

Town of Somers, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2015

Town of Somers, New York

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Independent Auditors' Report

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

Report on the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2015, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General and Highway funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note 2C and Note 3F in the notes to financial statements which disclose the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board Statement Nos. 68 "Accounting and Financial Reporting for Pensions" and 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

April 28, 2016

Town of Somers, New York

Management's Discussion and Analysis December 31, 2015

Introduction

This discussion and analysis of the Town of Somers, New York's financial statements provides an overview of the financial activities of the Town of Somers for the fiscal year ended December 31, 2015. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights for Fiscal Year 2015

- On the government-wide financial statements, the assets of the Town exceeded its liabilities at the close of fiscal year 2015 by \$11,764,639 which represents a decrease of \$100,035 from fiscal year 2014.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,828,639, a decrease of \$568,416, from the prior year. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$9,810,549. Of this latter amount, the unassigned fund balance was \$3,549,154 or 36%. This amount is available for spending at the Town's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$3,549,154 or 43.2% of total General Fund expenditures and other financing uses. The General Fund reported an ending fund balance of \$5,478,195 which represents an increase of \$545,820 from fiscal year 2014.
- During 2015, the Town issued \$3,300,000 of public improvement refunding bonds with a 21 year term and bearing interest at rates ranging from 1.0% to 4.0% depending on the maturity. The proceeds were used to advance refund \$3,095,000 of outstanding public improvement bonds due to mature on May 1, 2036 bearing interest rates ranging from 4.5% to 6.25% depending on the maturity.

Overview of the Financial Statements

The Town's financial statements are composed of this Management Discussion and Analysis and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The Management Discussion and Analysis provides analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-Wide Financial Statements

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities. Fiduciary activities, whose resources are not available to the Town's programs, are excluded from these statements.

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

The *Statement of Activities* presents information showing how the Town's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes and earned but unused vacation leave and other postemployment benefit obligations ("OPEB"). The focus of this statement is on the net cost of providing various activities to the citizens of the Town.

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

Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the basic services provided by the Town are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Town's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

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

The Town of Somers has 8 individual governmental funds: General, Highway, Capital Projects, Public Library, Special Districts, Special Purpose, Debt Service and Permanent funds. Of these, the General, Highway, Debt Service and Capital Projects Funds are reported as major funds, and are presented in separate columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found in the *combining statements* elsewhere in this report.

The Town adopts an annual budget for its General, Highway, Public Library, Special Districts and Debt Service funds. A budgetary comparison statement, for the major funds, has been provided to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Town.

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

Notes to the Financial Statements

The notes 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 can be found following the basic financial statements section of this report.

Other Information

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

Government-Wide Financial Analysis

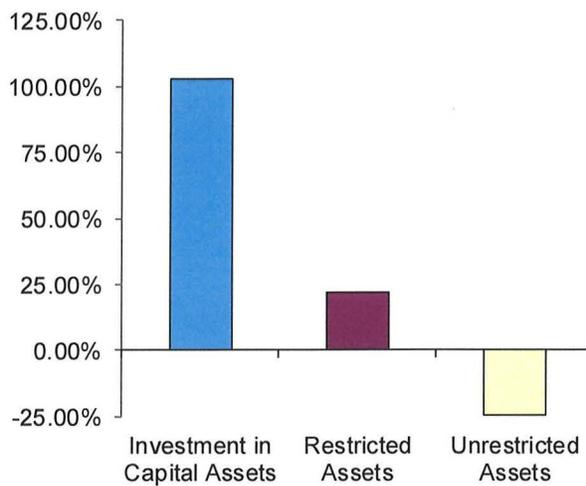
As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Somers, assets exceeded liabilities by \$11,764,639 for fiscal year 2015.

The following table reflects the condensed Statement of Net Position:

Statement of Net Position

	December 31,	
	2015	2014
Current Assets	\$ 43,159,598	\$ 43,675,840
Capital Assets, net	21,283,068	21,078,436
Total Assets	64,442,666	64,754,276
Deferred Outflows of Resources	859,393	-
Current Liabilities	31,349,354	31,522,292
Long-Term Liabilities	22,188,066	21,367,310
Total Liabilities	53,537,420	52,889,602
Net Position		
Net Investment in Capital Assets	12,115,127	11,049,908
Restricted	2,564,575	3,619,110
Unrestricted	(2,915,063)	(2,804,344)
Total Net Position	\$ 11,764,639	\$ 11,864,674

Net Position Distribution



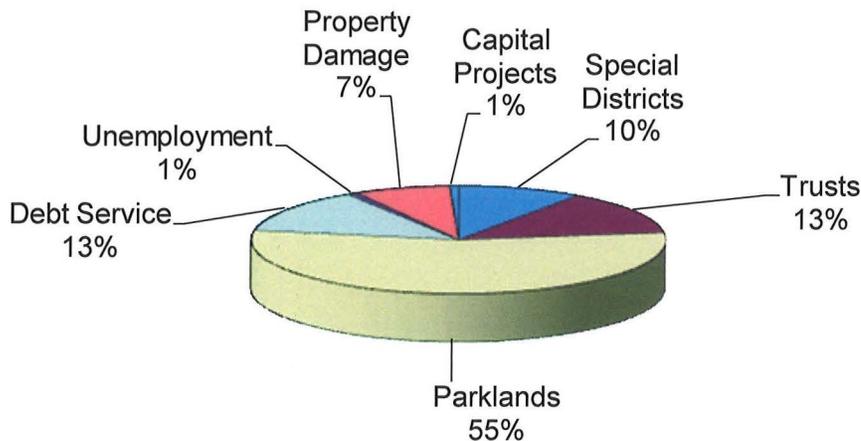
The largest component of the Town's net position is invested in capital assets (net of related debt) of \$12,115,127 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net assets of \$2,564,575 represent resources that are subject to external restrictions on their use. The restrictions are:

	December 31,	
	2015	2014
Property Damage	\$ 192,320	\$ 194,023
Capital Projects	18,090	884,287
Unemployment Benefits	20,215	20,194
Debt Service	339,450	454,747
Highway		
Special Districts:		
Water	119,502	183,237
Sewer	103,543	55,715
Street Lighting	25,210	24,364
Trusts	336,791	330,220
Parklands	1,409,454	1,472,323
	<u>\$ 2,564,575</u>	<u>\$ 3,619,110</u>

At the end of the current fiscal year, the Town is able to report positive net asset balances for the government as a whole as well as for its governmental activities.

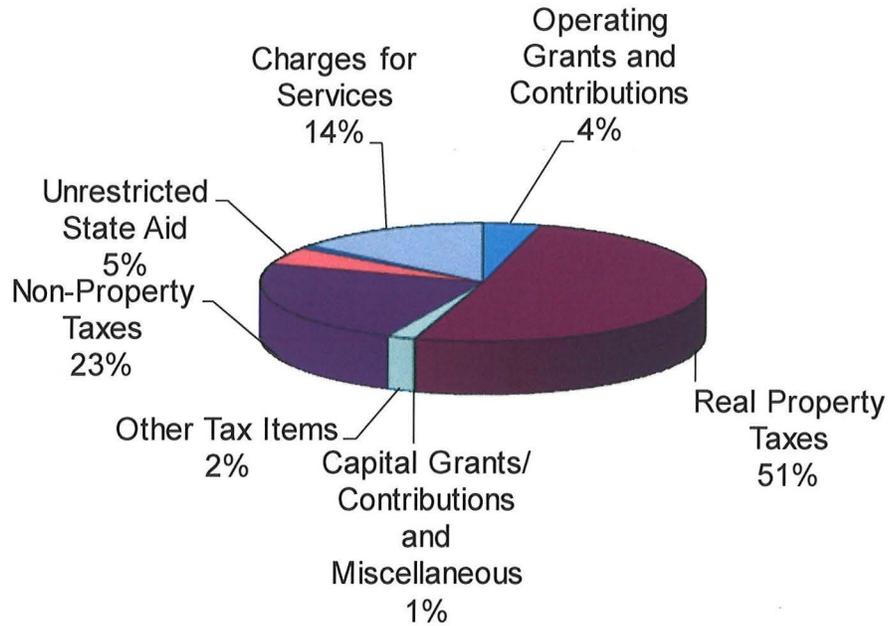
Restricted Net Position



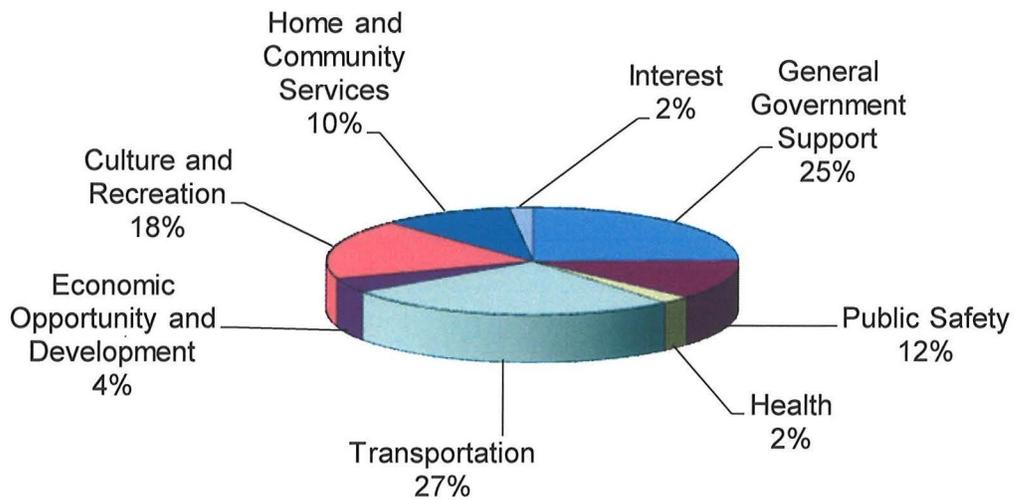
Statement of Changes in Net Position

	December 31,	
	2015	2014
REVENUES		
Program Revenues		
Charges for Services	\$ 2,097,482	\$ 2,144,022
Operating Grants and Contributions	605,007	391,908
Capital Grants and Contributions	13,518	71,008
General Revenues		
Real Property Taxes	7,484,790	7,372,545
Payment in lieu of taxes	5,504	2,754
Other Tax Items:		
Interest and Penalties on Real Property Taxes	299,987	276,100
Gain on Sale of Property Acquired for Taxes		4,400
Non-Property Taxes		
Non-Property Tax Distribution from County	2,946,815	2,975,376
Franchise Fees - Cable TV	458,691	453,126
Unrestricted Use of Money and Property	7,446	10,550
Sale of Property and Compensation for Loss	96,365	16,431
Unrestricted State Aid	715,224	688,082
Miscellaneous	21,608	35,600
	14,752,437	14,441,902
EXPENSES		
Program Expenses		
General Government Support	3,663,157	3,415,255
Public Safety	1,777,187	1,926,297
Health	349,565	349,184
Transportation	3,926,016	3,852,600
Economic Opportunity and Development	642,884	666,209
Culture and Recreation	2,699,799	2,892,685
Home and Community Services	1,515,526	1,391,495
Interest	281,059	325,502
	14,855,193	14,819,227
Change in Net Position	(102,756)	(377,325)
Net Position		
Beginning	11,864,674	12,241,999
Cumulative Effect of Change in Accounting Principle	2,721	-
	11,867,395	12,241,999
Net Position - Beginning, as restated	11,867,395	12,241,999
Ending	\$ 11,764,639	\$ 11,864,674

**Sources of Revenue for Fiscal Year 2015
Governmental Activities**



**Expenses for Fiscal Year 2015
Governmental Activities**



Governmental Activities: For the fiscal year ended December 31, 2015, revenues from governmental activities totaled \$14,752,437, an increase of \$310,535 over fiscal year 2014. Tax revenues of \$11,195,787 comprised of real property taxes, payment in lieu of taxes, other tax items and non-property taxes, represented the largest revenue source at 76%. Expenses in 2015 were \$14,855,193 or \$35,966 more than 2014.

Financial Analysis of the Government's Funds

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

Fund Balance Reporting

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

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

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

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

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

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

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$9,828,639, a decrease of \$568,416 from the prior year. The nonspendable fund balance component is \$581,387, consisting of \$296,509 of amounts representing prepaid expenditures and \$284,878 of amounts representing trust principal. Fund Balance of \$1,981,642 is restricted for capital projects, debt service, property damage, unemployment benefits, parklands and trusts. The assigned fund balance of \$3,716,456 consisting partially of amounts to balance the fiscal 2016 budget (\$284,884 in the General Fund, and \$49,800 in the Debt Service Fund) as well as \$800,000 for capital costs and \$400,000 for tax certioraris. The remaining fund balance is unassigned and represents the remaining positive fund balance in the General Fund of \$3,549,154 after amounts that have been restricted, committed or assigned for other purposes.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$5,478,195. Of this amount, \$3,549,154 was unassigned.

General Fund Budgetary Highlights

When the fiscal 2015 budget was adopted, it anticipated the use of \$125,000 of fund balance. Actual results of operations resulted in an increase of \$545,820 to fund balance. Overall, General Fund expenditures and other financing uses were \$8,224,555 which was \$548,994 less than the final budget.

No major area of spending was materially more than the original budget.

The revenue category that reflected the largest positive variance against budget was Other tax items \$82,654.

The revenue category reflecting significant negative variance against budget was Real Property Taxes (\$160,842).

Other

The Capital Projects Fund is used to account for capital project activity throughout the Town. The Capital Projects Fund's ending fund balance is \$18,090 for fiscal year 2015.

Non-major Government Funds consist of certain Special Revenue Funds and the Permanent Fund. The Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for certain defined purposes. The non-major Special Revenue Funds of the Town are the Public Library Fund, which is provided to account for the activities of the Town's Public Library, Special Districts Fund, which is provided to account for the operation and maintenance of the Town's water, sewer and street lighting districts, the Special Purpose Fund, which is used to account for

assets held by the Town in accordance with terms of trust agreements, the Permanent Fund, which is used to account for assets held by the Town in accordance with the terms of a trust agreement where the principal amounts cannot be expended.

For fiscal year ending December 31, 2015, the combined fund balances of these funds total \$2,863,975 which represents a decrease of \$38,636 from fiscal 2014.

Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental activities as of December 31, 2015, amount to \$21,283,068 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

Capital Assets

	December 31,	
	2015	2014
Land	\$ 5,581,179	\$ 5,581,179
Construction Work-in-Progress	14,750	50,607
Buildings and Improvements	4,972,021	4,284,030
Machinery and Equipment	881,695	761,986
Infrastructure	9,833,423	10,400,634
Total	\$ 21,283,068	\$ 21,078,436

The following highlights the amounts expended during the current fiscal year on major capital assets:

Road resurfacing - \$925,091
Machinery & Equipment - \$283,351
Stormwater infrastructure - \$108,188

Additional information on the Town's capital assets can be found in Note 3 of this report.

Long-Term Debt - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$9,825,416. The Town's general obligation bonded indebtedness decreased from payments of \$1,058,824 on prior indebtedness. During 2015, the Town issued \$3,300,000 of public improvement bonds with a 21 year term and bearing interest at rates ranging from 1.0% to 4.0% depending on the maturity. The proceeds were used to advance refund \$3,095,000 of outstanding public improvement bonds due to mature on May 1, 2036. All of this debt is backed by the full faith and credit of the Town. Although the State Constitution limits the amount of indebtedness, both long-term and short-term, which the Town may incur, the total debt of the Town is significantly below this limitation.

Through sound financial management and manageable debt levels, the Town has been successful in maintaining a high-grade rating for its general obligation bonds, currently rated Aa1 by Moody's Investor Services.

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

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Robert C. Kehoe, Director of Finance, Town of Somers Finance Office, 335 Route 202, Somers, New York 10589. The telephone number is (914) 277- 4394.

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Town of Somers, New York

Statement of Net Position
December 31, 2015

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 17,502,700
Receivables	
Taxes, net	22,916,449
Accounts	188,116
Water and sewer rents	257,012
State and Federal aid	125,695
Due from other governments	787,618
Prepaid expenses	296,509
Investment in joint venture	1,085,499
Capital assets	
Not being depreciated	5,595,929
Being depreciated, net	15,687,139
	<hr/>
Total Assets	64,442,666
	<hr/>
DEFERRED OUTFLOWS OF RESOURCES	859,393
	<hr/>
LIABILITIES	
Accounts payable	437,557
Accrued liabilities	18,390
Due to school districts	30,816,325
Due to other governments	27,161
Unearned revenues	4,335
Accrued interest payable	45,586
Noncurrent liabilities	
Due within one year	1,113,803
Due in more than one year	21,074,263
	<hr/>
Total Liabilities	53,537,420
	<hr/>
NET POSITION	
Net investment in capital assets	12,115,127
Restricted for	
Capital projects	18,090
Property damage	192,320
Unemployment benefits	20,215
Debt service	339,450
Special Districts	
Water	119,502
Sewer	103,543
Street lighting	25,210
Permanent trusts	286,369
Other trusts	50,422
Parklands	1,409,454
Unrestricted	(2,915,063)
	<hr/>
Total Net Position	\$ 11,764,639
	<hr/>

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

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Town of Somers, New York

Statement of Activities
Year Ended December 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 3,663,157	\$ 164,092	\$ 4,540	\$ -	\$ (3,494,525)
Public safety	1,777,187	105,991	-	-	(1,671,196)
Health	349,565	-	-	-	(349,565)
Transportation	3,926,016	134,921	380,730	-	(3,410,365)
Economic opportunity and development	642,884	35,000	184,354	-	(423,530)
Culture and recreation	2,699,799	471,521	35,016	-	(2,193,262)
Home and community services	1,515,526	1,185,957	367	10,264	(318,938)
Interest	281,059	-	-	3,254	(277,805)
Total Governmental Activities	\$ 14,855,193	\$ 2,097,482	\$ 605,007	\$ 13,518	(12,139,186)
General revenues					
Real property taxes					7,484,790
Other tax items					
Payments in lieu of taxes					5,504
Interest and penalties on real property taxes					299,987
Non-property taxes					
Non-property tax distribution from County					2,946,815
Franchise fees Cable TV					458,691
Unrestricted use of money and property					7,446
Sale of property and compensation of loss					5,391
Insurance recoveries					90,974
Unrestricted State aid					715,224
Miscellaneous					21,608
Total General Revenues					12,036,430
Change in Net Position					(102,756)
Net Position - Beginning, as reported					11,864,674
Cumulative Effect of Change in Accounting Principle					2,721
NET POSITION					
Beginning, as restated					11,867,395
Ending					\$ 11,764,639

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

Town of Somers, New York

Balance Sheet
 Governmental Funds
 December 31, 2015

	General	Highway	Debt Service
ASSETS			
Cash and equivalents	\$ 13,040,850	\$ 1,322,746	\$ 339,450
Taxes receivable, net	22,916,449	-	-
Other receivables			
Accounts	184,845	2,981	-
Water and sewer rents	-	-	-
State and Federal aid	117,745	-	-
Due from other governments	787,618	-	-
Due from other funds	253,310	1,746	-
	1,343,518	4,727	-
Prepaid expenditures	251,837	26,903	-
Total Assets	<u>\$ 37,552,654</u>	<u>\$ 1,354,376</u>	<u>\$ 339,450</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 278,278	\$ 58,654	\$ -
Accrued liabilities	5,385	11,468	-
Due to school districts	30,816,325	-	-
Due to other governments	27,161	-	-
Due to other funds	1,283	155,325	-
Unearned revenues	4,335	-	-
Total Liabilities	31,132,767	225,447	-
Deferred inflows of resources			
Deferred tax revenues	941,692	-	-
Total Liabilities and Deferred Inflows of Resources	32,074,459	225,447	-
Fund balances			
Nonspendable	251,837	26,903	-
Restricted	192,320	-	289,650
Assigned	1,484,884	1,102,026	49,800
Unassigned	3,549,154	-	-
Total Fund Balances	5,478,195	1,128,929	339,450
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 37,552,654</u>	<u>\$ 1,354,376</u>	<u>\$ 339,450</u>

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ 18,244	\$ 2,781,410	\$ 17,502,700
-	-	22,916,449
-	290	188,116
-	257,012	257,012
7,950	-	125,695
-	-	787,618
-	18,380	273,436
7,950	275,682	1,631,877
-	17,769	296,509
<u>\$ 26,194</u>	<u>\$ 3,074,861</u>	<u>\$ 42,347,535</u>
\$ -	\$ 100,625	\$ 437,557
-	1,537	18,390
-	-	30,816,325
-	-	27,161
8,104	108,724	273,436
-	-	4,335
8,104	210,886	31,577,204
-	-	941,692
8,104	210,886	32,518,896
-	302,647	581,387
18,090	1,481,582	1,981,642
-	1,079,746	3,716,456
-	-	3,549,154
18,090	2,863,975	9,828,639
<u>\$ 26,194</u>	<u>\$ 3,074,861</u>	<u>\$ 42,347,535</u>

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Town of Somers, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government-Wide Statement of Net Position
December 31, 2015

Fund Balances - Governmental Funds \$ 9,828,639

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 21,283,068
Investment in joint venture is not reported in the funds. 1,085,499

22,368,567

Governmental funds do not report the effect of losses on refunding
bonds and assets or liabilities related to net pension assets (liabilities)
whereas these amounts are deferred and amortized in the
statement of activities.

Deferred amounts on net pension assets (liabilities) 731,326
Deferred amounts on refunding bonds 128,067

859,393

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

Real property taxes 941,692

Long-term and other liabilities that are not due and payable in the current
period are not reported in the funds.

Accrued interest payable (45,586)
Bonds payable (9,863,672)
Compensated absences (122,199)
Net pension liability (432,195)
Other postemployment benefit obligations payable (11,770,000)

(22,233,652)

Net Position of Governmental Activities \$ 11,764,639

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

Town of Somers, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2015

	General	Highway	Debt Service
REVENUES			
Real property taxes	\$ 2,913,484	\$ 2,884,739	\$ -
Other tax items	305,491	-	-
Non-property taxes	3,405,506	-	-
Departmental income	662,271	-	-
Intergovernmental charges	35,000	124,927	-
Use of money and property	14,957	1,257	218
Licenses and permits	264,675	-	-
Fines and forfeitures	99,226	-	-
Sale of property and compensation for loss	5,391	8,410	-
Interfund revenues	43,441	3,038	-
State aid	791,735	375,848	-
Federal aid	58,342	-	-
Miscellaneous	79,882	3,690	3,036
Total Revenues	8,679,401	3,401,909	3,254
EXPENDITURES			
Current			
General government support	2,358,273	-	3,140
Public safety	1,033,270	-	-
Health	338,615	-	-
Transportation	290,876	2,147,488	-
Economic opportunity and development	415,912	-	-
Culture and recreation	1,133,657	-	-
Home and community services	245,711	-	-
Employee benefits	2,186,953	754,985	-
Debt service			
Principal	-	-	1,058,824
Interest	-	-	298,344
Refunding bond issuance costs	-	-	112,998
Capital outlay	-	-	-
Total Expenditures	8,003,267	2,902,473	1,473,306
Excess (Deficiency) of Revenues Over Expenditures	676,134	499,436	(1,470,052)
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	90,974	-	-
Refunding bonds issued	-	-	3,300,000
Premium on bonds issued	-	-	39,192
Payment to refunded bond escrow agent	-	-	(3,226,194)
Transfers in	-	-	1,241,757
Transfers out	(221,288)	(609,275)	-
Total Other Financing Sources (Uses)	(130,314)	(609,275)	1,354,755
Net Change in Fund Balances	545,820	(109,839)	(115,297)
FUND BALANCES			
Beginning of Year	4,932,375	1,238,768	454,747
End of Year	<u>\$ 5,478,195</u>	<u>\$ 1,128,929</u>	<u>\$ 339,450</u>

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

Capital Projects	Other Governmental	Total Governmental Funds
\$ -	\$ 1,470,567	\$ 7,268,790
-	-	305,491
-	-	3,405,506
-	906,878	1,569,149
-	-	159,927
-	1,599	18,031
-	-	264,675
-	-	99,226
-	-	13,801
-	43,388	89,867
-	6,219	1,173,802
-	-	58,342
10,264	11,851	108,723
<u>10,264</u>	<u>2,440,502</u>	<u>14,535,330</u>
-	-	2,361,413
-	-	1,033,270
-	-	338,615
-	24,431	2,462,795
-	-	415,912
-	742,293	1,875,950
-	784,163	1,029,874
-	318,044	3,259,982
-	-	1,058,824
-	-	298,344
-	-	112,998
1,059,741	-	1,059,741
<u>1,059,741</u>	<u>1,868,931</u>	<u>15,307,718</u>
<u>(1,049,477)</u>	<u>571,571</u>	<u>(772,388)</u>
-	-	90,974
-	-	3,300,000
-	-	39,192
-	-	(3,226,194)
199,013	-	1,440,770
-	(610,207)	(1,440,770)
<u>199,013</u>	<u>(610,207)</u>	<u>203,972</u>
(850,464)	(38,636)	(568,416)
<u>868,554</u>	<u>2,902,611</u>	<u>10,397,055</u>
<u>\$ 18,090</u>	<u>\$ 2,863,975</u>	<u>\$ 9,828,639</u>

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Town of Somers, New York

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2015

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

Net Change in Fund Balances - Total Governmental Funds	\$ (568,416)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	1,355,058
Depreciation expense	(1,150,426)
Equity interest in joint venture	(10,364)
	<u>194,268</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>216,000</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal paid on bonds	1,058,824
Refunding bonds issued	(3,300,000)
Premium on bonds issued	(39,192)
Payment to refunded bond escrow agent	3,226,194
Amortization of loss on refunding bonds and issuance premium	(2,191)
	<u>943,635</u>
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Accrued interest	19,476
Pension assets (obligations)	296,410
Compensated absences	(15,690)
Other postemployment benefit obligations	(1,188,439)
	<u>(888,243)</u>
Change in Net Position of Governmental Activities	<u>\$ (102,756)</u>

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

Town of Somers, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General and Highway Funds
Year Ended December 31, 2015

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,074,326	\$ 3,074,326	\$ 2,913,484	\$ (160,842)
Other tax items	222,837	222,837	305,491	82,654
Non-property taxes	3,405,000	3,405,000	3,405,506	506
Departmental income	613,280	613,280	662,271	48,991
Intergovernmental charges	35,000	35,000	35,000	-
Use of money and property	18,638	18,638	14,957	(3,681)
Licenses and permits	186,800	186,800	264,675	77,875
Fines and forfeitures	105,000	105,000	99,226	(5,774)
Sale of property and compensation for loss	100	100	5,391	5,291
Interfund revenues	38,654	38,654	43,441	4,787
State aid	778,100	778,100	791,735	13,635
Federal aid	66,311	66,311	58,342	(7,969)
Miscellaneous	75,500	75,500	79,882	4,382
Total Revenues	8,619,546	8,619,546	8,679,401	59,855
EXPENDITURES				
Current				
General government support	2,240,242	2,460,293	2,358,273	102,020
Public safety	1,168,635	1,168,635	1,033,270	135,365
Health	336,728	338,680	338,615	65
Transportation	303,002	303,002	290,876	12,126
Economic opportunity and development	436,522	436,522	415,912	20,610
Culture and recreation	1,183,743	1,188,943	1,133,657	55,286
Home and community services	237,149	251,448	245,711	5,737
Employee benefits	2,638,050	2,398,050	2,186,953	211,097
Total Expenditures	8,544,071	8,545,573	8,003,267	542,306
Excess of Revenues Over Expenditures	75,475	73,973	676,134	602,161
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	90,974	90,974
Transfers in	12,000	12,000	-	(12,000)
Transfers out	(227,975)	(227,976)	(221,288)	6,688
Total Other Financing Uses	(215,975)	(215,976)	(130,314)	85,662
Net Change in Fund Balances	(140,500)	(142,003)	545,820	687,823
FUND BALANCES				
Beginning of Year	140,500	142,003	4,932,375	4,790,372
End of Year	\$ -	\$ -	\$ 5,478,195	\$ 5,478,195

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

Highway			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,884,739	\$ 2,884,739	\$ 2,884,739	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
45,000	45,000	124,927	79,927
4,000	4,000	1,257	(2,743)
-	-	-	-
-	-	-	-
8,000	8,000	8,410	410
7,000	7,000	3,038	(3,962)
219,138	280,432	375,848	95,416
-	-	-	-
-	-	3,690	3,690
<u>3,167,877</u>	<u>3,229,171</u>	<u>3,401,909</u>	<u>172,738</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,941,042	2,148,681	2,147,488	1,193
-	-	-	-
-	-	-	-
-	-	-	-
823,892	756,192	754,985	1,207
<u>2,764,934</u>	<u>2,904,873</u>	<u>2,902,473</u>	<u>2,400</u>
<u>402,943</u>	<u>324,298</u>	<u>499,436</u>	<u>175,138</u>
-	-	-	-
-	-	-	-
(621,277)	(609,277)	(609,275)	2
<u>(621,277)</u>	<u>(609,277)</u>	<u>(609,275)</u>	<u>2</u>
(218,334)	(284,979)	(109,839)	175,140
<u>218,334</u>	<u>284,979</u>	<u>1,238,768</u>	<u>953,789</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,128,929</u>	<u>\$ 1,128,929</u>

Town of Somers, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2015

	Agency Fund
ASSETS	
Cash and equivalents	<u>\$ 907,097</u>
LIABILITIES	
Accounts payable	\$ 19,789
Deposits	887,113
Employee payroll deductions	<u>195</u>
Total Liabilities	<u>\$ 907,097</u>

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

Town of Somers, New York

Notes to Financial Statements
December 31, 2015

Note 1 - Summary of Significant Accounting Policies

The Town of Somers, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

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

A. Financial Reporting Entity

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

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

B. Government-Wide Financial Statements

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

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

C. Fund Financial Statements

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

Fund Categories

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

General Fund - The General Fund constitutes the primary operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service and capital projects. The Highway Fund is a major special revenue fund. The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes.

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Special Revenue Funds:

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

Special Districts Fund - The Special Districts Fund is used to account for the operation and maintenance of the Town's water, sewer and street lighting districts.

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

Permanent Fund - The Permanent Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement where the principal amount cannot be expended.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

Deposits and Risk Disclosure

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

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

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

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2015.

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

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

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

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

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2015 balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by a reservation of fund balance, which indicates

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

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

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

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

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

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

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

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$4,335 for grants received in advance in the General Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

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

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

The Town has reported deferred outflows of resources of \$128,067 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town has also reported deferred inflows of resources of \$941,692 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town also reported deferred outflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3F.

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

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

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such

Note 1 - Summary of Significant Accounting Policies (Continued)

accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represent the difference between assets and liabilities. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, property damage, unemployment benefits, debt service, special districts, permanent trusts, other trusts and parklands. The balance is classified as unrestricted.

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

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

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

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

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Comptroller for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does

Note 1 - Summary of Significant Accounting Policies (Continued)

not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

F. Encumbrances

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

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 28, 2016.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

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

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

- k) Appropriations in General, Highway, Public Library, Special Districts and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

B. Property Tax Limitation

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

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

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

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2015, the Town implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". These statements seek to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows/inflows of resources and expenses/expenditures. These statements also require the identification of the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. As a result of adopting these standards, the government-wide financial statements reflect a cumulative effect for the change in accounting principle of \$2,721.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2015 consisted of the following:

Town and County taxes - Current	\$ 186,076
School districts taxes - Current	21,856,993
Tax liens	873,380
Property acquired for taxes	<u>724,192</u>
	23,640,641
Allowance for uncollectible taxes	<u>(724,192)</u>
	<u>\$ 22,916,449</u>

School district taxes are offset by liabilities to the school districts, which will be paid no later than April 5, 2016. Taxes receivable are also partially offset by deferred tax revenues of \$941,692 which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2015 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 253,310	\$ 1,283
Highway	1,746	155,325
Capital Projects	-	8,104
Non-Major Governmental	<u>18,380</u>	<u>108,724</u>
	<u>\$ 273,436</u>	<u>\$ 273,436</u>

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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

C. Investment in Joint Venture

The Town together with the Town of Yorktown, the Town of Cortlandt and the Montrose Improvement District, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 6%.

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

Total Assets	\$ 22,010,995
Deferred Outflows of Resources	342,467
Total Liabilities	4,228,901
Deferred Inflows of Resources	32,917
Total Equity	18,091,644
Total Operating Revenues	10,962,917
Total Non-Operating Revenues	31,191
Total Expenses	11,074,685

D. Capital Assets

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	Balance January 1, 2015	Additions	Deletions	Balance December 31, 2015
Capital Assets, not being depreciated:				
Land	\$ 5,581,179	\$ -	\$ -	\$ 5,581,179
Construction in progress	50,607	1,765	37,622	14,750
	<u>\$ 5,631,786</u>	<u>\$ 1,765</u>	<u>\$ 37,622</u>	<u>\$ 5,595,929</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 7,585,104	\$ 996,454	\$ -	\$ 8,581,558
Machinery and equipment	4,705,891	317,246	59,600	4,963,537
Infrastructure	29,229,767	77,215	-	29,306,982
	<u>41,520,762</u>	<u>1,390,915</u>	<u>59,600</u>	<u>42,852,077</u>
Total Capital Assets, being depreciated				
	<u>41,520,762</u>	<u>1,390,915</u>	<u>59,600</u>	<u>42,852,077</u>
Less Accumulated Depreciation for:				
Buildings and improvements	3,301,074	308,463	-	3,609,537
Machinery and equipment	3,943,905	197,537	59,600	4,081,842
Infrastructure	18,829,133	644,426	-	19,473,559
	<u>26,074,112</u>	<u>1,150,426</u>	<u>59,600</u>	<u>27,164,938</u>
Total Accumulated Depreciation				
	<u>26,074,112</u>	<u>1,150,426</u>	<u>59,600</u>	<u>27,164,938</u>
Total Capital Assets, being depreciated, net	<u>\$ 15,446,650</u>	<u>\$ 240,489</u>	<u>\$ -</u>	<u>\$ 15,687,139</u>
Capital Assets, net	<u>\$ 21,078,436</u>	<u>\$ 242,254</u>	<u>\$ 37,622</u>	<u>\$ 21,283,068</u>

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

General Government Support	\$ 2,201
Public Safety	14,468
Transportation	655,375
Economic Opportunity and Development	4,612
Culture and Recreation	137,966
Home and Community Services	<u>335,804</u>
Total Depreciation Expense	<u>\$ 1,150,426</u>

E. Accrued Liabilities

Accrued liabilities at December 31, 2015 were as follows:

	Fund			Total
	General	Highway	Non-Major Governmental	
Payroll and Employee Benefits	<u>\$ 5,385</u>	<u>\$ 11,468</u>	<u>\$ 1,537</u>	<u>\$ 18,390</u>

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2015:

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

	Balance as Reported January 1, 2015	Cumulative Effect of Change in Accounting Principle	Balance as Restated January 1, 2015	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2015	Due Within One Year
Bonds Payable							
Capital Construction	\$ 10,028,528	\$ -	\$ 10,028,528	\$ 3,300,000	\$ 4,070,776	\$ 9,257,752	\$ 1,015,835
Other	650,712	-	650,712	-	83,048	567,664	85,968
	10,679,240	-	10,679,240	3,300,000	4,153,824	9,825,416	1,101,803
Plus							
Unamortized premium on bonds	-	-	-	39,192	936	38,256	-
	10,679,240	-	10,679,240	3,339,192	4,154,760	9,863,672	1,101,803
Other Non-current Liabilities							
Compensated Absences	106,509	-	106,509	26,690	11,000	122,199	12,000
Net Pension Liability	-	578,916	578,916	-	146,721	432,195	-
Other Post Employment Benefit Obligations Payable	10,581,561	-	10,581,561	1,858,439	670,000	11,770,000	-
Total Other Non-current Liabilities	10,688,070	578,916	11,266,986	1,885,129	827,721	12,324,394	12,000
Long-Term Liabilities	<u>\$ 21,367,310</u>	<u>\$ 578,916</u>	<u>\$ 21,946,226</u>	<u>\$ 5,224,321</u>	<u>\$ 4,982,481</u>	<u>\$ 22,188,066</u>	<u>\$ 1,113,803</u>

Each governmental fund's liability for compensated absences and other post employment benefit obligations is liquidated by the General, Highway and Special District funds. The Town's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded primarily by the General, Highway and Special Districts funds.

Bonds Payable

Bonds payable at December 31, 2015 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2015
Public Improvement Bonds	2006	\$ 4,100,000	05/2036	5.250 %	\$ 105,000
Public Improvement Bonds	2009	2,000,000	05/2019	5.000	875,000
Environmental Facilities Corporation Refunding Bonds 2011 A	2011	3,648,590	05/2022	2.621 - 3.989	2,157,923
Environmental Facilities Corporation Refunding Bonds 2011 C	2011	502,701	11/2021	1.715 - 3.566	332,493
Public Improvement Bonds	2011	2,000,000	05/2021	2.000 - 4.000	1,255,000
Public Improvement Bonds	2014	2,000,000	05/2024	2.000 - 2.500	1,820,000
Refunding Bonds	2015	3,300,000	05/2036	2.000 - 3.250	3,280,000
					<u>\$ 9,825,416</u>

Interest expenditures of \$298,344, were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$281,059 was recorded in the government-wide financial statements for governmental activities.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2015, including interest payments of \$1,764,523 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,101,803	\$ 279,629	\$ 1,381,432
2017	1,134,838	243,967	1,378,805
2018	1,153,491	208,058	1,361,549
2019	1,191,470	170,816	1,362,286
2020	989,505	137,809	1,127,314
2021-2025	2,299,309	383,528	2,682,837
2026-2030	815,000	231,391	1,046,391
2031-2035	940,000	106,075	1,046,075
2036	200,000	3,250	203,250
	<u>\$ 9,825,416</u>	<u>\$ 1,764,523</u>	<u>\$ 11,589,939</u>

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

Advance Refunding

During the 2015 fiscal year, the Town issued \$3,300,000 in serial bonds with interest rates ranging from 1.0% to 4.0%, depending on maturity. The proceeds were used to advance refund \$3,095,000 of outstanding 2006 public improvement serial bonds bearing interest at 4.25% to 4.50%. The net proceeds of \$3,226,194 (including \$39,192 of issuance premium and after \$112,998 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, the 2006 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$131,194. This amount and the premium are being amortized over the remaining life of the refunded debt. The Town advance refunded the 2006 serial bonds to reduce its total debt service payments over 21 years by \$482,285 and to obtain a net present value economic gain of \$368,954.

As of December 31, 2015, \$3,095,000 of bonds outstanding are considered defeased.

Compensated Absences

Civil service employees may accumulate and carryover up to ten vacation days. Upon separation of service, employees will be compensated for unused leave. Employees may accumulate unused sick leave, however, upon separation of service, they are not compensated for this leave. The Town has determined that the potential liability for compensated absences as of December 31, 2015 was \$122,199. The value of all compensated absences has been recorded in the government-wide financial statements.

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. 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 ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). 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 a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, 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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2016 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	25.0 %
	3 A14	18.6
	4 A15	18.6
	5 A15	15.3
	6 A15	10.4
PFRS	2 375I	18.1 %

At December 31, 2015, the Town reported a liability of \$427,640 for its proportionate share of the net pension liability of ERS and a liability of \$4,555 for its proportionate share of the net pension

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

liability of PFRS. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At December 31, 2015, the Town's proportion was .0126587% for ERS and .0016548% for PFRS. For this first year of implementation, the System reported no change in the allocation percentage measured as of March 31, 2014.

For the year ended December 31, 2015, the Town recognized pension expense in the government-wide financial statements of \$431,630 for ERS and \$12,177 for PFRS. Pension expenditures of \$716,789 for ERS and \$23,428 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 442,443	\$ 23,428
Highway	178,533	-
Special Districts	30,199	-
Library	<u>65,614</u>	<u>-</u>
Total	<u>\$ 716,789</u>	<u>\$ 23,428</u>

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>	<u>PFRS</u>
	Deferred Outflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 13,689	\$ 549
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	74,276	1,529
Changes in proportion and differences between Town contributions and proportionate share of contributions	124,501	8,979
Town contributions subsequent to the measurement date	<u>490,179</u>	<u>17,624</u>
	<u>\$ 702,645</u>	<u>\$ 28,681</u>

\$490,179 and \$17,624 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	<u>ERS</u>	<u>PFRS</u>
2016	\$ 53,116	\$ 2,288
2017	53,116	2,288
2018	53,117	2,288
2019	53,117	2,288
2020	-	1,905

The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liabilities to March 31, 2015. The total pension liabilities for the March 31, 2014 measurement date were determined by using an actuarial valuation as of April 1, 2014. Significant actuarial assumptions used in the April 1, 2014 valuation were as follows:

Actuarial cost method	Entry age normal
Inflation	2.7%
Salary scale	4.9% in ERS, 6.0% in PFRS indexed by service
Investment rate of return	7.5% compounded annually, net of investment

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

expenses, including inflation
 Cost of living adjustments 1.4% annually
 Annuitant mortality rates are based on the April 1, 2005 – March 31, 2010 System’s experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 - March 31, 2010.

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (“ASOP”) No. 27, *Selection of Economic Assumptions for Measuring Pension Obligations*. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 and 2014 are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38 %	7.30 %
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds and Mortgages	18	4.00
Cash	2	2.25
Inflation Indexed Bonds	2	4.00
	<u>100 %</u>	

The discount rate used to calculate the total pension liability was 7.5%. 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 determined. Based upon those assumptions, the System’s 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 Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 2,850,409</u>	<u>\$ 427,640</u>	<u>\$ (1,617,777)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 60,646</u>	<u>\$ 4,555</u>	<u>\$ (42,453)</u>

The components of the collective net pension liability as of the March 31, 2015 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 164,591,504,000	\$ 28,474,417,000	\$ 193,065,921,000
Fiduciary net position	<u>161,213,259,000</u>	<u>28,199,157,000</u>	<u>189,415,416,000</u>
Employers' net pension liability	<u>\$ 3,378,245,000</u>	<u>\$ 275,260,000</u>	<u>\$ 3,650,505,000</u>
Fiduciary net position as a percentage of total pension liability	<u>97.9%</u>	<u>99.0%</u>	<u>98.1%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2015 represent the employer contribution for the period of April 1, 2015 through December 31, 2015 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2015 were \$490,179 and \$17,624, respectively.

Voluntary Defined Contribution Plan

The Town also offers a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Note 3 - Detailed Notes on All Funds (Continued)

Other Post Employment Benefit Obligations

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds.

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

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

<u>Fiscal Year</u>	<u>Assumed Increase</u>
2015	8.00
2016	7.50
2017	7.00
2018	6.50
2019	6.00
2020	5.50
2021 +	5.00

The amortization basis is the level dollar method with an open amortization approach with 22 years remaining in the amortization period. The actuarial assumptions included a 4% investment rate of return and a 3% inflation rate. The Town currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of January 1, 2015 was as follows:

Active Employees	82
Retired Employees	<u>57 (Plus 36 Spouses)</u>
Total	<u><u>139</u></u>

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2015	\$ 24,270,000
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u><u>\$ 24,270,000</u></u>
Funded Ratio	<u><u>0.00%</u></u>
Covered Payroll (Active plan members)	<u><u>\$ 4,580,000</u></u>
UAAL as a Percentage of Covered Payroll	<u><u>529.91%</u></u>
Annual Required Contribution	\$ 2,030,000
Interest on Net OPEB Obligation	420,000
Adjustment to Annual Required Contribution	<u>(591,561)</u>
Annual OPEB Cost	1,858,439
Contributions Made	<u>(670,000)</u>
Increase in Net OPEB Obligation	1,188,439
Net OPEB Obligation - Beginning of Year	<u>10,581,561</u>
Net OPEB Obligation - End of Year	<u><u>\$ 11,770,000</u></u>

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

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

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 1,858,439	36.05 %	\$ 11,770,000
2014	1,770,146	35.52	10,581,561
2013	1,770,146	35.52	9,440,177

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

G. Revenues and Expenditures

Interfund Transfers

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

Transfers Out	Transfers In		Total
	Debt Service	Capital Projects Fund	
General Fund	\$ 205,555	\$ 15,733	\$ 221,288
Highway Fund	609,275	-	609,275
Non-Major Governmental Funds	426,927	183,280	610,207
	<u>\$ 1,241,757</u>	<u>\$ 199,013</u>	<u>\$ 1,440,770</u>

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

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Capital Projects - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

Restricted for Property Damage - the component of net position that has been established to set aside funds to be used to self-insure the Town for its deductibles for annual property damage claims, pursuant to General Municipal Law.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of General Municipal Law of the State of New York.

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

Restricted for Special Districts - the component of net position that reports funds restricted for specific purposes under New York State Law.

Restricted for Permanent Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the trusts where the principal amount cannot be expended.

Restricted for Other Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the trusts.

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

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

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2015						2014					
	General Fund	Highway Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Nonspendable												
Prepaid expenditures	\$ 251,837	\$ 26,903	\$ -	\$ -	\$ 17,769	\$ 296,509	\$ 148,026	\$ 51,345	\$ -	\$ -	\$ 29,734	\$ 229,105
Trust principal	-	-	-	-	284,878	284,878	-	-	-	-	284,878	284,878
Total Nonspendable	251,837	26,903	-	-	302,647	581,387	148,026	51,345	-	-	314,612	513,983
Restricted												
Capital projects	-	-	-	18,090	-	18,090	-	-	-	868,554	-	868,554
Debt service	-	-	289,650	-	-	289,650	-	-	336,747	-	-	336,747
Property damage	192,320	-	-	-	-	192,320	194,023	-	-	-	-	194,023
Unemployment benefits	-	-	-	-	20,215	20,215	-	-	-	-	20,194	20,194
Parklands	-	-	-	-	1,409,454	1,409,454	-	-	-	-	1,469,601	1,469,601
Trusts	-	-	-	-	51,913	51,913	-	-	-	-	48,064	48,064
Total Restricted	192,320	-	289,650	18,090	1,481,582	1,981,642	194,023	-	336,747	868,554	1,537,859	2,937,183
Assigned												
Purchases on order												
General government support	-	-	-	-	-	-	15,500	-	-	-	-	15,500
Transportation	-	-	-	-	-	-	-	58,334	-	-	-	58,334
Subsequent year's expenditures	284,884	-	49,800	-	-	334,684	125,000	160,000	118,000	-	-	403,000
Subsequent year's expenditures - Library	-	-	-	-	-	-	-	-	-	-	20,000	20,000
Subsequent year's expenditures - Water Districts No. 2	-	-	-	-	25,000	25,000	-	-	-	-	-	-
Capital costs	800,000	-	-	-	-	800,000	550,000	-	-	-	-	550,000
Tax certiorari	400,000	-	-	-	-	400,000	350,000	-	-	-	-	350,000
Highway	-	1,102,026	-	-	-	1,102,026	-	969,089	-	-	-	969,089
Library	-	-	-	-	466,442	466,442	-	-	-	-	383,364	383,364
Special Districts	-	-	-	-	588,304	588,304	-	-	-	-	646,776	646,776
Total Assigned	1,484,884	1,102,026	49,800	-	1,079,746	3,716,456	1,040,500	1,187,423	118,000	-	1,050,140	3,396,063
Unassigned	3,549,154	-	-	-	-	3,549,154	3,549,826	-	-	-	-	3,549,826
Total Fund Balances	\$ 5,478,195	\$ 1,128,929	\$ 339,450	\$ 18,090	\$ 2,863,975	\$ 9,828,639	\$ 4,932,375	\$ 1,238,768	\$ 454,747	\$ 868,554	\$ 2,902,611	\$ 10,397,055

Town of Somers, New York

Notes to Financial Statements (Continued)
December 31, 2015

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

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

Subsequent year's expenditures represent that at December 31, 2015, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Capital Costs - This has been established to fund future capital costs.

Tax Certiorari - This has been established to set aside funds to meet anticipated judgments and claims arising out of tax certiorari proceedings.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town is the defendant in various actions, all of which are within the limits of the Town's insurance coverage. Counsel has indicated that the insurance companies are vigorously defending those claims and that there is adequate insurance to cover these contingencies.

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

B. Risk Management

The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, public officials liability, commercial automobile and police professional liability policies each provide for coverage with an occurrence limit of \$1 million. The Town also maintains an excess liability policy with a limit of \$12 million occurrence over general liability, automobile, police professional and public officials liability. The Town purchases conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town is self-insured for property damage as it relates to glass damage not covered by conventional insurance and deductibles. The Town purchases health insurance from the New York State Health Insurance Program.

Town of Somers, New York

Notes to Financial Statements (Concluded)
December 31, 2015

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Contingencies

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

Town of Somers, New York

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

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2013	\$ -	\$ 20,618,568	\$ 20,618,568	- %	\$ 4,273,363	482.49 %
January 1, 2014	-	20,618,568	20,618,568	-	4,273,363	482.49
January 1, 2015	-	24,270,000	24,270,000	-	4,580,000	529.91

Town of Somers, New York

Required Supplementary Information - Schedule of the Town's Proportionate Share of the Net Pension Liability New York State and Local Employees' Retirement System Last Ten Fiscal Years (1)

	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.0126587%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 427,640</u>
Town's covered employee payroll	<u>\$ 3,883,535</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	<u>11.01%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Somers, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 615,247
Contributions in relation to the contractually required contribution	<u>(615,247)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered employee payroll	<u>\$ 4,093,334</u>
Contributions as a percentage of covered-employee payroll	<u>15.03%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Somers, New York

Required Supplementary Information - Schedule of the
Town's Proportionate Share of the Net Pension Liability
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.0016548%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 4,555</u>
Town's covered employee payroll	<u>\$ 135,560</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	<u>3.36%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Somers, New York

Required Supplementary Information - Schedule of Contributions
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

	<u>2015</u>
Contractually required contribution	\$ 25,407
Contributions in relation to the contractually required contribution	<u>(25,407)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered employee payroll	<u>\$ 127,723</u>
Contributions as a percentage of covered-employee payroll	<u>19.89%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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Town of Somers, New York

General Fund
Comparative Balance Sheet
December 31,

	2015	2014
ASSETS		
Cash and equivalents	\$ 13,040,850	\$ 12,302,401
Taxes receivable, net of allowance for uncollectible taxes of \$724,192 in 2014 and 2013	22,916,449	23,175,598
Other receivables		
Accounts	184,845	304,645
State and Federal aid	117,745	88,041
Due from other governments	787,618	787,761
Due from other funds	253,310	88,255
	<u>1,343,518</u>	<u>1,268,702</u>
Prepaid expenditures	251,837	148,026
Total Assets	<u>\$ 37,552,654</u>	<u>\$ 36,894,727</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 278,278	\$ 199,205
Accrued liabilities	5,385	228,807
Due to school districts	30,816,325	30,792,724
Due to other governments	27,161	-
Due to other funds	1,283	13,222
Unearned revenues	4,335	2,702
Total Liabilities	31,132,767	31,236,660
Deferred inflows of resources		
Deferred tax revenues	941,692	725,692
Total Liabilities and Deferred Inflows of Resources	<u>32,074,459</u>	<u>31,962,352</u>
Fund balance		
Nonspendable	251,837	148,026
Restricted	192,320	194,023
Assigned	1,484,884	1,040,500
Unassigned	3,549,154	3,549,826
Total Fund Balance	<u>5,478,195</u>	<u>4,932,375</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 37,552,654</u>	<u>\$ 36,894,727</u>

Town of Somers, New York

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

	2015			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Real property taxes	\$ 3,074,326	\$ 3,074,326	\$ 2,913,484	\$ (160,842)
Other tax items	222,837	222,837	305,491	82,654
Non-property taxes	3,405,000	3,405,000	3,405,506	506
Departmental income	613,280	613,280	662,271	48,991
Intergovernmental charges	35,000	35,000	35,000	-
Use of money and property	18,638	18,638	14,957	(3,681)
Licenses and permits	186,800	186,800	264,675	77,875
Fines and forfeitures	105,000	105,000	99,226	(5,774)
Sale of property and compensation for loss	100	100	5,391	5,291
Interfund revenues	38,654	38,654	43,441	4,787
State aid	778,100	778,100	791,735	13,635
Federal aid	66,311	66,311	58,342	(7,969)
Miscellaneous	75,500	75,500	79,882	4,382
Total Revenues	8,619,546	8,619,546	8,679,401	59,855
EXPENDITURES				
Current				
General government support	2,240,242	2,460,293	2,358,273	102,020
Public safety	1,168,635	1,168,635	1,033,270	135,365
Health	336,728	338,680	338,615	65
Transportation	303,002	303,002	290,876	12,126
Economic opportunity and development	436,522	436,522	415,912	20,610
Culture and recreation	1,183,743	1,188,943	1,133,657	55,286
Home and community services	237,149	251,448	245,711	5,737
Employee benefits	2,638,050	2,398,050	2,186,953	211,097
Total Expenditures	8,544,071	8,545,573	8,003,267	542,306
Excess (Deficiency) of Revenues Over Expenditures	75,475	73,973	676,134	602,161
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	90,974	90,974
Transfers in	12,000	12,000	-	(12,000)
Transfers out	(227,975)	(227,976)	(221,288)	6,688
Total Other Financing Sources (Uses)	(215,975)	(215,976)	(130,314)	85,662
Net Change in Fund Balance	(140,500)	(142,003)	545,820	687,823
FUND BALANCE				
Beginning of Year	140,500	142,003	4,932,375	4,790,372
End of Year	\$ -	\$ -	\$ 5,478,195	\$ 5,478,195

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,896,269	\$ 2,896,269	\$ 3,074,105	\$ 177,836
202,700	202,700	283,254	80,554
3,190,300	3,190,300	3,428,502	238,202
693,370	693,370	809,102	115,732
40,000	40,000	40,000	-
27,494	27,494	17,750	(9,744)
210,000	210,000	212,391	2,391
94,900	94,900	110,923	16,023
100	100	138	38
21,720	21,720	24,353	2,633
926,915	926,915	759,599	(167,316)
88,091	88,091	74,928	(13,163)
91,700	91,700	83,214	(8,486)
<u>8,483,559</u>	<u>8,483,559</u>	<u>8,918,259</u>	<u>434,700</u>
2,109,544	2,153,153	2,052,168	100,985
1,171,405	1,141,405	1,089,136	52,269
328,826	333,252	333,251	1
294,894	295,404	291,912	3,492
430,565	430,565	404,828	25,737
1,131,591	1,099,769	1,081,521	18,248
194,309	194,681	181,415	13,266
2,864,425	2,802,384	2,673,999	128,385
<u>8,525,559</u>	<u>8,450,613</u>	<u>8,108,230</u>	<u>342,383</u>
<u>(42,000)</u>	<u>32,946</u>	<u>810,029</u>	<u>777,083</u>
-	-	16,293	(16,293)
7,000	7,000	7,000	-
-	(77,527)	(77,527)	-
<u>7,000</u>	<u>(70,527)</u>	<u>(54,234)</u>	<u>-</u>
(35,000)	(37,581)	755,795	793,376
<u>35,000</u>	<u>37,581</u>	<u>4,176,580</u>	<u>4,138,999</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,932,375</u>	<u>\$ 4,932,375</u>

Town of Somers, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
REAL PROPERTY TAXES	\$ 3,074,326	\$ 3,074,326	\$ 2,913,484	\$ (160,842)	\$ 3,074,105
OTHER TAX ITEMS					
Payments in lieu of taxes	2,837	2,837	5,504	2,667	2,754
Interest and penalties on real property taxes	220,000	220,000	299,987	79,987	276,100
Gain on sale of property acquired for taxes	-	-	-	-	4,400
	<u>222,837</u>	<u>222,837</u>	<u>305,491</u>	<u>82,654</u>	<u>283,254</u>
NON-PROPERTY TAXES					
Non-property tax distribution from County	2,975,000	2,975,000	2,946,815	(28,185)	2,975,376
Franchise fees					
Cable TV	430,000	430,000	458,691	28,691	453,126
	<u>3,405,000</u>	<u>3,405,000</u>	<u>3,405,506</u>	<u>506</u>	<u>3,428,502</u>
DEPARTMENTAL INCOME					
Town Clerk fees	11,800	11,800	20,135	8,335	14,710
Engineering fees	82,000	82,000	95,859	13,859	242,042
Police fees	-	-	15	15	-
Public safety fees	3,000	3,000	6,750	3,750	3,375
Parking lots and garages	1,950	1,950	1,500	(450)	1,950
Parks and recreation charges	420,270	420,270	443,726	23,456	424,914
Recreation concessions	13,260	13,260	13,260	-	13,025
Zoning fees	2,000	2,000	5,400	3,400	1,800
Planning Board fees	65,000	65,000	54,959	(10,041)	78,558
Vital statistics fees	9,000	9,000	10,750	1,750	13,720
Other	5,000	5,000	9,917	4,917	15,008
	<u>613,280</u>	<u>613,280</u>	<u>662,271</u>	<u>48,991</u>	<u>809,102</u>

INTERGOVERNMENTAL CHARGES

Programs for the aging	<u>35,000</u>	<u>35,000</u>	<u>35,000</u>	<u>-</u>	<u>40,000</u>
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USE OF MONEY AND PROPERTY

Earnings on investments	11,300	11,300	7,446	(3,854)	10,550
Rental of real property	<u>7,338</u>	<u>7,338</u>	<u>7,511</u>	<u>173</u>	<u>7,200</u>

	<u>18,638</u>	<u>18,638</u>	<u>14,957</u>	<u>(3,681)</u>	<u>17,750</u>
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LICENSES AND PERMITS

Dog licenses	14,100	14,100	19,920	5,820	20,185
Building and alteration permits	<u>172,700</u>	<u>172,700</u>	<u>244,755</u>	<u>72,055</u>	<u>192,206</u>

	<u>186,800</u>	<u>186,800</u>	<u>264,675</u>	<u>77,875</u>	<u>212,391</u>
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FINES AND FORFEITURES

Fines and forfeited bail	<u>105,000</u>	<u>105,000</u>	<u>99,226</u>	<u>(5,774)</u>	<u>110,923</u>
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**SALE OF PROPERTY AND
COMPENSATION FOR LOSS**

Other sales	<u>100</u>	<u>100</u>	<u>5,391</u>	<u>5,291</u>	<u>138</u>
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INTERFUND REVENUES

Services to other governments	<u>38,654</u>	<u>38,654</u>	<u>43,441</u>	<u>4,787</u>	<u>24,353</u>
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STATE AID

Per capita	53,185	53,185	53,185	-	53,185
Mortgage tax	650,000	650,000	662,039	12,039	634,897
Programs for the aging	74,915	74,915	74,915	-	68,101
Other	<u>-</u>	<u>-</u>	<u>1,596</u>	<u>1,596</u>	<u>3,416</u>

	<u>778,100</u>	<u>778,100</u>	<u>791,735</u>	<u>13,635</u>	<u>759,599</u>
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FEDERAL AID

Emergency management assistance	-	-	-	-	3,504
Programs for the aging	<u>66,311</u>	<u>66,311</u>	<u>58,342</u>	<u>(7,969)</u>	<u>71,424</u>

	<u>66,311</u>	<u>66,311</u>	<u>58,342</u>	<u>(7,969)</u>	<u>74,928</u>
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Town of Somers, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
MISCELLANEOUS					
Refund of prior year's expenditures	\$ -	\$ -	\$ -	\$ -	\$ 110
Gifts and donations	60,000	60,000	55,330	(4,670)	47,614
Medicare part D reimbursement	15,000	15,000	21,208	6,208	35,030
Other	500	500	3,344	2,844	460
	<u>75,500</u>	<u>75,500</u>	<u>79,882</u>	<u>4,382</u>	<u>83,214</u>
TOTAL REVENUES	<u>8,619,546</u>	<u>8,619,546</u>	<u>8,679,401</u>	<u>59,855</u>	<u>8,918,259</u>
OTHER FINANCING SOURCES					
Insurance recoveries	-	-	90,974	90,974	16,293
Transfers in Highway Fund	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>	<u>7,000</u>
TOTAL OTHER FINANCING SOURCES	<u>12,000</u>	<u>12,000</u>	<u>90,974</u>	<u>78,974</u>	<u>23,293</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 8,631,546</u>	<u>\$ 8,631,546</u>	<u>\$ 8,770,375</u>	<u>\$ 138,829</u>	<u>\$ 8,941,552</u>

Town of Somers, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 58,728	\$ 69,728	\$ 69,723	\$ 5	\$ 55,224
Town Justice	220,481	225,481	220,906	4,575	213,908
Supervisor	248,344	248,344	236,127	12,217	224,018
Finance	214,630	232,130	231,164	966	203,771
Auditor	46,900	47,000	46,972	28	45,500
Tax collection	101,662	102,412	102,278	134	100,489
Assessment	137,506	140,106	138,696	1,410	133,711
Town Clerk	132,784	137,384	136,946	438	130,229
Town Attorney	152,380	269,953	269,951	2	166,175
Engineer	161,554	175,554	172,926	2,628	148,909
Elections	30,970	30,970	30,600	370	30,320
Records management	12,165	12,165	10,171	1,994	10,133
Central services					
Operation of plant/buildings	186,326	186,326	170,346	15,980	125,746
Central supply	10,000	19,000	18,281	719	21,585
Central storeroom	1,000	1,000	89	911	776
Central printing and mailing	35,500	35,500	34,217	1,283	33,021
Central data processing	93,396	93,396	86,802	6,594	86,800
Special items					
Unallocated insurance	255,000	255,000	239,541	15,459	218,521
Municipal association dues	4,000	4,000	3,697	303	4,180
Judgments and claims	5,000	129,000	103,510	25,490	66,456
Property loss	400	1,903	1,903	-	-
Easements	3	3	3	-	3
Taxes and assessments on property	23,000	23,000	21,891	1,109	21,161
Contingency	96,263	8,688	-	8,688	-
Metropolitan commuter transportation mobility tax	12,250	12,250	11,533	717	11,532
	<u>2,240,242</u>	<u>2,460,293</u>	<u>2,358,273</u>	<u>102,020</u>	<u>2,052,168</u>

PUBLIC SAFETY

Police	799,304	799,304	701,279	98,025	756,168
Traffic control	33,000	33,000	29,085	3,915	29,713
Control of dogs	29,236	29,236	26,631	2,605	26,931
Fire protection	32,079	32,079	19,157	12,922	18,190
Safety inspection	275,016	275,016	257,118	17,898	258,134
	<u>1,168,635</u>	<u>1,168,635</u>	<u>1,033,270</u>	<u>135,365</u>	<u>1,089,136</u>

HEALTH

Registrar of Vital Statistics	10,250	12,200	12,150	50	14,570
Drug abuse prevention	1,500	1,500	1,485	15	1,605
Advanced life support	324,978	324,980	324,980	-	317,076
	<u>336,728</u>	<u>338,680</u>	<u>338,615</u>	<u>65</u>	<u>333,251</u>

TRANSPORTATION

Highway administration	236,652	236,652	230,555	6,097	229,959
Highway garage	60,350	60,350	55,886	4,464	57,203
Street lighting	6,000	6,000	4,435	1,565	4,750
	<u>303,002</u>	<u>303,002</u>	<u>290,876</u>	<u>12,126</u>	<u>291,912</u>

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ECONOMIC OPPORTUNITY AND DEVELOPMENT

Publicity	21,000	21,000	17,739	3,261	19,115
Veterans' services	4,800	4,800	2,199	2,601	2,003
Senior transportation Programs for the aging	115,777	115,777	108,141	7,636	106,083
Nutrition	81,530	81,530	76,736	4,794	75,430
S.N.A.P.	213,415	213,415	211,097	2,318	202,197
	<u>436,522</u>	<u>436,522</u>	<u>415,912</u>	<u>20,610</u>	<u>404,828</u>

(Continued)

Town of Somers, New York

General Fund

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

Year Ended December 31, 2015

(With Comparative Actuals for 2014)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2014 Actual
CULTURE AND RECREATION					
Recreation administration	\$ 262,297	\$ 267,497	\$ 266,648	\$ 849	\$ 262,655
Parks	537,588	537,588	517,015	20,573	467,275
Recreation centers	101,800	101,800	97,193	4,607	109,299
Youth programs	244,392	244,392	218,328	26,064	208,382
Historian	3,166	3,166	2,639	527	2,578
Historical property	24,500	24,500	21,834	2,666	21,332
Celebrations	10,000	10,000	10,000	-	10,000
	<u>1,183,743</u>	<u>1,188,943</u>	<u>1,133,657</u>	<u>55,286</u>	<u>1,081,521</u>
HOME AND COMMUNITY SERVICES					
Zoning	27,794	30,194	29,825	369	24,121
Planning	181,360	191,560	188,203	3,357	151,625
Refuse and garbage	500	2,200	2,143	57	1,214
Land Trust	2,000	2,000	535	1,465	1,384
Architectural Review Board	25,495	25,494	25,005	489	3,071
	<u>237,149</u>	<u>251,448</u>	<u>245,711</u>	<u>5,737</u>	<u>181,415</u>
EMPLOYEE BENEFITS					
State retirement	550,000	490,000	442,443	47,557	451,309
Police and fire retirement	29,000	29,000	23,428	5,572	25,911
Social security	274,250	274,250	262,726	11,524	260,206
Workers' compensation benefits	130,000	130,000	51,691	78,309	96,692
Life insurance	16,500	16,500	16,133	367	13,738
Unemployment benefits	17,500	17,500	4,657	12,843	1,416
Health insurance	1,527,000	1,347,000	1,304,012	42,988	1,749,484
Dental insurance	87,000	87,000	76,482	10,518	69,875
Optical insurance	6,800	6,800	5,381	1,419	5,368
	<u>2,638,050</u>	<u>2,398,050</u>	<u>2,186,953</u>	<u>211,097</u>	<u>2,673,999</u>
TOTAL EXPENDITURES	<u>8,544,071</u>	<u>8,545,573</u>	<u>8,003,267</u>	<u>542,306</u>	<u>8,108,230</u>

OTHER FINANCING USES

Transfers out

Debt Service Fund	227,975	212,243	205,555	6,688	-
Capital Projects Fund	-	15,733	15,733	-	69,822
Public Library Fund	-	-	-	-	7,705

TOTAL OTHER FINANCING USES

	<u>227,975</u>	<u>227,976</u>	<u>221,288</u>	<u>6,688</u>	<u>77,527</u>
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TOTAL EXPENDITURES AND OTHER FINANCING USES

	<u>\$ 8,772,046</u>	<u>\$ 8,773,549</u>	<u>\$ 8,224,555</u>	<u>\$ 548,994</u>	<u>\$ 8,185,757</u>
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Town of Somers, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 1,322,746	\$ 1,262,158
Receivables		
Accounts	2,981	37,697
State and Federal aid	-	56,966
Due from other funds	1,746	8,358
	<u>4,727</u>	<u>103,021</u>
Prepaid expenditures	<u>26,903</u>	<u>51,345</u>
Total Assets	<u>\$ 1,354,376</u>	<u>\$ 1,416,524</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 58,654	\$ 58,249
Accrued liabilities	11,468	58,431
Due to other funds	155,325	61,076
Total Liabilities	<u>225,447</u>	<u>177,756</u>
Fund balance		
Nonspendable	26,903	51,345
Assigned	1,102,026	1,187,423
Total Fund Balance	<u>1,128,929</u>	<u>1,238,768</u>
Total Liabilities and Fund Balance	<u>\$ 1,354,376</u>	<u>\$ 1,416,524</u>

Town of Somers, New York

Highway Fund

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

	2015			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 2,884,739	\$ 2,884,739	\$ 2,884,739	\$ -
Intergovernmental charges	45,000	45,000	124,927	79,927
Use of money and property	4,000	4,000	1,257	(2,743)
Sale of property and compensation for loss	8,000	8,000	8,410	410
Interfund revenues	7,000	7,000	3,038	(3,962)
State aid	219,138	280,432	375,848	95,416
Miscellaneous	-	-	3,690	3,690
Total Revenues	3,167,877	3,229,171	3,401,909	172,738
EXPENDITURES				
Current				
Transportation	1,941,042	2,148,681	2,147,488	1,193
Employee benefits	823,892	756,192	754,985	1,207
Total Expenditures	2,764,934	2,904,873	2,902,473	2,400
Excess of Revenues Over Expenditures	402,943	324,298	499,436	175,138
OTHER FINANCING USES				
Transfers out	(621,277)	(609,277)	(609,275)	2
Net Change in Fund Balance	(218,334)	(284,979)	(109,839)	175,140
FUND BALANCE				
Beginning of Year	218,334	284,979	1,238,768	953,789
End of Year	\$ -	\$ -	\$ 1,128,929	\$ 1,128,929

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,786,178	\$ 2,786,178	\$ 2,786,178	\$ -
45,000	45,000	134,939	89,939
3,000	3,000	1,951	(1,049)
11,000	11,000	14,182	3,182
7,000	7,000	1,063	(5,937)
171,825	171,825	179,381	7,556
-	-	4,802	4,802
<u>3,024,003</u>	<u>3,024,003</u>	<u>3,122,496</u>	<u>98,493</u>
1,883,939	2,012,561	2,011,438	1,123
870,058	830,620	825,099	5,521
<u>2,753,997</u>	<u>2,843,181</u>	<u>2,836,537</u>	<u>6,644</u>
270,006	180,822	285,959	105,137
<u>(738,500)</u>	<u>(649,316)</u>	<u>(488,519)</u>	<u>160,797</u>
(468,494)	(468,494)	(202,560)	265,934
<u>468,494</u>	<u>468,494</u>	<u>1,441,328</u>	<u>972,834</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,238,768</u>	<u>\$ 1,238,768</u>

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Town of Somers, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 339,450	\$ 453,988
Due from other funds	<u>-</u>	<u>759</u>
Total Assets	<u>\$ 339,450</u>	<u>\$ 454,747</u>
FUND BALANCE		
Restricted	\$ 289,650	\$ 336,747
Assigned	<u>49,800</u>	<u>118,000</u>
Total Fund Balance	<u>\$ 339,450</u>	<u>\$ 454,747</u>

Town of Somers, New York

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

	2015			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ -	\$ -	\$ -	\$ -
Use of money and property	790	790	218	(572)
Miscellaneous	-	-	3,036	3,036
Total Revenues	790	790	3,254	2,464
EXPENDITURES				
Current				
General government support	3,138	3,140	3,140	-
Debt service				
Serial bonds				
Principal	1,038,825	1,058,825	1,058,824	1
Interest	370,750	350,748	298,344	52,404
Refunding bond issuance costs	-	112,998	112,998	-
Total Expenditures	1,412,713	1,525,711	1,473,306	52,405
Deficiency of Revenues Over Expenditures	(1,411,923)	(1,524,921)	(1,470,052)	54,869
OTHER FINANCING SOURCES				
Refunding bonds issued	-	3,300,000	3,300,000	-
Premium on bonds issued	-	39,192	39,192	-
Payment to refunded bond escrow agent	-	(3,226,194)	(3,226,194)	-
Transfers in	1,293,923	1,293,923	1,241,757	(52,166)
Total Other Financing Sources	1,293,923	1,406,921	1,354,755	(52,166)
Net Change in Fund Balance	(118,000)	(118,000)	(115,297)	2,703
FUND BALANCE				
Beginning of Year	118,000	118,000	454,747	336,747
End of Year	\$ -	\$ -	\$ 339,450	\$ 339,450

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 150,695	\$ 150,695	\$ 150,695	\$ -
1,130	1,130	1,618	488
-	-	34,690	34,690
<u>151,825</u>	<u>151,825</u>	<u>187,003</u>	<u>35,178</u>
3,527	3,527	3,525	2
1,021,219	1,021,219	836,218	185,001
408,827	408,827	311,798	97,029
-	-	-	-
<u>1,433,573</u>	<u>1,433,573</u>	<u>1,151,541</u>	<u>282,032</u>
<u>(1,281,748)</u>	<u>(1,281,748)</u>	<u>(964,538)</u>	<u>317,210</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,181,748</u>	<u>1,181,748</u>	<u>900,316</u>	<u>(281,432)</u>
<u>1,181,748</u>	<u>1,181,748</u>	<u>900,316</u>	<u>(281,432)</u>
(100,000)	(100,000)	(64,222)	35,778
<u>100,000</u>	<u>100,000</u>	<u>518,969</u>	<u>418,969</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 454,747</u>	<u>\$ 454,747</u>

Town of Somers, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 18,244	\$ 885,445
State and Federal aid receivable	7,950	7,950
Due from other governments	-	4,414
Due from other funds	-	2,382
	<u> </u>	<u> </u>
Total Assets	<u>\$ 26,194</u>	<u>\$ 900,191</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ -	\$ 6,299
Due to other funds	8,104	25,338
	<u> </u>	<u> </u>
Total Liabilities	8,104	31,637
Fund balance		
Restricted	<u>18,090</u>	<u>868,554</u>
	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 26,194</u>	<u>\$ 900,191</u>

Town of Somers, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Miscellaneous	\$ 10,264	\$ 34,700
EXPENDITURES		
Capital outlay	<u>1,059,741</u>	<u>1,256,920</u>
Deficiency of Revenues Over Expenditures	<u>(1,049,477)</u>	<u>(1,222,220)</u>
OTHER FINANCING SOURCES (USES)		
Bonds issued	-	2,000,000
Transfers in	199,013	85,729
Transfers out	<u>-</u>	<u>(175,711)</u>
Total Other Financing Sources	<u>199,013</u>	<u>1,910,018</u>
Net Change in Fund Balance	(850,464)	687,798
FUND BALANCE		
Beginning of Year	<u>868,554</u>	<u>180,756</u>
End of Year	<u>\$ 18,090</u>	<u>\$ 868,554</u>

Town of Somers, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project through December 31, 2014

<u>PROJECT</u>	<u>Project Budget</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
NYC - East of Hudson	\$ 1,270,256	\$ 1,126,288	\$ 143,968
Reis Park Expansion	14,750	14,750	-
Reis Park Playground	73,750	73,328	422
Totals	<u>\$ 1,358,756</u>	<u>\$ 1,214,366</u>	<u>\$ 144,390</u>

<u>Revenues and Transfers</u>	<u>Fund Balance at December 31, 2015</u>
\$ 1,144,378	\$ 18,090
14,750	-
<u>73,328</u>	<u>-</u>
<u>\$ 1,232,456</u>	<u>\$ 18,090</u>

Town of Somers, New York

Combining Balance Sheet
 Non-Major Governmental Funds
 December 31, 2015
 (With Comparative Totals for 2014)

	Public Library	Special Districts	Special Purpose
ASSETS			
Cash and equivalents	\$ 581,649	\$ 461,870	\$ 1,451,522
Receivables			
Accounts	40	-	250
Water and sewer rents	-	257,012	-
Due from other funds	-	10,276	8,104
	<u>40</u>	<u>267,288</u>	<u>8,354</u>
Prepaid expenditures	<u>12,638</u>	<u>5,131</u>	<u>-</u>
Total Assets	<u>\$ 594,327</u>	<u>\$ 734,289</u>	<u>\$ 1,459,876</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 37,901	\$ 62,724	\$ -
Accrued liabilities	1,325	212	-
Due to other funds	55,806	52,918	-
Total Liabilities	<u>95,032</u>	<u>115,854</u>	<u>-</u>
Fund balances			
Nonspendable	12,638	5,131	-
Restricted	20,215	-	1,459,876
Assigned	466,442	613,304	-
Total Fund Balances	<u>499,295</u>	<u>618,435</u>	<u>1,459,876</u>
Total Liabilities and Fund Balances	<u>\$ 594,327</u>	<u>\$ 734,289</u>	<u>\$ 1,459,876</u>

Permanent	Total Non-Major Governmental Funds	
	2015	2014
\$ 286,369	\$ 2,781,410	\$ 2,714,761
-	290	21,898
-	257,012	247,149
-	18,380	17,164
-	275,682	286,211
-	17,769	29,734
<u>\$ 286,369</u>	<u>\$ 3,074,861</u>	<u>\$ 3,030,706</u>
\$ -	\$ 100,625	\$ 73,990
-	1,537	36,823
-	108,724	17,282
-	210,886	128,095
284,878	302,647	314,612
1,491	1,481,582	1,537,859
-	1,079,746	1,050,140
286,369	2,863,975	2,902,611
<u>\$ 286,369</u>	<u>\$ 3,074,861</u>	<u>\$ 3,030,706</u>

Town of Somers, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2015
(With Comparative Totals for 2014)

	Public Library	Special Districts	Special Purpose
REVENUES			
Real property taxes	\$ 988,638	\$ 481,929	\$ -
Departmental income	14,535	880,843	11,500
Use of money and property	312	386	820
Interfund revenues	-	43,388	-
State aid	6,219	-	-
Miscellaneous	2,199	-	9,652
Total Revenues	<u>1,011,903</u>	<u>1,406,546</u>	<u>21,972</u>
EXPENDITURES			
Current			
Transportation	-	24,431	-
Culture and recreation	739,035	-	3,258
Home and community services	-	784,163	-
Employee benefits	218,338	99,706	-
Total Expenditures	<u>957,373</u>	<u>908,300</u>	<u>3,258</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>54,530</u>	<u>498,246</u>	<u>18,714</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	(535,114)	(75,093)
Total Other Financing Uses	<u>-</u>	<u>(535,114)</u>	<u>(75,093)</u>
Net Change in Fund Balances	54,530	(36,868)	(56,379)
FUND BALANCES			
Beginning of Year	<u>444,765</u>	<u>655,303</u>	<u>1,516,255</u>
End of Year	<u>\$ 499,295</u>	<u>\$ 618,435</u>	<u>\$ 1,459,876</u>

Total Non-Major Governmental Funds		
Permanent	2015	2014
\$ -	\$ 1,470,567	\$ 1,469,216
-	906,878	814,693
81	1,599	2,923
-	43,388	41,825
-	6,219	5,364
-	11,851	4,020
81	2,440,502	2,338,041
-	24,431	22,869
-	742,293	774,311
-	784,163	754,612
-	318,044	389,054
-	1,868,931	1,940,846
81	571,571	397,195
-	-	183,416
-	(610,207)	(434,704)
-	(610,207)	(251,288)
81	(38,636)	145,907
286,288	2,902,611	2,756,704
\$ 286,369	\$ 2,863,975	\$ 2,902,611

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Town of Somers, New York

Public Library Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 581,649	\$ 452,851
Receivables		
Accounts	40	21,648
Due from other funds	<u>-</u>	<u>5,124</u>
	<u>40</u>	<u>26,772</u>
Prepaid expenditures	<u>12,638</u>	<u>21,207</u>
Total Assets	<u>\$ 594,327</u>	<u>\$ 500,830</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 37,901	\$ 27,563
Accrued liabilities	1,325	28,401
Due to other funds	<u>55,806</u>	<u>101</u>
Total Liabilities	<u>95,032</u>	<u>56,065</u>
Fund balance		
Nonspendable	12,638	21,207
Restricted	20,215	20,194
Assigned	<u>466,442</u>	<u>403,364</u>
Total Fund Balance	<u>499,295</u>	<u>444,765</u>
Total Liabilities and Fund Balance	<u>\$ 594,327</u>	<u>\$ 500,830</u>

Town of Somers, New York

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

	2015			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	\$ 988,638	\$ 988,638	\$ 988,638	\$ -
Departmental income	21,000	21,000	14,535	(6,465)
Use of money and property	100	100	312	212
State aid	4,450	4,450	6,219	1,769
Miscellaneous	1,000	1,000	2,199	1,199
Total Revenues	1,015,188	1,015,188	1,011,903	(3,285)
EXPENDITURES				
Current				
Culture and recreation	780,538	780,538	739,035	41,503
Employee benefits	254,650	254,650	218,338	36,312
Total Expenditures	1,035,188	1,035,188	957,373	77,815
Excess (Deficiency) of Revenues Over Expenditures	(20,000)	(20,000)	54,530	74,530
OTHER FINANCING SOURCES				
Transfers in	-	-	-	-
Net Change in Fund Balance	(20,000)	(20,000)	54,530	74,530
FUND BALANCE				
Beginning of Year	20,000	20,000	444,765	424,765
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 499,295</u>	<u>\$ 499,295</u>

2014

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 993,740	\$ 993,740	\$ 993,740	\$ -
21,000	21,000	17,264	(3,736)
100	100	448	348
4,450	4,450	5,364	914
1,000	1,000	2,445	1,445
<u>1,020,290</u>	<u>1,020,290</u>	<u>1,019,261</u>	<u>(1,029)</u>
767,887	778,887	769,862	9,025
302,403	291,403	276,617	14,786
<u>1,070,290</u>	<u>1,070,290</u>	<u>1,046,479</u>	<u>23,811</u>
(50,000)	(50,000)	(27,218)	22,782
-	-	7,705	7,705
(50,000)	(50,000)	(19,513)	30,487
<u>50,000</u>	<u>50,000</u>	<u>464,278</u>	<u>414,278</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,765</u>	<u>\$ 444,765</u>

Town of Somers, New York

Special Districts Fund
 Combining Balance Sheet - Sub Funds
 December 31, 2015
 (With Comparative Totals for 2014)

	Water Districts			
	No. 1 - Amawalk Heights	No. 2 - Amawalk Shenorock	No. 3 - Percy Mullen	No. 4 - Windsor Farm
ASSETS				
Cash and equivalents	\$ 24,052	\$ 276,016	\$ 4,924	\$ 43,063
Receivables				
Water and sewer rents	18,000	198,046	-	7,522
Due from other funds	-	10,276	-	-
	<u>18,000</u>	<u>208,322</u>	<u>-</u>	<u>7,522</u>
Prepaid expenditures	-	5,131	-	-
Total Assets	<u>\$ 42,052</u>	<u>\$ 489,469</u>	<u>\$ 4,924</u>	<u>\$ 50,585</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 4,421	\$ 50,355	\$ -	\$ 1,106
Accrued liabilities	-	212	-	-
Due to other funds	3,307	37,623	-	324
Total Liabilities	<u>7,728</u>	<u>88,190</u>	<u>-</u>	<u>1,430</u>
Fund balances				
Nonspendable	-	5,131	-	-
Assigned	34,324	396,148	4,924	49,155
Total Fund Balances	<u>34,324</u>	<u>401,279</u>	<u>4,924</u>	<u>49,155</u>
Total Liabilities and Fund Balances	<u>\$ 42,052</u>	<u>\$ 489,469</u>	<u>\$ 4,924</u>	<u>\$ 50,585</u>

Sewer District	Street Lighting Districts		Totals	
	No. 1	No. 1 - Croton Falls	No. 2 - Shenorock	2015
\$ 86,693	\$ 4,115	\$ 23,007	\$ 461,870	\$ 465,336
33,444	-	-	257,012	247,149
-	-	-	10,276	3,936
33,444	-	-	267,288	251,085
-	-	-	5,131	8,527
<u>\$ 120,137</u>	<u>\$ 4,115</u>	<u>\$ 23,007</u>	<u>\$ 734,289</u>	<u>\$ 724,948</u>
\$ 4,930	\$ 152	\$ 1,760	\$ 62,724	\$ 46,427
-	-	-	212	8,422
11,664	-	-	52,918	14,796
16,594	152	1,760	115,854	69,645
-	-	-	5,131	8,527
103,543	3,963	21,247	613,304	646,776
103,543	3,963	21,247	618,435	655,303
<u>\$ 120,137</u>	<u>\$ 4,115</u>	<u>\$ 23,007</u>	<u>\$ 734,289</u>	<u>\$ 724,948</u>

Town of Somers, New York

Special Districts Fund
 Combining Schedule of Revenues, Expenditures and Changes
 in Fund Balances - Sub Funds
 Year Ended December 31, 2015
 (With Comparative Totals for 2014)

	Water Districts			
	No. 1 - Amawalk Heights	No. 2 - Amawalk Shenorock	No. 3 - Percy Mullen	No. 4 - Windsor Farm
REVENUES				
Real property taxes	\$ -	\$ 456,671	\$ -	\$ -
Departmental income	51,304	680,404	-	30,671
Use of money and property	17	296	3	22
Interfund revenues	-	43,388	-	-
Total Revenues	51,321	1,180,759	3	30,693
EXPENDITURES				
Current				
Transportation	-	-	-	-
Home and community services	57,749	632,498	-	23,251
Employee benefits	-	99,706	-	-
Total Expenditures	57,749	732,204	-	23,251
Excess (Deficiency) of Revenues Over Expenditures	(6,428)	448,555	3	7,442
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(535,114)	-	-
Total other Financing Uses	-	(535,114)	-	-
Net Change in Fund Balances	(6,428)	(86,559)	3	7,442
FUND BALANCES				
Beginning of Year	40,752	487,838	4,921	41,713
End of Year	\$ 34,324	\$ 401,279	\$ 4,924	\$ 49,155

Sewer District	Street Lighting Districts		Totals	
	No. 1	No. 1 - Croton Falls	No. 2 - Shenorock	2015
\$ -	\$ 2,288	\$ 22,970	\$ 481,929	\$ 475,476
118,464	-	-	880,843	797,429
29	3	16	386	776
-	-	-	43,388	41,825
118,493	2,291	22,986	1,406,546	1,315,506
-	1,888	22,543	24,431	22,869
70,665	-	-	784,163	754,612
-	-	-	99,706	112,437
70,665	1,888	22,543	908,300	889,918
47,828	403	443	498,246	425,588
-	-	-	-	175,711
-	-	-	(535,114)	(421,719)
-	-	-	(535,114)	(246,008)
47,828	403	443	(36,868)	179,580
55,715	3,560	20,804	655,303	475,723
\$ 103,543	\$ 3,963	\$ 21,247	\$ 618,435	\$ 655,303

Town of Somers, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	\$ 1,451,522	\$ 1,510,286
Accounts receivable	250	250
Due from other funds	<u>8,104</u>	<u>8,104</u>
 Total Assets	 <u>\$ 1,459,876</u>	 <u>\$ 1,518,640</u>
 LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	\$ -	\$ 2,385
 Fund balance		
Restricted	<u>1,459,876</u>	<u>1,516,255</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,459,876</u>	 <u>\$ 1,518,640</u>

Town of Somers, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 286,369</u>	<u>\$ 286,288</u>
FUND BALANCE		
Nonspendable	\$ 284,878	\$ 284,878
Restricted	<u>1,491</u>	<u>1,410</u>
Total Fund Balance	<u>\$ 286,369</u>	<u>\$ 286,288</u>

Town of Somers, New York

Permanent Fund
Comparative Balance Sheet
December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and equivalents	<u>\$ 286,369</u>	<u>\$ 286,288</u>
FUND BALANCE		
Nonspendable	\$ 284,878	\$ 284,878
Restricted	<u>1,491</u>	<u>1,410</u>
Total Fund Balance	<u>\$ 286,369</u>	<u>\$ 286,288</u>

Town of Somers, New York

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

	<u>2015</u>	<u>2014</u>
REVENUES		
Use of money and property	\$ 81	\$ 141
EXPENDITURES	<u>-</u>	<u>-</u>
Net Change in Fund Balance	81	141
FUND BALANCE		
Beginning of Year	<u>286,288</u>	<u>286,147</u>
End of Year	<u>\$ 286,369</u>	<u>\$ 286,288</u>