

# **TOWN OF CHILI, NEW YORK**

**BASIC FINANCIAL STATEMENTS**

**FISCAL YEAR ENDED**

**DECEMBER 31, 2016**



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# FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the Town Board  
Town of Chili, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Chili, New York (the Town), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements on pages 60-61 and the other information on pages 62-68 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The other information, on pages 62-68, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Fred Maxick C.P.A.s, P.C.*

Batavia, New York  
April 21, 2017

This section of Town of Chili, New York's (the Town) annual financial report presents its discussion and analysis of the Town's financial performance during the fiscal year ended December 31, 2016. Please read it in conjunction with the Town's financial statements, which immediately follow this section.

## FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town's primary government exceeded its liabilities and deferred inflows of resources by \$40,165,926 (net position) at December 31, 2016, of which \$28,746,295 is invested in the Town's capital assets, including infrastructure.
- The Town's net position increased by \$1,087,193, or 2.78%, over 2015. However, there was a prior period adjustment related to the inclusion of the Library Fund and Miscellaneous Special Revenue Fund, neither of which were previously reported as part of the Town's government-wide financial statements. The Town's 2015 net position restated with the inclusion of the two funds is \$40,333,804, creating a year over year reduction in net position of \$167,878 (0.42%).
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$15,533,748, an increase of \$862,347 from the prior year's restated financials.
- The Town's long-term debt decreased by \$335,000 during 2016. There was no new long-term debt added during the year and 77% of the remaining debt is scheduled to be paid off by the end of 2018. All current debt is scheduled to be paid off by 2023.
- The Town's tax rate for 2016 remained flat at rate of \$3.86/thousand and there was a 1.84% increase in assessed value.
- Overall benefits increased \$359,953, or 15.62%, from 2015. There was an increase in workers' compensation expense of \$155,917 (41.93%) primarily due to significant prior year claim trends. Medical expense continued to rise, increasing \$82,757 (8.79%) over 2015. There was an increase in reported state mandated pension costs of \$108,029. It should be noted though that there was a change in accounting methods in the handling of this expense in 2015, which created a one-time appearance of artificially lower pension expense in 2015.
- The Town recognized over \$55,000 in grant revenue for special projects including code updates, library equipment, youth programs and court equipment.
- In August 2016, Moody's Investors Service reviewed the Town's credit rating and upgraded it to Aa2 from Aa3. Moody's stated that "the Aa2 rating reflects the Town's well-managed and healthy financial position, strong liquidity, and low debt burden." They also credited strong reserves and conservative budgeting practices as part of the Town's strengths.

## OVERVIEW OF THE FINANCIAL STATEMENTS

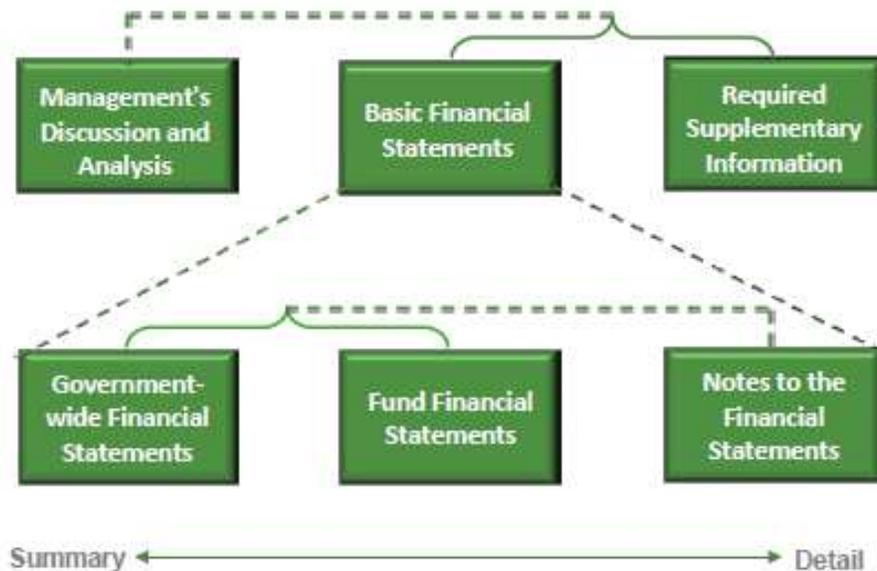
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the government-wide statements.

The governmental funds statements tell how basic services such as public safety and transportation were financed in the short term as well as what remains for future spending.

Fiduciary funds statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Town's budget for the year.



**Major Features of the Government-Wide and Fund Financial Statements**

The below chart summarizes the major features of the Town’s financial statements, including the portion of the Town’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

		Fund Financial Statements	
	Government-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire government (except Fiduciary Funds)	The activities of the Town that are not proprietary or fiduciary, such as public safety and transportation	Instances in which the Town administers resources on behalf of someone else
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of Net Position</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position – Fiduciary Funds</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; generally no capital assets or long-term liabilities included	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/ outflow information	All revenues and expenditures during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

**Government-wide Statements**

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements present the financial picture of the Town from the economic resources measurement focus

using the accrual basis of accounting. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt).

These two statements report the Town's net position and changes to it. You can think of the Town's net position, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the Town's financial health, or financial condition. Over time, increases or decreases in the Town's net position are one indicator of whether its financial condition is improving or deteriorating. The Town's financial health refers to the Town's ability to (1) maintain existing service levels, (2) withstand local and regional economic disruptions, and (3) meet the demands of natural growth, decline, and change.

In the Statement of Net Position and Statement of Activities, the Town is represented by seven Governmental Activities principally supported by taxes and intergovernmental revenues (governmental activities). All of the Town's services are reported here, including public safety, public works, home and community services, parks, culture and recreation, debt and general administration. State aid, sales tax, property tax and federal and state grants finance most of these activities. The Town maintains no business-type activities at this time.

### **Reporting the Town as a Whole**

The analysis of the Town as a whole begins on page 18. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the method of accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

### **Reporting the Town's Most Significant Funds**

The analysis of the Town's major funds begins on page 20. The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or "major" funds - not the Town as a whole. Some funds are required to be established by State law. However, the Town Board establishes other funds to control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money.

### **Governmental Funds**

Fund financial statements are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. Because the focus of the fund statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for funds financial statements with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's

near-term financing decisions. Both the fund basis balance sheet and statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison of the fund and government-wide financial statement.

### Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The Town is trustee and responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Position.

## FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$40,165,926 as of December 31, 2016. A portion of the Town's net position, \$4,839,372 (12.05%) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Another \$28,746,295 (71.57%) of the Town's net position reflect its investment in capital assets (i.e. land, construction work in progress, buildings, infrastructure and equipment) less any related debt used to acquire those assets that is still outstanding. The Town uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending.

The Town's restricted net position, \$6,580,259 (16.38%), is restricted for future capital projects, debt reductions, retirement contributions, self-funded liability insurance, workers' compensation insurance and other restricted programs.

The Town's cash and cash equivalents increased by \$1,354,857, or 9.91%, from the 2015 restated balance. This change is reflective of an increase of \$857,726 in restricted fund balance cash.

The Town's long-term liabilities increased \$1,781,484 (34.04%). There were reductions to the long-term liabilities due to the payment of existing serial bond debt as well as favorable workers' compensation claim trends during the current year. Compensated absences saw a slight increase and the OPEB obligation, which is being expensed over a thirty-year period (per current GASB standards) increased as expected. The most significant increase was with the net pension liability, which increased \$2,087,168 from 2015. This liability is controlled by the State retirement system but is reported on the Town's financials per GASB standards.

Net capital assets decreased 3.36%. This change is reflective of \$2,203,200 in depreciation expense and \$1,161,602 of new capital assets. Changes are also reflective of a beginning balance addition of \$69,619 due to the inclusion of the Library Fund (see Note 6).

Overall, there was a 0.42% decrease in total net position in 2016 over the previous year's restated net position. The decrease is representative of the significant increases in liabilities for OPEB and pension. For the fund based financial statements, the Town saw a 5.88% increase in fund balance.

The Town believes in utilizing practices of sound fiscal management and careful spending which has led to its ability to maintain a stable financial condition while keeping all taxpayer services within budgeted parameters.

**Table 1** reflects the Town's net position (dollars in thousands) as of December 31, 2016 and 2015. Balances for 2015 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6).

**Table 1**

	Governmental Activities		% of Change
	2016	2015	
Current and other assets	\$ 16,022	\$ 15,047	6.48%
Capital assets not being depreciated	4,008	4,485	-10.64%
Capital assets, net of accumulated depreciation	<u>25,328</u>	<u>25,871</u>	<u>-2.10%</u>
Total assets	<u>45,358</u>	<u>45,403</u>	<u>-0.10%</u>
Deferred pension outflows	<u>2,725</u>	<u>607</u>	<u>348.93%</u>
Total deferred outflows of resources	<u>2,725</u>	<u>607</u>	<u>348.93%</u>
Noncurrent liabilities	7,014	5,233	34.03%
Other liabilities	<u>488</u>	<u>375</u>	<u>30.13%</u>
Total liabilities	<u>7,502</u>	<u>5,608</u>	<u>33.77%</u>
Deferred pension inflows	<u>415</u>	<u>68</u>	<u>510.29%</u>
Total deferred inflows of resources	<u>415</u>	<u>68</u>	<u>510.29%</u>
Net investments in capital assets	28,746	29,431	-2.33%
Restricted for:			
Workers' compensation	725	787	-7.88%
Retirement contribution	225	175	28.57%
Insurance	525	517	1.55%
Capital projects	4,118	3,250	26.71%
Debt service	10	73	-86.30%
Other restricted	978	917	6.65%
Unrestricted	<u>4,839</u>	<u>5,184</u>	<u>-6.66%</u>
Total net position	<u>\$ 40,166</u>	<u>\$ 40,334</u>	<u>-0.42%</u>

The Town's government-wide net position decreased \$167,878 in 2016. The change in 2016 is reflective of a prior period adjustment (increase) of \$1,255,071 related to inclusion of the Library Fund and Miscellaneous Special Revenue Fund. A significant increase to the net pension liability was the major factor in the year over year reduction.

**Table 2** reflects the Town's changes in net position (dollars in thousands) for the years ended December 31, 2016 and 2015. Activities for 2015 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6).

**Table 2**

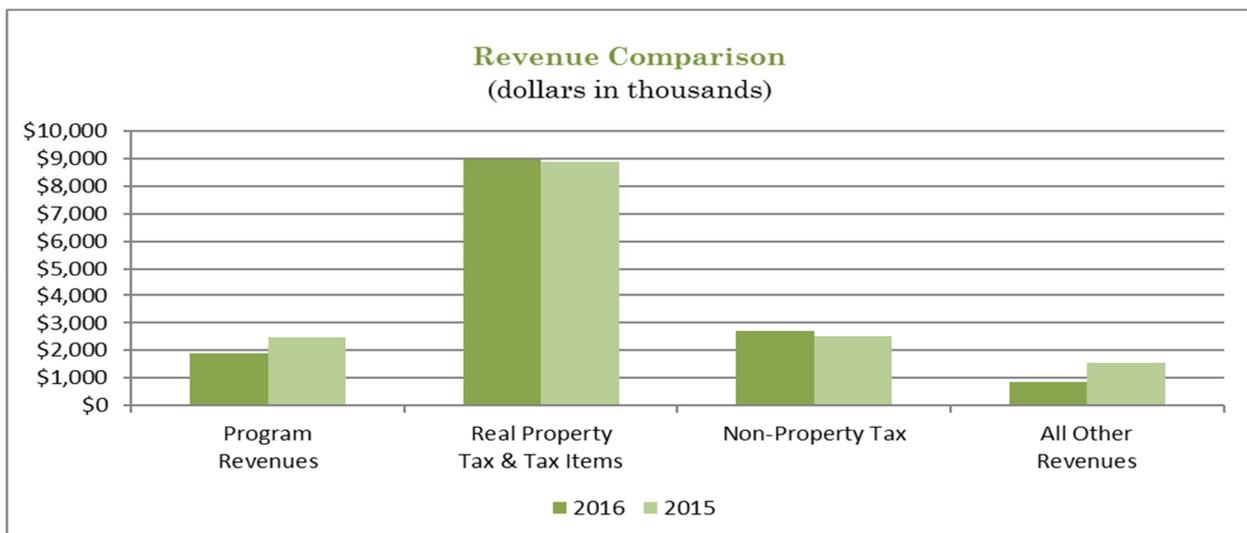
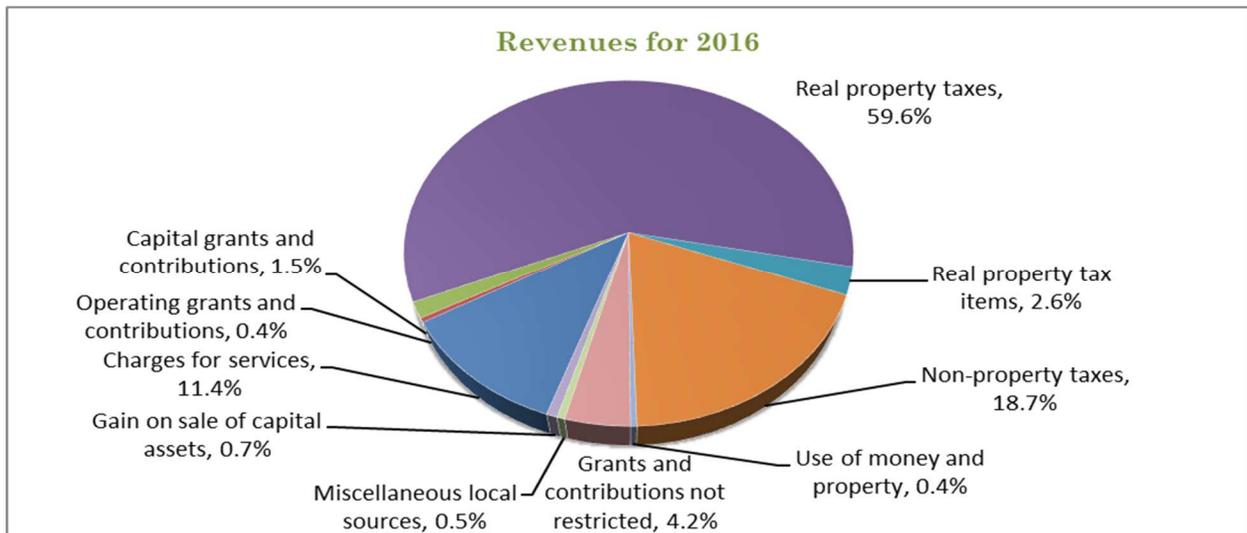
	Governmental Activities		% of Change
	2016	2015	
Program revenues:			
Charges for services	\$ 1,640	\$ 2,031	-19.25%
Operating grants and contributions	55	259	-78.76%
Capital grants and contributions	212	196	8.16%
General revenues			
Real property taxes	8,583	8,493	1.06%
Real property tax items	376	385	-2.34%
Non-property taxes	2,698	2,525	6.85%
Use of money and property	53	65	-18.46%
Grants and contributions not restricted	610	664	-8.13%
Miscellaneous local sources	79	778	-89.85%
Gain on sale of capital assets	103	51	101.96%
Special item - donated land	-	5	-100.00%
Total revenues	14,409	15,452	-6.75%
Program expenses:			
General government	3,031	2,867	5.72%
Public safety	2,161	2,424	-10.85%
Health	155	152	1.97%
Transportation	5,608	5,693	-1.49%
Economic assistance and opportunity	182	163	11.66%
Culture and recreation	2,531	2,579	-1.86%
Home and community service	880	916	-3.93%
Interest on debt	29	44	-34.09%
Total expenses	14,577	14,838	-1.76%
Change in net position	(168)	614	-127.36%
Net position - January 1, as previously stated	40,334	38,460	4.87%
Restatement of net position (Note 6)	-	1,260	-100.00%
Net position - January 1, as restated	40,334	39,720	1.55%
Net position - December 31	\$ 40,166	\$ 40,334	-0.42%

Real property tax levy is the primary source of revenues to support taxpayer services and accounted for 59.6% of all revenues.

Program revenues decreased in 2016. These revenues include fees such as departmental fees (up \$60,000) and licenses and permits (down \$158,000), which shifts certain expense burden from the general tax base to those specifically using the resources. There was a decrease in intergovernmental charges due to the warm winters. This is reflected in \$189,000 of lower snow & ice revenues. In addition, the 2015 revenues reflected several one-time revenues, including self-insurance recoveries and special project grants, which causes a year over year reduction when those revenues were not repeated.

The Town continuously seeks out opportunities to obtain grants from the County, State and Federal governments that are used to help offset many of the Town's special projects. The Town recognized revenues of over \$55,000 of grant money for various projects in 2016.

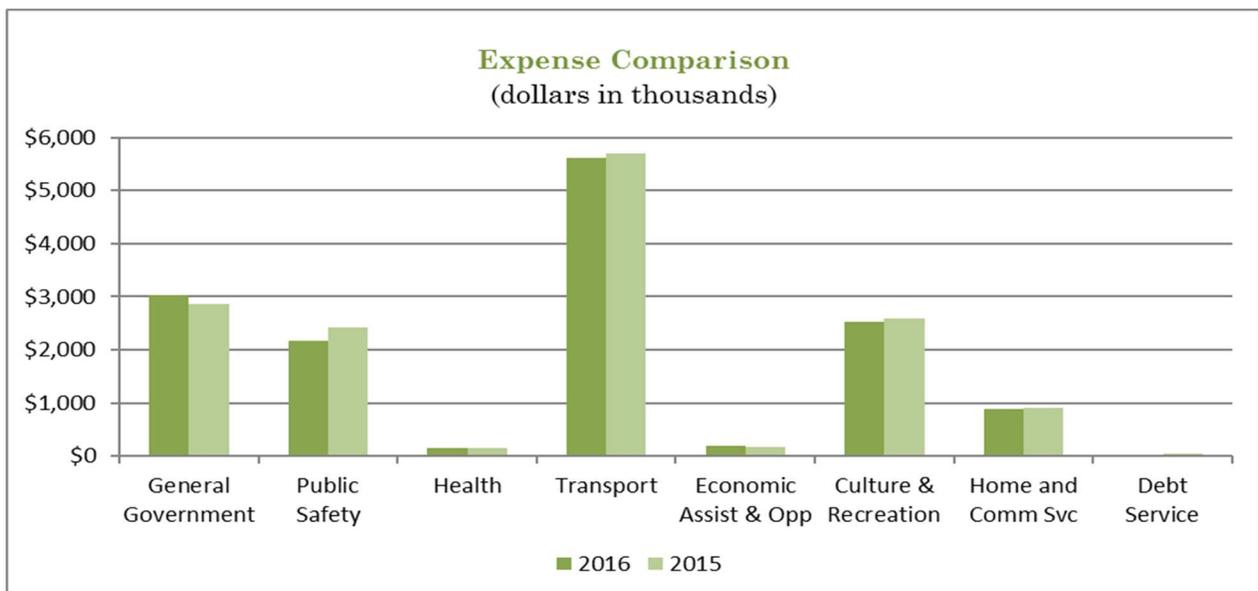
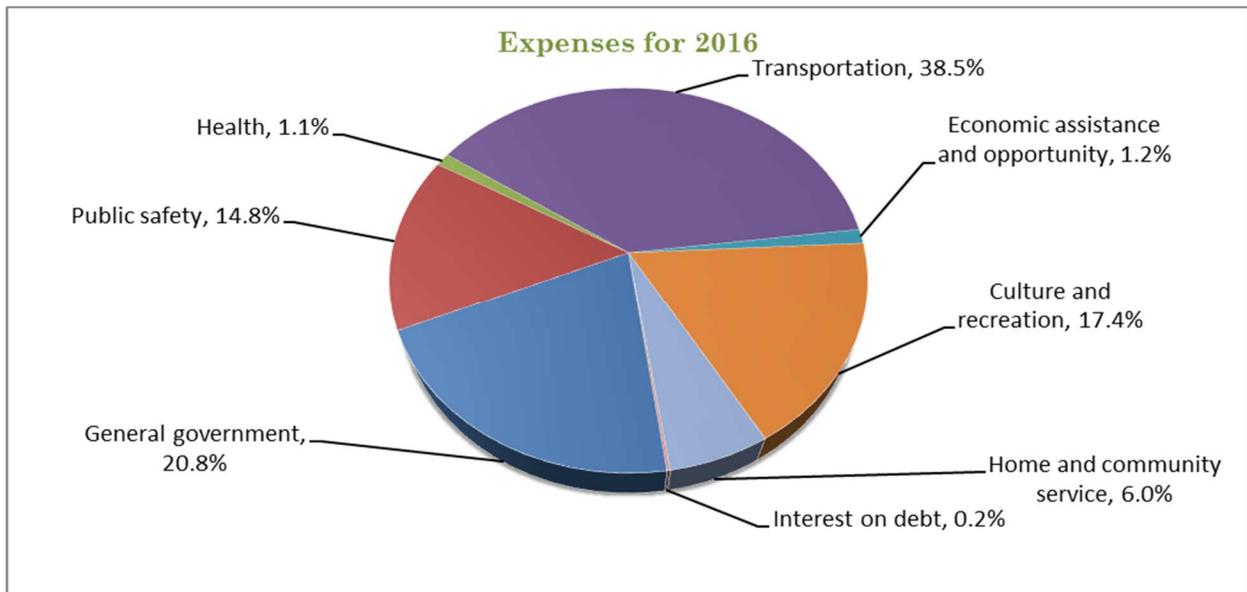
Revenues below for 2015 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6).



Transportation (38.5%), which includes the maintenance of roads and snow removal, remains the primary operational expense. Culture and recreation (17.4%) (i.e. parks and recreation & library) and Public Safety (14.8%) (i.e. inspections of commercial properties new construction) are also significant operating expenses. General government expenses (20.8%) include administration wages, utilities, building maintenance, postage and liability insurances.

Expenses from operational activities were down 1.76% in 2016. A reduction in long-term debt for workers' comp as well capitalization of assets has helped lower overall current year expenses.

Expenses below for 2015 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6).



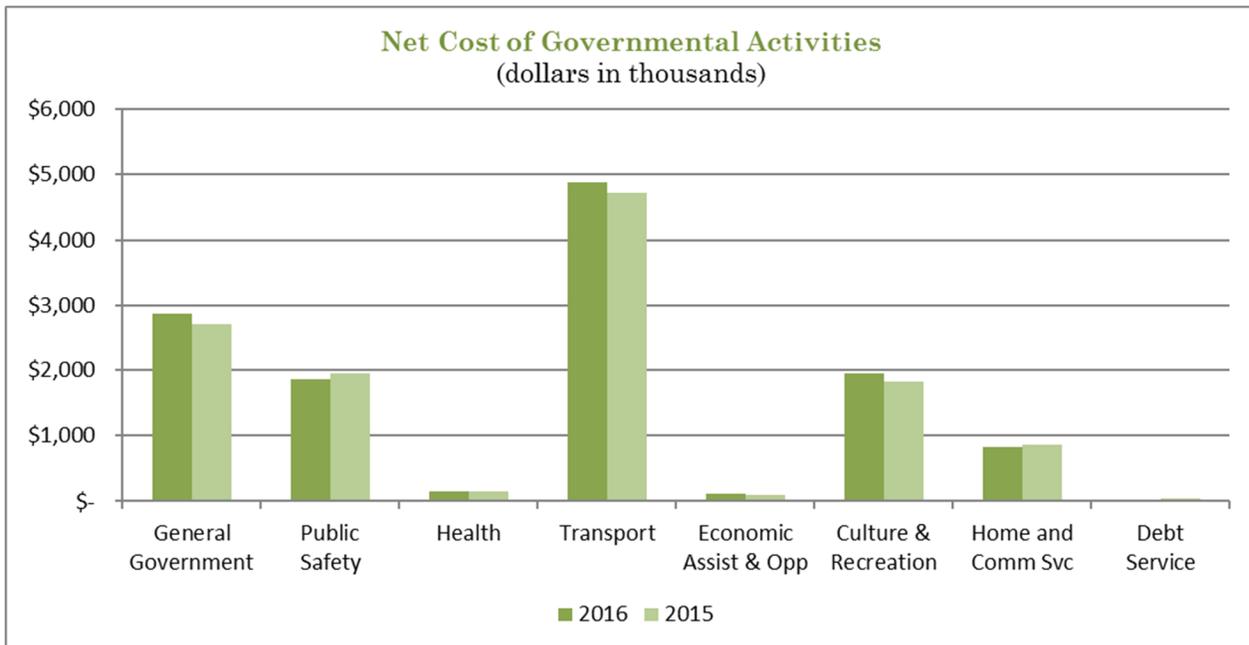
Net cost is the total cost of services less fees generated by the activities and intergovernmental aid provided for specific programs. The net cost shows the financial burden placed on the Town's taxpayers by each major governmental function (activity).

Interest on debt service continues to decrease as old debt is paid off and no new debt is taken on. The increases in each area are reflective of the significant increases to the pension liability and OPEB obligation.

**Table 3** reflects the Town's net cost of governmental activities (dollars in thousands) for the years ended December 31, 2016 and 2015. Activities for 2015 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6).

**Table 3**

	Total Cost of Services		% of Change	Net Cost of Services		% of Change
	2016	2015		2016	2015	
General government	\$ 3,031	\$ 2,867	5.72%	\$ 2,869	\$ 2,715	5.67%
Public safety	2,161	2,424	-10.85%	1,861	1,946	-4.37%
Health	155	152	1.97%	155	152	1.97%
Transportation	5,608	5,693	-1.49%	4,882	4,717	3.50%
Economic assistance and opportunity	182	163	11.66%	109	91	19.78%
Culture and recreation	2,531	2,579	-1.86%	1,944	1,830	6.23%
Home and community service	880	916	-3.93%	821	857	-4.20%
Debt service	29	44	-34.09%	29	44	-34.09%
<b>Total</b>	<b>\$ 14,577</b>	<b>\$ 14,838</b>	<b>-1.76%</b>	<b>\$ 12,670</b>	<b>\$ 12,352</b>	<b>2.57%</b>



## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

Overall, the Town continues to maintain healthy fund balances. The percentage of unassigned fund balances to current year expenditures for the General Fund is 74%. As discussed in the Factors Bearing on the Town's Future section of this Management's Discussion and Analysis, a significant portion of this balance was built into previous budgets in anticipation of a pre-funding vehicle for the establishment of an OPEB reserve. When accounting for the amounts specifically allocated in those budgets for OPEB, the percentage of unassigned fund balance to current year expenditures for the General Fund would be 43%.

The Highway Townwide and Fire Protection Districts' assigned fund balances, excluding appropriations for next year and current year encumbrances are \$1,258,014 and \$143,453, respectively, or 31% and 8%, respectively, of current year expenditures.

The General Fund's overall fund balance increased by \$883,442. The Town continues to budget conservatively for volatile revenues such as mortgage tax and sales tax. Mortgage tax revenues decreased 11%, and were the third lowest over the past nineteen years. Restricted fund balances increased almost \$912,000 to help offset future expenses.

The Highway Townwide fund balance decreased \$54,133. A decrease was expected due to an outstanding encumbrance of \$410,100 for two vehicles as well as a budgeted use of fund balance. Two consecutive warm winters have helped contribute to significantly lower expenditures. Capital reserves were decreased by \$48,305. Fire Protection Districts' fund balance decreases were budgeted and expected.

**Table 4** reflects the Town's revenues, expenditures and changes in fund balances for the major governmental funds (dollars in thousands) for the years ended December 31, 2016 and 2015. Other financing sources and uses are included.

**Table 4**

	<b>2016</b>			
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balances</u>	<u>Changes in Fund Balances</u>
General Fund	\$ 6,731	\$ 5,848	\$ 11,179	\$ 883
Highway Townwide Fund	4,022	4,076	2,534	(54)
Fire Protection Districts Fund	1,781	1,786	156	(5)
	<b>2015</b>			
	<u>Revenues</u>	<u>Expenditures</u>	<u>Fund Balances</u>	<u>Changes in Fund Balances</u>
General Fund	\$ 7,003	\$ 6,013	\$ 10,296	\$ 990
Highway Townwide Fund	4,165	3,619	2,588	546
Capital Projects Fund	1,158	612	32	546
Fire Protection Districts Fund	1,780	1,736	161	44

## GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Town Board may make amendments to the original budget. One type of budget amendment occurs shortly after the first of the year to modify the original budget with any approved grant items, as well as, supplemental appropriations which were carried over from the previous year. Another type of budget amendment includes changes the Town Board makes through the year to approve increases in appropriations to prevent budget overruns. Any budget amendment requires the approval of the Town Board.

The General Fund realized a fund balance at December 31, 2016 of \$11,179,008. Of this total fund balance, \$6,864,010 has been restricted or assigned for specific purposes. Unexpected increases in fund balance are always used towards funding subsequent years' budgets and the Town feels that its fund balances are reasonable and appropriate.

Contributing to these favorable variances from the budget are the following factors:

The Town's General Fund 2016 adopted budget for non-property tax revenue was \$1,640,000, but actually recognized revenues of \$2,697,866. The Town's portion of sales tax is included in this revenue category and actual sales tax collected exceeded the 2016 modified budget by approximately \$742,000. The Town takes a conservative approach when budgeting sales tax revenue due to its volatility and unpredictability, and the numerous factors that could affect it.

Fines and forfeitures were \$22,000 below budget, decreasing for the fourth year in a row. This is an unpredictable revenue, which is budgeted on historical trends. Overall, the departmental revenues came in about budget, the largest overage coming in Park & Recreation fees, being \$28,000 over modified budget.

The Town's General Fund 2016 adopted budget for State and Federal aid was \$520,000 and modified budget was \$536,850, but actually recognized revenues of \$622,241. State aid includes receipt of mortgage tax revenue. In 2016, the Town received mortgage tax revenue of approximately \$76,000 over modified budget. Similar to sales tax revenue, this revenue stream can be volatile and unpredictable, and therefore the Town takes a conservative approach when budgeting it. Mortgage tax revenues have fallen over the past two years. Shortfalls in other State and Federal aid were due to grant funds that will roll into future years.

The Town's actual General Fund expenditures (excluding other financing sources or uses) were approximately \$835,000 below modified budget amounts. A continued focus on cost savings and responsible spending contributed to the reduction in expenditures compared to budget. The Town expended approximately \$410,000 less than the modified budget in the General Government accounts; \$45,000 less in the area of Public Safety; \$33,000 less in the area of Transportation; \$16,000 less in Economic Assistance and Opportunity; \$124,000 less in the area of Culture and Recreation and \$68,000 less in the area of Home and Community Services. Employee benefits were \$138,000 under budget due in part to favorable trends in the state retirement contribution rates as well as savings from budgeted medical benefits. Specific other areas of savings include \$104,000 in labor costs, \$110,000 in facility costs, \$95,000 in professional service contract fees and \$57,000 in vehicle costs. The Town has assigned an amount of \$1,500,000 to balance the 2017 budget.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The Town's investment in capital assets for its governmental activities as of December 31, 2016, amounts to approximately \$28,746,000 (net of related debt). This investment in capital assets includes land, construction work in progress, historical collections, buildings, improvements, machinery and equipment and infrastructure.

**Table 5** reflects the Town's capital assets, net of depreciation (dollars in thousands) as of December 31, 2016 and 2015. Balances for 2015 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6). Additional information on the Town's capital assets can be found in Note 2 to the financial statements.

**Table 5**

	Governmental Activities	
	2016	2015
Land	\$ 3,993	\$ 3,993
Construction work in progress	-	476
Historical collections	15	15
Buildings	10,800	11,146
Improvements	218	235
Machinery and equipment	3,673	2,692
Infrastructure	10,637	11,799
Total	<u>\$ 29,336</u>	<u>\$ 30,356</u>

### Long-term obligations

At the end of the current year, the Town had total bonded debt outstanding of \$590,000. This entire amount is backed by the full faith and credit of the Town of Chili. The Town implemented GASB 45 Other Post-Employment Benefits (OPEB) in 2008. The Town's liability increased to \$3,604,000.

As of December 31, 2016, the Town's outstanding debt is rated Aa2 with Moody's Investor Service. This is an upgrade from the previous year.

**Table 6** reflects the Town's outstanding long-term obligations (dollars in thousands) as of December 31, 2016 and 2015. Balances for 2015 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6). Additional information on the Town's long-term obligations can be found in Note 2 to the financial statements.

**Table 6**

	Governmental Activities	
	2016	2015
General obligation bonds	\$ 590	\$ 925
Compensated absences	174	149
Post employment benefits	3,604	3,218
Workers' compensation	-	381
Net pension liability	2,646	560
Total	<u>\$ 7,014</u>	<u>\$ 5,233</u>

## FACTORS BEARING ON THE TOWN'S FUTURE

- The Town recognizes there is no pre-funding vehicle for Other Post Employment Benefit (OPEB) purposes at this time. The Town included in the 2008, 2009 and 2011 budgets specific funds in anticipation of a pre-funding vehicle. It is hoped the NYS Legislature will enact legislation soon that would allow the establishment of an OPEB reserve. At that time, the Town plans to significantly fund this reserve utilizing previously budgeted amounts as well as a portion of unassigned fund balance.
- Existing bond debt service of \$590,000 will continue to be paid off through 2023. Of this total debt, \$230,000 is due to be paid in 2017.
- The Town and the Union operate under a contract that was ratified October 2016. This contract is valid from January 1, 2017 to December 31, 2021.
- The 2017 budget was the sixth to be adopted under the NYS Property Tax Cap guidelines. The Town was below the allowable levy limit, as it has been each year. A portion of this unused limit will be carried over to the 2018 budget process.
- The tax rate for 2017 dropped slightly to a rate of \$3.85 per \$1,000 of assessed value while reflecting taxable assessment base growth of 1.54%. Since 2010, there has been a trend of low increases in town-wide taxable assessment value. This is in contrast with the previous several decades where the average annual increases were higher.
- The continuously rising cost of certain necessary and contractual expenses, such as employee salaries and benefits, retiree benefits and equipment, is an internal challenge for the Town to cover while maintaining stable tax rates, in spite of a lower than historical taxable assessment base growth trend.

## REQUESTS FOR INFORMATION

This financial report is designed to provide the Town's citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact David Dunning, Town Supervisor, Town of Chili, New York.

## STATEMENT OF NET POSITION

December 31, 2016

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 15,029,820
Accounts receivable	9,461
State and federal receivables	5,600
Due from other governments	826,609
Prepaid items	149,772
Capital assets not being depreciated	4,008,293
Capital assets, net of accumulated depreciation	<u>25,328,002</u>
 Total assets	 <u>45,357,557</u>
<b>Deferred Outflows of Resources</b>	
Deferred pension outflows	2,289,289
Deferred pension outflows, contributions subsequent to measurement date	<u>436,096</u>
 Total deferred outflows of resources	 <u>2,725,385</u>
<b>Liabilities</b>	
Accounts payable	236,674
Accrued liabilities	107,816
Unearned revenue	143,024
Noncurrent liabilities	
Due within one year	247,396
Due in more than one year	<u>6,767,098</u>
 Total liabilities	 <u>7,502,008</u>
<b>Deferred Inflows of Resources</b>	
Deferred pension inflows	<u>415,008</u>
 Total deferred inflows of resources	 <u>415,008</u>
<b>Net Position</b>	
Net investment in capital assets	28,746,295
Restricted for:	
Workers' compensation	725,071
Retirement contribution	225,131
Insurance	524,501
Capital projects	4,117,893
Debt service	10,171
Other restricted	977,492
Unrestricted	<u>4,839,372</u>
 Total net position	 <u>\$ 40,165,926</u>

See accompanying notes to basic financial statements

**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2016

Functions/ Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Government activities:					
General government	\$ 3,030,793	\$ 147,228	\$ 14,716	\$ -	\$ (2,868,849)
Public safety	2,161,544	298,794	1,850	-	(1,860,900)
Health	154,571	-	-	-	(154,571)
Transportation	5,607,930	514,154	-	211,957	(4,881,819)
Economic assistance and opportunity	181,574	71,655	926	-	(108,993)
Culture and recreation	2,531,450	560,938	26,191	-	(1,944,321)
Home and community services	879,848	46,992	11,867	-	(820,989)
Interest on debt	29,286	-	-	-	(29,286)
 Total governmental activities	 \$ 14,576,996	 \$ 1,639,761	 \$ 55,550	 \$ 211,957	 (12,669,728)
General revenues and gain on sale of capital assets:					
Real property taxes					8,582,651
Real property tax items					375,937
Non-property taxes					2,697,866
Use of money and property					53,341
Grants and contributions not restricted for a specific purpose					610,115
Miscellaneous local sources					78,950
Gain on sale of capital assets					102,990
Total general revenues and gain on sale of capital assets					12,501,850
 Change in net position					(167,878)
 Net position - January 1, as previously stated					39,078,733
 Restatement of net position (Note 6)					1,255,071
 Net position - January 1, as restated					40,333,804
 Net position - December 31					\$ 40,165,926

See accompanying notes to basic financial statements

## BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2016

	General	Special Revenue		Non-Major Governmental Funds	Total Governmental Funds
		Highway Townwide	Fire Protection Districts		
<b>Assets</b>					
Cash and cash equivalents	\$ 10,527,876	\$ 2,604,286	\$ 156,453	\$ 1,741,205	\$ 15,029,820
Accounts receivable	9,461	-	-	-	9,461
State and federal receivables	5,600	-	-	-	5,600
Due from other funds	-	49,396	-	-	49,396
Due from other governments	749,562	72,325	-	4,722	826,609
Prepaid items	73,799	56,206	-	19,767	149,772
Total assets	<u>\$ 11,366,298</u>	<u>\$ 2,782,213</u>	<u>\$ 156,453</u>	<u>\$ 1,765,694</u>	<u>\$ 16,070,658</u>
<b>Liabilities</b>					
Accounts payable	\$ 130,655	\$ 75,767	\$ -	\$ 30,252	\$ 236,674
Accrued liabilities	52,684	40,615	-	14,517	107,816
Due to other funds	3,951	-	-	45,445	49,396
Unearned revenues	-	132,024	-	11,000	143,024
Total liabilities	<u>187,290</u>	<u>248,406</u>	<u>-</u>	<u>101,214</u>	<u>536,910</u>
<b>Fund Balances</b>					
Non-spendable	73,799	56,206	-	19,767	149,772
Restricted	5,284,631	307,587	-	988,041	6,580,259
Assigned	1,505,580	2,170,014	156,453	656,672	4,488,719
Unassigned	4,314,998	-	-	-	4,314,998
Total fund balances	<u>11,179,008</u>	<u>2,533,807</u>	<u>156,453</u>	<u>1,664,480</u>	<u>15,533,748</u>
Total liabilities, and fund balances	<u>\$ 11,366,298</u>	<u>\$ 2,782,213</u>	<u>\$ 156,453</u>	<u>\$ 1,765,694</u>	<u>\$ 16,070,658</u>

See accompanying notes to basic financial statements

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION**

December 31, 2016

Total fund balance - governmental funds \$ 15,533,748

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the funds.

Cost of capital assets	67,236,119	
Accumulated depreciation	<u>(37,899,824)</u>	
Capital assets, net of depreciation		29,336,295

Long-term liabilities, including serial bonds, compensated absences, other post-employment benefits and net pension liability are not due and payable in the current period, and therefore, are not reported in the funds.

Serial bonds	(590,000)	
Compensated absences	(173,957)	
Post employment benefits	(3,603,892)	
Pension liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(2,646,645)</u>	
Total long-term liabilities		(7,014,494)

Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds.

Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds.	<u>2,310,377</u>	
Net position of governmental activities		<u>\$ 40,165,926</u>

See accompanying notes to basic financial statements

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2016

	General	Special Revenue		Non-Major Governmental Funds	Total Governmental Funds
		Highway Townwide	Fire Protection Districts		
<b>Revenues</b>					
Real property taxes	\$ 1,840,130	\$ 3,196,526	\$ 1,781,111	\$ 1,764,884	\$ 8,582,651
Real property tax items	375,937	-	-	-	375,937
Non-property taxes	2,697,866	-	-	-	2,697,866
Departmental income	588,092	-	-	112,755	700,847
Intergovernmental charges	117,825	493,553	-	-	611,378
Use of money and property	49,401	2,144	105	1,691	53,341
Licenses and permits	192,947	-	-	-	192,947
Fines and forfeitures	108,076	-	-	-	108,076
Sales of property and compensation for loss	70,778	97,828	-	11,538	180,144
Miscellaneous local sources	18,157	-	-	36,564	54,721
State sources	622,241	211,957	-	11,646	845,844
Federal sources	5,366	-	-	-	5,366
<b>Total revenues</b>	<b>6,686,816</b>	<b>4,002,008</b>	<b>1,781,216</b>	<b>1,939,078</b>	<b>14,409,118</b>
<b>Expenditures</b>					
Current:					
General government	2,204,935	-	-	13,428	2,218,363
Public safety	393,088	-	1,500,023	-	1,893,111
Health	-	-	-	154,571	154,571
Transportation	253,209	3,098,776	-	162,746	3,514,731
Economic assistance and opportunity	134,200	-	-	2,000	136,200
Culture and recreation	937,610	-	-	905,458	1,843,068
Home and community services	552,326	-	-	169,449	721,775
Employee benefits	1,134,062	934,274	285,766	310,060	2,664,162
Capital outlay:					
General government	-	-	-	15,000	15,000
Culture and recreation	-	-	-	21,504	21,504
Debt service:					
Principal	193,400	-	-	141,600	335,000
Interest	15,817	-	-	13,469	29,286
<b>Total expenditures</b>	<b>5,818,647</b>	<b>4,033,050</b>	<b>1,785,789</b>	<b>1,909,285</b>	<b>13,546,771</b>

See accompanying notes to basic financial statements

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

(continued)

For the Year Ended December 31, 2016

	General	Special Revenue		Non-Major Governmental Funds	Total Governmental Funds
		Highway Townwide	Fire Protection Districts		
Excess (deficit) of revenues over expenditures	868,169	(31,042)	(4,573)	29,793	862,347
<b>Other Financing Sources (Uses)</b>					
Interfund transfers in	44,748	20,000	-	30,979	95,727
Interfund transfers out	(29,475)	(43,091)	-	(23,161)	(95,727)
Total other financing sources (uses)	15,273	(23,091)	-	7,818	-
Net change in fund balances	883,442	(54,133)	(4,573)	37,611	862,347
Fund balances - January 1, as restated	10,295,566	2,587,940	161,026	1,626,869	14,671,401
Fund balances - December 31	<u>\$ 11,179,008</u>	<u>\$ 2,533,807</u>	<u>\$ 156,453</u>	<u>\$ 1,664,480</u>	<u>\$ 15,533,748</u>

See accompanying notes to basic financial statements

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2016

Net change in fund balances - total governmental funds	\$	862,347
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$2,203,200) exceeds capital outlays (\$1,681,053), excluding construction work in progress placed in service (\$497,947) in the current period.		(1,020,094)
Decreases/ (increases) in the proportionate share of net pension liability reported in the Statement of Net Position. Activities do not provide for or require the use of current financial resources and therefore is not reported as expenditures in the governmental funds.		(2,087,168)
Increases/ (decreases) in the proportionate share of the net deferred inflow and outflow reported in the Statement of Net Position during the measurement period between the Town's contributions and its proportionate share to the total contributions to the pension system subsequent to the measurement date. Activities do not provide for or require the use of current financial resources and therefore are not reported as expenditures on the governmental funds.		1,771,353
(Increases)/ decreases in accrued compensated absences reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.		(24,812)
In the Statement of Activities the actual and projected long term expenditures for post employment benefits are reported whereas on the governmental funds only the actual expenditures are recorded for post employment benefits.		(385,418)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal bond repayments made in the current period.		335,000
In the statement of activities the actual and projected long term expenditures for workers' compensation are reported whereas on the governmental funds only the actual expenditures are recorded for workers' compensation.		<u>380,914</u>
Change in net position of governmental activities	\$	<u><u>(167,878)</u></u>

See accompanying notes to basic financial statements

**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND**

December 31, 2016

	<u>Agency</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 23,087
Service award program assets	<u>2,358,353</u>
Total assets	<u>2,381,440</u>
<b>Liabilities</b>	
Service award program liabilities	2,358,353
Agency liabilities	<u>23,087</u>
Total liabilities	<u>\$ 2,381,440</u>

See accompanying notes to basic financial statements

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Chili (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. 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 Town's accounting policies are described below.

### A. REPORTING ENTITY

The Town reports related organizations under the guidance of the Governmental Accounting Standards Board. The Standards define the primary government, and redefine and establish the criteria for which potential component units are included in the reporting entity. The Standards also define financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

The accompanying basic financial statements include only the operations of the Town, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the Town.

### B. BASIS OF PRESENTATION

#### 1. GOVERNMENT-WIDE STATEMENTS

The Statement of Net Position and the Statement of Activities present financial information about the reporting government as a whole. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operation or capital) grants while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and direct revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Direct or program revenues include fees, fines and charges paid by the recipients of goods or services offered by the programs. Operating grants include program-specific and discretionary grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as direct revenues, including property taxes, non-property taxes, investment earnings, and general state aid are presented as general revenues.

#### 2. FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds, each of which is

considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and fiduciary. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

#### Major Governmental Funds

The General Fund is the principal operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

The Highway Townwide Fund is established pursuant to Highway Law Section 141 to account for revenues and expenditures for highway purposes.

Fire Protection District funds are used to account for revenues and expenditures for Fire Protection District purposes.

#### Fiduciary Fund Types

Fiduciary fund types include agency funds. Agency funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and generally are accounted for on the cash basis, which approximates the modified accrual basis of accounting.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town generally considers all revenues

reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year.

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

#### **D. PROPERTY TAXES**

The Monroe County Legislature prepares the levy in late December of each year and jointly bills the Town levy and Monroe County real property taxes. Property taxes are levied and become a lien as of January 1<sup>st</sup> based on assessed property values as of that date.

Tax payments are due and collected during the period January 1<sup>st</sup> to May 31<sup>st</sup>.

The tax roll is returned to the Monroe County Commissioner of Finance after May 31<sup>st</sup> at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

The Town also bills and collects taxes for the four school districts within Town limits. Collections of the school district taxes and remittances of them are accounted for by the Receiver of Taxes, independent of Town operations.

#### **E. CASH AND CASH EQUIVALENTS**

The Town's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

#### **F. RESTRICTED ASSETS**

Agency deposits are restricted for use due to the nature of such deposits.

#### **G. ACCOUNTS RECEIVABLE**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the establishment of an allowance for doubtful accounts, however, no allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

#### **H. DUE TO/FROM OTHER FUNDS**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and service type transactions are classified as "due to and from other funds."

Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in Note 2., A., 3.

## I. PREPAID ITEMS

Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is record as expense/expenditures when consumed rather than when purchased.

## J. CAPITAL ASSETS

### Government-wide statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Prior to January 1, 1980, governmental funds' infrastructure assets were not capitalized. The Town has elected to adopt the more liberal provisions of GASB Statement No. 34 which allows retroactive reporting of only major general infrastructure assets acquired, significantly reconstructed or that received significant improvements in fiscal years ending after December 31, 1979. Capital assets are reported at actual cost for acquisitions subsequent to January 1, 2004.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Land	\$ 25,000	N/A	N/A
Buildings	50,000	straight-line	20 - 40 years
Improvements	50,000	straight-line	10 - 20 years
Machinery and equipment	5,000	straight-line	3 - 10 years
Infrastructure	50,000	straight-line	25 - 50 years

### Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

## K. DEFERRED OUTFLOWS/ INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town currently only has one item that qualifies for reporting in this category. It is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and the difference during the

measurement period between the Town's contributions and its proportional share of the total contributions to the pension system not included in pension expense. Also included is the Town contributions to the pension system subsequent to the measurement date. See details of deferred pension outflows in Note 2., B., 2.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town currently only has one type of item that qualifies for reporting in this category. It is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportional share of total contributions to the pension system not included in pension expense. See details of deferred pension inflows in Note 2., B., 2.

#### L. INSURANCE

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. 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. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

#### M. COMPENSATED ABSENCES

The Town labor agreements provide for sick leave, vacations and miscellaneous other paid absences. Upon retirement, certain eligible employees qualify for paid medical premiums and/or payment for value of unused sick leave. These payments are budgeted annually without accrual.

Compensated absences for government fund type employees are reported as a fund liability and expenditure in the government-wide financial statements. The compensated absences liability for the Town at the year-end totaled \$173,957.

Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payment is not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

#### N. UNEARNED REVENUE

The Town reports unearned revenue on its balance sheet. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when the Town receives resources before it has legal claim to them. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. As of December 31, 2016, the Town recognized a liability for unearned revenue in the amount of \$143,024. Of this balance, \$132,024 is the result of a snow and ice receipt from New

York, and \$11,000 the result of a New York Library Bullet Aid receipt.

#### **O. OTHER POST-EMPLOYMENT BENEFITS**

In addition to providing pension benefits (as described in Note 2., B., 2.), the Town provides health insurance coverage for current and future retirees and their families as described at Note 2., B., 3.

#### **P. LONG-TERM LIABILITIES**

All long-term liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term liabilities consist of serial bonds, compensated absences, other post-employment benefits, workers' compensation and net pension liability.

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal, interest and other long-term benefits are reported as expenditures.

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **Q. NET POSITION AND FUND BALANCE**

##### Government-wide statements

In the government-wide statements there are three classes of fund balances to be reported including net investment in capital assets, restricted and unrestricted. These classes are explained further in Note 2., C.

##### Fund statements

In the fund statements there are potentially five classes of fund balances to be reported including non-spendable, restricted, committed, assigned and unassigned. These classes are explained further in Note 2., C.

##### Flow assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (i.e. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

#### **R. INTERFUND TRANSFERS**

The operations of the Town give rise to certain transactions between funds, including transfers of expenditures and revenues to provide services and construct assets.

## S. REVENUES

### Revenue restrictions

The Town has various restrictions placed over certain revenues from sources subject to state or local requirements. The primary restricted revenues source are those revenues raised for the special district special revenue funds.

### Program revenues

Amounts reported as program revenues include:

- a. Charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and
- b. Grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment.

All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

## T. LABOR RELATIONS

Some Town employees are represented by a collective bargaining unit with the balance of employees governed by Town Board rules and regulations. The current contract with AFSCME expired December 31, 2016. A new contract has been settled through December 31, 2021.

## U. ENCUMBRANCES

In governmental funds, encumbrance accounting under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations is employed as a control in preventing over-expenditure of established appropriations.

Open encumbrances are reported as restriction, commitment, or assignment of fund balance since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

## V. USE OF ESTIMATES

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

## W. NEW ACCOUNTING PRONUCEMENTS

During the fiscal year ended December 31, 2016, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; and Statement No. 77, *Tax Abatement Disclosures*.

The primary objective of Statement No. 72 is to define fair value, how fair value is measured, what assets and liabilities should be measured at fair value, and what information about fair value should be reported in the notes to the financial statements.

The primary objective of Statement No. 77 is to require governments, such as the Town, that enter into tax abatement agreements to disclose information about the Town's own tax abatement agreements and those that are entered into by other governments and that reduce the Town's tax revenues.

The GASB has issued the following new statements:

- Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which will be effective for the year ending December 31, 2017;
- Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which will be effective for the year ending December 31, 2018;
- Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, which will be effective for the year ending December 31, 2017;
- Statement No. 81, *Split-Interest Agreements*, which will be effective for the year ending December 31, 2017;
- Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, 68 and 73*, which will be effective for the year ending December 31, 2017;
- Statement No. 83, *Certain Asset Retirement Obligations*, which will be effective for the year ending December 31, 2019;
- Statement No. 84, *Fiduciary Activities*, which will be effective for the year ending December 31, 2019;
- Statement No. 85, *Omnibus 2017*, which will be effective for the year ending December 31, 2018;

The Town is currently reviewing these statements and plans on adoption, as required.

## NOTE 2 - DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

### A. ASSETS

#### 1. DEPOSITS AND INVESTMENTS

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

include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. The Town's deposits were fully collateralized as of December 31, 2016.

#### Investment and Deposit Policy

The Town follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Director of Finance of the Town.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Town's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### Credit Risk

The Town's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Town's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the United States Treasury and United States agencies
- Obligations of New York State and its localities

#### Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Town's investment and deposit policy, all deposits of the Town including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits. The Town restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

## 2. RECEIVABLES

Major revenues accrued by the Town at December 31, 2016 include the following:

General Fund:	
Sales tax	\$ 622,702
Miscellaneous receivables	<u>141,921</u>
Total General	<u>\$ 764,623</u>
Highway Townwide Fund:	
Monroe County Snow & Ice	\$ 72,325

## 3. INTERFUND ACTIVITIES

Interfund activities at December 31, 2016 were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General Fund	\$ -	\$ 3,951	\$ 44,748	\$ 29,475
Highway Townwide Fund	49,396	-	20,000	43,091
Capital Projects Fund	-	-	30,479	1,657
Drainage Fund	-	45,445	-	-
Miscellaneous Special Revenue Fund	-	-	500	21,504
Total	<u>\$ 49,396</u>	<u>\$ 49,396</u>	<u>\$ 95,727</u>	<u>\$ 95,727</u>

The amount owed by the General Fund to the Highway Townwide Fund is for fuel usage. The amount owed by the Drainage Fund to the Highway Townwide Fund is for temporary borrowings by the Drainage Fund related to employee benefits as well as fuel usage.

Transfers among funds are provided for as part of the annual budget process. They account for transfers to fund reserves and transfers to create and close various capital projects.

## 4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows (Balances for January 1 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6):

	Balance January 1	Additions	Deletions	Balance December 31
Capital assets, not being depreciated				
Land	\$ 3,992,818	\$ -	\$ -	\$ 3,992,818
Construction work in progress	476,443	21,504	497,947	-
Historical artwork/ collections	15,475	-	-	15,475
Total capital assets, not being depreciated	<u>4,484,736</u>	<u>21,504</u>	<u>497,947</u>	<u>4,008,293</u>
Capital assets, being depreciated				
Buildings	14,132,762	-	-	14,132,762
Improvements	358,462	-	-	358,462
Machinery & equipment	6,560,690	1,447,592	378,618	7,629,664
Infrastructure	40,894,981	211,957	-	41,106,938
Total capital assets, being depreciated	<u>61,946,895</u>	<u>1,659,549</u>	<u>378,618</u>	<u>63,227,826</u>
Less: accumulated depreciation				
Buildings	2,986,601	345,701	-	3,332,302
Improvements	123,575	16,621	-	140,196
Machinery & equipment	3,868,450	467,149	378,618	3,956,981
Infrastructure	29,096,616	1,373,729	-	30,470,345
Total accumulated depreciation	<u>36,075,242</u>	<u>2,203,200</u>	<u>378,618</u>	<u>37,899,824</u>
Total capital assets, being depreciated, net	<u>25,871,653</u>	<u>(543,651)</u>	<u>-</u>	<u>25,328,002</u>
Governmental activities capital assets, net	<u>\$ 30,356,389</u>	<u>\$ (522,147)</u>	<u>\$ 497,947</u>	<u>\$ 29,336,295</u>

Depreciation expense was charged to functions as follows:

Governmental activities	
General government	\$ 146,840
Public safety	2,965
Transportation	1,893,304
Economic assistance and opportunity	6,291
Culture and recreation	88,028
Home and community	65,772
Total depreciation expense	<u>\$ 2,203,200</u>

## B. LIABILITIES

### 1. ACCRUED LIABILITIES

Accrued liabilities reported by the Town's governmental funds represent salary expense earned in the current year but not paid. As of December 31, 2016, the Town recognized an accrued liability of \$107,816.

### 2. PENSION OBLIGATIONS

#### Plan Description

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

#### Funding Policy

The 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, 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.

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

At December 31, 2016, the Town reported a liability of \$2,646,645 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and

the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a 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.

At December 31, 2016, the Town's proportion was 0.0164897%.

Through December 31, 2016, the Town has recognized pension expense of \$915,923. At December 31, 2016 the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,374	\$ 313,716
Changes of assumptions	705,780	-
Net difference between projected and actual earnings on pension plan investments	1,570,135	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	<u>-</u>	<u>101,292</u>
Total	\$ <u>2,289,289</u>	\$ <u>415,008</u>
Town's contributions subsequent to the measurement date		\$ <u>436,096</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2017	\$ 471,474
2018	471,474
2019	471,474
2020	459,859
2021	0
Thereafter	0

#### Net Pension Liability of Participating Employers

The components of the net pension liability of the employers participating in the system as of March 31, 2016 were as follows (dollars in thousands):

Employers' total pension liability	\$172,303,544
Fiduciary net position	<u>156,253,265</u>
Employers' net pension liability	\$ <u>16,050,279</u>

Ratio of fiduciary net position to the employers' total pension liability	90.7%
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#### Actuarial Assumptions

The total pension liability as of the March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The actuarial valuation used the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.8%
Investment rate of return (net of investment expense, including inflation)	7.0%
Cost of living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 are summarized below:

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic equity	38.0%	7.30%
International equity	13.0	8.55
Private equity	10.0	11.00
Real estate	8.0	8.25
Absolute return strategies	3.0	6.75
Opportunistic portfolio	3.0	8.60
Real assets	3.0	8.65
Bonds and mortgages	18.0	4.00
Cash	2.0	2.25
Inflation-indexed bonds	<u>2.0</u>	4.00
	<u>100.0%</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. 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.

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

The following presents the Town's proportionate share of the current-period net pension liability calculated using the current-period discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current assumption:

	1% Decrease <u>(6.0%)</u>	Current Assumption <u>(7.0%)</u>	1% Increase <u>(8.0%)</u>
Town's proportionate share of the net pension liability (asset)	\$5,967,992	\$2,646,645	\$(159,751)

Prepays to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year, which ends on March 31<sup>st</sup>. Prepaid retirement contributions as of December 31, 2016 represent the employer contribution for the period of January 1, 2017 through March 31, 2017, based on paid ERS wages multiplied by the employer's contribution rate, by tier. Prepaid retirement contributions as of December 31, 2016 amounted to \$145,341

## 3. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

The Town Board (the Board), administers the Town of Chili Retiree Medical and Dental Plan (the Plan) as a single-employer defined benefit Other Post Employment Benefit plan (OPEB). The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Board subject to applicable collective bargaining and employment agreements. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

Funding Policy

The obligations of the plan members, employers and other entities are established by action of the Board pursuant to applicable collective bargaining and employment agreements. The

required contribution rates of the employer and the members varies depending on the applicable agreement. The Board currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The Town pays the costs of administering the plan.

#### Accounting Policy

The accrual basis of accounting is used. The fair market value of assets, if any, is determined by the market value of assets, if any, paid by a willing buyer to a willing seller.

#### Annual OPEB Cost and Net OPEB Obligation

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Town has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45 for employers in plans with more than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and the Town's net OPEB obligation to the Retiree Health Plan at December 31, 2016:

#### Annual OPEB Cost and Net OPEB Obligation

Annual Required Contribution (ARC)	\$ 690,655
Interest on OPEB obligation	128,739
Adjustment to ARC	<u>(124,179)</u>
OPEB expense	695,215
Net OPEB contributions made during the fiscal year	<u>(309,797)</u>
Net OPEB obligation for the current fiscal year	385,418
Net OPEB obligation at beginning of year	<u>3,218,474</u>
Net OPEB obligation at end of year	<u>\$ 3,603,892</u>
Percentage of expense contributed	45%

#### Funded Status and Funding Progress

As of December 31, 2014, the actuarial accrued liability for benefits was \$10,715,192, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$3,531,802, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 303.39%. The total post employee health insurance cost to the Town for 31 retirees was \$309,797 for the year ended December 31, 2016.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information in these

financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Methods and Assumptions

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

The December 31, 2014 actuarial valuation utilized the entry age normal cost method. The actuarial assumptions included a 4 percent investment rate of return (net of administrative expenses), which is the expected short-term investment rate of the Town's own assets since currently the plan has no assets at the valuation date in order to establish a plan investment rate, and an annual medical and vision cost trend of 9 percent initially, reduced by decrements to an ultimate rate of 4.75 percent after ten years and an annual dental cost trend of 5 percent. Both rates included a 3 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an open basis, and is based on the maximum allowable 30-year amortization period.

#### Allocation of Post-Employment Benefits

The Town's 2016 allocation of their OPEB liability to the Town's functions is as follows:

Government activities:		
General government	\$	106,206
Public safety		28,399
Transportation		117,065
Economic assistance and opportunity		4,960
Culture and recreation		92,333
Home and community service		<u>36,455</u>
Total governmental activities OPEB expense	\$	<u>385,418</u>

#### 4. LONG-TERM LIABILITIES

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. The unmatured principal of general long-term debt does not require current appropriations and expenditure of governmental fund financial resources.

The Town's outstanding long-term liabilities include serial bonds, compensated absences, other post-employment benefits, workers' compensation and net pension liability.

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2016:

	Balance January 1	Additions	Reductions	Balance December 31	Due Within One Year
General obligation on debt:					
Serial bonds	\$ 925,000	\$ -	\$ 335,000	\$ 590,000	\$ 230,000
Other Liabilities:					
Compensated absences	149,145	259,375	234,563	173,957	17,396
OPEB obligation	3,218,474	695,215	309,797	3,603,892	-
Workers' compensation	380,914	-	380,914	-	-
Net pension liability*	559,477	2,087,168	-	2,646,645	-
Total government activities	<u>\$ 5,233,010</u>	<u>\$ 3,041,758</u>	<u>\$ 1,260,274</u>	<u>\$ 7,014,494</u>	<u>\$ 247,396</u>

\*Additions to net pension liability are presented net of reductions

Balances for January 1 have been restated to include the Library Fund and Miscellaneous Special Revenue Fund (see Note 6).

Serial Bonds

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 are full faith and credit debt of the Town. The provision to be made in the 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.

The serial bonds of the Town are secured by its general credit and revenue raising powers, as per State statute. Serial bonds will be partially paid by special assessments of the benefited property owners.

The following is a summary of serial bonds with corresponding maturity schedules:

	<u>Year of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Year of Final Maturity</u>	<u>Principal Outstanding Balance</u>
General Fund:					
Public Improvements- Refunding	2011	\$1,565,000	2.0-3.3%	2018	\$ 371,900
Sewer Fund:					
Public Improvements	2004	375,000	4.296%	2023	135,000
Water Fund:					
Public Improvements	2004	315,000	4.296%	2020	80,000
Public Improvements- Refunding	2011	615,000	2.0-3.3%	2018	<u>3,100</u>
Grand Total					<u>\$ 590,000</u>

#### Maturity

The following table summarizes the Town's future debt service requirements related to serial bonds as of December 31, 2016:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 230,000	\$ 21,338
2018	225,000	13,958
2019	40,000	6,132
2020	40,000	4,373
2021	20,000	2,572
2022-2023	<u>35,000</u>	<u>2,365</u>
Totals	<u>\$ 590,000</u>	<u>\$ 50,738</u>

#### Statutory Debt Limit

There is a statutory debt limit applicable to Towns within New York State. As of December 31, 2016 the Town has exhausted 0.46% of its constitutional debt limit and is in compliance with this regulation.

### C. NET POSITION AND FUND BALANCE

The government wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. The following presents a reconciliation of capital assets (net of accumulated depreciation), net of total indebtedness to net investment in capital assets:

Capital assets, net of accumulated depreciation	\$ 29,336,295
Less: Serial bonds	<u>(590,000)</u>
Net Investment in capital assets	<u>\$ 28,746,295</u>

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position are consistent with restricted fund balance balances at December 31, 2016, which are disclosed further in these notes.

Unrestricted – This category represents net position of the Town not restricted for any project or other purpose.

The fund basis statements categorize fund balances as non-spendable, restricted, committed, assigned and unassigned.

Nonspendable - amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. As of December 31, 2016, the Town had no committed fund balances.

Assigned - amounts that are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Board has by resolution authorized the Town Supervisor to assign fund balance. The Town Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriation in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned - all other spendable amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town. The unassigned classification is also used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

As of December 31, 2016, fund balances were classified as follows:

	General	Highway Townwide	Fire Protection Districts	Non-Major Governmental Funds	Total Governmental Funds
<b>Non-spendable</b>					
Prepaid items	\$ 73,799	\$ 56,206	\$ -	\$ 19,767	\$ 149,772
<b>Restricted</b>					
Workers' compensation	725,071	-	-	-	725,071
Retirement contribution	225,131	-	-	-	225,131
Insurance	524,501	-	-	-	524,501
Capital	3,809,928	307,587	-	378	4,117,893
Debt service	-	-	-	10,171	10,171
Other restricted	-	-	-	977,492	977,492
<b>Assigned</b>					
Subsequent years' expenditures	1,500,000	800,000	13,000	90,106	2,403,106
Encumbrances:					
General government	5,580	-	-	-	5,580
Transportation	-	112,000	-	-	112,000
Highway Townwide	-	1,258,014	-	-	1,258,014
Library	-	-	-	223,184	223,184
Fire Protection Districts	-	-	143,453	-	143,453
Capital Projects fund	-	-	-	24,253	24,253
Drainage Districts	-	-	-	113,666	113,666
Lighting Districts	-	-	-	66,496	66,496
Miscellaneous Districts	-	-	-	74,215	74,215
Park Districts	-	-	-	1,295	1,295
Sewer Districts	-	-	-	3,584	3,584
Water Districts	-	-	-	59,873	59,873
<b>Unassigned</b>					
General fund	4,314,998	-	-	-	4,314,998
<b>TOTAL</b>	<u>\$ 11,179,008</u>	<u>\$ 2,533,807</u>	<u>\$ 156,453</u>	<u>\$ 1,664,480</u>	<u>\$ 15,533,748</u>

The Town adopted a formal spending policy, under the provisions of GASB Statement No. 54, stating the Town Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classifications will be charged.

Encumbrances are recorded at the time a purchase order, construction contract or a service agreement is finalized and are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Encumbrances material to the financial statements are considered significant. There were no encumbrances material to the financial statements as of December 31, 2016.

Certain restricted fund balances are described in more detail below:

The General Fund restriction for capital projects is established for the following purposes:

Recreation Building	\$	1,172,895
Highway Building		673,508
Townwide Drainage		55,743
Assessment		337,915
General Fleet/ Vehicle		173,792
Conservation/ Wetlands/ Drainage		104,707
Administration Building		1,088,119
Comprehensive Plan		25,059
Sidewalks		178,190
	\$	<u>3,809,928</u>

The Highway Townwide Fund restriction for capital projects is established for the following purposes:

Highway Equipment	\$	261,614
General Repairs/ Maintenance		45,973
	\$	<u>307,587</u>

The Library Fund restriction for capital projects is established for the following purposes:

Library Reserve	\$	378
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The Water Districts Fund restriction for debt service is established for the following purpose:

South Chili Water Benefit #2 Project	\$	10,171
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The Miscellaneous Special Revenue Fund restrictions for other restricted funds are established for the following purposes:

Parks and Recreation	\$	878,274
Landscaping		42,945
Brick Walk		2,353
Senior Center Fundraiser		25,383
Senior Initiative Programs		17,599
Maintenance - 241 Chili Scottsville Rd		8,604
Historical Property		2,334
	\$	<u>977,492</u>

## NOTE 3 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

### A. BUDGETARY INFORMATION

The procedures for establishing the budgetary data reflected in the financial statements are as follows:

- a. Prior to September 30<sup>th</sup> the Town Supervisor files a "tentative" budget with the Town Clerk for the following fiscal year to commence on January 1<sup>st</sup>. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5<sup>th</sup>.
- b. The full Town Board reviews the tentative budget and may make some revisions before approving a "preliminary" budget and calling for a public hearing which is generally held in October.
- c. Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Monroe County by December 20<sup>th</sup>.
- d. Formal annual budgetary accounts are employed as a management control device for the General Fund and each individual Special Revenue Fund Type.
- e. During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for departmental budgetary control. All budget amendments and budget transfers require Town Board approval.

## NOTE 4 – OTHER INFORMATION

### A. RISK FINANCING AND RELATED INSURANCE

#### Workers' Compensation Plan

The Town is a participant in the Upstate New York Municipal Workers' Compensation Program (the Program). The Program was established under the provisions of Workers' Compensation Law of the State of New York and provides the Town the opportunity to participate in a group self-insurance program for providing workers' compensation benefits to its employees.

Through effective risk management techniques, promotion of safety and proactive claims administration, the Program intends to provide the aforementioned benefits substantially at cost. Premiums, which are based upon members' payroll and experience factors and administrative costs, are subject to prospective adjustment. The Town records the expense for workers' compensation in the period the payments to the Program are due. The Town has not recorded any additional accrual for workers' compensation expense due to the fact that the estimation for unpaid claims incurred but not reported is built into their annual premium payments to the Program. Historical experience has shown that the Program's calculation of premiums has been adequate to cover claims incurred but not reported.

## B. TAX ABATEMENTS

The Town enters into property tax abatement agreements with a variety of businesses. Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on the requirements of the JobsPlus Tax Abatement Policy and LeasePlus Tax Abatement Policy, both as adopted by the County of Monroe Industrial Development Agency (COMIDA) as created by Chapter 55 of the Laws of 1972 of the State of New York pursuant to Title I and of Article 18A and by the Monroe County adoption of Resolution 154 of 1989 and revised further in the year 2000, for the purpose of creating jobs (JobsPlus); and the affordable housing compliance as outlined in Article V or Article XI of the Private Housing Finance Law of the State of New York (PHFL) for the purpose of creating or preserving affordable housing for persons and families of low income (LeasePlus). Should the property owner not comply with policies and Law as set forth in each contract, the PILOT will discontinue as outlined in each PILOT agreement.

For the year ended December 31, 2016, The Town abated property taxes totaling \$76,678. Of this total, \$38,977 was from JobsPlus and LeasePlus tax abatements and \$37,701 was from affordable housing tax abatements.

## NOTE 5 - DEFINED BENEFIT VOLUNTER FIREFIGHTER SERVICE AWARD PROGRAM

### A. LENGTH OF SERVICE AWARDS PROGRAM - LOSAP

The Town established a defined benefit LOSAP for the active volunteer firefighters of the Chili Fire Department, Inc. The program took effect on January 1, 1995. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

### B. PROGRAM DESCRIPTION

#### Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed twenty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

**C. FIDUCIARY INVESTMENT AND CONTROL**

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated the Town Board and Council members of the Town of Chili to assist in the administration of the program. The designated program administrator's functions include: maintaining the firefighter records, communicating the program to firefighters, enrolling firefighters, and maintaining financial records. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Town of Chili.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated June 7, 1995, and the trustee is the Town of Chili Board and Council members.

Authority to invest program assets is vested in the Town of Chili Town Board. Subject to restrictions in the program document, program assets are invested in accordance with a statutory "prudent person" rule.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from a report prepared by the actuary dated December 31, 2016.

Program Financial Condition:

Assets and Liabilities

Actuarial present value of benefits at December 31, 2016		\$ 3,452,478
Less: assets available for benefits		
Cash and money market	2%	\$ 43,441
US equities	23%	551,715
International equities	10%	235,086
Fixed income	45%	1,053,155
Mixed assets	20%	466,991
Interest receivable	0%	<u>45</u>
Less: prepaid benefits		<u>7,920</u>
Total net assets available for benefits		<u>2,358,353</u>

Deficit of assets available for benefits over actuarial present value of benefits	(1,094,125)
Less: unfunded liability for prior service	<u>8,734</u>
Deficit of assets available for benefits over actuarial present value of benefits less unfunded liability for prior service	\$ <u>(1,102,859)</u>

Receipts and Disbursements

Plan net assets, beginning of year	\$ 2,235,420
Changes during the year:	
+ Plan contribution	103,936
+ Investment income earned	79,491
+/- Changes in fair market value of investments	65,838
- Investment expense	(17,297)
- Plan benefit withdrawals	(107,910)
- Administrative and other fees/charges	<u>(1,125)</u>
Plan net assets, end of year	\$ <u>2,358,353</u>

Contributions

Amount of sponsor's contribution recommended by actuary:	\$ <u>103,936</u>
Amount of sponsor's actual contribution:	\$ <u>103,936</u>

Administration Fees

Fees paid for investment management	\$ <u>1,125</u>
Change in benefits payable	\$ <u>120</u>

Funding Methodology and Actuarial Assumptions - Normal Costs

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is Attained Age Normal Cost Method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on investments: 5.5%

Mortality tables use for:

Pre-Entitlement Age Mortality Table: RP-2014 Mortality Table without projection for calculation of Pre-EA self-insured death benefit only

Post-Entitlement Age Mortality Table: RP-2014 Male Mortality Table without projection

## NOTE 6 - RESTATEMENT OF NET POSITION

For the fiscal year ended December 31, 2016, the Town made a prior period adjustment to restate fund balances related to the Library activity as well as Miscellaneous Special Revenue and fiduciary funds. Previously the Library activity was reported on their own financial statements and reported to the State on its own Annual Update Document (AUD). As this is a municipal library and should be reported as a fund of the Town's activities, a prior period adjustment is being made to incorporate it going forward. Previously the activity related to the Miscellaneous Special Revenue was recorded within an expendable fiduciary fund and should have been recorded as a governmental fund within the permanent fund. The Town's fund balance and net position have been restated as follows:

	Fund Balance	Net Position
<u>Private Purpose Trust</u>		
Beginning balance, as previously stated	\$ 917,017	\$ -
Reclassification of miscellaneous special revenue activity to governmental funds	(917,017)	-
Beginning balance, as restated	<u>\$ -</u>	<u>\$ -</u>
<u>Miscellaneous Special Revenue Fund</u>		
Beginning balance, as previously stated	\$ -	\$ -
Reclassification of miscellaneous special revenue activity from Private Purpose Trust	917,017	917,017
Beginning balance, as restated	<u>\$ 917,017</u>	<u>\$ 917,017</u>
<u>Library Fund</u>		
Beginning balance, as previously stated	\$ -	\$ -
Reclassification of library activity to governmental funds	271,463	338,054
Beginning balance, as restated	<u>\$ 271,463</u>	<u>\$ 338,054</u>

## NOTE 7 - SUBSEQUENT EVENTS

Subsequent to year-end, the Town authorized the purchase of forty eight (48) acres of land in the amount of \$350,000, to be paid from the Parks & Recreation Reserve Fund, subject to a permissive referendum.

Management has evaluated subsequent events through April 21, 2017, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles other than the acquisition of property referred to above.

## BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

For the Year Ended December 31, 2016

	General Fund			Variance from Final Budget
	Original Budget	Final Budget	Actual	
<b>Revenues</b>				
Real property taxes	\$ 1,840,130	\$ 1,840,130	\$ 1,840,130	\$ -
Real property tax items	368,229	368,229	375,937	7,708
Non-property taxes	1,640,000	1,915,000	2,697,866	782,866
Departmental income	531,750	531,750	588,092	56,342
Intergovernmental charges	116,260	121,260	117,825	(3,435)
Use of money and property	46,229	46,229	49,401	3,172
Licenses and permits	158,000	158,000	192,947	34,947
Fines and forfeitures	130,000	130,000	108,076	(21,924)
Sales of property and compensation for loss	-	70,162	70,778	616
Miscellaneous local sources	-	14,250	18,157	3,907
State sources	520,000	536,850	622,241	85,391
Federal sources	-	5,436	5,366	(70)
Total revenues	<u>5,350,598</u>	<u>5,737,296</u>	<u>6,686,816</u>	<u>949,520</u>
<b>Expenditures</b>				
General government	2,471,863	2,615,120	2,204,935	410,185
Public safety	412,303	438,303	393,088	45,215
Transportation	277,561	286,261	253,209	33,052
Economic assistance and opportunity	141,649	150,494	134,200	16,294
Culture and recreation	1,061,866	1,061,866	937,610	124,256
Home and community services	602,428	619,844	552,326	67,518
Employee benefits	1,145,210	1,272,232	1,134,062	138,170
Debt service:				
Principal	193,400	193,400	193,400	-
Interest	15,818	15,818	15,817	1
Total expenditures	<u>6,322,098</u>	<u>6,653,338</u>	<u>5,818,647</u>	<u>834,691</u>
Excess (deficit) of revenues over expenditures	(971,500)	(916,042)	868,169	1,784,211
<b>Other Financing Sources (Uses)</b>				
Interfund transfers in	-	-	44,748	44,748
Interfund transfers out	<u>(703,500)</u>	<u>(1,048,662)</u>	<u>(29,475)</u>	<u>1,019,187</u>
Total other financing sources (uses)	<u>(703,500)</u>	<u>(1,048,662)</u>	<u>15,273</u>	<u>1,063,935</u>
Net change in fund balance*	(1,675,000)	(1,964,704)	883,442	2,848,146
Fund balances - January 1	<u>10,295,566</u>	<u>10,295,566</u>	<u>10,295,566</u>	<u>-</u>
Fund balances - December 31	<u>\$ 8,620,566</u>	<u>\$ 8,330,862</u>	<u>\$ 11,179,008</u>	<u>\$ 2,848,146</u>

\*The net change in fund balance is included in the budget as an appropriation (i.e. spenddown) of fund balance and re-appropriation of prior year encumbrances

See accompanying notes to required supplemental information

## BUDGETARY COMPARISON SCHEDULE - HIGHWAY TOWNWIDE FUND AND FIRE PROTECTION DISTRICTS FUND

For the Year Ended December 31, 2016

	Highway Townwide Fund				Fire Protection Districts Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues</b>								
Real property taxes	\$ 3,196,526	\$ 3,196,526	\$ 3,196,526	\$ -	\$ 1,781,111	\$ 1,781,111	\$ 1,781,111	\$ -
Intergovernmental charges	493,000	493,000	493,553	553	-	-	-	-
Use of money and property	3,500	3,500	2,144	(1,356)	-	-	105	105
Sales of property and compensation for loss	-	47,700	97,828	50,128	-	-	-	-
State sources	140,000	211,957	211,957	-	-	-	-	-
<b>Total revenues</b>	<b>3,833,026</b>	<b>3,952,683</b>	<b>4,002,008</b>	<b>49,325</b>	<b>1,781,111</b>	<b>1,781,111</b>	<b>1,781,216</b>	<b>105</b>
<b>Expenditures</b>								
Public safety	-	-	-	-	1,502,396	1,502,396	1,500,023	2,373
Transportation	3,329,704	3,754,756	3,098,776	655,980	-	-	-	-
Employee benefits	1,158,322	1,158,322	934,274	224,048	316,215	316,215	285,766	30,449
<b>Total expenditures</b>	<b>4,488,026</b>	<b>4,913,078</b>	<b>4,033,050</b>	<b>880,028</b>	<b>1,818,611</b>	<b>1,818,611</b>	<b>1,785,789</b>	<b>32,822</b>
Excess (deficit) of revenues over expenditures	(655,000)	(960,395)	(31,042)	929,353	(37,500)	(37,500)	(4,573)	32,927
<b>Other Financing Sources (Uses)</b>								
Interfund transfers in	-	-	20,000	20,000	-	-	-	-
Interfund transfers out	-	(97,700)	(43,091)	54,609	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(97,700)</b>	<b>(23,091)</b>	<b>74,609</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	(655,000)	(1,058,095)	(54,133)	1,003,962	(37,500)	(37,500)	(4,573)	32,927
Fund balances - January 1	2,587,940	2,587,940	2,587,940	-	161,026	161,026	161,026	-
Fund balances - December 31	<u>\$ 1,932,940</u>	<u>\$ 1,529,845</u>	<u>\$ 2,533,807</u>	<u>\$ 1,003,962</u>	<u>\$ 123,526</u>	<u>\$ 123,526</u>	<u>\$ 156,453</u>	<u>\$ 32,927</u>

\*The net change in fund balance is included in the budget as an appropriation (i.e. spenddown) of fund balance and re-appropriation of prior year encumbrances

See accompanying notes to required supplemental information

**SCHEDULE OF FUNDING PROGRESS FOR RETIREE HEALTH PLAN**

For the Year Ended December 31, 2016

Schedule of Funding Progress	Actuarial Valuation Date		
	12/31/14	12/31/11	12/31/08
1. Actuarial accrued liability	\$ 10,715,192	\$ 8,615,131	\$ 7,140,768
2. Actuarial value of assets	-	-	-
3. Unfunded Actuarial accrued liability	10,715,192	8,615,131	7,140,768
4. Fund ratio (2. divided by 1.)	0.00%	0.00%	0.00%
5. Annual covered payroll	3,531,802	3,687,747	3,449,273
6. Ratio of unfunded actuarial accrued liability to covered payroll	303.39%	233.62%	207.02%
Schedule of Employer Contributions	Amount		
December 31, 2009	\$ 76,087		
December 31, 2010	100,017		
December 31, 2011	49,978		
December 31, 2012	41,860		
December 31, 2013	222,642		
December 31, 2014	211,376		
December 31, 2015	262,435		
December 31, 2016	309,797		

GASB Statement No. 45 was implemented prospectively.

**SCHEDULE OF THE TOWN'S  
PROPORTIONATE SHARE OF  
THE NET PENSION LIABILITY  
NYSERS PENSION PLAN  
LAST 2 FISCAL YEARS**  
For the Years Ended December 31,

	<u>2015</u>	<u>2016</u>
Town's proportion of the net pension liability (asset)	0.0165612%	0.0164897%
Town's proportionate share of the net pension liability (asset)	\$ 559,477	\$ 2,646,645
Town's covered-employee payroll	\$ 3,914,474	\$ 4,000,436
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	14.29%	66.16%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	90.70%

**SCHEDULE OF TOWN CONTRIBUTIONS  
NYSERS PENSION PLAN  
LAST 10 FISCAL YEARS  
For the Years Ended December 31,**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 346,104	\$ 285,898	\$ 285,363	\$ 431,103	\$ 602,039	\$ 691,408	\$ 744,080	\$ 725,142	\$ 656,093	\$ 581,437
Contributions in relation to the contractually required contribution	<u>346,104</u>	<u>285,898</u>	<u>285,363</u>	<u>431,103</u>	<u>602,039</u>	<u>691,408</u>	<u>744,080</u>	<u>725,142</u>	<u>656,093</u>	<u>581,437</u>
Contribution deficiency (excess)	<u>\$ -</u>									
Town's covered-employee payroll	\$ 3,614,595	\$ 3,794,478	\$ 4,019,653	\$ 3,941,363	\$ 3,922,342	\$ 3,891,123	\$ 4,023,294	\$ 4,034,579	\$ 3,914,474	\$ 4,000,436
Contributions as a percentage of covered-employee payroll	10%	8%	7%	11%	15%	18%	18%	18%	17%	15%

**BUDGETARY INFORMATION**Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Capital Project Fund and the Miscellaneous Special Revenue Fund. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. All unencumbered appropriations lapse at the end of the fiscal year.

The Capital Projects Fund is appropriated on a project-length basis; appropriations are approved through Town Board resolution at the project's inception and lapse upon termination of the project.

The Miscellaneous Special Revenue Fund does not have an appropriated budget since there are other means to control the use of these resources.

The appropriated budget is prepared by fund, department and object classification. Transfers of appropriations require approval of the Town Board. Any modifications to appropriations resulting from increases in revenue estimates or supplemental reserve appropriations require a majority vote by the Town Board. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the object classification.

Actual results of operations presented in accordance with GAAP and the Town's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of December 31, 2016, there were no significant encumbrances.

# **SUPPLEMENTAL SCHEDULES**

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

December 31, 2016

	Special Revenue									
	Capital Projects	Drainage	Library	Lighting	Miscellaneous	Miscellaneous Special Revenue	Parks	Sewer	Water Districts	Total
<b>Assets</b>										
Cash and cash equivalents	\$ 24,253	\$ 168,335	\$ 303,087	\$ 98,913	\$ 97,202	\$ 974,492	\$ 1,295	\$ 3,584	\$ 70,044	\$ 1,741,205
Due from other governments	-	-	1,722	-	-	3,000	-	-	-	4,722
Prepaid items	-	-	19,767	-	-	-	-	-	-	19,767
<b>Total assets</b>	<b>\$ 24,253</b>	<b>\$ 168,335</b>	<b>\$ 324,576</b>	<b>\$ 98,913</b>	<b>\$ 97,202</b>	<b>\$ 977,492</b>	<b>\$ 1,295</b>	<b>\$ 3,584</b>	<b>\$ 70,044</b>	<b>\$ 1,765,694</b>
<b>Liabilities</b>										
Accounts payable	\$ -	\$ 4,030	\$ 8,163	\$ 15,667	\$ 2,392	\$ -	\$ -	\$ -	\$ -	\$ 30,252
Accrued liabilities	-	194	14,323	-	-	-	-	-	-	14,517
Due to other funds	-	45,445	-	-	-	-	-	-	-	45,445
Unearned revenues	-	-	11,000	-	-	-	-	-	-	11,000
<b>Total liabilities</b>	<b>-</b>	<b>49,669</b>	<b>33,486</b>	<b>15,667</b>	<b>2,392</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,214</b>
<b>Fund Balances</b>										
Non-spendable	-	-	19,767	-	-	-	-	-	-	19,767
Restricted	-	-	378	-	-	977,492	-	-	10,171	988,041
Assigned	24,253	118,666	270,945	83,246	94,810	-	1,295	3,584	59,873	656,672
<b>Total fund balances</b>	<b>24,253</b>	<b>118,666</b>	<b>291,090</b>	<b>83,246</b>	<b>94,810</b>	<b>977,492</b>	<b>1,295</b>	<b>3,584</b>	<b>70,044</b>	<b>1,664,480</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,253</b>	<b>\$ 168,335</b>	<b>\$ 324,576</b>	<b>\$ 98,913</b>	<b>\$ 97,202</b>	<b>\$ 977,492</b>	<b>\$ 1,295</b>	<b>\$ 3,584</b>	<b>\$ 70,044</b>	<b>\$ 1,765,694</b>
	-	-	-	-	-	-	-	-	-	-

Note: Miscellaneous consists of Sidewalk Districts and Ambulance Districts; Miscellaneous Special Revenue consists of various expendable trusts for which the Town is the beneficiary.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2016

	Special Revenue									
	Capital Projects	Drainage	Library	Lighting	Miscellaneous	Miscellaneous Special Revenue	Parks	Sewer	Water Districts	Total
<b>Revenues</b>										
Real property taxes	\$ -	\$ 242,783	\$ 1,103,873	\$ 157,500	\$ 167,750	\$ -	\$ 1,362	\$ 26,894	\$ 64,722	\$ 1,764,884
Departmental income	-	-	34,755	-	-	78,000	-	-	-	112,755
Use of money and property	15	143	712	107	57	587	1	15	54	1,691
Sales of property and comp. for loss	-	-	11,538	-	-	-	-	-	-	11,538
Miscellaneous local sources	-	-	31,672	-	-	4,892	-	-	-	36,564
State sources	-	-	11,646	-	-	-	-	-	-	11,646
<b>Total revenues</b>	<b>15</b>	<b>242,926</b>	<b>1,194,196</b>	<b>157,607</b>	<b>167,807</b>	<b>83,479</b>	<b>1,363</b>	<b>26,909</b>	<b>64,776</b>	<b>1,939,078</b>
<b>Expenditures</b>										
General government	-	-	13,428	-	-	-	-	-	-	13,428
Health	-	-	-	-	154,571	-	-	-	-	154,571
Transportation	-	-	-	157,338	5,408	-	-	-	-	162,746
Economic assistance and opportunity	-	-	-	-	-	2,000	-	-	-	2,000
Culture and recreation	-	-	904,356	-	-	-	1,102	-	-	905,458
Home and community services	-	169,449	-	-	-	-	-	-	-	169,449
Employee benefits	-	53,214	256,785	-	-	-	61	-	-	310,060
Capital outlay:										
General government	15,000	-	-	-	-	-	-	-	-	15,000
Culture and recreation	21,504	-	-	-	-	-	-	-	-	21,504
Debt service:										
Principal	-	-	-	-	-	-	-	20,000	121,600	141,600
Interest	-	-	-	-	-	-	-	6,893	6,576	13,469
<b>Total expenditures</b>	<b>36,504</b>	<b>222,663</b>	<b>1,174,569</b>	<b>157,338</b>	<b>159,979</b>	<b>2,000</b>	<b>1,163</b>	<b>26,893</b>	<b>128,176</b>	<b>1,909,285</b>
Excess (deficit) of revenues over expenditures	(36,489)	20,263	19,627	269	7,828	81,479	200	16	(63,400)	29,793
<b>Other Financing Sources (Uses)</b>										
Interfund transfers in	30,479	-	-	-	-	500	-	-	-	30,979
Interfund transfers out	(1,657)	-	-	-	-	(21,504)	-	-	-	(23,161)
<b>Total other financing sources (uses)</b>	<b>28,822</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,004)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,818</b>
Net change in fund balances	(7,667)	20,263	19,627	269	7,828	60,475	200	16	(63,400)	37,611
Fund balances - January 1, as restated	31,920	98,403	271,463	82,977	86,982	917,017	1,095	3,568	133,444	1,626,869
Fund balances - December 31	\$ 24,253	\$ 118,666	\$ 291,090	\$ 83,246	\$ 94,810	\$ 977,492	\$ 1,295	\$ 3,584	\$ 70,044	\$ 1,664,480

Note: Miscellaneous consists of Sidewalk Districts and Ambulance Districts; Miscellaneous Special Revenue consists of various expendable trusts for which the Town is the beneficiary.

## COMPARATIVE BALANCE SHEET - GENERAL FUND

	December 31,		% Change
	2016	2015	
<b>Assets</b>			
Cash and cash equivalents	\$ 10,527,876	\$ 9,518,415	10.61%
Accounts receivable	9,461	5,601	68.92%
State and federal receivables	5,600	44,900	-87.53%
Due from other funds	-	126,416	-100.00%
Due from other governments	749,562	697,679	7.44%
Prepaid items	73,799	80,177	-7.95%
Total assets	<u>\$ 11,366,298</u>	<u>\$ 10,473,188</u>	<u>8.53%</u>
<b>Liabilities</b>			
Accounts payable	\$ 130,655	\$ 131,277	-0.47%
Accrued liabilities	52,684	43,650	20.70%
Due to other funds	3,951	2,695	46.60%
Total liabilities	<u>187,290</u>	<u>177,622</u>	<u>5.44%</u>
<b>Fund Balances</b>			
Non-spendable	73,799	80,177	-7.95%
Restricted	5,284,631	4,372,638	20.86%
Assigned	1,505,580	1,693,966	-11.12%
Unassigned	4,314,998	4,148,785	4.01%
Total fund balances	<u>11,179,008</u>	<u>10,295,566</u>	<u>8.58%</u>
 Total liabilities and fund balances	 <u>\$ 11,366,298</u>	 <u>\$ 10,473,188</u>	 <u>8.53%</u>

**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES - GENERAL FUND**

For the Years Ended

	December 31,		% Change
	2016	2015	
<b>Revenues</b>			
Real property taxes	\$ 1,840,130	\$ 1,666,766	10.40%
Real property tax items	375,937	384,970	-2.35%
Non-property taxes	2,697,866	2,525,019	6.85%
Departmental income	588,092	602,688	-2.42%
Intergovernmental charges	117,825	93,160	26.48%
Use of money and property	49,401	61,378	-19.51%
Licenses and permits	192,947	350,613	-44.97%
Fines and forfeitures	108,076	127,398	-15.17%
Sales of property and compensation for loss	70,778	359,605	-80.32%
Miscellaneous local sources	18,157	7,642	137.59%
State sources	622,241	685,626	-9.24%
Federal sources	5,366	37,551	-85.71%
Total revenues	6,686,816	6,902,416	-3.12%
<b>Expenditures</b>			
General government	2,204,935	2,186,444	0.85%
Public safety	393,088	377,431	4.15%
Transportation	253,209	254,092	-0.35%
Economic assistance and opportunity	134,200	121,781	10.20%
Culture and recreation	937,610	866,242	8.24%
Home and community services	552,326	474,160	16.49%
Employee benefits	1,134,062	894,908	26.72%
Debt service:			
Principal	193,400	794,204	-75.65%
Interest	15,817	27,263	-41.98%
Total expenditures	5,818,647	5,996,525	-2.97%
Excess of revenues over expenditures	868,169	905,891	-4.16%
<b>Other Financing Sources (Uses)</b>			
Interfund transfers in	44,748	100,012	-55.26%
Interfund transfers out	(29,475)	(16,650)	77.03%
Total other financing sources (uses)	15,273	83,362	-81.68%
Net change in fund balances	883,442	989,253	-10.70%
Fund balances - January 1	10,295,566	9,306,313	10.63%
Fund balances - December 31	\$ 11,179,008	\$ 10,295,566	8.58%

**SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS - GENERAL FUND**

For the Year Ended December 31, 2016

	Authorized Budget	Expenditures	Balance
<b>General Government</b>			
Town Board	\$ 76,525	\$ 75,721	\$ 804
Justices	235,045	217,844	17,201
Supervisor	147,922	143,916	4,006
Director of Finance	108,844	106,134	2,710
Independent Auditing & Accounting	19,575	13,677	5,898
Tax Collector	26,978	26,362	616
Assessor	219,198	209,353	9,845
Credit Card Fees	9,000	7,957	1,043
Town Clerk	187,936	173,750	14,186
Attorney	159,740	118,239	41,501
Personnel	31,867	31,149	718
Town Engineer	120,549	89,817	30,732
Elections	58,760	42,070	16,690
Records Management	6,735	5,981	754
Department of Public Works	115,858	114,234	1,624
Buildings	462,453	357,702	104,751
Central Garage	161,100	104,012	57,088
Central Communications	23,560	20,982	2,578
Central Storeroom	6,000	5,955	45
Central Print & Mail	37,600	24,733	12,867
Information Technology	158,408	152,900	5,508
Unallocated Insurance	166,800	147,775	19,025
Municipal Association Dues	4,700	4,356	344
Taxes & Assessments on Municipal Properties	11,500	8,291	3,209
Other General Government Support	7,642	2,025	5,617
Contingency	50,825	-	50,825
Total General Government	<u>2,615,120</u>	<u>2,204,935</u>	<u>410,185</u>
<b>Public Safety</b>			
Traffic & Safety Committee	3,940	2,575	1,365
Police & Constable	19,458	18,996	462
Traffic Control	62,814	56,895	5,919
Fire Marshall	80,764	68,861	11,903
Dog Control	43,917	36,148	7,769
Other Dog Control	250	226	24
Safety Inspection	226,310	208,934	17,376
Other Public Safety	850	453	397
Total Public Safety	<u>438,303</u>	<u>393,088</u>	<u>45,215</u>

**SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS - GENERAL FUND**  
(continued)

For the Year Ended December 31, 2016

	Authorized Budget	Expenditures	Balance
<b>Transportation</b>			
Superintendent of Highway	141,426	133,060	8,366
Garage	20,036	19,960	76
Street Lighting	96,000	85,913	10,087
Sidewalks	28,799	14,276	14,523
Total Transportation	<u>286,261</u>	<u>253,209</u>	<u>33,052</u>
<b>Economic Assistance and Opportunity</b>			
Veterans Service	10,700	2,401	8,299
Programs for Aging	139,794	131,799	7,995
Total Economic Assistance and Opportunity	<u>150,494</u>	<u>134,200</u>	<u>16,294</u>
<b>Culture and Recreation</b>			
Recreation Administration	245,353	226,473	18,880
Parks	445,491	413,858	31,633
Youth Programming	249,557	202,169	47,388
Historian	14,415	10,300	4,115
Celebrations	50,250	36,089	14,161
Adult Recreation	56,800	48,721	8,079
Total Culture and Recreation	<u>1,061,866</u>	<u>937,610</u>	<u>124,256</u>
<b>Home and Community Services</b>			
Zoning	15,328	10,733	4,595
Planning	37,539	29,399	8,140
Environmental/ Conservation	19,750	8,800	10,950
Refuse/ Garbage	415,250	390,169	25,081
Drainage	108,977	91,119	17,858
Cemeteries	1,000	1,000	-
Special Reserves	22,000	21,106	894
Total Home and Community Services	<u>619,844</u>	<u>552,326</u>	<u>67,518</u>
<b>Other Expenditures</b>			
Employee Benefits	1,272,232	1,134,062	138,170
Debt Principal	193,400	193,400	-
Debt Interest	15,818	15,817	1
Total Other Expenditures	<u>1,481,450</u>	<u>1,343,279</u>	<u>138,171</u>
<b>Total</b>	<u>\$ 6,653,338</u>	<u>\$ 5,818,647</u>	<u>\$ 834,691</u>

COMPARATIVE BALANCE SHEET - HIGHWAY TOWNWIDE FUND AND FIRE PROTECTION DISTRICTS FUND

	Highway Townwide Fund			Fire Protection Districts Fund		
	December 31,			December 31,		
	2016	2015	% Change	2016	2015	% Change
<b>Assets</b>						
Cash and cash equivalents	\$ 2,604,286	\$ 2,292,835	13.58%	\$ 156,453	\$ 161,026	-2.84%
State and federal receivables	-	185,684	-100.00%	-	-	
Due from other funds	49,396	46,178	6.97%	-	-	
Due from other governments	72,325	100,982	-28.38%	-	-	
Prepaid items	56,206	63,486	-11.47%	-	-	
Total assets	<u>\$ 2,782,213</u>	<u>\$ 2,689,165</u>	<u>3.46%</u>	<u>\$ 156,453</u>	<u>\$ 161,026</u>	<u>-2.84%</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 75,767	\$ 74,447	1.77%	\$ -	\$ -	
Accrued liabilities	40,615	26,778	51.67%	-	-	
Unearned revenues	132,024	-		-	-	
Total liabilities	<u>248,406</u>	<u>101,225</u>	<u>145.40%</u>	<u>-</u>	<u>-</u>	
<b>Fund Balances</b>						
Non-spendable	56,206	63,486	-11.47%	-	-	
Restricted	307,587	355,892	-13.57%	-	-	
Assigned	2,170,014	2,168,562	0.07%	156,453	161,026	-2.84%
Total fund balances	<u>2,533,807</u>	<u>2,587,940</u>	<u>-2.09%</u>	<u>156,453</u>	<u>161,026</u>	<u>-2.84%</u>
Total liabilities and fund balances	<u>\$ 2,782,213</u>	<u>\$ 2,689,165</u>	<u>3.46%</u>	<u>\$ 156,453</u>	<u>\$ 161,026</u>	<u>-2.84%</u>

## HIGHWAY TOWNWIDE FUND AND FIRE PROTECTION DISTRICTS FUND

For the Years Ended

	Highway Townwide Fund			Fire Protection Districts Fund		
	December 31,			December 31,		
	2016	2015	% Change	2016	2015	% Change
<b>Revenues</b>						
Real property taxes	\$ 3,196,526	\$ 3,227,440	-0.96%	\$ 1,781,111	\$ 1,779,571	0.09%
Intergovernmental charges	493,553	668,636	-26.19%	-	-	
Use of money and property	2,144	1,964	9.16%	105	98	7.14%
Sales of property and compensation for loss	97,828	70,483	38.80%	-	-	
Miscellaneous local sources	-	54	-100.00%	-	-	
State sources	211,957	196,382	7.93%	-	-	
Total revenues	<u>4,002,008</u>	<u>4,164,959</u>	<u>-3.91%</u>	<u>1,781,216</u>	<u>1,779,669</u>	<u>0.09%</u>
<b>Expenditures</b>						
Public safety	-	-	-	1,500,023	1,472,356	-
Transportation	3,098,776	2,660,867	16.46%	-	-	
Employee benefits	934,274	859,278	8.73%	285,766	263,386	8.50%
Total expenditures	<u>4,033,050</u>	<u>3,520,145</u>	<u>14.57%</u>	<u>1,785,789</u>	<u>1,735,742</u>	<u>2.88%</u>
Excess (deficit) of revenues over expenditures	(31,042)	644,814	-104.81%	(4,573)	43,927	-110.41%
<b>Other Financing Sources (Uses)</b>						
Interfund transfers in	20,000	-		-	-	
Interfund transfers out	(43,091)	(98,683)	-56.33%	-	-	
Total other financing sources (uses)	<u>(23,091)</u>	<u>(98,683)</u>	<u>-76.60%</u>	<u>-</u>	<u>-</u>	
Net change in fund balances	(54,133)	546,131	-109.91%	(4,573)	43,927	-110.41%
Fund balances - January 1	<u>2,587,940</u>	<u>2,041,809</u>	<u>26.75%</u>	<u>161,026</u>	<u>117,099</u>	<u>37.51%</u>
Fund balances - December 31	<u>\$ 2,533,807</u>	<u>\$ 2,587,940</u>	<u>-2.09%</u>	<u>\$ 156,453</u>	<u>\$ 161,026</u>	<u>-2.84%</u>

**SCHEDULE OF EXPENDITURES COMPARED WITH AUTHORIZATIONS  
HIGHWAY TOWNWIDE FUND AND FIRE PROTECTION DISTRICTS FUND**

For the Year Ended December 31, 2016

	Highway Townwide Fund			Fire Protection Districts Fund		
	Authorized Budget	Expenditures	Balance	Authorized Budget	Expenditures	Balance
<b>Public Safety</b>						
Fire Protection	\$ -	\$ -	\$ -	\$ 1,502,396	\$ 1,500,023	\$ 2,373
Total Public Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,502,396</u>	<u>1,500,023</u>	<u>2,373</u>
<b>Transportation</b>						
Maintenance of Streets	931,558	868,154	63,404	-	-	-
Permanent Improvements Highway	211,957	211,957	-	-	-	-
Machinery	1,115,211	908,542	206,669	-	-	-
Brush and Weeds	213,738	213,183	555	-	-	-
Snow Removal	947,523	630,520	317,003	-	-	-
Services to Other Governments	334,769	266,420	68,349	-	-	-
Total Transportation	<u>3,754,756</u>	<u>3,098,776</u>	<u>655,980</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Expenditures</b>						
Employee Benefits	1,158,322	934,274	224,048	316,215	285,766	30,449
Total Other Expenditures	<u>1,158,322</u>	<u>934,274</u>	<u>224,048</u>	<u>316,215</u>	<u>285,766</u>	<u>30,449</u>
<b>Total</b>	<u>\$ 4,913,078</u>	<u>\$ 4,033,050</u>	<u>\$ 880,028</u>	<u>\$ 1,818,611</u>	<u>\$ 1,785,789</u>	<u>\$ 32,822</u>