communities to be updated directly by public officials as well as cemetery industry experts. That meeting outlined that the process for complete repair and restoration of the facilities will take some time.

With the assistance of the Office of the New York State Attorney General, the court appointed state receivership of Whispering Maples has been extended until at least September 2016. This extension allows a thoughtful and thorough transition of the mausoleums to town control and will allow for the detailed application for funds for the restoration of these facilities.

The preliminary structural engineer's report of necessary repairs has been completed. It is now being reviewed in preparation for the repair bids. This process is being completed along with ongoing dialogue between representatives in Albany and the towns of Plattsburgh and Ellenburg. Town officials and our consultants have been at the forefront of this effort. Once this process is completed, a formal application will be submitted to the state to cover the costs of the repairs and restoration of the mausoleums.

Additionally, the proposed new organizational documents for town control of the Whispering Maples facilities are being drafted and reviewed. Ms. Goedert is overseeing the facilities, finances, and recreating records and files to assist the town in our management. We continue to interact with state officials at the State Cemetery Board, the Governor's Office, Senate and Assembly to address the financial concerns at Whispering Maples.

The New York State Cemetery Board took action on a preliminary restoration application to provide funds for the restoration of the Whispering Maples facilities. The State Cemetery Board has authorized payment of \$100,000 to cover the full cost of the next step in correcting the situation at Whispering Maples. These initial funds will be used for engineering and related costs to create all the bidding documents and to pay for the bidding process to complete the restoration of Whispering Maples.

The State Cemetery Board will accept an additional application for costs associated with all construction activities once the bidding process is completed. A final cost for all the repairs will be available once the bidding process has concluded.

The approval of the most recent request for funds from the state, follows a comprehensive initial assessment of the engineering and repair issues at the Plattsburgh and Ellenburg sites. All of these findings will be used to make sure the reconstruction of Whispering Maples is comprehensive.

Again, the current Whispering Maples receivership has been extended to September 2016, our receiver, Ms. Goedert, continues to supervise reorganization of the cemetery records, finances and operations and is working with our professional consultants in reducing costs and streamlining long term operations.

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

**Town of Plattsburgh, New York  
Statement of Net Position  
Governmental Activities  
December 31, 2015**

**ASSETS**

## Current Assets:

Cash:		
Unrestricted	\$	9,754,114
Receivables:		
Due from fiduciary fund (note 3)		371
State and Federal aid		26,602
Due from other governments		1,156,506
Other		502,650
Prepaid expenses		149
Total current assets		<u>11,440,392</u>

## Capital Assets (note 4):

Land		1,018,024
Buildings		6,019,647
Equipment and furniture		6,064,573
Infrastructure		67,477,235
Work in progress		780,411
		<u>81,359,890</u>
Less accumulated depreciation		(44,335,251)
Capital assets, net		<u>37,024,639</u>
Total assets		<u>48,465,031</u>

**DEFERRED OUTFLOW OF RESOURCES**

Pensions (note 6)		532,963
Total assets and deferred outflow of resources		<u>48,997,994</u>

**LIABILITIES AND NET POSITION**

## Current Liabilities:

Bonds payable - current portion (note 5)		590,144
Bond anticipation notes (note 5)		1,712,500
Accounts payable		508,999
Accrued liabilities		67,086
Total current liabilities		<u>2,878,729</u>

## Long-term Liabilities:

Bonds payable - long-term portion (note 5)		4,809,244
Compensated absences (note 5)		734,576
Other post-employment benefits (note 6)		3,068,681
Net pension liability-proportionate share (note 6)		432,420
Total long-term liabilities		<u>9,044,921</u>
Total liabilities		<u>11,923,650</u>

Commitments and contingencies (notes 1, 5, 6, and 7)

**DEFERRED INFLOWS OF RESOURCES**

Pensions (note 6)		<u>24,347</u>
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**NET POSITION**

Investment in capital assets, net of related debt		29,912,752
Restricted		-
Unrestricted		7,137,245
Total net position		<u>37,049,997</u>
Total liabilities, deferred inflows of resources and net position		<u>\$ 48,997,994</u>

See accompanying notes and independent auditors' report.



**Town of Plattsburgh, New York**  
**Statement of Activities**  
**Governmental Activities**  
**For the Year Ended December 31, 2015**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>FUNCTIONS/PROGRAMS</b>				
General support	\$ 2,715,023	212,307	38,867	\$ (2,463,849)
Public safety	26,744	175	-	(26,569)
Health	659,600	-	-	(659,600)
Transportation	2,311,052	70,944	-	(2,069,957)
Economic opportunity and development	31,458	-	-	(31,458)
Culture and recreation	192,865	20,036	3,000	(169,829)
Home and community service	2,531,915	2,446,825	-	(85,090)
Employee benefits (note 6)	2,257,074	-	-	(2,257,074)
Interest on long-term debt (note 5)	145,422	-	-	(145,422)
<b>Total functions and programs</b>	<b>\$ 10,871,153</b>	<b>2,750,287</b>	<b>41,867</b>	<b>\$ (7,908,848)</b>
<b>GENERAL REVENUES</b>				
Real property taxes and related tax items				4,014,119
Non-property tax items				3,782,538
Use of money and property				22,176
Miscellaneous				803,746
State sources				279,885
<b>Total general revenues</b>				<b>8,902,464</b>
<b>Change in net position</b>				<b>993,616</b>
<b>Total net position - beginning of year, as restated (note 8)</b>				<b>36,056,381</b>
<b>Total net position - end of year</b>				<b>\$ 37,049,997</b>

See accompanying notes and independent auditors' report.



Town of Plattsburgh, New York  
Balance Sheet - Governmental Funds  
December 31, 2015

Exhibit C

	General	Capital Projects	Major Special Revenue				Non-Major Special Revenue	Total Governmental Funds
			Highway	Miscellaneous	Sewer	Water		
<b>ASSETS</b>								
Cash:								
Unrestricted	\$ 1,009,937	1,828,035	209,584	1,721,534	2,443,591	1,874,925	666,508	\$ 9,754,114
Receivables:								
Due from other funds (note 3)	371	93	85,000	-	131,000	-	-	216,464
State and Federal aid	26,602	-	-	-	-	-	-	26,602
Due from other governments	465,444	-	502,245	5,191	102,112	81,514	-	1,156,506
Other	138,611	-	3,702	56,038	173,122	131,177	-	502,650
Prepaid expenses	56,162	-	26,646	26,886	-	-	1,459	111,153
<b>Total assets</b>	<b>\$ 1,697,127</b>	<b>1,828,128</b>	<b>827,177</b>	<b>1,809,649</b>	<b>2,849,825</b>	<b>2,087,616</b>	<b>667,967</b>	<b>\$ 11,767,489</b>
<b>LIABILITIES</b>								
Payables:								
Accounts payable	\$ 111,474	206,877	14,761	44,366	109,789	12,702	9,030	\$ 508,999
Accrued liabilities	9,163	-	14,240	9,655	-	-	385	33,443
Due to employees' retirement	-	-	-	-	-	-	-	-
Bond anticipation notes	-	1,712,500	-	-	-	-	-	1,712,500
Due to other funds (note 3)	85,000	131,000	-	-	93	-	-	216,093
Due to other governments	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>205,637</b>	<b>2,050,377</b>	<b>29,001</b>	<b>54,021</b>	<b>109,882</b>	<b>12,702</b>	<b>9,415</b>	<b>\$ 2,471,035</b>
Commitments and contingencies (notes 1, 5, 6, and 7)								
<b>FUND BALANCES</b>								
Fund Balances (note 8):								
Not in spendable form	56,162	-	26,646	26,886	-	-	1,460	\$ 111,154
Assigned	131,575	1,433,306	771,530	1,728,742	2,739,943	2,074,914	657,092	9,537,102
Unassigned	1,303,753	(1,655,555)	-	-	-	-	-	(351,802)
<b>Total fund balances</b>	<b>1,491,490</b>	<b>(222,249)</b>	<b>798,176</b>	<b>1,755,628</b>	<b>2,739,943</b>	<b>2,074,914</b>	<b>658,552</b>	<b>9,296,454</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,697,127</b>	<b>1,828,128</b>	<b>827,177</b>	<b>1,809,649</b>	<b>2,849,825</b>	<b>2,087,616</b>	<b>667,967</b>	<b>\$ 11,767,489</b>

See accompanying notes and independent auditors' report.



**Town of Plattsburgh, New York  
Statement of Revenues, Expenditures  
and Changes in Fund Balances - Governmental Funds  
For the Year Ended December 31, 2015**

Exhibit D

	General	Capital Projects	Major Special Revenue				Non-Major Special Revenue	Total Governmental Funds
			Highway	Miscellaneous	Sewer	Water		
<b>REVENUES</b>								
Real property taxes	\$ 77,897	-	1,069,742	476,800	510,752	1,601,100	277,828	\$ 4,014,119
Non-property tax items	2,567,438	-	1,215,100	-	-	-	-	3,782,538
Departmental income	44,193	-	-	94,189	1,318,166	1,008,910	-	2,465,458
Charges for services	5,972	-	70,944	207,913	-	-	-	284,829
Use of money and property	9,450	1,891	859	2,355	3,671	3,093	857	22,176
Licenses and permits	75,295	-	-	-	-	68,528	-	143,823
Sale of property and compensation for loss	327,322	-	15,712	219,596	-	-	-	562,630
Miscellaneous	17,828	475	23,566	12,730	36,090	-	-	90,689
State aid	309,487	11,000	170,151	-	-	-	-	490,638
Federal aid	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>3,434,882</b>	<b>13,366</b>	<b>2,566,074</b>	<b>1,013,583</b>	<b>1,868,679</b>	<b>2,681,631</b>	<b>278,685</b>	<b>11,856,900</b>
<b>EXPENDITURES</b>								
General support	1,429,175	-	-	987,765	-	-	-	2,416,940
Public safety	26,744	-	-	-	-	-	-	26,744
Health	600	-	-	659,000	-	-	-	659,600
Transportation	77,312	-	1,222,892	-	-	-	157,549	1,457,753
Economic opportunity and development	31,063	-	-	-	-	-	-	31,063
Culture and recreation	161,870	-	-	-	-	-	-	161,870
Home and community service	401,202	-	-	-	893,695	347,058	1,469	1,643,424
Employee benefits	790,433	-	502,612	435,035	-	-	26,250	1,754,330
Debt service:								
Principal	72,500	60,000	135,000	-	51,891	827,447	100,000	1,246,838
Interest	2,603	-	18,557	-	75,018	41,534	2,693	140,405
Capital outlay	114,121	579,904	535,872	92,539	-	-	2,468	1,324,904
<b>Total expenditures</b>	<b>3,107,823</b>	<b>639,904</b>	<b>2,414,933</b>	<b>2,174,339</b>	<b>1,020,804</b>	<b>1,216,039</b>	<b>290,429</b>	<b>10,863,871</b>
Excess (deficiency) of revenues over expenditures	327,259	(626,538)	151,141	(1,160,756)	848,075	1,465,592	(11,744)	993,029
<b>OTHER FINANCING SOURCES AND USES</b>								
BAN's redeemed from appropriations	-	662,500	-	-	-	-	-	662,500
Operating transfers in	15,000	226,353	31,982	848,257	-	-	-	1,121,592
Operating transfers out	-	(31,982)	-	(15,000)	(487,999)	(586,611)	-	(1,121,592)
<b>Total other sources (uses)</b>	<b>15,000</b>	<b>856,871</b>	<b>31,982</b>	<b>833,257</b>	<b>(487,999)</b>	<b>(586,611)</b>	<b>-</b>	<b>662,500</b>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	342,259	230,333	183,123	(327,499)	360,076	878,981	(11,744)	1,655,529
Fund balances (deficit) - beginning of year, as restated (note 8)	1,149,231	(452,582)	615,053	2,083,127	2,379,867	1,195,933	670,296	7,640,925
<b>Fund balances (deficit) - end of year</b>	<b>\$ 1,491,490</b>	<b>(222,249)</b>	<b>798,176</b>	<b>1,755,628</b>	<b>2,739,943</b>	<b>2,074,914</b>	<b>658,552</b>	<b>\$ 9,296,454</b>

See accompanying notes and independent auditors' report.



TOWN OF PLATTSBURGH, NEW YORK  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 DECEMBER 31, 2015

Total Fund Balances in the Fund Financial Statements for the Governmental Funds	\$ 9,296,454
Current assets for prepaid for pension costs are not included in the government-wide financial statements as an asset.	(111,004)
Capital assets are included as assets in the government-wide financial statements, net of accumulated depreciation.	37,024,634
Deferred outflows and inflows of resources related to pensions are included in the government-wide financial statements.	508,616
Long-term liabilities for bonded debt are included in the government-wide financial statements as liabilities.	(5,399,387)
Current liabilities for interest payable on long-term debt are included in the government-wide financial statements as liabilities.	(33,638)
Long-term liabilities for compensated absences are included in the government-wide financial statements as liabilities.	(734,577)
Long-term liabilities for other post-employment benefits are included in the government-wide financial statements as liabilities.	(3,068,681)
Long-term liabilities for the proportionate share of net pension liability are included in the government-wide financial statements as liabilities.	<u>(432,420)</u>
Total Net Position – End of Year	\$ <u>37,049,997</u>

See accompanying notes and independent auditors' report.

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, 2015

Total Net Change in Fund Balances – Governmental Funds	\$ 1,655,529
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.	1,324,892
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.	1,246,838
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.	(5,017)
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.	(34,519)
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.	(599,463)
Current year decrease in proportionate share of net pension liability on the government-wide financial statements is not recognized in governmental funds since it does not provide for current financial resources.	96,719
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.	(11,523)
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.	(2,017,340)
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.	<u>(662,500)</u>
Change in Net Position of Governmental Activities	\$ <u><u>993,616</u></u>

See accompanying notes and independent auditors' report.

Town of Plattsburgh, New York  
 Statement of Fiduciary Net Position - Fiduciary Funds  
 December 31, 2015

	Agency
<b>ASSETS</b>	
Cash	\$ 391,648
Cash - escrow accounts	128,619
Total assets	520,267
 <b>LIABILITIES</b>	
Other liabilities	520,267
Total liabilities	520,267
 <b>NET POSITION</b>	
Net position	\$ -

See accompanying notes and independent auditors' report.



# TOWN OF PLATTSBURGH, NEW YORK

## Notes to Financial Statements

December 31, 2015

### (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, 2015. The Town is not a component unit of another reporting entity.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(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.

## TOWN OF PLATTSBURGH, NEW YORK

### Notes to Financial Statements, Continued

#### (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.

# TOWN OF PLATTSBURGH, NEW YORK

## Notes to Financial Statements, Continued

### (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.

## TOWN OF PLATTSBURGH, NEW YORK

### Notes to Financial Statements, Continued

#### (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, 2015, the carrying amount of the Town's demand and savings deposits was \$9,936,089 and the bank balance was \$9,979,155. Of the bank balance, \$500,000 was covered by Federal depository insurance and \$9,479,155 was covered by collateral held by the pledging bank in the Town's name. There were no uninsured deposits.

At December 31, 2015, the Town did not hold any time deposits. All monies were deposited in demand and savings accounts.

Cash balances of \$208,813 is being held by the Environmental Facilities Corporation (EFC) to be used towards outstanding bond issues.

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.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
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.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(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.

# TOWN OF PLATTSBURGH, NEW YORK

## Notes to Financial Statements, Continued

### (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.

# TOWN OF PLATTSBURGH, NEW YORK

## Notes to Financial Statements, Continued

### (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 30<sup>th</sup>, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1<sup>st</sup>. 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 20<sup>th</sup>, 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.

#### 15. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, 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. The government has three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting, Continued:

16. Deferred Outflows and Inflows of Resources, Continued:

This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. Lastly, are the Towns contributions to the pension systems (ERS Systems) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category and it relates to pensions reported in the Town-wide Statement of Net position. This represents the effect of the net change in the Town's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension systems not included in the pension expense.

(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.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

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

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.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(3) Interfund Transactions, Continued:

Individual fund interfund receivable and payable balances at December 31, 2015, arising from these transactions and interfund revenues and expenditures are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ 371	85,000	15,000	-
Major Special Revenue:				
Highway	85,000	-	31,982	-
Miscellaneous	-	-	848,257	15,000
Sewer	131,000	93	-	487,999
Water	-	-	-	586,611
Non-Major Special Revenue	-	-	-	-
Capital Projects	93	131,000	226,353	31,982
Total governmental activity	216,464	216,093	1,121,592	1,121,592
Trust and Agency	-	371	-	-
Total	\$ 216,464	216,464	1,121,592	1,121,592

(4) Capital Assets:

A summary of capital asset balances and activity for the year ended December 31, 2015 is as follows:

	<u>Balance Jan. 1, 2015</u>	<u>Adjustments/ Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance Dec. 31, 2015</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 1,018,024	-	-	1,018,024
Construction in progress	1,231,876	950,588	(1,402,052)	780,412
Total nondepreciable historical cost	2,249,900	950,588	(1,402,052)	1,798,436
Capital assets that are depreciated:				
Buildings, infrastructure & improvements	72,094,830	1,402,052	-	73,496,882
Furniture and equipment	5,802,939	374,314	(112,679)	6,064,574
Total depreciable historical cost	77,897,769	1,776,366	(112,679)	79,561,456

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(4) Capital Assets, Continued:

	<u>Balance Jan. 1, 2015</u>	<u>Adjustments/ Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Balance Dec. 31, 2015</u>
Less accumulated depreciation:				
Buildings, infrastructure & improvements	38,268,721	1,704,607	-	39,973,328
Furniture and equipment	<u>4,150,347</u>	<u>312,733</u>	<u>(101,157)</u>	<u>4,361,923</u>
Total accumulated depreciation	<u>42,419,068</u>	<u>2,017,340</u>	<u>(101,157)</u>	<u>44,335,251</u>
Net depreciable historical cost	<u>35,478,701</u>	<u>(252,496)</u>	<u>-</u>	<u>35,226,205</u>
Governmental activities capital assets, net	<u>\$ 37,728,601</u>	<u>698,090</u>	<u>(1,402,052)</u>	<u>37,024,639</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 270,333
Transportation	833,713
Culture & Recreation	28,797
Home & Community Service	<u>884,497</u>
Total	<u>\$ 2,017,340</u>

(5) Indebtedness:

Long-Term Debt:

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

	<u>Balance at Dec.31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Dec. 31, 2015</u>	<u>Amounts due within one year</u>
Serial bonds	\$ 5,983,726	-	(584,339)	5,399,387	455,144
Compensated absences	<u>700,058</u>	<u>34,519</u>	<u>-</u>	<u>734,577</u>	<u>-</u>
Total	<u>\$ 6,683,784</u>	<u>34,519</u>	<u>(584,339)</u>	<u>6,133,964</u>	<u>455,144</u>

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

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(5) Indebtedness, Continued:

Long-Term Debt, Continued:

Bonds are comprised of the following:

Serial Bonds:

<u>Description of Issue</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate %</u>	<u>Outstanding 12/31/15</u>
Champlain Park Water Improvements	3/1981	2/2020	5.000	\$ 40,000
Cadyville WD Construction	10/1986	10/2025	6.000	50,000
Treadwell Mills WD Improvements	9/1988	9/2027	6.375	89,000
Wallace Hill WD #1	1/1997	9/2021	5.750	62,200
Treadwell Mills WD	1/1997	9/2017	5.750	8,600
Route #3 SD	1/1997	9/2017	5.750	19,000
Bluff Point SD	1/1997	9/2017	5.750	14,000
Bluff Point WD	1/1997	9/2017	5.750	14,000
Morrisonville WD #1	1/1997	9/2021	5.750	72,200
Cadyville SD - NYSEFC	11/1998	11/2018	0.000	12,697
Wallace Hill WD #2 Phase II - NYSEFC	7/2001	5/2031	0.000	247,664
Wallace Hill SD #3 - NYSEFC	7/2003	7/2033	0.000	321,185
Cumberland Head WD - NYSEFC	7/2003	7/2022	0.000	2,108,841
Champlain Park Sewer Closure - NYSEFC	10/2010	10/2039	2.132	1,800,000
Highway Improvements	8/2014	8/2019	2.750	<u>540,000</u>
Total serial bonds				\$ <u>5,399,387</u>

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.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(5) Indebtedness, Continued:

Long-Term Debt, Continued:

Bond Anticipation Notes, Continued:

The following is an analysis of BANs outstanding at December 31, 2015:

<u>Description of Issue</u>	<u>Interest Rate %</u>	<u>Balance at Dec. 31, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at Dec. 31, 2015</u>
Pleasant Ridge WD/River Crossing	1.19	\$ 325,000	-	(225,000)	\$ 100,000
Cadyville Park/ Street Light Purchase	.90	590,000	-	(172,500)	417,500
Archie Bordeau WD	1.25	60,000	-	(60,000)	-
Cadyville/M'ville WD	1.32	575,000	-	(115,000)	460,000
Moffitt Road Water	0.80	825,000	-	(90,000)	735,000
		<u>\$ 2,375,000</u>	<u>-</u>	<u>(662,500)</u>	<u>\$ 1,712,500</u>

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, 2015 is as follows:

Interest paid	\$ 140,410
Less interest accrued in the prior year	(28,626)
Plus interest accrued in the current year	<u>33,638</u>
Total expense	\$ <u>145,422</u>

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(5) Indebtedness, Continued:

Long-Term Debt, Continued:

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

	<u>Interest</u>	<u>Principal</u>		<u>Total</u>
2016	\$ 61,595	590,144	\$	651,739
2017	56,564	595,950		652,514
2018	51,382	566,762		618,144
2019	48,160	573,329		621,489
2020 - 2024	194,732	1,541,004		1,735,736
2025 - 2029	137,448	563,422		700,870
2030 - 2034	89,073	513,670		602,743
2035 - 2039	<u>35,436</u>	<u>455,000</u>		<u>490,436</u>
	<u>\$ 674,390</u>	<u>5,399,281</u>	\$	<u>6,073,671</u>

(6) Retirement Benefits:

Plan Descriptions and Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of State statute. The Town also participated in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy- The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(6) Retirement Benefits, Continued:

Contributions for the current and two preceding years were equal to 100% of the contributions required, and were as follows:

2015	\$	481,977
2014		603,063
2013		605,904

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015 the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2015 for ERS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Town's proportion of the net pension asset/(liability) was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS in reports provided to the Town.

Actuarial Valuation Date	3/31/2015
Net pension asset/(liability)	\$ (432,422)
Town's portion of the Plan's Total Net pension asset/(liability)	.0128002%

For the year ended December 31, 2015, the Town's recognized pension expense of \$481,977 for ERS. At December 31, 2015 the Town's reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows Of Resources</u>	<u>Deferred Inflows Of Resources</u>
Differences between expected and actual experiences	\$ 13,842	\$ -
Changes in assumptions and actual experiences	-	-
Net difference between projected and actual earnings on pension plan investments	75,106	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	-	24,347
Town's contribution subsequent to measurement date	<u>444,015</u>	<u>-</u>
Total	\$ <u>532,963</u>	\$ <u>24,347</u>

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(6) Retirement Benefits, Continued:

Town contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended:	
2016	\$ 16,150
2017	16,150
2018	16,150
2019	16,150
2020	-
Thereafter	-
Total	\$ <u>64,600</u>

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with updated procedures used to roll forward to total pension liability to the measurement date.

Significant actuarial assumptions used in the valuations were as follows:

Measurement Date	3/31/2015
Actuarial valuation date	4/1/2014
Interest Rate	7.5%
Salary Scale	4.9%
Decrement Tables	April 1, 2005-March 31, 2010
	System's Experience
Inflation rate	2.7%

For ERS, annuitant mortality rates are based on April 1, 2005 - March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014

For ERS, the Actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(6) Retirement Benefits, Continued:

Actuarial Assumptions Continued:

The Long term rate of return on pension plan investments was determined using a build block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

<u>Measurement Date</u>	<u>03/31/2015</u>
Asset Type:	%
Domestic Equity	38
International Equity	13
Private Equity	10
Real Estate	8
Absolute return strategies	3
Mortgages and bonds	18
Opportunistic portfolio	3
Real assets	3
Cash	2
Inflation-indexed bonds	2
Total	<u>100</u>

The discount rate used to calculate the total pension liability was 7.5% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(6) Retirement Benefits, Continued:

Actuarial Assumptions Continued:

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5% for ERS, as well as what the Towns' proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1% lower (6.5% for ERS) or 1% higher (8.5% for ERS) than the current rate:

	1% Decrease <u>6.50%</u>	Current Assumption <u>7.50%</u>	1% Increase <u>8.50%</u>
Employers' proportionate share of the net pension asset (liability)	\$ 2,882,280	\$ 432,422	(\$ 1,635,865)

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation date, were as follows:

Valuation date	<u>3/31/2015</u>
Employer's total pension asset/(liability)	\$(164,591,504)
Plan Net Position	<u>\$ 161,213,259</u>
Employer's net pension asset/(liability)	<u><u>\$ (3,378,245)</u></u>
Ratio of plan net position to the Employers' total pension asset/(liability)	-97.95%

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Prepaid contributions as of December 31, 2015 represent the projected employer contribution for the period of January 1, 2016 through March 31, 2016 based on paid ERS wages multiplied by the employers' contribution rate, by tier. Prepaid contributions as of December 31, 2015 amounted to \$111,004.

New Accounting Standards:

The Town has adopted and implemented all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable as of December 31, 2015:

GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pension* – An amendment of GASB Statements No.27 – and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(6) Retirement Benefits, Continued:

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 \$52,582 toward healthcare benefits.

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	\$ 725,861
Interest on net OPEB obligation	98,769
Adjustment to annual required contribution	<u>(151,980)</u>
Annual OPEB cost	672,650
Contributions made (expected)	<u>(73,187)</u>
Increase in OPEB obligation	599,463
Net OPEB obligation - beginning of year	<u>2,469,218</u>
Net OPEB obligation - end of year	<u>\$ 3,068,681</u>

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(6) Retirement Benefits, Continued:

Postemployment Healthcare Plan, Continued:

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$672,650	10.9%	\$ 3,068,681
2014	634,919	9.8%	2,469,218
2013	598,864	9.0%	1,896,449

Funded Status and Funding Process – As of December 31, 2015, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$5,816,881, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,816,881.

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.

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.



TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(7) Commitments and Contingencies, Continued:

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 \$127,245. 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, 2015, the Town has not experienced any instances of significant environmental problems.

Encumbrances - The Town has outstanding commitments related to unperformed contracts for goods and services at December 31, 2015 as follows:

General fund	\$ 3,052
Highway fund	41,215
Sewer fund	2,310
Water/Sewer Administration fund	<u>124,786</u>
	\$ <u>171,363</u>

(8) Net Position and Fund Balances:

The Town adopted GASB Statement 68, Accounting and Financial Reporting for Pensions, in fiscal year 2015. This statement establishes accounting and financial reporting standards for government participants in a cost-sharing, multiple-employer, defined benefit pension plan. The Town is now required to report a net pension liability, pension expense, and pension deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all employers participating in the plan.

Additionally in 2015, the Town adopted GASB Statement 71, Pension Transition for Contributions Made Subsequent to Measurement Date - an amendment of GASB Statement 68. This statement requires the Town, at transition, to recognize a beginning deferred outflow of resources for its pension contribution, if any, made subsequent to the measurement date of the beginning net pension liability.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(8) Net Position and Fund Balances, Continued:

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	\$ 36,191,228
Net adjustment to prior year expenditures	(2,436)
Net adjustment to prior year revenues	(895)
Beginning System Liability-Employees' Retirement System – net proportionate share	(578,423)
Beginning deferred outflow of resources for contributions subsequent to the measurement date	446,896
Rounding	<u>11</u>
Net position, beginning of year, as restated	\$ <u>36,056,381</u>

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

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Non-Major Special Revenue Funds</u>
Fund balance, beginning of year, as previously stated	\$ 1,151,666	6,274,874	(452,583)	670,297
Net adjustment to prior year expenditures	(2,436)	-	-	-
Net adjustment to prior year revenues	-	(895)	-	-
Rounding	<u>1</u>	<u>1</u>	<u>1</u>	<u>(1)</u>
Fund balance, beginning of year, as restated	\$ <u>1,149,231</u>	<u>6,273,980</u>	<u>(452,582)</u>	<u>670,296</u>

The following is a summary of fund balances at December 31, 2015:

	<u>General Fund</u>	<u>Major Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Non-Major Special Revenue Funds</u>	<u>Total</u>
Not in spendable form	\$ 56,162	53,532	-	1,460	111,154
Assigned for outstanding purchase orders	3,052	168,311	44,187	-	215,550
Assigned for 2016 budget appropriations	128,523	299,984	-	19,019	447,526
Assigned-unappropriated	-	6,846,834	1,389,119	638,073	8,874,026
Unassigned	<u>1,303,753</u>	<u>-</u>	<u>(1,655,555)</u>	<u>-</u>	<u>(351,802)</u>
	\$ <u>1,491,490</u>	<u>7,368,661</u>	<u>(222,249)</u>	<u>658,552</u>	<u>9,296,454</u>

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(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 4.1% of Major Special Revenue fund assets and 29.7% of Major 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, 2015, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is August 5, 2016, 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:

During the summer of 2015, the Towns of Plattsburgh and Ellenburg were contacted by representatives of the State of New York's Division of Cemeteries, indicating that Whispering Maples Memorial Gardens, Inc. (Whispering Maples) had been declared abandoned by the state.

Whispering Maples includes a crematory and stand-alone mausoleum in the Town of Ellenburg and a stand-alone Mausoleum in the Town of Plattsburgh.

This abandonment occurred because there was no longer a board of trustees sufficient to conduct the business of the cemetery and that the financial condition prevented its operation for the benefit of the lot owners. Previously, the State Cemetery Board had removed two cemetery trustees by state order which eliminated a quorum necessary for the cemetery to operate. Another not-for-profit cemetery was also solicited to take over operations but those efforts failed to materialize.

## TOWN OF PLATTSBURGH, NEW YORK

### Notes to Financial Statements, Continued

#### (11) Subsequent Events, Continued:

Under state law, abandoned cemeteries become the wards of the municipalities in which they are located.

The New York State Division of Cemeteries indicated that Whispering Maples was immediately being turned over to the two towns. Town representatives immediately reached out to the Associate of Towns for guidance and assistance in this matter.

Plattsburgh and Ellenburg made it clear from the beginning that their stated priority was to protect the families that had invested in Whispering Maples as well as to protect the taxpayers of the towns.

The consultation with the Association of Towns provided some direction and assisted the communities in engaging the professional services of a firm that specializes in cemetery administration and abandonment.

Consultants were immediately engaged to assist the towns in this situation. The Towns, working with professional staff, immediately began discussions and meetings with state officials which ultimately led to legal action to provide the Towns some breathing room so that they could examine the condition of the cemetery operations and the overall financial situation of the cemetery. Working with the Office of the Attorney General, the Towns directed that a time of receivership should be implemented to provide for a proper and acceptable transfer of Whispering Maples to the Towns. The consultant retained by the Towns began to interview individuals for the post of a court appointed receivership. This person would review and manage operations of Whispering Maples and make recommendations relative to the ultimate transfer to the Towns. The Towns were appreciative of and supported the court appointment of Connie Goedert, Town of Queensbury Cemetery Superintendent, to the post of temporary receiver of the organization. She had agreed to serve at no pay.

Ms. Goedert, working with retained consultants, is updating the organization's structure and planning for the transition to the Towns. As part of this process, an application is being drafted to the state's abandoned cemetery fund to allow the Towns to apply for a grant of funds to enact significant and comprehensive repair of the mausoleums. Additionally, thanks to the support and efforts of Senator Betty Little and Assemblywoman Janet Duprey, a state budget designation of \$300,000 will be disbursed to the Towns for permanent maintenance of the facilities.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(11) Subsequent Events, Continued:

The current temporary receivership was expected to expire in June of 2016. There is a great deal of work being conducted in advance for the transition. A structural engineer is currently reviewing all repairs and costs and management refinements are being enacted in all cemetery facilities. A joint public meeting was convened by supervisors of both Towns on April 27, 2016 to allow the communities to be updated directly by public officials as well as cemetery industry experts. That meeting outlined that the process for complete repair and restoration of the facilities will take some time. The Towns are sincerely appreciative of the patience of our community partners in this process.

With the assistance of the Office of the New York State Attorney General, the court appointed state receivership of Whispering Maples has been extended until at least September 2016. This extension allows a thoughtful and thorough transition of the mausoleums to town control and will allow for the detailed application for funds for the restoration of these facilities.

We thank the Receiver, Ms. Connie Goedert, for her dedication to this effort and for serving our communities without pay.

The preliminary structural engineer's report of necessary repairs has been completed. It is now being reviewed in preparation for the repair bids. This process is being completed along with ongoing dialogue between representatives in Albany and the Towns of Plattsburgh and Ellenburg. Town officials and our consultants have been at the forefront of this effort. Once this process is completed, a formal application will be submitted to the state to cover the costs of the repairs and restoration of the mausoleums.

Additionally, the proposed new organizational documents for town control of the Whispering Maples facilities are being drafted and reviewed. Ms. Goedert is hard at work overseeing the facilities, finances, and recreating records and files to assist the town in our management. We continue to interact with state officials at the State Cemetery Board, the Governor's Office, Senate and Assembly to address the financial concerns at Whispering Maples. In addition to the \$300,000 in repair funds already allocated, Senator Little and Assemblywoman Duprey have also introduced legislation to prohibit the future construction of any similar facility. While this prohibition does not address our immediate concerns, this effort comes out of our recent public meeting where it was stated that such a government supervised failure should not be allowed to happen again. We appreciate the support and efforts of our Albany legislators

The New York State Cemetery Board took action on a preliminary restoration application to provide funds for the restoration of the Whispering Maples facilities. The State Cemetery Board has authorized payment of \$100,000 to cover the full cost of the next step in correcting the situation at Whispering Maples. These initial funds will be used for engineering and related costs to create all the bidding documents and to pay for the bidding process to complete the restoration of Whispering Maples.



TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(11) Subsequent Events, Continued:

The State Cemetery Board will accept an additional application for costs associated with all construction activities once the bidding process is completed. A final cost for all the repairs will be available once the bidding process has concluded.

The approval of the most recent request for funds from the state, follows a comprehensive initial assessment of the engineering and repair issues at the Plattsburgh and Ellenburg sites. All of these findings will be used to make sure the reconstruction of Whispering Maples is comprehensive.

Again, the current Whispering Maples receivership has been extended to September 2016 and we thank our receiver, Ms. Goedert, for continuing in this position at no charge for her services. Her efforts are greatly appreciated.

She continues to supervise reorganization of the cemetery records, finances and operations and is working with our professional consultants in reducing costs and streamlining long term operations.

Our retained consultants worked quickly with all parties to secure an extension of the court ordered receivership to provide additional time for a smooth transition and for a comprehensive application for funds with the state. We will be working with them and with Ms. Goedert to complete a long list of items that must be addressed to create a successful next phase of the operations at Whispering Maples.



**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, 2015, 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 August 5, 2016.

**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.

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. 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.

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, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control described in the accompanying schedule of findings and responses to be a material weakness. We consider item 15-01 to be a material weakness.

## 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 note no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## 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.*

August 5, 2016

TOWN OF PLATTSBURGH

Schedule of Findings and Responses

For the Year Ended December 31, 2015

14-01: (See item 15-01)

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: (Item cleared in 2015)

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.***

15-01:

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 2015, it was determined that the system would not provide reliable data for the 2015 yearend audit.

***The Town has not been able to resolve this issue with the current software provider. As a result, the Town has reviewed several software companies and found that the cost to replace the software is in excess of \$100,000. As the cost is significant, further analysis is being performed.***

**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, 2015**

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance With Budgetary Actual Over (Under)
<b>REVENUES</b>					
<b>Local Sources</b>					
Real property taxes	\$ 77,000	\$ 77,000	77,897		897
Non-property tax items	2,554,319	2,554,319	2,567,438		13,119
Departmental income	40,000	40,000	44,193		4,193
Charges for services	4,000	4,000	5,972		1,972
Use of money and property	7,600	7,600	9,450		1,850
Licenses and permits	53,800	53,800	75,295		21,495
Sale of property and compensation for loss	300,000	300,000	327,322		27,322
Miscellaneous	250	250	17,828		17,578
<b>Total Local Sources</b>	<b>3,036,969</b>	<b>3,036,969</b>	<b>3,125,395</b>		<b>88,426</b>
State aid	308,780	335,382	309,487		(25,895)
Federal aid	-	-	-		-
<b>Total Revenues</b>	<b>3,345,749</b>	<b>3,372,351</b>	<b>3,434,882</b>		<b>62,531</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	15,000	15,000	15,000		-
Appropriated reserves	100,000	100,000	-		-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 3,460,749</b>	<b>3,487,351</b>	<b>3,449,882</b>		<b>62,531</b>
<b>EXPENDITURES</b>					
General support	\$ 1,776,177	\$ 1,785,688	1,542,733	-	242,955
Public safety	35,325	35,355	26,744	-	8,611
Health	750	750	600	-	150
Transportation	78,124	78,514	77,312	-	1,202
Economic opportunity and development	32,683	32,884	31,063	-	1,821
Culture and recreation	170,454	173,128	161,870	-	11,258
Home and community service	425,791	459,925	401,765	3,052	55,108
Employee benefits	866,335	845,997	790,433	-	55,564
Debt service:					
Principal	72,500	72,500	72,500	-	-
Interest	2,610	2,610	2,603	-	7
<b>Total Expenditures</b>	<b>3,460,749</b>	<b>3,487,351</b>	<b>3,107,623</b>	<b>3,052</b>	<b>376,676</b>
<b>OTHER FINANCING USES</b>					
Transfers to other funds	-	-	-	-	-
<b>Total Expenditures and Other Uses</b>	<b>\$ 3,460,749</b>	<b>3,487,351</b>	<b>3,107,623</b>	<b>3,052</b>	<b>376,676</b>
					<b>\$ 439,207</b>

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, 2015**

	Original Budget	Final Budget	Actual (Budgetary Basis)		Final Budget Variance With Budgetary Actual Over (Under)
<b>REVENUES</b>					
<b>Local Sources</b>					
Real property taxes	\$ 3,660,415	3,660,415	3,658,394		(2,021)
Non-property tax items	1,215,100	1,215,100	1,215,100		-
Departmental income	2,149,600	2,149,600	2,421,265		271,665
Charges for services	274,962	274,962	278,857		3,895
Use of money and property	4,625	4,625	9,978		5,353
Licenses and permits	68,500	68,500	68,528		28
Sale of property and compensation for loss	175,000	175,000	235,308		60,308
Miscellaneous	96,090	96,090	72,386		(23,704)
<b>Total Local Sources</b>	<b>7,644,292</b>	<b>7,644,292</b>	<b>7,959,816</b>		<b>315,524</b>
State aid	150,000	170,151	170,151		-
Federal aid	-	-	-		-
<b>Total Revenues</b>	<b>7,794,292</b>	<b>7,814,443</b>	<b>8,129,967</b>		<b>315,524</b>
<b>OTHER FINANCING SOURCES</b>					
Transfers from other funds	32,000	32,000	31,982		(18)
Appropriated reserves	205,622	205,721	-		-
<b>Total Revenues and Other Financing Sources</b>	<b>\$ 8,031,914</b>	<b>8,052,164</b>	<b>8,161,949</b>		<b>315,506</b>
<b>EXPENDITURES</b>					
General support	\$ 1,348,611	1,360,613	1,080,304	124,786	155,523
Public safety	-	-	-	-	-
Health	679,000	679,000	659,000	-	20,000
Transportation	1,888,793	1,908,943	1,758,764	41,215	108,964
Economic opportunity and development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Home and community service	1,777,108	1,555,848	1,240,753	2,310	312,785
Employee benefits	1,117,569	1,105,567	937,647	-	167,920
Debt service	-	-	-	-	-
Principal	1,074,339	1,074,339	1,014,338	-	60,001
Interest	141,494	141,494	135,109	-	6,385
<b>Total Expenditures</b>	<b>8,026,914</b>	<b>7,825,804</b>	<b>6,825,915</b>	<b>168,311</b>	<b>831,578</b>
<b>OTHER FINANCING USES</b>					
Transfers to other funds	-	226,360	226,353	-	7
<b>Total Expenditures and Other Uses</b>	<b>\$ 8,026,914</b>	<b>8,052,164</b>	<b>7,052,268</b>	<b>168,311</b>	<b>831,585</b>
					<b>\$ 1,147,091</b>

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, 2015

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
12/31/15	0	5,816,881	5,816,881	0%	N/A	N/A

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

**TOWN OF PLATTSBURGH**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability-**  
**NYSERS Pension Plan**  
**Last Fiscal Year**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Town's proportion of the net pension liability (asset)	0.0128002%									
Town's proportionate share of the net pension liability	\$ 432,422	-								
District's covered-employee payroll	\$ 3,121,832									
Town's proportionate share of the net pension liability (asset as a percentage of its covered-employee payroll)	13.85%									
Plan fiduciary net position as a percentage of total pension liability	97.9%			-	-					-

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Town is presenting information for those years for which information is available from the NYS Retirement System.

**TOWN OF PLATTSBURGH**  
**Schedule of the Town's Contributions-**  
**NYSERS Pension Plan**  
**Last 10 Fiscal Years**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required contribution	\$ 444,015	\$ 595,862	\$ 624,663	\$ 549,627	\$ 418,919	\$ 315,388	\$ 186,002	\$ 220,491	\$ 227,481	\$ 232,317
Contributions in relation to the contractually required contribution	\$ 444,015	\$ 595,862	\$ 624,663	\$ 549,627	\$ 418,919	\$ 315,388	\$ 186,002	\$ 220,491	\$ 227,481	\$ 232,317
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Districts covered-employee payroll	\$ 3,121,832	\$ 3,006,999	\$ 2,888,651							
Contributions as a percentage	14.2%	19.8%	21.6%							

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Town is presenting information for those years for which information is available from the NYS Retirement System.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Other Required Supplementary Information

December 31, 2015

(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:

<u>Expenditures</u>	<u>General Fund</u>	<u>Major Special Revenue Fund</u>
Expenditures included in budget comparison - Schedule 1	\$ 3,110,675	6,994,226
Less encumbrances recorded in budget comparison - Schedule 1	<u>(3,052)</u>	<u>(168,311)</u>
Expenditures per Exhibit D	\$ <u>3,107,623</u>	<u>6,825,915</u>

(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.