

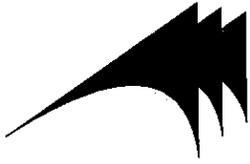
TOWN OF COPAKE, NEW YORK
ANNUAL FINANCIAL REPORT
DECEMBER 31, 2015 AND 2014

TOWN OF COPAKE, NEW YORK

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Sickler, Torchia
 Allen & Churchill, CPA's, PC
Your Partner When It Counts

Robert J. Allen, CPA
 Victor V. Churchill, CPA
 Edward J. Gower II, CPA
 Craig R. Sickler, CPA
 Michael A. Torchia, Jr., CPA, CVA
 Joseph J. Montalto, CPA

ACCOUNTANT'S COMPILATION REPORT

To Town Board of the
 Town of Copake
 Copake, NY 12516

Management is responsible for the accompanying financial statements of the Town of Copake as of and for the years ended December 31, 2015 and 2014, which collectively comprise the Town of Copake's annual financial report included in the accompanying prescribed form. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements included in the accompanying prescribed form nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Supplementary Information

The supplementary information contained in the supplemental section of the prescribed form is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information is the representation of management. This supplementary information was not subject to our compilation engagement. We do not express an opinion, a conclusion, nor provide any form of assurance on such supplementary information.

Other Matter

These financial statements included in the accompanying prescribed form, as more fully described in Note 1, are intended to comply with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America.

We are not independent with respect to the Town of Copake.

Sickler, Torchia, Allen & Churchill, CPAs, PC

Hudson, New York
 February 27, 2016

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
TOWN of Copake
County of Columbia
For the Fiscal Year Ended 12/31/2015

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

TOWN OF Copake

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2014 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2015:

- (A) GENERAL
- (CD) SPECIAL GRANT
- (CM) MISCELLANEOUS SPECIAL REV
- (DA) HIGHWAY-TOWN-WIDE
- (K) GENERAL FIXED ASSETS
- (SL) LIGHTING
- (TA) AGENCY
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2014 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption
- 7) Schedule of Other Post Employment Benefits (OPEB)

All numbers in this report will be rounded to the nearest dollar.

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Balance Sheet

Code	Description	2014	Edp Code	2015
Assets				
	Cash	1,332,499	A200	1,593,550
	Cash In Time Deposits		A201	
	Petty Cash	420	A210	420
TOTAL Cash		1,332,919		1,593,970
	Accounts Receivable	17,076	A380	18,190
TOTAL Other Receivables (net)		17,076		18,190
	Due From Other Funds	9,513	A391	11,275
TOTAL Due From Other Funds		9,513		11,275
	Due From Other Governments	154,494	A440	161,664
TOTAL Due From Other Governments		154,494		161,664
	Cash Special Reserves	2,844	A230	2,934
TOTAL Restricted Assets		2,844		2,934
TOTAL Assets and Deferred Outflows of Resources		1,516,846		1,788,033

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Balance Sheet

Code Description	2014	Edp Code	2015
Accounts Payable	16,977	A600	10,660
TOTAL Accounts Payable	16,977		10,660
Accrued Liabilities	1,440	A601	1,632
TOTAL Accrued Liabilities	1,440		1,632
Overpayments & Clearing Account		A690	453
TOTAL Other Liabilities	0		453
Due To Other Funds	5,110	A630	
TOTAL Due To Other Funds	5,110		0
TOTAL Liabilities	23,527		12,745
Fund Balance			
Assigned Appropriated Fund Balance	5,000	A914	
Assigned Unappropriated Fund Balance	2,844	A915	2,934
TOTAL Assigned Fund Balance	7,844		2,934
Unassigned Fund Balance	1,485,475	A917	1,772,329
TOTAL Unassigned Fund Balance	1,485,475		1,772,329
TOTAL Fund Balance	1,493,319		1,775,263
TOTAL Liabilities, Deferred Inflows And Fund Balance	1,516,846		1,788,008

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code\Description	2014	EdpCode	2015
Revenues			
Real Property Taxes	344,569	A1001	289,569
TOTAL Real Property Taxes	344,569		289,569
Interest & Penalties On Real Prop Taxes	13,104	A1090	13,220
TOTAL Real Property Tax Items	13,104		13,220
Non Prop Tax Dist By County	468,440	A1120	463,478
Franchises	24,904	A1170	24,450
TOTAL Non Property Tax Items	493,344		487,928
Clerk Fees	1,890	A1255	2,069
Public Pound Charges, Dog Control Fees	75	A1550	1,190
Zoning Fees	3,009	A2110	2,530
Planning Board Fees	750	A2115	2,150
TOTAL Departmental Income	5,724		7,939
Youth Recreation Services, Other Govts	645	A2350	
Misc Revenue, Other Govts	27,083	A2389	26,774
Share of Joint Activity, Other Govts	10,668	A2390	8,472
TOTAL Intergovernmental Charges	38,396		35,246
Interest And Earnings	1	A2401	2
Rental of Real Property	2,875	A2410	2,405
TOTAL Use of Money And Property	2,876		2,407
Dog Licenses	994	A2544	1,170
Building And Alteration Permits	51,084	A2555	63,873
Permits, Other	125	A2590	125
TOTAL Licenses And Permits	52,203		65,168
Fines And Forfeited Bail	35,530	A2610	38,026
TOTAL Fines And Forfeitures	35,530		38,026
Sales, Other	180	A2655	150
Sales of Equipment	1,125	A2665	
TOTAL Sale of Property And Compensation For Loss	1,305		150
Refunds of Prior Year's Expenditures	317	A2701	455
Gifts And Donations	26,270	A2705	22,182
Employees Contributions	5,210	A2709	6,201
Unclassified (specify)	921	A2770	3,119
TOTAL Miscellaneous Local Sources	32,718		31,957
St Aid, Revenue Sharing	11,239	A3001	11,239
St Aid, Mortgage Tax	82,792	A3005	127,620
St Aid - Other (specify)		A3089	18,461
St Aid, Youth Programs	1,429	A3820	1,429
TOTAL State Aid	95,460		158,749
TOTAL Revenues	1,115,229		1,130,359
Interfund Transfers		A5031	5,000
TOTAL Interfund Transfers	0		5,000
TOTAL Other Sources	0		5,000
TOTAL Detail Revenues And Other Sources	1,115,229		1,135,359

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code	Description	2014	EdpCode	2015
Expenditures				
	Legislative Board, Pers Serv	12,618	A10101	14,420
	Legislative Board, Contr Expend	1,195	A10104	3,233
TOTAL Legislative Board		13,813		17,653
	Municipal Court, Pers Serv	37,869	A11101	12,585
	Municipal Court, Equip & Cap Outlay		A11102	39,099
	Municipal Court, Contr Expend	5,270	A11104	3,994
TOTAL Municipal Court		43,139		55,678
	Supervisor, pers Serv	12,875	A12201	12,875
TOTAL Supervisor		12,875		12,875
	Auditor, Pers Serv	6,390	A13201	6,365
	Auditor, Contr Expend	16,767	A13204	16,990
TOTAL Auditor		23,157		23,355
	Assessment, Pers Serv	34,081	A13551	32,381
	Assessment, Contr Expend	21,514	A13554	16,020
TOTAL Assessment		55,595		48,401
	Clerk, pers Serv	36,831	A14101	37,010
	Clerk, contr Expend	2,185	A14104	2,700
TOTAL Clerk		39,016		39,710
	Law, Contr Expend	23,941	A14204	22,141
TOTAL Law		23,941		22,141
	Engineer, Contr Expend	500	A14404	
TOTAL Engineer		500		0
	Buildings, Pers Serv	15,000	A16201	15,000
	Buildings, Contr Expend	31,928	A16204	37,793
TOTAL Buildings		46,928		52,793
	Central Print & Mail, contr Expend	9,813	A16704	8,790
TOTAL Central Print & Mail		9,813		8,790
	Central Data Process & Cap Outlay	2,244	A16802	1,369
	Central Data Process, Contr Expend	6,000	A16804	4,935
TOTAL Central Data Process		8,244		6,304
	Unallocated Insurance, Contr Expend	30,774	A19104	31,382
TOTAL Unallocated Insurance		30,774		31,382
	Municipal Assn Dues, Contr Expend	999	A19204	1,000
TOTAL Municipal Assn Dues		999		1,000
TOTAL General Government Support		308,794		320,082
	Control of Animals, Pers Serv	3,400	A35101	3,442
	Control of Animals, Contr Expend	380	A35104	2,231
TOTAL Control of Animals		3,780		5,673
	Safety Inspection, Pers Serv	21,612	A36201	20,734
	Safety Inspection, Contr Expend	425	A36204	741
TOTAL Safety Inspection		22,037		21,475
TOTAL Public Safety		25,817		27,148
	Registrar of Vital Statistics, Pers Serv	550	A40201	

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code\Description	2014	EdpCode	2015
Expenditures			
Registrar of Vital Stat Contr Expend		A40204	610
TOTAL Registrar of Vital Stat Contr Expend	550		610
TOTAL Health	550		610
Street Admin, Pers Serv	55,413	A50101	57,075
Street Admin, Contr Expend	250	A50104	250
TOTAL Street Admin	55,663		57,325
Machinery, Contr Expend	1,240	A51304	592
TOTAL Machinery	1,240		592
Garage, Contr Expend	25,886	A51324	24,426
TOTAL Garage	25,886		24,426
Sidewalks, Contr Expend	15,868	A54104	28
TOTAL Sidewalks	15,868		28
TOTAL Transportation	98,657		82,371
Publicity, Contr Expend	7,297	A64104	863
TOTAL Publicity	7,297		863
Veterans Service, Contr Expend	1,000	A65104	1,000
TOTAL Veterans Service	1,000		1,000
Programs For Aging, Contr Expend	1,258	A67724	609
TOTAL Programs For Aging	1,258		609
TOTAL Economic Assistance And Opportunity	9,555		2,472
Parks, Contr Expend	500	A71104	294
TOTAL Parke	500		294
Playgr & Rec Centers, Pers Serv	10,882	A71401	9,653
Playgr & Rec Centers, Equip & Cap Outlay		A71402	90
Playgr & Rec Centers, Contr Expend	10,228	A71404	9,643
TOTAL Playgr & Rec Centers	21,110		19,386
Youth Prog, Pers Serv	19,037	A73101	18,867
Youth Prog, Contr Expend	4,653	A73104	6,008
TOTAL Youth Prog	23,690		24,875
Library, Contr Expend	55,000	A74104	
TOTAL Library	55,000		0
Historian, Contr Expend	400	A75104	400
TOTAL Historian	400		400
Historical Property, Contr Expend	13,546	A75204	4,097
TOTAL Historical Property	13,546		4,097
Celebrations, Contr Expend	817	A75504	1,019
TOTAL Celebrations	817		1,019
TOTAL Culture And Recreation	115,063		50,071
Zoning, Pers Serv	4,264	A80101	3,447
Zoning, Contr Expend	2,492	A80104	2,305
TOTAL Zoning	6,756		5,752
Planning, Pers Serv	8,730	A80201	5,300
Planning, Contr Expend	8,044	A80204	40,188
TOTAL Planning	16,774		45,488

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Results of Operation

Code	Description	2014	EdpCode	2015
Expenditures				
	Cemetery, Pers Serv	97	A88101	149
	Cemetery, Contr Expend		A88104	500
TOTAL Cemetery		97		649
TOTAL Home And Community Services		23,627		51,889
	State Retirement System	31,164	A90108	27,592
	Social Security, Employer Cont	21,412	A90308	21,114
	Disability Insurance, Empl Bnfts	650	A90558	693
	Hospital & Medical (dental) Ins, Empl Bnft	43,060	A90608	49,478
TOTAL Employee Benefits		96,286		98,877
TOTAL Expenditures		678,349		633,520
	Transfers, Other Funds		A99019	219,895
TOTAL Operating Transfers		0		219,895
TOTAL Other Uses		0		219,895
TOTAL Detail Expenditures And Other Uses		678,349		853,415

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Analysis of Changes in Fund Balance

Code	Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	1,056,439	A8021	1,493,319
	Restated Fund Balance - Beg of Year	1,056,439	A8022	1,493,319
	ADD - REVENUES AND OTHER SOURCES	1,115,229		1,135,359
	DEDUCT - EXPENDITURES AND OTHER USES	678,349		853,415
	Fund Balance - End of Year	1,493,319	A8029	1,775,263

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Budget Summary

Code Description	2015	Edp Code	2016
Estimated Revenues			
Est Rev - Real Property Taxes	289,569	A1049N	283,581
Est Rev - Real Property Tax Items	10,000	A1099N	10,000
Est Rev - Non Property Tax Items	310,000	A1199N	310,000
Est Rev - Departmental Income	1,250	A1299N	1,250
Est Rev - Intergovernmental Charges	34,500	A2399N	34,500
Est Rev - Use of Money And Property	1,750	A2499N	1,750
Est Rev - Licenses And Permits	25,923	A2599N	28,423
Est Rev - Fines And Forfeitures	32,000	A2649N	35,000
Est Rev - Miscellaneous Local Sources	11,144	A2799N	8,387
Est Rev - State Aid	110,700	A3099N	101,700
TOTAL Estimated Revenues	826,836		814,591
Appropriated Fund Balance	5,000	A599N	
TOTAL Estimated Other Sources	5,000		0
TOTAL Estimated Revenues And Other Sources	831,836		814,591

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(A) GENERAL

Budget Summary

Code	Description	2015	EdpCode	2016
Appropriations				
	App - General Government Support	415,634	A1999N	443,559
	App - Public Safety	41,150	A3999N	33,600
	App - Health	500	A4999N	700
	App - Transportation	113,968	A5999N	111,385
	App - Economic Assistance And Opportunity	13,000	A6999N	9,500
	App - Culture And Recreation	69,150	A7999N	69,150
	App - Home And Community Services	58,475	A8999N	21,475
	App - Employee Benefits	119,959	A9199N	125,222
TOTAL Appropriations		831,836		814,591
TOTAL Appropriations And Other Uses		831,836		814,591

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Accounts Receivable	6,150	CD380	6,150
TOTAL Other Receivables (net)		6,150		6,150
TOTAL Assets and Deferred Outflows of Resources		6,150		6,150

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Balance Sheet

Code Description	2014	EdpCode	2015
Due To Other Funds	6,150	CD630	6,150
TOTAL Due To Other Funds	6,150		6,150
TOTAL Liabilities	6,150		6,150
TOTAL Liabilities, Deferred Inflows And Fund Balance	6,150		6,150

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Results of Operation

Code Description	2014	EdpCode	2015
Revenues			
Other Aid (specify)	12,580	CD3089	6,150
TOTAL State Aid	12,580		6,150
TOTAL Revenues	12,580		6,150
TOTAL Detail Revenues And Other Sources	12,580		6,150

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Results of Operation

Code/Description	2014	EdpCode	2015
Expenditures			
Plan & Manage Devel, Contr Expend	12,580	CD86844	6,150
TOTAL Plan & Manage Devel	12,580		6,150
TOTAL Home And Community Services	12,580		6,150
TOTAL Expenditures	12,580		6,150
TOTAL Detail Expenditures And Other Uses	12,580		6,150

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CD) SPECIAL GRANT

Analysis of Changes in Fund Balance

Code/Description	2014	EcpCode	2015
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year		CD8021	
Restated Fund Balance - Beg of Year		CD8022	
ADD - REVENUES AND OTHER SOURCES	12,580		6,150
DEDUCT - EXPENDITURES AND OTHER USES	12,580		6,150
Fund Balance - End of Year		CD8029	

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code	Description	2014	EqpCode	2015
Assets				
	Cash	13,068	CM200	14,389
TOTAL Cash		13,068		14,389
	Due From Other Funds	5,000	CM391	
TOTAL Due From Other Funds		5,000		0
TOTAL Assets and Deferred Outflows of Resources		18,068		14,389

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code/Description	2014	EdpCode	2015
Fund Balance			
Assigned Unappropriated Fund Balance	18,068	CM915	14,389
TOTAL Assigned Fund Balance	18,068		14,389
TOTAL Fund Balance	18,068		14,389
TOTAL Liabilities, Deferred Inflows And Fund Balance	18,068		14,389

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code	Description	2014	EdpCode	2015
Revenues				
	Unclassified (specify)	2,714	CM2770	3,234
TOTAL Miscellaneous Local Sources		2,714		3,234
TOTAL Revenues		2,714		3,234
TOTAL Detail Revenues And Other Sources		2,714		3,234

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code\Description	2014	EdpCode	2015
Expenditures			
Other Culture And Recreation-Contr Expend	1,934	CM79894	1,913
TOTAL Other Culture And Recreation-Contr Expend	1,934		1,913
TOTAL Culture And Recreation	1,934		1,913
TOTAL Expenditures	1,934		1,913
Transfers, Other Funds		CM99019	5,000
TOTAL Operating Transfers	0		5,000
TOTAL Other Uses	0		5,000
TOTAL Detail Expenditures And Other Uses	1,934		6,913

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(CM) MISCELLANEOUS SPECIAL REV

Analysis of Changes in Fund Balance

Code\Description	2014	EdpCode	2015
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	17,288	CM8021	18,068
Restated Fund Balance - Beg of Year	17,288	CM8022	18,068
ADD - REVENUES AND OTHER SOURCES	2,714		3,234
DEDUCT - EXPENDITURES AND OTHER USES	1,934		6,913
Fund Balance - End of Year	18,068	CM8029	14,389

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Cash	190,361	DA200	281,233
	Cash In Time Deposits		DA201	
TOTAL Cash		190,361		281,233
	Due From Other Funds	1,870	DA391	
TOTAL Due From Other Funds		1,870		0
	Due From Other Governments	1,588	DA440	2,588
TOTAL Due From Other Governments		1,588		2,588
TOTAL Assets and Deferred Outflows of Resources		193,819		283,821

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code/Description	2014	EdpCode	2015
Accounts Payable	18,902	DA600	2,944
TOTAL Accounts Payable	18,902		2,944
Accrued Liabilities	9,667	DA601	14,503
TOTAL Accrued Liabilities	9,667		14,503
TOTAL Liabilities	28,569		17,447
Fund Balance			
Assigned Appropriated Fund Balance	18,000	DA914	
Assigned Unappropriated Fund Balance	147,250	DA915	266,374
TOTAL Assigned Fund Balance	165,250		266,374
TOTAL Fund Balance	165,250		266,374
TOTAL Liabilities, Deferred Inflows And Fund Balance	193,819		283,821

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code/Description	2014	EdpCode	2015
Revenues			
Real Property Taxes	840,287	DA1001	840,287
TOTAL Real Property Taxes	840,287		840,287
Sales Tax (from County)	145,000	DA1120	145,000
TOTAL Non Property Tax Items	145,000		145,000
Transportation Services, Other Govts	24,002	DA2300	17,974
TOTAL Intergovernmental Charges	24,002		17,974
Interest And Earnings	411	DA2401	353
TOTAL Use of Money And Property	411		353
Sales, Other	1,300	DA2655	1,668
Sales of Equipment		DA2665	45,125
TOTAL Sale of Property And Compensation For Loss	1,300		46,793
Employees Contributions	987	DA2709	2,527
Unclassified (specify)	1,090	DA2770	
TOTAL Miscellaneous Local Sources	2,077		2,527
St Aid, Consolidated Highway Aid	146,424	DA3501	150,243
TOTAL State Aid	146,424		150,243
TOTAL Revenues	1,159,501		1,203,177
Interfund Transfers		DA5031	219,895
TOTAL Interfund Transfers	0		219,895
TOTAL Other Sources	0		219,895
TOTAL Detail Revenues And Other Sources	1,159,501		1,423,072

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code/Description	2014	EdpCode	2015
Expenditures			
Maint of Streets, Pers Serv	147,497	DA51101	148,339
Maint of Streets, Contr Expend	236,262	DA51104	204,456
TOTAL Maint of Streets	383,759		352,795
Perm Improve Highway, Equip & Cap Outlay	146,465	DA51122	150,243
TOTAL Perm Improve Highway	146,465		150,243
Machinery, Equip & Cap Outlay	9,657	DA51302	228,640
Machinery, Contr Expend	89,767	DA51304	90,487
TOTAL Machinery	99,424		319,127
Snow Removal, Pers Serv	172,777	DA51421	175,080
Snow Removal, Contr Expend	121,235	DA51424	139,613
TOTAL Snow Removal	294,012		314,693
TOTAL Transportation	923,660		1,136,858
State Retirement, Empl Bnfts	57,877	DA90108	51,244
Social Security , Empl Bnfts	24,501	DA90308	24,566
Disability Insurance, Empl Bnfts	195	DA90558	184
Hospital & Medical (dental) Ins, Empl Bnft	83,731	DA90608	102,039
Other Employee Benefits (spec)	6,447	DA90898	7,057
TOTAL Employee Benefits	172,751		185,090
Debt Principal, Serial Bonds	172,780	DA97106	
TOTAL Debt Principal	172,780		0
Debt Interest, Serial Bonds	3,611	DA97107	
TOTAL Debt Interest	3,611		0
TOTAL Expenditures	1,272,802		1,321,948
TOTAL Detail Expenditures And Other Uses	1,272,802		1,321,948

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(DA) HIGHWAY-TOWN-WIDE

Analysis of Changes in Fund Balance

Code	Description	2014	Edp Code	2015
Analysis of Changes in Fund Balance				
	Fund Balance - Beginning of Year	278,551	DA8021	165,250
	Restated Fund Balance - Beg of Year	278,551	DA8022	165,250
	ADD - REVENUES AND OTHER SOURCES	1,159,501		1,423,072
	DEDUCT - EXPENDITURES AND OTHER USES	1,272,802		1,321,948
	Fund Balance - End of Year	165,250	DA8029	266,374

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code\Description	2015	EdpCode	2016
Estimated Revenues			
Est Rev - Real Property Taxes	840,287	DA1049N	846,275
Est Rev - Non Property Tax Items	145,000	DA1199N	157,000
Est. Rev. - Intergovernmental Charges	15,550	DA2399N	15,550
Est Rev - Use of Money And Property	500	DA2499N	300
Est Rev - Sale of Prop And Comp For Loss	5,500	DA2699N	5,500
Est Rev - Miscellaneous Local Sources	2,450	DA2799N	2,806
Est Rev - State Aid	131,185	DA3099N	131,185
TOTAL Estimated Revenues	1,140,472		1,158,616
Appropriated Fund Balance	18,000	DA599N	0
TOTAL Estimated Other Sources	18,000		0
TOTAL Estimated Revenues And Other Sources	1,158,472		1,158,616

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code/Description	2015	EdpCode	2016
Appropriations			
App - Transportation	944,346	DA5999N	934,081
App - Employee Benefits	214,126	DA9199N	224,535
TOTAL Appropriations	1,158,472		1,158,616
TOTAL Appropriations And Other Uses	1,158,472		1,158,616

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(K) GENERAL FIXED ASSETS

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Land	189,415	K101	189,415
	Buildings	1,289,881	K102	1,289,881
	Machinery And Equipment	2,314,354	K104	2,414,974
TOTAL Fixed Assets (net)		3,793,650		3,894,270
	Deferred Outflows of Resources - Pensions		K496	101,986
TOTAL Other		0		101,986
TOTAL Assets and Deferred Outflows of Resources		3,793,650		3,996,256

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(K) GENERAL FIXED ASSETS

Balance Sheet

Code\Description	2014	EdpCode	2015
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	3,793,650	K159	3,996,256
TOTAL Investments In Non-Current Government Assets	3,793,650		3,996,256
TOTAL Fund Balance	3,793,650		3,996,256
TOTAL	3,793,650		3,996,256

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(SL) LIGHTING

Balance Sheet

Code/Description	2014	EqpCode	2015
Assets			
Cash	20,452	SL200	22,611
Cash In Time Deposits		SL201	
TOTAL Cash	20,452		22,611
TOTAL Assets and Deferred Outflows of Resources	20,452		22,611

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(SL) LIGHTING

Balance Sheet

Code/Description	2014	EdpCode	2015
Accounts Payable		SL600	1,231
TOTAL Accounts Payable	0		1,231
TOTAL Liabilities	0		1,231
Fund Balance			
Assigned Appropriated Fund Balance		SL914	2,000
Assigned Unappropriated Fund Balance	20,452	SL915	19,380
TOTAL Assigned Fund Balance	20,452		21,380
TOTAL Fund Balance	20,452		21,380
TOTAL Liabilities, Deferred Inflows And Fund Balance	20,452		22,611

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(SL) LIGHTING

Results of Operation

Code	Description	2014	EdpCode	2015
Revenues				
	Real Property Taxes	14,540	SL1001	14,540
TOTAL Real Property Taxes		14,540		14,540
TOTAL Revenues		14,540		14,540
TOTAL Detail Revenues And Other Sources		14,540		14,540

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(SL) LIGHTING

Results of Operation

Code	Description	2014	EdpCode	2015
Expenditures				
	Street Lighting, Contr Expend	13,741	SL51824	13,612
TOTAL Street Lighting		13,741		13,612
TOTAL Transportation		13,741		13,612
TOTAL Expenditures		13,741		13,612
TOTAL Detail Expenditures And Other Uses		13,741		13,612

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(SL) LIGHTING

Analysis of Changes in Fund Balance

Code Description	2014	EdbCode	2015
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	19,653	SL8021	20,452
Restated Fund Balance - Beg of Year	19,653	SL8022	20,452
ADD - REVENUES AND OTHER SOURCES	14,540		14,540
DEDUCT - EXPENDITURES AND OTHER USES	13,741		13,612
Fund Balance - End of Year	20,452	SL8029	21,380

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(TA) AGENCY

Balance Sheet

Code/Description	2014	EdpCode	2015
Assets			
Cash	19,998	TA200	16,743
TOTAL Cash	19,998		16,743
TOTAL Assets and Deferred Outflows of Resources	19,998		16,743

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(TA) AGENCY

Balance Sheet

Code Description	2014	EdpCode	2015
Due To Other Funds	5,123	TA630	5,125
TOTAL Due To Other Funds	5,123		5,125
State Retirement	490	TA18	587
Group Insurance	-7	TA20	
Income Executions	666	TA23	
Assoc & Union Dues	309	TA24	
Guaranty & Bid Deposits	13,007	TA30	9,568
Other Funds (specify)	410	TA85	1,463
TOTAL Agency Liabilities	14,875		11,618
TOTAL Liabilities	19,998		16,743
TOTAL Liabilities, Deferred Inflows And Fund Balance	19,998		16,743

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code	Description	2014	EdpCode	2015
Assets				
	Total Non-Current Govt Liabilities	108,337	W129	131,132
TOTAL Provision To Be Made In Future Budgets		108,337		131,132
TOTAL Assets and Deferred Outflows of Resources		108,337		131,132

TOWN OF Copake
Annual Update Document
For the Fiscal Year Ending 2015

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code	Description	2014	Edp Code	2015
	Net Pension Liability -Proportionate Share		W638	50,138
	Compensated Absences	108,337	W687	80,994
TOTAL Other Liabilities		108,337		131,132
TOTAL Liabilities		108,337		131,132
TOTAL Liabilities		108,337		131,132

TOWN OF Copake
Statement of Indebtedness
For the Fiscal Year Ending 2015

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
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TOWN OF Copake
 Schedule of Time Deposits and Investments
 For the Fiscal Year Ending 2015

	<u>EDP Code</u>	<u>Amount</u>
CASH:		
On Hand	9Z2001	<u>\$420.00</u>
Demand Deposits	9Z2011	<u>\$45,238.00</u>
Time Deposits	9Z2021	<u>\$1,886,222.00</u>
Total		<u>\$1,931,880.00</u>
 COLLATERAL:		
- FDIC Insurance	9Z2014	<u>\$250,000.00</u>
Collateralized with securities held in possession of municipality or its agent	9Z2014A	<u>\$1,702,960.00</u>
Total		<u>\$1,952,960.00</u>
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	<u>\$0.00</u>
Market Value at Balance Sheet Date	9Z4502	<u>\$0.00</u>
Collateralized with securities held in possession of municipality or its agent	9Z4504A	<u>\$0.00</u>
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	<u>\$0.00</u>
Market Value at Balance Sheet Date	9Z4512	<u>\$0.00</u>
Collateralized with securities held in possession of municipality or its agent	9Z4514A	<u>\$0.00</u>

TOWN OF Copake
Bank Reconciliation
For the Fiscal Year Ending 2015

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-0877	\$30,445	\$0	\$19,273	\$11,172
*****-0885	\$16,296	\$0	\$2,227	\$14,069
*****-0901	\$14,389	\$0	\$0	\$14,389
*****-0919	\$2,934	\$0	\$0	\$2,934
*****-1758	\$1,886,222	\$0	\$0	\$1,886,222
*****-3093	\$2,674	\$0	\$0	\$2,674
Total Adjusted Bank Balance				\$1,931,460
Petty Cash				\$420.00
Adjustments				\$.00
Total Cash				9ZCASH * \$1,931,880
Total Cash Balance All Funds				9ZCASHB * \$1,931,880
* Must be equal				

TOWN OF Copake
Local Government Questionnaire
For the Fiscal Year Ending 2015

	<u>Response</u>
1) Does your municipality have a written procurement policy?	<u>Yes</u>
2) Have the financial statements for your municipality been independently audited? If not, are you planning on having an audit conducted?	<u>No</u>
3) Does your local government participate in an insurance pool with other local governments?	<u>Yes</u>
4) Does your local government participate in an investment pool with other local governments?	<u>No</u>
5) Does your municipality have a Length of Service Award Program (LOSAP) for volunteer firefighters?	<u>No</u>
6) Does your municipality have a Capital Plan?	<u>Yes</u>
7) Has your municipality prepared and documented a risk assessment plan? If yes, has your municipality used the results to design the system of internal controls?	<u>No</u>
8) Have you had a change in chief executive or chief fiscal officer during the last year?	<u>No</u>
9) Has your Local Government adopted an investment policy as required by General Municipal Law, Section 39?	<u>Yes</u>

TOWN OF Copake
Employee and Retiree Benefits
For the Fiscal Year Ending 2015

Total Full Time Employees:		10			
Total Part Time Employees:		30			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$78,836.00	8	8	
90158	Police and Fire Retirement	\$0.00			
90258	Local Pension Fund	\$0.00			
90308	Social Security	\$45,680.00	8	28	
90408	Worker's Compensation Insurance	\$0.00			
90458	Life Insurance	\$0.00			
90508	Unemployment Insurance	\$0.00			
90558	Disability Insurance	\$877.00	8	26	
90608	Hospital and Medical (Dental) Insurance	\$151,517.00	8	4	2
90708	Union Welfare Benefits	\$0.00			
90858	Supplemental Benefit Payment to Disabled Fire Fighters	\$0.00			
91890	Other Employee Benefits	\$7,057.00	8		
Total		\$283,967.00			
Computed Total From Financial Section (comparative purposes only)		\$283,967.00			

TOWN OF Copake
 Energy Costs and Consumption
 For the Fiscal Year Ending 2015

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$294	145	gallons	
Diesel Fuel	\$45,487	22,789	gallons	
Fuel Oil	\$6,427	2,880	gallons	
Natural Gas	\$		cubic feet	
Electricity	\$27,977	186,512	kilowatt-hours	
Coal	\$		tons	
Propane	\$4,931	3,298	gallons	

TOWN OF Copake
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2015

TOWN OF Copake
Financial Comments
For the Fiscal Year Ending 2015

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The fund financial statements of the Town of Copake, New York (Town) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units, to the extent appropriate for the prescribed form. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity:

The Town, which was established in 1823, is governed by its charter, municipal law and other general laws of the State of New York, and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of five members (with each member having an equal vote). The Town Supervisor serves as Chief Executive and Fiscal Officer of the Town.

The following basic services are provided: public safety, highways and streets, sanitation, culture and recreation, public improvements, planning, and general administrative services.

All governmental activities and functions performed for the Town are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the Town of Copake, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statements 14, 39 and 61.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria the following is a brief review of certain entities considered in determining the Town of Copake's reporting entity.

I. There are no other entities included in the reporting entity, nor are there any joint ventures excluded from the reporting entities.

II. Excluded From Reporting Entity:

Although the following organizations, functions or activities are related to the Town they are not included in the Town's reporting entity because of the reasons noted:

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The Town exercises no oversight over the operations of the Copake Fire District, the Hillsdale-Copake Fire District, the Craryville Fire District, the Roeliff Jansen Community Library, or the Hillsdale-Copake Light District. The Town levies and collects real property taxes and turns them over to these entities. For the years ended December 31, 2015 and 2014, these amounts were as follows:

	<u>2015</u>	<u>2014</u>
Copake Fire District	396,848	357,206
Hillsdale-Copake Fire District	50,478	52,914
Craryville Fire District	96,986	98,361
Roeliff Jansen Community Library	55,000	-
Hillsdale-Copake Light District	<u>550</u>	<u>590</u>
	<u>599,862</u>	<u>509,071</u>

B. Fund Accounting:

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Town records its transactions in the fund types and account groups described below.

I. Fund Categories:

a. Governmental Funds:

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon determination of financial position and changes in financial position (the sources, uses, and balances of current financial resources). The following are the Town's governmental fund types.

1. General Fund:

The general fund is the principal fund of the Town and includes all operations not required to be recorded in other funds.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

2. Special Revenue Funds:

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following Special Revenue Funds are utilized:

- (a) Highway Funds are used to account for revenues and expenditures for maintenance of Town highways.
- (b) Special District Funds are used to account for the resources of special districts. The Town has a lighting district that is used to account for tax revenues and expenditures for electric and maintenance of lights within the lighting districts.
- (c) Special Grant Funds are used to account for grant funds received from governmental sources.
- (d) Miscellaneous Special Revenue Fund accounts for trust arrangements under which principal and income will be used to benefit the Town's regular programs.

b. Fiduciary Funds:

Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity.

I. Trust and Agency Funds:

Trust and Agency Funds are used to account for money (and/or property) received and held in the capacity of trustees, custodians, or agents. These include expendable trusts, non-expendable trusts, and agency funds.

II. Private-Purpose Trust Funds:

Private-Purpose Trust Funds are used to accounts for all other trust arrangements under which principals and interest benefit individuals, private organizations or other governments.

III. Account Groups:

Account groups are used to establish accounting control and accountability for the Town's non-current government assets and non-current government liabilities. The two account groups are not "funds". They are concerned only with the measurement of financial position, and not with the results of operations.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

a. Non-Current Government Assets Account Group:

This group of accounts is used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes. This account group is also used to account for deferred outflows of resources.

b. Non-Current Government Liability Account Group:

This group of accounts is established to account for all long-term debts and deferred inflows of resources.

C. Basis of Accounting/Measurement Focus:

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, deferred outflows, liabilities and deferred inflows are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured (i.e. expenditures or expenses).

I. Modified Accrual Basis:

All Governmental Funds and Fiduciary Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days of the end of the current fiscal year.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made, all other grant requirements have been met, and the resources are available.

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as expenditures until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as expenditures when paid (see Note 1.I).

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- d. Other Post-Employment Benefits are charged as expenditures when payment is due.

II. Account Groups:

Non-current government assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received. No provision for depreciation is made. Non-current government liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity. Long-term liabilities for retirement and compensated absences are recorded when the Town's obligation can be reasonably estimated.

D. Fund Balances:

Fund balance is now broken down into five difference classifications: non-spendable, restricted, committed, assigned, and unassigned focusing on the constraints imposed on resources in governmental funds:

I. Non-Spendable:

Consists of assets that are inherently non-spendable 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.

II. 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. The Town has no restricted fund balance as of December 31, 2015.

III. 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. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town has no committed fund balance as of December 31, 2015.

IV. 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 of official. The purpose of the assignment

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

The Board, by resolution, to adopt the 2016 budget, has authorized the Town Supervisor to assign fund balance. Appropriations reported in the General, Highway and Lighting fund amounted to \$0, \$0 and \$2,000, respectively, as of December 31, 2015. The Board has assigned \$2,934 for Summer Youth Programs, see Note 3, D.

V. 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 classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Town spends funds in the following order: restricted, committed, assigned, unassigned.

The Town has the authority to carry over a "reasonable amount" of committed, assigned and unassigned fund balance consistent with the "reasonable amount" statutes.

E. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes in order to reserve that portion of the applicable appropriations, is employed by the Town. Encumbrances are reported as restrictions, commitments or assignments of fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

F. Property, Plant, and Equipment – General:

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost) in the Schedule of Non-Current Government Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain infrastructure type improvements other than buildings, including roads, bridges, curbs and gutters, streets, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the Town. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. No depreciation has been provided on non-

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

current government assets, nor has interest on non-current government assets construction-in-progress been capitalized.

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 are not capitalized.

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

G. Investments:

An investment is a security or other asset (a) that a government holds primarily for the purpose of income or profit and (b) with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value, except certificates of deposit, which are reported at cost.

H. Deferred Outflows/Inflows of Resources:

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

I. Compensated Absences:

Employees accrue vacation based primarily on the number of years employed up to a maximum rate of 160 hours with pay. Employees who are separated from services and who have accrued vacation leave to their credit, shall be paid the salary equivalent to the accrued vacation leave.

Employees accrue sick leave at the rate of 8 days per year and may accumulate up to a maximum of 200 days.

Vested vacation and sick leave is recorded in long-term debt as a liability and expensed when used. The liability for compensated absences decreased by \$27,343 during the year to \$80,994 and is reported in the Schedule of Non-Current Government Liabilities.

See accountant's compilation report.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

J. Post-Employment Benefits:

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors' benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the years ended December 31, 2015 and 2014, \$7,734 and \$6,025 respectively, was paid on behalf of the two retirees and recorded as an expenditure in the Highway fund.

K. Insurance:

The Town of Copake assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

L. Departures from General Accepted Accounting Principles (GAAP):

The Town has prepared these statements in the accompanying prescribed form to comply with the requirements of the State of New York, Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, which differs from accounting principles generally accepted in the United States. Notable departures from GAAP include:

- I. No provision for capitalizing infrastructure has been recorded.
- II. No provision for depreciation of Non-Current Government Assets has been recorded.
- III. The absence of an entity-wide Statement of Net Assets and Statement of Activities.
- IV. The absence of a Management, Discussion and Analysis.
- V. A statement comparing budget vs. actual is required under generally accepted accounting principles. While the Annual Update Document includes both actual and budget schedules, there is no direct comparison of the two.
- VI. Actuarial methods and assumptions used to report valuations of the ARC, the annual OPEB cost, and the funding status and funding progress of the OPB Plan have not been established.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

VII. The absence of references to the “accompanying notes and accountant’s compilation report” on each page of the financial statements and to the “accountant’s compilation report” on each page of any supplementary information.

The effect of these departures on the financial statements has not been determined.

M. New Accounting Standards:

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable, except for the departures listed in Note 1.L.. At December 31, 2015, the Town implemented the following new standards issued by GASB:

--GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*

--GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68.*

GASB has issued Statement 68 – *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This Statement and Statement 67 establish a definition of a pension plan that reflects the primary activities associated with the pension arrangement-determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. The Town has adopted the Statement. The impact is annotated in the Statement of Non-Current Governmental Liabilities for the December 31, 2015 financial statements.

GASB has issued Statement 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68* – This statement addresses the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Statement 71 eliminates a potential source of understatement of restated beginning net position and expense in a government’s first year of implementing GASB Statement No. 68. The provisions are effective simultaneously with the provisions of Statement 68, and have been applied in the December 31, 2015, financial statements.

See accountant’s compilation report.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

N. Future Changes in Accounting Standards:

GASB has issued Statement No. 72, *Fair Value Measurement and Application*. This Statement finalizes Exposure Draft (ED) No. 26-5E, and addresses how state and local governments should account and report issues related to fair value measurements. Among other principles, Statement No. 72 notes that a government determining a fair value measurement should consider the unit of account of the asset or liability. The unit of account refers to the level at which an asset or a liability is aggregated or disaggregated for measurement, recognition, or disclosure purposes as provided by the accounting standards. For example, the unit of account for investments held in a brokerage account is each individual security, whereas the unit of account for an investment in a mutual fund is each share in the mutual fund held by a government. Further, Statement No. 72 requires a government to deploy one of three valuation techniques described therein that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Those valuation techniques are the market approach, the cost approach, or the income approach. According to Statement No. 72, valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement seeks to improve financial reporting by establishing a single framework for the presentation of information concerning pensions that will enhance the comparability of pension-related information reported by employers and non-employer contributing entities. In particular, Statement No. 73 establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*, as well as for the assets accumulated for purposes of providing those pensions. Additionally, it (1) establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68, and (2) amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans-an Amendment of GASB Statement No. 25*, and Statement No. 68 for pension plans and pensions that are within their respective scopes. In fact, the requirements of this Statement No. 73 extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that, for accounting and financial reporting purposes, any assets accumulated for pensions provided through pension plans that are not administered through trusts and that satisfy the criteria specified in Statement No. 68 should not be considered pension plan assets. This Statement also requires that information similar to that required by Statement No. 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and non-employer contributing entities. Finally, this Statement clarifies the application of certain provisions of Statements No. 67 and No. 68 with regard to, among other issues, information that is required to be presented as notes to the ten-year schedules of required supplementary information regarding investment-related factors that

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

significantly affect trends in the amounts reported. The provisions in Statement No. 73 are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 74 – *Financial Reporting for Post-Employment Benefit Plans Other than Pension Plans*. This Statement seeks to improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information to be presented by plans for post-employment benefits other than pensions (OPEB) that are administered through trusts and satisfy certain criteria noted below, thereby enhancing the decision-usefulness of the financial reports of those OPEB plans, their value for assessing accountability, and their transparency. This Statement No. 74 replaces Statements No. 43, *Financial Reporting for Post-Employment Benefit Plans Other Than Pension Plans, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for such plans in Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended*, No. 43, and No. 50, *Pension Disclosures*. In particular, Statement No. 74 establishes financial reporting standards for state and local governmental OPEB plans – defined benefit OPEB plans and defined contribution OPEB plans – that are administered through trusts or equivalent arrangements in which (1) contributions from employers and non-employer contributing entities to the OPEB plan, as well as earnings on those contributions, are irrevocable; (2) OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms; and (3) OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator, and if the plan is a defined benefit OPEB plan, plan assets are also legally protected from creditors of the plan members. This Statement further establishes financial reporting standards for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through trusts or equivalent arrangements that satisfy the foregoing criteria. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31 2017, financial statements.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. This Statement, which replaces Statements No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, establishes new accounting and financial reporting requirements for governments whose employees are provided with other post-employment benefits (OPEB) and for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. In particular, Statement No. 75 establishes standards of accounting and financial reporting for

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements in which (1) contributions from employers and non-employer contributing entities to the OPEB plan, as well as earnings on those contributions, are irrevocable; (2) OPEB plan assets are dedicated to providing OPEB to plan members in accordance with the benefit terms; and (3) OPEB plan assets are legally protected from the creditors of employers, non-employer contributing entities, and the OPEB plan administrator, and if the plan is a defined benefit OPEB plan, plan assets are also legally protected from creditors of the plan members. This Statement further establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are not administered through trusts that meet the foregoing criteria. Additionally, Statement No. 75 (1) establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures; (2) identifies, for defined benefit OPEB, the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service; (3) addresses note disclosure and supplementary information requirements concerning defined benefit OPEB; (4) details that recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts satisfying the foregoing criteria and for employers whose employees are provided with defined contribution OPEB; and (5) addresses certain circumstances in which a non-employer entity provides financial support of OPEB of employees of another entity. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2018, financial statements.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement, which supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, aims to identify – in the context of the current governmental financial reporting environment- the hierarchy of U.S. GAAP, which consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with U.S. GAAP, as well as the framework for selecting those principles. In particular, Statement No. 76 reduces the U.S. GAAP hierarchy to two categories of authoritative U.S. GAAP, and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative U.S. GAAP. This improves financial reporting by (1) raising the category of GASB Implementation Guides in the U.S. GAAP hierarchy, thereby providing the opportunity for broader public input on implementation guidance; (2) emphasizing the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative U.S. GAAP; and (3) requiring the consideration of consistency with the GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature. As a result, governments will apply financial reporting guidance with less variation, which, in turn,

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 77 – *Tax Abatement Disclosure*. This Statement establishes financial reporting standards for tax abatement entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments that reduce the reporting government's tax revenues. The provisions of the Statement should be applied to all state and local governments subject to such tax abatement agreements. For financial statement purposes, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more government promises to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. This Statement aims to improve financial reporting by giving users of financial statements essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs in order to better assess (1) whether current-year revenues were sufficient to pay for current-year services, (2) compliance with finance-related legal or contractual requirements, (3) where a government's financial resources come from and how it uses them, and (4) financial position and economic condition and how they have changed over time. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 78 – *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in Paragraph 4 of that Statement. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense,

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

GASB has issued Statement 79 – *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in Paragraph 16 of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in Paragraph 11 of Statement 31, as amended. This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. The Town is currently studying the Statement and plans on adoption if and when required, which will be for the December 31, 2016, financial statements.

O. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY:

A. Budgetary Data:

The budget policies are as follows:

- I. No later than September 30, the Budget Officer submits a tentative budget to the Town Clerk, who then has until October 5 to submit the budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- II. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- III. All modifications of the budget must be approved by the governing board.
- IV. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

B. Property Taxes:

Real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to May 31. Taxes for the Town and special district purposes are levied together with taxes for the county purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bill. The county assumes enforcement responsibility for all taxes levied in the Town.

In June of 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Town of Copake in a particular year, beginning with the 2012 fiscal year. The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

C. Overdrawn Appropriation:

The General and Special Revenue Fund had minor instances where expenditures exceeded appropriations. This will be provided for by budgetary transfers once approved by the Board.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS:

A. Assets:

I. Cash and Investment Policies:

The Town’s investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC insured commercial banks located within the state. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State and its localities.

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

II. Cash and Cash Equivalents – Custodial Credit, Concentration of Credit, Interest Rate, and Foreign Currency Risks:

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town’s investment policies, as discussed previously in these notes.

As of December 31, 2015, \$-0- of the Town’s bank balance of \$1,952,960 was exposed to custodial credit risk as follows:

	Balance	FDIC		Total
	12/31/15	Insurance	Collateral	Coverage
				12/31/15
KeyBank	<u>\$ 1,952,960</u>	<u>\$ 250,000</u>	<u>\$ 1,702,960</u>	<u>\$ 1,952,960</u>

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

III. Changes in Non-Current Government Assets:

A summary of changes in non-current government assets is as follows:

	Balance 12/31/14	Additions	Deletions	Balance 12/31/15
Land	\$ 189,415	\$ -	\$ -	\$ 189,415
Buildings	1,289,881	-	-	1,289,881
Machinery and Equipment	2,314,354	234,515	133,895	2,414,974
Deferred Outflow of Resources - Pensions	-	101,986	-	101,986
	<u>\$ 3,793,650</u>	<u>\$ 336,501</u>	<u>\$ 133,895</u>	<u>\$ 3,996,256</u>

B. Liabilities:

I. Pension Plans:

a. General Information:

The Town participates in the New York State Employees' Retirement System (NYSERS). These are cost-sharing, multiple-employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

b. Plan Description

The Town participates in the New York State and Local Employees' Retirement System (ERS) which is collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report 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.

See accountant's compilation report.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

c. Benefits Provided:

The System provides retirement benefits as well as death and disability benefits.

i. Tiers 1 and 2:

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

ii. Tiers 3, 4, and 5:

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

iii. Tier 6:

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

iv. Special Plans:

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

v. Ordinary Disability Benefits:

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

vi. Accidental Disability Benefits:

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

vii. Ordinary Death Benefits:

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

viii. Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

d. Contributions:

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years 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 Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2015	78,836
2014	99,041
2013	95,622

e. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At December 31, 2015, the Town reported a liability for its proportionate share of the net pension liability for the System. 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 position liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

This information was provided by the ERS System in reports provided to the Town.

	<u>ERS</u>
Actuarial Valuation Date	3/31/2015
Net Pension (Asset)/Liability	\$ 50,138
Town's Portion of the Plan's Total Net Pension (Asset)/Liability	0.0014841%

For the year ended December 31, 2015, the Town recognized pension expense of \$78,836 for ERS, within the fund financial statements. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 1,605	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	8,708	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	12,838	-
Town's contributions subsequent to the measurement date	<u>78,835</u>	<u>-</u>
Total	<u>\$ 101,986</u>	<u>\$ -</u>

\$78,835 reported as deferred outflows of resource related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2016.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>
Year Ended:	
2016	5,788
2017	5,788
2018	5,788
2019	5,788
2020	-
Thereafter	-
	<u>23,152</u>

i. Actuarial Assumptions:

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following assumptions:

	<u>ERS</u>
Measurement Date	March 31, 2015
Actuarial Valuation Date	April 1, 2014
Interest Rate	7.50%
Salary Scale	4.90%
Decrement Tables	April 1, 2005 - March 31, 2010
	System's Experience
Inflation Rate	2.70%

Annuitant mortality rates are based on 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

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

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 the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2014 are summarized below:

<u>Asset Class</u>	<u>Expected Real Rate of Return</u>
Domestic Equity	38%
International Equity	13%
Private Equity	10%
Real Estate	8%
Alternative Investments	6%
Total Equities	<u>75%</u>
Domestic Fixed Income Securities	0%
Global Fixed Income Securities	0%
Real Assets	3%
Bonds and Mortgages	18%
Short-Term	2%
Inflation-Indexed Bonds	2%
Total Fixed Income	<u>25%</u>
Total	<u>100%</u>

iii. Discount Rate:

The discount rate used to calculate the total pension liability was 7.50 % for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

iv. Sensitivity of the Proportionate Share of the Net Pension to the Discount Rate Assumption:

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.50% for ERS, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (6.50% for ERS) or 1-percentage point higher (8.50% for ERS) than the current rate:

ERS	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension (asset) liability	\$ 334,192	\$ 50,138	\$ (189,674)

v. Pension Plan Fiduciary Net Position:

The components of the current-year net pension (asset)/liability of the employers as of March 31, 2015, were as follows:

	(Dollars in the Thousands)
	<u>ERS</u>
Valuation Date	4/1/2014
Employers' Total Pension Liability	\$ 164,591,504
Plan Net Position	<u>161,213,259</u>
Employers' Net Pension Liability/(Asset)	<u>\$ 3,378,245</u>
Plan Net Position as a percentage to the Systems' Total Pension Liability/(Asset)	97.95%

vi. Payables to the Pension Plan:

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2015 represent the projected employer contribution for the period of April 1, 2015 through December 31, 2015 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2015, amounted to \$0 payable.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

II. Indebtedness:

a. Short-Term Debt:

The Town may issue Tax Anticipation Notes (TAN), in anticipation of receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

The Town issued no short-term debt in 2015.

b. Long-Term Debt:

The local government had the following non-current liabilities:

1. Outstanding indebtedness aggregated \$-0-. The Town paid off the remaining balance of \$172,780 as of December 31, 2014.

2. Serial Bonds (and Capital Notes):

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Schedule of Non-Current Governmental Liabilities. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

3. Other Long-Term Liabilities:

(a) Compensated Absences – Represents the value of earned and unused portion of the liability for compensated absences.

(b) At December 31, 2015 the unused portion for the highway fund totaled \$80,994.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

4. Summary of changes in long-term liabilities:

Long-Term Debt	Balance			Balance 12/31/15
	12/31/14	Additions	Deletions	
Compensated Absences	\$ 108,337	\$ 109	\$ 27,452	\$ 80,994
Net Pension Liability - Proportionate Share	-	50,138	-	50,138
	<u>\$ 108,337</u>	<u>\$ 50,247</u>	<u>\$ 27,452</u>	<u>\$ 131,132</u>

C. Interfund Receivables and Payables at December 31, 2015:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 11,275	\$ -	\$ -	\$ 219,895
Special Revenue:				
Special Grant	-	6,150	-	-
Highway	-	-	219,895	-
Park	-	-	-	-
Capital Projects	-	-	-	-
Highway	-	-	-	-
Total Government Activities	11,275	6,150	219,895	219,895
Fiduciary Trust and Agency	-	5,125	-	-
Totals	<u>\$ 11,275</u>	<u>\$ 11,275</u>	<u>\$ 219,895</u>	<u>\$ 219,895</u>

D. Fund Equity:

Appropriated Fund Balance:

The Town has appropriated the following amounts to be used to reduce taxes for the year ending December 31, 2016:

Fund	Appropriated to Fund
General	\$ -
Highway	-
Lighting	2,000
	<u>\$ 2,000</u>

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Assigned Fund Balance:

The operating fund equity includes assigned funds established for the following purpose:

<u>Fund</u>	<u>Purpose</u>	<u>Balance at Dec. 31, 2015</u>
General	Summer Youth Program	<u>\$ 2,935</u>

NOTE 4 – COMMITMENTS AND CONTINGENCIES:

The Town has received grants in varying amounts, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the State and Federal governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.