



THOMAS P. DiNAPOLI
COMPTROLLER

STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
110 STATE STREET
ALBANY, NEW YORK 12236

GABRIEL F. DEYO
DEPUTY COMPTROLLER
DIVISION OF LOCAL GOVERNMENT
AND SCHOOL ACCOUNTABILITY
Tel: (518) 474-4037 Fax: (518) 486-6479

November 7, 2014

Thomas A. Axtell, Supervisor
Town of Deposit
3 Elm Street
Deposit, NY 13754

Report Number: B4-14-22

Dear Supervisor Axtell and Members of the Town Board:

Our Office has recently completed a review of the Town of Deposit's (Town) budget for the 2015 fiscal year. The objective of the review was to provide an independent evaluation of the proposed budget. Our review addressed the following question related to the budget for the 2015 fiscal year:

- Are the significant revenue and expenditure projections in the Town's proposed budget reasonable?

To accomplish our objective in this review, we requested your proposed budget, salary schedules, debt payment schedules and other pertinent information. We identified and examined significant estimated revenues and expenditures for reasonableness with emphasis on significant and unrealistic increases or decreases. We analyzed, verified and corroborated trend data and estimates, where appropriate. We also made appropriate inquiries and reviewed supporting documentation to determine the nature of the items and to assess whether the estimate was realistic and reasonable.

The scope of our review does not constitute an audit under generally accepted government auditing standards (GAGAS). We do not offer comments or make specific recommendations on public policy decisions, such as the type and level of services under consideration to be provided.

The proposed budget package submitted for review for the fiscal year ending December 31, 2015 consisted of the following:

- Cover Letter
- 2015 Proposed Budget
- Supplementary Information

The proposed budget submitted to our Office is summarized as follows:

Fund	Appropriations and Provisions for Other Uses	Estimated Revenues	Real Property Taxes
General (Town-Wide)	\$409,829	\$58,310	\$351,519
General (Town-Outside-Village)	\$34,838	\$1,475	\$33,363
Highway (Town-Wide)	\$405,148	\$0	\$405,148
Highway (Town-Outside-Village)	\$445,786	\$75,000	\$370,786
Fire Protection District	\$82,724	\$0	\$82,724
Total	\$1,378,325	\$134,785	\$1,243,540

We performed this budget review because the Town was categorized as being “susceptible to fiscal stress” in a report issued in September 2014 as part of the Comptroller’s Fiscal Stress Monitoring System (FSMS). Fiscal stress designations of the FSMS are based solely on the annual financial statements (AUD) filed by the Town at year end. Based on the results of our review, we found that the significant revenue and expenditure projections in the proposed budget are reasonable. Additionally, Town officials have increased the real property tax levy for the general fund and implemented cost saving measures in the highway funds to help address the Town’s declining financial condition.

Tax Cap Compliance

The State Legislature and the Governor enacted Chapter 97 of the Laws of 2011 that established a tax levy limit on all local governments, which was effective beginning in the 2012 fiscal year. The law precludes local governments from adopting a budget that requires a tax levy that exceeds the prior year tax levy by more than 2 percent or the rate of inflation, whichever is less, unless the governing board adopts a local law to override the tax levy limitation.

The Town has adopted a local law to override the tax levy limit in 2015. This local law allows the Town’s proposed budget to include a tax levy of \$1,243,540, which increases the 2015 tax levy by 12.1 percent over the 2014 tax levy of \$1,108,970.

We request that you provide us with a copy of the adopted budget.

We hope that this information is useful as you adopt the upcoming budget for the Town. If you have any questions on the scope of our work, please feel free to contact H. Todd Eames, Chief Examiner of the Binghamton Regional Office, at (607) 721-8306.

Very truly yours,

Gabriel F. Deyo

cc: Cheryl L. Curtis, Town Clerk
Andrew A. SanFilippo, Executive Deputy Comptroller