

**TOWN OF PITTSFORD,  
NEW YORK**

**Basic Financial Statements  
for the Year Ended December 31, 2016  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

# TOWN OF PITTSFORD, NEW YORK

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## INDEPENDENT AUDITOR'S REPORT

April 10, 2017

To the Town Board of the  
Town of Pittsford, 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 Pittsford, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **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.

## INDEPENDENT AUDITOR'S REPORT

(Continued)

### Correction of an Error

As described in Note 2 to the financial statements, the Town corrected an error related to the reported value of work in process in capital assets. Our opinions are not modified with respect to this matter.

### Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of funding progress-other postemployment benefits plan, contributions-pension plans, and proportionate share of the net pension liability (asset) 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 nonmajor fund financial statements and combining nonmajor special revenue fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund and combining nonmajor special revenue 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 nonmajor fund financial statements and combining nonmajor special revenue fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Bonadio & Co., LLP*

# TOWN OF PITTSFORD, NEW YORK

## MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2016

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The management's discussion and analysis of the Town of Pittsford, New York's (the Town's) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2016. Please read it in conjunction with the Town's basic financial statements.

### FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources by \$58,737,674. Of this amount, the unrestricted portion is \$8,225,107. The balance of net position is considered either restricted or constitutes the Town's net investment in capital assets.
- General revenues, which include real property tax, nonproperty tax items and mortgage tax, are \$15,222,761, or 88%, of all revenues. Program specific revenues in the form of Charges for Services and Capital Grants accounted for \$2,133,392, or 12%, of total revenues.
- The Town's governmental fund financial statements report a combined ending fund balance of \$23,676,057.
- At the end of the current year, the unassigned fund balance of the General Fund was \$5,079,243.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains individual fund statements and supplemental schedules in addition to the basic financial statements.

#### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the Town's assets, deferred outflows/inflows of resources, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- The *statement of activities* presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the Town include highway maintenance, snow removal, general administrative support, community service, fire protection services, water services, and interest on long-term debt.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements

A *fund* is a self-balancing grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into two categories: Governmental Funds and Fiduciary Funds.

- *Governmental funds* 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, governmental 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 year. Such information may be useful in evaluating the Town's near-term financing requirements.

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

The Town maintains five major individual governmental funds; General Fund, Highway Fund Part-Town, Highway Fund, Capital Projects Fund, and Consolidated Sewer District. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each fund.

The Town adopts an annual budget for the General Fund, Highway Fund Part-Town, Highway Fund, and Consolidated Sewer District. A budgetary comparison statement has been provided for each major fund with an annually adopted budget within the basic financial statements to demonstrate compliance with the budget.

- The *Fiduciary Funds* are used to account for assets held by the Town in an agency capacity on behalf of others. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are *not*, and never will be, available to support the Town's programs.

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements (Continued)

#### Major Features of the Town-Wide and Fund Financial Statements

<u>Features</u>	<u>Town-Wide Statements</u>	<u>Fund Financial Statements</u>	
		<u>Governmental Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire Town	The activities of the Town are not proprietary or fiduciary, such as General administration, Highway, and Library	Instances in which the Town administers resources on behalf of someone else
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet, Statement of Revenues and Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Position, and Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resource focus
Type of Asset/Liability Information	All assets and liabilities, 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, no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the 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

#### *Notes to Basic Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position.

**Table 1 - Net Position**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current assets	\$ 23,977,748	\$ 25,029,018
Capital assets, net	<u>56,919,746</u>	<u>50,722,270</u>
Total assets	<u>80,897,494</u>	<u>75,751,288</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred amount on refunding	199,552	210,638
Pension related	<u>3,602,273</u>	<u>914,492</u>
Total deferred outflows of resources	<u>3,801,825</u>	<u>1,125,130</u>
<b>LIABILITIES</b>		
Current liabilities	374,267	6,004,922
Noncurrent liabilities	<u>25,190,894</u>	<u>15,634,916</u>
Total liabilities	<u>25,565,161</u>	<u>21,639,838</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related	<u>396,484</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	40,863,800	35,129,750
Restricted	9,648,767	10,173,697
Unrestricted	<u>8,225,107</u>	<u>9,933,133</u>
Total net position	<u>\$ 58,737,674</u>	<u>\$ 55,236,580</u>

By far, the largest component of the Town's net position (70%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the residents and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are restricted net position balances which constitute 16% and 18% of total net position at December 31, 2016 and December 31, 2015, respectively. The remaining balance is unrestricted net position, which was \$8,225,107 (14%) and \$9,933,133 (18%) in 2016 and 2015, respectively, and may be used to finance future operations.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Table 2 - Change in Net Position

	<u>2016</u>	<u>% of Total</u>	<u>2015</u>	<u>% of Total</u>
<b>REVENUES:</b>				
Charges for services	\$ 1,782,961	10%	\$ 3,374,595	19%
Capital grants and contributions	350,431	2%	329,155	2%
Taxes	14,680,659	85%	13,018,080	75%
Other revenues	<u>542,102</u>	<u>3%</u>	<u>637,619</u>	<u>4%</u>
Total revenues	<u>17,356,153</u>	<u>100%</u>	<u>17,359,449</u>	<u>100%</u>
<b>EXPENSES:</b>				
General governmental support	5,362,273	29%	3,873,106	19%
Public safety	749,332	4%	707,049	3%
Public health	37,533	0%	36,998	0%
Transportation	5,220,272	28%	4,838,329	24%
Economic assistance and opportunity	491,775	3%	408,718	2%
Culture and recreation	3,593,542	20%	8,075,046	39%
Home and community services	2,523,229	14%	2,147,189	10%
Interest on long term debt	<u>440,244</u>	<u>2%</u>	<u>408,393</u>	<u>2%</u>
Total expenses	18,418,200	100%	20,494,828	100%
Change in net position	<u>(1,062,047)</u>		<u>(3,135,379)</u>	
Net position - beginning of year, as previously reported	55,236,580		58,526,813	
Cumulative effect of change in accounting principle	-		(154,854)	
Prior period adjustment (Note 2)	<u>4,563,141</u>		<u>-</u>	
Net position - beginning of year, as restated	<u>59,799,721</u>		<u>58,371,959</u>	
Net position - end of year	<u>\$ 58,737,674</u>		<u>\$ 55,236,580</u>	

The Town relies upon taxes, charges for services, and capital grants as its primary revenue sources. Expenses are distributed dependent on the Town's services.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

### Governmental Funds

The focus of the Town's governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Amounts to be applied against next year's fund balance are reported as assigned resources.

As of the end of the current year, the Town's combined governmental fund balances were \$23,676,057, which is more than last year's ending fund balance of \$19,825,690.

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the General Fund was \$11,418,427, of which \$5,079,243 was unassigned. The fund balance for the Town's General Fund decreased by 2% in 2016, as a function of the Town's operating activities.

### Budgetary Highlights

The key budget variances for the major funds are listed below.

<u>Revenue Items</u>	<b>Budget Variance Amended vs. Actual</b>	<u>Explanation for Budget Variance</u>
General Fund - Sale of property and compensation for loss	\$ 251,109	The Town sold equipment at auctions.
Highway Fund Part Town - Nonproperty tax items	\$ 639,217	Higher than projected sales tax receipts.

**Budgetary Highlights (Continued)**

<u>Expense Items</u>	<u>Budget Variance Amended vs. Actual</u>	<u>Explanation for Budget Variance</u>
General Fund - General Governmental Support	\$ 217,218	Changes in staffing levels, as well as vacancies due to retirement coupled with lower than projected insurance and utility costs.
General Fund - Culture and Recreation	\$ 174,727	Vacancies and changes in staffing levels throughout the year and lower than projected program costs.
General Fund - Home and Community	\$ 123,664	Lower than projected salary costs due to vacant positions, coupled with cost savings.
General Fund - Employee Benefits	\$ 296,188	Social security savings due to lower salary costs and lower than projected retirement and medical costs.
Highway Fund - Transportation	\$ 290,166	Elimination of position, as well as lower personnel and material costs due to a light winter season.
Highway Fund - Employee Benefits	\$ 138,081	Social security savings due to lower salary costs and lower than projected retirement and medical costs.
Highway Fund Part-Town - Transportation	\$ 96,422	Cost savings due to lower than projected overtime and material costs.
Highway Fund Part-Town - Employee Benefits	\$ 89,405	Social security savings due to lower salary costs and lower than projected retirement and medical costs.
Consolidated Sewer District - Home and Community	\$ 101,575	Lower than projected salary costs due to vacant positions, coupled with cost savings.
Consolidated Sewer District - Employee Benefits	\$ 74,767	Social security savings due to lower salary costs and lower than projected retirement and medical costs.

## FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

### Capital Assets

Capital assets, net of accumulated depreciation, are reflected below:

**Table 3 - Capital Assets**

<u>Class</u>	<u>2016</u>	<u>2015</u> (as restated)
Land	\$ 6,114,066	\$ 6,114,066
Land development rights	11,513,343	11,513,343
Work in progress	6,954,472	4,563,141
Infrastructure	18,433,556	19,281,809
Buildings and improvements	10,506,046	10,700,356
Machinery and equipment	<u>3,398,263</u>	<u>3,112,696</u>
Total capital assets, net of accumulated depreciation	<u>\$ 56,919,746</u>	<u>\$ 55,285,411</u>

During 2016, there were \$5,108,439 of capital asset additions offset by \$3,324,830 of depreciation expense. There was also a prior period adjustment for \$4,563,141 related to work in process for the athletic fields. More detailed information about the Town's capital assets is presented in the notes to the financial statements.

### Long-Term Liabilities

The Town's general obligation and other long-term debt outstanding, was as follows at December 31:

**Table 4 - Long-Term Liabilities**

	<u>2016</u>	<u>2015</u>
Serial and statutory bonds	\$ 15,692,708	\$ 10,349,524
Bond premium	478,760	286,708
Installment purchase debt	84,030	166,926
Other postemployment benefits	5,488,010	4,772,449
Net pension liability	3,307,064	703,129
Compensated absences	<u>140,322</u>	<u>59,309</u>
Total	<u>\$ 25,190,894</u>	<u>\$ 16,338,045</u>

The amount of principal paid on outstanding debt was approximately \$739,000 in 2016 and \$637,000 in 2015. During 2016, the Town issued \$6,000,000 in serial bonds related to park improvement projects.

More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

## **FACTORS BEARING ON THE TOWN'S FUTURE**

There are several items which will have a bearing on the Town of Pittsford's future. The Town has approved a \$10.875M capital project for improvements to the Spiegel Community Center. The project calls for a bond issuance of \$9.3M and \$1.575M of monies on hand. Secondly, New York State has passed a law increasing the minimum wage. Salary and benefits are the largest costs the Town incurs in the operating budget in any fiscal year. Due to these factors and the 2% tax cap imposed by New York State, the Town of Pittsford will continue to use fund balances to offset taxes through FY2017 and beyond.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Town of Pittsford  
11 South Main Street  
Pittsford, New York 14534  
(585) 248-6225  
Attn: Finance Director

# TOWN OF PITTSFORD, NEW YORK

## STATEMENT OF NET POSITION DECEMBER 31, 2016

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### ASSETS

Cash and cash equivalents	\$ 22,727,569
Investments	47,708
Receivables	12,136
Due from other governments	973,529
Prepaid expenses	216,806
Capital assets, net	<u>56,919,746</u>
Total assets	<u>80,897,494</u>

### DEFERRED OUTFLOWS OF RESOURCES

Deferred amount on refunding	199,552
Pension related	<u>3,602,273</u>
Total deferred outflows of resources	<u>3,801,825</u>

### LIABILITIES

Accounts payable	65,795
Accrued liabilities	188,985
Unearned revenue	119,487
Long-term obligations -	
Due within one year	1,170,927
Due in more than one year	20,712,903
Net pension liability	<u>3,307,064</u>
Total liabilities	<u>25,565,161</u>

### DEFERRED INFLOWS OF RESOURCES

Pension related	<u>396,484</u>
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### NET POSITION

Net investment in capital assets	40,863,800
Restricted	9,648,767
Unrestricted	<u>8,225,107</u>
Total net position	<u>\$ 58,737,674</u>

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

<u>Functions/Programs</u>	<u>Program Revenue</u>		Net (Expense) Revenue and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>
			<u>Governmental Activities</u>
<b>PRIMARY GOVERNMENT:</b>			
Governmental activities -			
General governmental support	\$ 5,362,273	\$ 338,062	\$ (4,884,034)
Public safety	749,332	154,512	(594,820)
Public health	37,533	-	(37,533)
Transportation	5,220,272	389,076	(4,620,942)
Economic assistance and opportunity	491,775	-	(491,775)
Culture and recreation	3,593,542	835,592	(2,757,950)
Home and community services	2,523,229	65,719	(2,457,510)
Interest on long-term debt	440,244	-	(440,244)
	<u>\$ 18,418,200</u>	<u>\$ 1,782,961</u>	<u>\$ (16,284,808)</u>
Total governmental activities		<u>\$ 350,431</u>	

**GENERAL REVENUES:**

Real property taxes and real property tax items	10,399,142
Nonproperty tax items	3,450,861
Mortgage tax	830,656
Use of money and property	132,985
Sale of property and compensation for loss	317,462
Miscellaneous	91,655
	<u>15,222,761</u>

Total general revenues

15,222,761

Change in net position

(1,062,047)

Net position - beginning of year, as previously reported

55,236,580

Prior period adjustment (Note 2)

4,563,141

Net position - beginning of year, as restated

59,799,721

Net position - end of year

\$ 58,737,674

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	General Fund	Highway Fund	Highway Fund Part-Town	Capital Projects Fund	Consolidated Sewer District	Total Nonmajor Governmental Funds	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 11,382,201	\$ 2,048,955	\$ 2,787,668	\$ 878,148	\$ 2,793,601	\$ 2,836,996	\$ 22,727,569
Investments	-	-	47,708	-	-	-	47,708
Receivables	4,220	-	-	-	-	7,916	12,136
Due from other funds	-	-	-	-	-	24,415	24,415
Due from other governments	160,694	-	612,225	-	-	200,610	973,529
Prepaid expenditures	93,023	35,310	40,700	-	14,042	33,731	216,806
Total assets	\$ 11,640,138	\$ 2,084,265	\$ 3,488,301	\$ 878,148	\$ 2,807,643	\$ 3,103,668	\$ 24,002,163
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 55,535	\$ 943	\$ 4,093	\$ -	\$ 3,205	\$ 2,019	\$ 65,795
Accrued liabilities	46,689	30,379	6,962	-	9,452	22,927	116,409
Due to other funds	-	-	-	24,415	-	-	24,415
Unearned revenue	119,487	-	-	-	-	-	119,487
Total liabilities	221,711	31,322	11,055	24,415	12,657	24,946	326,106
<b>FUND BALANCES:</b>							
Nonspendable	93,023	35,310	40,700	-	14,042	33,731	216,806
Restricted	5,234,727	-	901,004	853,733	1,609,588	1,049,715	9,648,767
Assigned	1,011,434	2,017,633	2,535,542	-	1,171,356	1,995,276	8,731,241
Unassigned	5,079,243	-	-	-	-	-	5,079,243
Total fund balances	11,418,427	2,052,943	3,477,246	853,733	2,794,986	3,078,722	23,676,057
Total liabilities and fund balances	\$ 11,640,138	\$ 2,084,265	\$ 3,488,301	\$ 878,148	\$ 2,807,643	\$ 3,103,668	\$ 24,002,163

The accompanying notes are an integral part of these statements.



# TOWN OF PITTSFORD, NEW YORK

## RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2016

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Total fund balance - governmental funds			\$ 23,676,057
Total net position reported for governmental activities in the statement of net position is 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	113,244,645	
	Accumulated depreciation	<u>(56,324,899)</u>	
			56,919,746
Deferred outflows of resources related to pensions are applicable to future periods and; therefore, are not reported in the funds.			
	Deferred outflows - ERS		3,602,273
Net pension obligations are not due and payable in the current period and; therefore, are not reported in the funds.			
	Net pension liability - ERS		(3,307,064)
Deferred inflows of resources related to pensions are applicable to future periods and; therefore, are not reported in the funds			
	Deferred inflows - ERS		(396,484)
Accrued interest on long-term debt is an expense in the funds when paid, but a liability in the statement of net position when incurred.			
			(72,576)
Bonds payable and other noncurrent liabilities are not due and payable in the current period and; therefore, are not reported in the funds.			
	Serial and statutory bonds	(15,692,708)	
	Installment purchase debt	(84,030)	
	Bond premium	(478,760)	
	Deferred amount on refunding	199,552	
	Compensated absences	(140,322)	
	Other postemployment benefits	<u>(5,488,010)</u>	
			<u>(21,684,278)</u>
Total net position of governmental activities			<u>\$ 58,737,674</u>

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Fund	Highway Fund	Highway Fund Part-Town	Capital Projects Fund	Consolidated Sewer District	Total Nonmajor Governmental Funds	Total
<b>REVENUES:</b>							
Real property taxes and tax items	\$ 5,181,811	\$ 1,753,326	\$ 902,089	\$ -	\$ 1,103,635	\$ 1,458,281	\$ 10,399,142
Nonproperty tax items	433,817	-	2,119,328	-	-	897,716	3,450,861
Departmental income	798,011	-	-	-	5,305	185,810	989,126
Intergovernmental charges	107,604	389,076	18,241	-	-	7,800	522,721
Interfund revenues	30,038	-	-	-	-	-	30,038
Use of money and property	110,411	11,738	4,783	737	2,884	2,432	132,985
Licenses and permits	30,202	-	-	-	2,200	83,841	116,243
Fines and forfeitures	124,833	-	-	-	-	-	124,833
Sale of property and compensation for loss	252,359	837	-	-	50,856	13,410	317,462
Miscellaneous	55,214	749	-	-	34,538	1,153	91,654
Federal aid	-	-	-	31,382	-	-	31,382
State aid	939,451	-	210,254	-	-	-	1,149,705
<b>Total revenues</b>	<b>8,063,751</b>	<b>2,155,726</b>	<b>3,254,695</b>	<b>32,119</b>	<b>1,199,418</b>	<b>2,650,443</b>	<b>17,356,152</b>
<b>EXPENDITURES:</b>							
General governmental support	2,992,025	-	-	1,650	-	43,737	3,037,412
Public safety	189,981	-	-	-	-	331,081	521,062
Public health	35,923	-	-	-	-	-	35,923
Transportation	112,467	2,318,636	2,280,484	63,018	-	55,812	4,830,417
Economic assistance and opportunity	362,977	-	-	-	-	-	362,977
Culture and recreation	1,454,329	-	-	2,326,663	-	1,059,180	4,840,172
Home and community services	179,633	-	1,415	-	720,094	522,384	1,423,526
Employee benefits	1,290,427	579,562	843,575	-	273,618	468,411	3,455,593
Debt service -							
Principal	82,896	-	-	-	-	656,816	739,712
Interest	2,282	-	-	-	-	463,851	466,133
<b>Total expenditures</b>	<b>6,702,940</b>	<b>2,898,198</b>	<b>3,125,474</b>	<b>2,391,331</b>	<b>993,712</b>	<b>3,601,272</b>	<b>19,712,927</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,360,811</b>	<b>(742,472)</b>	<b>129,221</b>	<b>(2,359,212)</b>	<b>205,706</b>	<b>(950,829)</b>	<b>(2,356,775)</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers - in	8,640	255,978	-	470,000	-	976,786	1,711,404
Proceeds from the issuance of debt	-	-	-	6,000,000	-	-	6,000,000
Premium on bond	-	-	-	-	-	207,142	207,142
Operating transfers - out	(1,632,764)	(832)	(70,000)	(7,808)	-	-	(1,711,404)
<b>Total other financing sources and uses</b>	<b>(1,624,124)</b>	<b>255,146</b>	<b>(70,000)</b>	<b>6,462,192</b>	<b>-</b>	<b>1,183,928</b>	<b>6,207,142</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(263,313)</b>	<b>(487,326)</b>	<b>59,221</b>	<b>4,102,980</b>	<b>205,706</b>	<b>233,099</b>	<b>3,850,367</b>
<b>FUND BALANCE - beginning of year</b>	<b>11,661,740</b>	<b>2,540,269</b>	<b>3,418,025</b>	<b>(3,249,247)</b>	<b>2,569,280</b>	<b>2,845,623</b>	<b>19,825,690</b>
<b>FUND BALANCE - end of year</b>	<b>\$ 11,418,427</b>	<b>\$ 2,052,943</b>	<b>\$ 3,477,246</b>	<b>\$ 853,733</b>	<b>\$ 2,794,986</b>	<b>\$ 3,078,722</b>	<b>\$ 23,676,057</b>

The accompanying notes are an integral part of these statements.

## TOWN OF PITTSFORD, NEW YORK

### 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

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Net change in fund balances - governmental funds \$ 3,850,367

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. Also, depreciation is recorded in the statement of activities, but not as a change in fund balance of the governmental funds. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital additions	5,108,439	
Depreciation	(3,324,830)	
Loss on sale of capital assets	<u>(149,274)</u>	
		1,634,335

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense. (312,638)

Proceeds from the issuance of long-term debt is reported as revenue in the governmental funds; however, is reclassified as long-term debt in the statement of net position. (6,000,000)

Governmental funds report premiums on bonds as revenue. However, in the statement of activities the premiums are amortized over the life of the debt. (207,142)

Some expenses reported in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in governmental funds.

Bond principal repayment	656,816	
Bond premium amortization	15,090	
Installment purchase repayment	82,896	
Deferred amount on refunding	(11,086)	
Change in accrued interest	25,889	
Compensated absences	(81,013)	
Other postemployment benefits	<u>(715,561)</u>	
		<u>(26,969)</u>

Change in net position of governmental activities \$ (1,062,047)

The accompanying notes are an integral part of these statements.

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
DECEMBER 31, 2016**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>18,491</u>
Total assets	\$ <u><u>18,491</u></u>
<b>LIABILITIES</b>	
Other liabilities	\$ <u>18,491</u>
Total liabilities	\$ <u><u>18,491</u></u>

The accompanying notes are an integral part of these statements.

# TOWN OF PITTSFORD, NEW YORK

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Pittsford, New York (the Town) are prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

#### **Financial Reporting Entity**

The Town is governed by its charter, Town Law, other general laws of the State of New York and various local laws. The Town Council, which is the legislative body responsible for the overall operation of the Town, consists of the Supervisor and four Councilpersons. The Supervisor serves as Chief Executive Officer and Chief Fiscal Officer of the Town.

The Town provides the following basic services to all or some residents of the Town: highway maintenance, recreation facilities and programs, environmental services, and library services.

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

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability. A component unit is included in the Town's reporting entity if it is both fiscally dependent on the Town and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based on the application of these criteria, the Town has determined there are no other organizations that meet criteria for inclusion in the reporting entity of the Town.

#### **A. Included in the Reporting Entity**

A separate Board has been established pursuant to Education Law to manage the operations of the public library. Such Board is administratively and financially dependent on the Town and, accordingly, the related financial activity is included within the accompanying financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Excluded From the Reporting Entity

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

1. The Pittsford Fire District is an independent district corporation that has the authority to levy its own property taxes and borrow in its own name, and for which the governing commissioners are elected by the residents of this Fire District. The Board of Fire Commissioners has complete responsibility for management of this Fire District and its fiscal affairs. The Town Council exercises no oversight over this Fire District's operations. Their audit reports may be obtained by contacting the Pittsford Fire District.
2. The Brighton Fire District overlaps the Town and is an independent district corporation that has the authority to levy its own property taxes and borrow in its own name, and for which the governing commissioners are elected by the residents of this Fire District. The Board of Fire Commissioners has complete responsibility for management of this Fire District and its fiscal affairs. The Town Council exercises no oversight over this Fire District's operations. Their audit reports may be obtained by contacting the Brighton Fire District.

### Basis of Presentation

#### Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Town's services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The Town first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants, if applicable.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Presentation (Continued)

#### Government-Wide Statements (Continued)

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

#### Fund Financial Statements

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of the assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in one column in the fund financial statements.

- a. **Governmental Funds** - Governmental funds are those major and non-major funds through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the Town's governmental fund types:

#### Major Governmental Funds:

- **General Fund** - the primary operating fund of the Town and includes all revenues and expenditures not required by law to be accounted for in other funds.
- **Highway Fund and Highway Fund Part-Town** - special revenue funds used to account for taxes, user fees, or other revenues which are raised or received to provide highway services to areas throughout the Town.
- **Capital Projects Fund** - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities; or the acquisition of equipment.
- **Consolidated Sewer District** – special revenue fund used to account for taxes, user fees, or other revenues which are raised or received to provide sewer services to areas throughout the Town.

#### Non-Major Governmental Funds

The other funds, which do not meet the major fund criteria are aggregated and reported as non-major governmental funds. The following are reported as nonmajor governmental funds:

- **General Fund Part-Town** - includes all general fund operations taking place outside the Town.
- **Debt Service Fund** - used to account for financial resources accumulated for payment of future principal and interest on long-term indebtedness.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Presentation (Continued)

#### Fund Financial Statements (Continued)

##### a. Governmental Funds (Continued)

#### Non-Major Governmental Funds (Continued)

- **Special Revenue Funds** - used to account for taxes, user fees, or other revenues, which are raised or received to provide special services to areas that may or may not encompass the whole Town. The following are non-major special revenue funds utilized by the Town:
  - Public Library Fund
  - Parks Fund
  - Park Land Deposits Fund
  - Consolidated Lighting District
  - Fire Protection Fund
  - Ambulance District Fund

#### Fiduciary Funds

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

- **Agency Fund** - is custodial in nature and does not present results of operations or have a measurement focus. The Agency Fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

#### Basis of Accounting/Measurement Focus

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 grants and donations. On an accrual basis, revenue from grants and donations are recognized in the 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 considers all revenues reported in the governmental funds to be available if the revenues are collected within one year of the balance sheet date.

Material revenues that are accrued include real property taxes, state and federal aid, distributed sales taxes, certain user charges, and some departmental fees. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Basis of Accounting/Measurement Focus (Continued)

Expenditures are recorded when incurred except that:

- Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursement.
- Principal and interest on indebtedness is not recognized as an expenditure until due and paid.
- Compensated absences, such as vacation and compensatory time which vests or accumulates, are charged as an expenditure when paid.

### Real Property Taxes

Real property taxes are levied January 1 and collected by the Receiver of Taxes without interest through February 10, and through May 31 with interest and penalties. Taxes for County purposes are levied together with taxes for town and special district purposes on a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Uncollected taxes at June 1 are turned over to Monroe County for collection. At year-end, all Town and special district taxes had been collected; and, therefore, no reserve was necessary.

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

### Cash and Cash Equivalents and Investments

The Town's cash and cash equivalents consist of cash on hand and demand deposits. Investments are stated at cost, which approximates market value.

### Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Due To/From Other Funds

The amounts reported on the Governmental Funds Balance Sheet for due to and from other funds represents amounts due between different fund types (i.e., general, highway, and non-major 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 these notes.

### Prepaid Items

Prepaid items represent payments made by the Town for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the statement of net position using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

### Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at fair market value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset, are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is recorded on the straight-line basis over the following useful lives:

<u>Class</u>	<u>Life in Years</u>
Buildings	20 - 50 years
Improvements: parking lots	5 - 30 years
Machinery and equipment	5 - 25 years
Infrastructure:	
Bridges	30 years
Roads, sidewalks, curbing, light systems, gutters	15 years
Sewer systems	60 years

### Compensated Absences

Town employees are granted vacation leave and earn compensated absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and unused compensated absences at various rates subject to certain maximum limitations.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Postemployment Benefits**

The Town provides postemployment health insurance coverage to its retired employees and their survivors. Substantially all employees may become eligible for these benefits when they reach eligible retirement age and have worked 20 years for the Town. The Town made no provision for recognizing the cost of postemployment benefits which may eventually be paid to employees who have not yet retired, on the governmental funds statements. On the government-wide statements, these amounts attributable to past service have been recorded as a liability. On June 16, 2015, the Town Board passed a resolution stating that any person commencing employment with the Town, or re-commencing employment having been employed by the Town previously, on or after July 1, 2015 shall no longer be paid medical benefits in retirement.

### **Unearned Revenue**

The Town reports unearned revenues in its basic financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period under the modified accrual method of accounting. Unearned revenue also arises when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

### **Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

### **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

### **Encumbrances**

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 in the funds. Encumbrances are reported in the restricted, committed, or assigned fund balance category from which their spending authorization has been recorded since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Interfund Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with certain interfund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financial or other services.

### Equity Classifications

#### Government-Wide Statements

Equity is classified as net position and displayed in three components:

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Additionally, deferred outflows or inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- **Restricted net position** - consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of another government; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

#### Fund Statements

Generally accepted accounting principles provide more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable Fund Balances**  
These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balances**  
These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Equity Classifications (Continued)

#### Fund Statements (Continued)

- **Committed Fund Balances**

These are amounts that can be used only for specific purposes determined by a formal action of the Town Board prior to year-end. The Town Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board.

- **Assigned Fund Balances**

These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Town Board authorizes or the Board's designee can make a determination of the assigned amounts of fund balance.

- **Unassigned Fund Balances**

These are all other spendable amounts.

Absent a Town-wide policy, when an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Board has provided otherwise in its commitment or assignment actions.

## 2. PRIOR PERIOD ADJUSTMENT – CORRECTION OF AN ERROR

The Town has elected to restate its December 31, 2015 government-wide net position by \$4,563,141 to increase work in process relating to ongoing construction projects. These projects started in 2015 and were not recorded as work in process at the time the funds were expended. The impact of this correction was an increase in net investment in capital assets with a corresponding increase to the related asset (work in process), for the year ended December 31, 2015.

## 3. STEWARDSHIP

**Budget Policies** - The budget policies are as follows:

- a. No later than October 30, the budget officer submits a tentative budget to the Town Clerk for submission to the Town Board for the year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- b. After public hearings are conducted to obtain taxpayer comments, no later than December 20, the Town Board adopts the budget.
- c. All modifications of the budget must be approved by the Town Board. (However, the Supervisor is authorized to transfer certain budgeted amounts within departments.)
- d. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects, which remain in effect for the life of the project.

### 3. STEWARDSHIP (Continued)

#### Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgetary comparison schedules are presented as required supplementary information in the basic financial statements.

#### Budget/GAAP Reconciliation

The Town reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. This results in the following reconciliation of the fund balances computed on GAAP basis and budgetary basis:

General Fund:	
GAAP basis fund balance at December 31, 2016	\$ 11,418,427
Less: Outstanding encumbrances	<u>(78,822)</u>
Budgetary basis fund balance at December 31, 2016	<u>\$ 11,339,605</u>
Highway Fund:	
GAAP basis fund balance at December 31, 2016	\$ 2,052,943
Less: Outstanding encumbrances	<u>(15,676)</u>
Budgetary basis fund balance at December 31, 2016	<u>\$ 2,037,267</u>
Highway Fund Part-Town:	
GAAP basis fund balance at December 31, 2016	\$ 3,477,246
Less: Outstanding encumbrances	<u>(26,932)</u>
Budgetary basis fund balance at December 31, 2016	<u>\$ 3,450,314</u>
Consolidated Sewer District:	
GAAP basis fund balance at December 31, 2016	\$ 2,794,986
Less: Outstanding encumbrances	<u>(4,714)</u>
Budgetary basis fund balance at December 31, 2016	<u>\$ 2,790,272</u>

#### 4. DEPOSITS

##### **Primary Government, Including Fiduciary Funds**

State statutes govern the Town's investment policies. The Town has its own written deposit and investment policy, which is compliant with Section 39 of the General Municipal Law. Town monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within New York State. The Town is authorized to invest in special time deposit accounts, certificates of deposit, obligations of the United States, and obligations of the State of New York.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. All deposits of the Town in excess of the amount insured by the Federal Deposit Insurance Act must be secured by the following:

- A pledge of eligible securities with an aggregated market value equal to the amount of deposits. Eligible securities include: obligations issued by the United States; obligations issued or fully guaranteed by the State of New York, obligations issued by states rated in one of the three highest rating categories; commercial paper and bankers' acceptances issued by a bank rated in the highest short term category; zero coupon obligations of the United States government marketed as "treasury strips"; obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization; obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, and the African Development Bank; obligations of counties, cities, and other governmental entities of a State other than New York State having the power to levy taxes that are backed by the full faith and credit of such governmental entity; obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization; and mortgage rated securities, which may be purchased by banks under the limitations established by bank regulatory agencies.
- An eligible surety bond payable to the government executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
- An irrevocable letter of credit issued by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities. At year-end, demand deposits and certificates of deposit for the Town were entirely covered by FDIC insurance or collateral held by trust companies located within the State.

**4. DEPOSITS (Continued)**

The Town's aggregate bank balances were insured and collateralized as follows:

<u>Description</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Primary government	\$ 23,405,522	\$ 22,725,505
Fiduciary funds	<u>131,222</u>	<u>18,491</u>
Cash and cash equivalents	<u>\$ 23,536,744</u>	<u>\$ 22,743,996</u>
Category 1: Covered by FDIC insurance	\$ 1,000,000	
Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	<u>\$ 23,225,444</u>	
	<u>\$ 24,225,444</u>	

**5. RECEIVABLES**

Receivables at December 31, 2016 for individual major and nonmajor funds consisted of the following which are stated at net realizable value. Town management has deemed the amounts to be fully collectible:

<u>Description</u>	<u>General Fund</u>	<u>Highway Fund Part-Town</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Receivables:				
Fees	<u>\$ 4,220</u>	<u>\$ -</u>	<u>\$ 7,916</u>	<u>\$ 12,136</u>
Due from other governments	<u>\$ 160,694</u>	<u>\$ 612,225</u>	<u>\$ 200,610</u>	<u>\$ 973,529</u>



## 6. CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance January 1, <u>2016</u> (as restated)	<u>Additions</u>	<u>Disposals</u>	Balance December 31, <u>2016</u>
Capital assets not being depreciated:				
Land	\$ 6,114,066	\$ -	\$ -	\$ 6,114,066
Land development rights	11,513,343	-	-	11,513,343
Work in Progress	<u>4,563,141</u>	<u>2,391,331</u>	<u>-</u>	<u>6,954,472</u>
Total non-depreciable assets	<u>22,190,550</u>	<u>2,391,331</u>	<u>-</u>	<u>24,581,881</u>
Capital assets being depreciated:				
Buildings and improvements	18,222,238	228,529	(212,625)	18,238,142
Machinery and equipment	7,413,421	1,628,677	(844,430)	8,197,668
Infrastructure	<u>61,367,052</u>	<u>859,902</u>	<u>-</u>	<u>62,226,954</u>
Total at cost	<u>87,002,711</u>	<u>2,717,108</u>	<u>(1,057,055)</u>	<u>88,662,764</u>
Less: Accumulated depreciation for:				
Buildings and improvements	(7,521,882)	(422,842)	212,628	(7,732,096)
Machinery and equipment	(4,300,724)	(1,193,834)	695,153	(4,799,405)
Infrastructure	<u>(42,085,244)</u>	<u>(1,708,154)</u>	<u>-</u>	<u>(43,793,398)</u>
Total accumulated depreciation	<u>(53,907,850)</u>	<u>(3,324,830)</u>	<u>907,781</u>	<u>(56,324,899)</u>
Total depreciable assets - net	<u>33,094,861</u>	<u>(607,722)</u>	<u>(149,274)</u>	<u>32,337,865</u>
Total capital assets - net	<u>\$55,285,411</u>	<u>\$ 1,783,609</u>	<u>\$ (149,274)</u>	<u>\$ 56,919,746</u>

Depreciation expense for the period was charged to functions/programs as follows:

General governmental	\$ 80,711
Public safety	9,432
Transportation	2,133,424
Economic assistance	11,241
Culture and recreation	297,398
Home and community	<u>792,624</u>
Total	<u>\$ 3,324,830</u>

## 7. INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund receivables and payables at December 31, 2016 were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue Transfers</u>	<u>Interfund Expenditure Transfers</u>
General Fund	\$ -	\$ -	\$ 8,640	\$ 1,632,764
Highway Fund	-	-	255,978	832
Highway Fund Part Town	-	-	-	70,000
Capital Projects Fund	-	24,415	470,000	7,808
Nonmajor Funds	<u>24,415</u>	<u>-</u>	<u>976,786</u>	<u>-</u>
Total	<u>\$ 24,415</u>	<u>\$ 24,415</u>	<u>\$ 1,711,404</u>	<u>\$ 1,711,404</u>

Interfund transactions between governmental activities are eliminated on the Statement of Net Position. The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

## 8. PENSION PLAN

### New York State Employees' Retirement System (NYSERS)

The Town participates in the New York State and Local Employees' Retirement System (ERS) also referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system, providing 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), established to hold all net position and record changes in plan net position allocated to the System. The System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an 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 benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

### Contributions

The System is noncontributory except for employees who joined after July 27<sup>th</sup>, 1976, who contribute 3.0% percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2016	\$ 852,421
2015	\$ 995,336
2014	\$ 1,047,568

## 8. PENSION PLAN (Continued)

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

At December 31, 2016, the Town reported a net pension liability of \$3,307,064 for its proportionate share of the System's 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 the actuarial valuation as of that date. The Town's proportionate share 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 proportionate share was .0206044% and was .0208134%, at December 31, 2015.

For the year ended December 31, 2016, the Town recognized pension expense of \$1,101,490. At December 31, 2016, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 16,711	\$ 391,997
Changes in assumptions	881,894	\$ -
Net difference between projected and actual earnings on pension plan investments	1,961,932	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	97,146	4,487
Contributions subsequent to the measurement date	<u>644,590</u>	<u>-</u>
Total	<u>\$ 3,602,273</u>	<u>\$ 396,484</u>

Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Plan's Year Ended March 31:

2017	\$ 651,071
2018	651,071
2019	651,071
2020	607,986
2021	-
Thereafter	-
	<u>\$ 2,561,199</u>

The Town recognized \$644,590 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2016 which will be recognized as a reduction of the net pension liability in the year ended December 31, 2017.

## 8. PENSION PLAN (Continued)

### Actuarial Assumptions

The total pension liability at 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:

#### ERS

Inflation	2.50%
Salary scale	3.8% in ERS, indexed by service
Investment Rate of Return, including inflation	7.0% compounded annually, net of investment expenses
Cost of living adjustments	1.3% annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014

### Long-term Rate of Return

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

#### Long-term Expected Rate of Return

<u>Asset Type</u>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic Equity	38	7.30
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return Strategies	3	6.75
Opportunistic Portfolio	3	8.60
Real Assets	3	8.65
Bonds & Mortgages	18	4.00
Cash	2	2.25
Inflation-Indexed Bonds	2	4.00
	<u>100%</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 Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**8. PENSION PLAN (Continued)**

**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 net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount <u>7.00%</u>	1% Increase <u>8.00%</u>
Proportionate Share of Net Pension liability (asset)	\$ <u>7,457,188</u>	\$ <u>3,307,064</u>	\$ <u>(199,614)</u>

**Pension Plan Fiduciary Net Position (000's)**

The components of the current-year net pension liability of the employers as of March 31, 2016 were as follows:

Total pension liability	\$ 172,303,544
Net position	<u>(156,253,265)</u>
Net pension liability (asset)	<u>\$ 16,050,279</u>
ERS net position as a percentage of total pension liability	90.70%

**9. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS**

**Plan Description**

The Town provides certain health care benefits for retired employees. The Town administers the Retirement Benefits Plan (the "Retirement Plan") as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

In general, the Town provides medical and dental benefits for retirees. There were approximately 77 retired employees receiving benefits at December 31, 2016. Eligible employees must have had 20 years of service with the Town and have been eligible for retirement pursuant to the System prior to the discontinuation of additional participants. The Retirement Plan does not issue a stand alone 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 Retirement Plan are established by action of the Town. The Town will pay 85% of the cost of coverage for pre-Medicare medical coverage and will pay 100% of coverage for the Medicare Supplemental plan. Coverage is provided to surviving spouses for their lifetime. The costs of administering the Retirement Plan are paid by the Town. The Town currently contributes enough money to the Retirement Plan to satisfy current obligations on a pay-as-you-go basis to cover annual premiums. The amount paid during 2016 was approximately \$393,000.

**9. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with generally accepted accounting principles. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year plus the amortization of the unfunded actuarial accrued liability over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Retirement Plan, and the changes in the Town's net OPEB obligation:

Annual Required contribution	\$ 1,167,003
Interest on net OPEB obligation	131,013
Adjustment to ARC	<u>(189,413)</u>
Annual OPEB cost	1,108,603
Contributions made	<u>(393,042)</u>
Increase in net OPEB obligation	715,561
Net OPEB obligation - beginning of year	<u>4,772,449</u>
Net OPEB obligation - end of year	<u><u>\$ 5,488,010</u></u>

**Trend Information**

The following table provides trend information for the Retirement Plan:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percent Contributed</u>	<u>Net OPEB Obligation</u>
2016	\$ 1,108,603	393,042	35.5%	\$ 5,488,010
2015	\$ 1,108,603	447,130	40.3%	\$ 4,772,449
2014	\$ 1,108,603	409,407	36.9%	\$ 4,110,976

**Funded Status and Funding Progress**

The projection of future benefits 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 Retirement 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 Retirement Plan is currently not funded.

The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits and is reported as required supplementary information.

**9. OTHER POSTEMPLOYMENT HEALTH CARE BENEFITS (Continued)**

**Actuarial Methods and Assumptions**

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

In the January 1, 2014 actuarial valuation, the following methods and assumptions were used:

Actuarial cost method	Projected Unit Credit
Discount rate*	4.0%
Inflation rate	3.0%
Salary scale	4.0%
Medical care cost trend rate	9.0% initially. The rate changes each year to an ultimate rate of 4.75% in 2022.
Dental care cost trend rate	Dental care costs are assumed to be 5.0% each year.
Unfunded actuarial accrued liability:	
Amortization period	30 years
Amortization method	Level Percent of Pay
Amortization basis	Open

\* As the plan is unfunded, the assumed discount rate considers that the Town's investment assets are low risk in nature, such as money market funds or certificates of deposit.

**10. SHORT-TERM DEBT**

The Town had short-term debt in the form of a bond anticipation note (BAN) to finance capital projects within the Town that was issued on September 9, 2015 and was repaid in 2016. A summary of the Town's short-term debt activity is as follows for the year ended December 31, 2016:

<u>Description</u>	<u>Outstanding</u> <u>1/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding</u> <u>12/31/2016</u>
Bond anticipation note	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$(5,000,000)</u>	<u>\$ -</u>

**11. LONG-TERM DEBT OBLIGATIONS**

**Serial Bonds**

The Town borrows money in order to acquire land, high cost 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 serial bonds are full faith and credit debt of the Town. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidations of the long-term liabilities.

## 11. LONG-TERM DEBT OBLIGATIONS (Continued)

### Other Long-Term Debt

In addition to the above long-term debt the Town had the following other non-current liabilities:

- **Compensated absences** - represents the value earned and unused portion of the earned vacation leave and compensatory time.
- **Postemployment benefits** - represents the cost of health care benefits provided to retirees.
- **Net pension liability** – represents the actuarial value of the amount owed by the Town to the pension fund.

Long-term liability balances and activity for the year are summarized below:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>	<u>Due After</u> <u>One Year</u>
Serial and statutory bonds	\$ 10,349,524	\$ 6,000,000	\$ (656,816)	\$ 15,692,708	\$ 1,051,816	\$ 14,640,892
Bond premium	286,708	207,142	(15,090)	478,760	-	478,760
Installment purchase debt	166,926	-	(82,896)	84,030	84,030	-
Other postemployment benefits	4,772,449	715,561	-	5,488,010	-	5,488,010
Net pension liability	703,129	2,603,935	-	3,307,064	-	3,307,064
Compensated absences	<u>59,309</u>	<u>81,013</u>	<u>-</u>	<u>140,322</u>	<u>35,081</u>	<u>105,241</u>
Total	<u>\$ 16,338,045</u>	<u>\$ 9,607,651</u>	<u>\$ (754,802)</u>	<u>\$ 25,190,894</u>	<u>\$ 1,170,927</u>	<u>\$ 24,019,967</u>

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

The following is a statement of long-term debt with corresponding maturity schedules:

Purpose	<u>Issue</u> <u>Date</u>	<u>Interest</u> <u>Rate</u>	<u>Amount</u> <u>Outstanding</u> <u>12/31/2016</u>	<u>Final</u> <u>Maturity</u>
Serial Bonds:				
Pittsford Hill Sewer	8/1998	5.05%	\$ 10,000	8/2017
Purchase of development rights	9/2009	4.50%	2,945,000	9/2023
Public improvement	4/2014	2.00%	6,690,000	4/2034
Public improvement	9/2016	2.00%	6,000,000	9/2030
Statutory Bonds:				
Pittsford Sewer District - 29 & 29a	6/2004	4.00%	47,708	6/2023
Installment purchase				
Tub grinder wood composter	1/2013	1.37%	<u>84,030</u>	6/2017
		Total	<u>\$15,776,738</u>	



## 11. LONG-TERM DEBT OBLIGATIONS (Continued)

### Other Long-Term Debt (Continued)

Interest on long-term debt for the year was composed of:

Interest paid	\$ 466,133
Plus: Interest accrued in the current year	72,576
Less: Interest accrued in the prior year	<u>(98,465)</u>
 Total interest expense	 <u>\$ 440,244</u>

The following table summarizes the Town's future debt service requirements as of December 31:

	<u>Bond Principal</u>	<u>Bonds Interest</u>	<u>Installment Principal</u>	<u>Installment Interest</u>	<u>Total Debt</u>
2017	\$ 1,051,816	\$ 459,418	\$ 84,030	\$ 1,149	\$ 1,596,413
2018	1,066,816	429,274	-	-	1,496,090
2019	1,101,816	396,351	-	-	1,498,167
2020	1,131,816	362,128	-	-	1,493,944
2021	1,171,816	330,512	-	-	1,502,328
2022 - 2026	4,828,628	1,160,692	-	-	5,989,320
2027 - 2031	3,920,000	580,550	-	-	4,500,550
2032 - 2036	<u>1,420,000</u>	<u>86,800</u>	<u>-</u>	<u>-</u>	<u>1,506,800</u>
Total	<u>\$ 15,692,708</u>	<u>\$ 3,805,725</u>	<u>\$ 84,030</u>	<u>\$ 1,149</u>	<u>\$ 19,583,612</u>

In 2014, the Town issued one 2014 serial bond for \$7,265,000 which refunded the 2004 serial bond of \$7,245,000. The bond refunding resulted in an economic gain on refunding of approximately \$531,100. The excess of the reacquisition price over the net carrying amount of the refunded bonds in the amount of \$221,724 has been deferred and is being amortized using the straight-line method through 2034. The balance of the deferred amount on refunding as of December 31, 2016 is \$199,552 and is reflected as a deferred outflow of resources on the Statement of Net Position.

In prior years, the Town defeased certain obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. \$3,070,000 of bonds outstanding was considered defeased at December 31, 2016.

## 12. FUND BALANCES

The Town has the following capital reserves, which are classified as restricted funds:

### **General Fund Capital Reserves:**

**Equipment** - To finance future planned replacement of equipment items for the Town.

**Office Equipment** - To finance future planned replacement of office equipment items for the Town.

**Building Maintenance** - To finance the costs associated with building repairs and improvements.

### **Nonmajor Fund Capital Reserves:**

**General Fund Part-town Equipment** - To finance future planned replacement of equipment items for the Town.

**General Fund Part-town Office Equipment** - To finance future planned replacement of office equipment items for the Town.

### **Highway Fund Part-Town Capital Reserves:**

**Road Improvements** - To finance capital projects for the construction or improvement of roads within the Town.

### **Consolidated Sewer Fund Capital Reserves:**

**Sewer Equipment** - To finance future planned replacement of high cost sewer equipment items.

**Sewer Office Equipment** - To finance future planned replacement of office equipment for the sewer department.

**Sewer Repair** - To finance future planned repair to sewer districts within the Town.

The Town has the following general reserves, which are classified as restricted funds:

### **General Fund - General Reserves:**

**General Reserves** - To finance all, or part of, the cost of an object or purpose which has a period of probable usefulness of at least five years (other than objects or purposes for which reserve funds may be established under Town Law). Expenditures may only be made for a specific object or purpose and are subject to permissive referendum.

**Pittsford 2000 Reserve** - The Town Board has reserved certain surplus funds as a measure to implement the recommendations of the Pittsford 2000 committee regarding conservation measures, environmental protection initiatives and related land acquisitions. Expenditures may only be made for a specific object or purpose and are subject to permissive referendum.

**12. FUND BALANCES (Continued)**

	General Fund	Highway Town-wide Fund	Highway Part-Town Fund	Capital Projects Fund	Consolidated Sewer District	Nonmajor Governmental Funds	Total
Fund Balance	\$ 93,023	\$ 35,310	\$ 40,700	\$ -	\$ 14,042	\$ 33,731	\$ 216,806
Nonspendable -							
Prepaid expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted -							
General	2,608,218	-	-	-	-	-	2,608,218
Pittsford 2000	772,047	-	-	-	-	-	772,047
Equipment	501,212	-	-	-	-	-	501,212
Office equipment	407,910	-	-	-	-	-	407,910
Building maintenance	945,340	-	-	-	-	-	945,340
Road improvements	-	-	901,004	-	-	-	901,004
Sewer equipment	-	-	-	-	326,170	-	326,170
Sewer office equipment	-	-	-	-	45,839	-	45,839
Sewer repair	-	-	-	-	1,237,579	-	1,237,579
Debt Service	-	-	-	-	-	781,810	781,810
Part-Town equipment	-	-	-	-	-	109,818	109,818
Part-Town office equipment	-	-	-	-	-	35,730	35,730
Capital	-	-	-	853,733	-	-	853,733
Parks	-	-	-	-	-	122,357	122,357
Total restricted	5,234,727	-	901,004	853,733	1,609,588	1,049,715	9,648,767
Assigned -							
Appropriations	932,612	298,550	500,000	-	126,000	422,970	2,280,132
Other spendable amounts	78,822	1,719,083	2,035,542	-	1,045,356	1,572,306	6,451,109
Total assigned	1,011,434	2,017,633	2,535,542	-	1,171,356	1,995,276	8,731,241
Unassigned	5,079,243	-	-	-	-	-	5,079,243
Total fund balance	\$ 11,418,427	\$ 2,052,943	\$ 3,477,246	\$ 853,733	\$ 2,794,986	\$ 3,078,722	\$ 23,676,057

## 12. FUND BALANCES (Continued)

### A. Net Position - Restricted

The following table shows the net position restricted within the funds as shown on the Statement of Net Position:

General reserves	\$ 5,234,727
Capital reserves	853,733
Debt service	781,810
Special districts	<u>2,778,497</u>
Total	<u>\$ 9,648,767</u>

## 13. DEFERRED COMPENSATION PLAN

Employees of the Town may elect to participate in the Public Employees Benefits Services Corporation Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. As of December 31, 2016, the market value of the assets of the Plan totaled \$7,685,460.

Employees contribute to the Plan through voluntary salary deductions. Participation in the Plan is voluntary and the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan is administered by an independent third-party which is responsible for administering the fund's investments and record keeping.

## 14. OTHER INFORMATION

### A. Risk Management

#### 1. General Information

The Town is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

#### 2. Dental Plan

The Town self-insures for dental coverage for its employees (the Plan). The Town contracts with a third party administrator who is responsible for processing claims and estimating liabilities. The Town does not carry excess insurance coverage relative to this Plan. The Town records expenditures as claims are presented for payment with a cap of \$1,000 per year per member. The Town records expenditures in the governmental funds each year based on the current costs of dental coverage. The total claims incurred and paid in 2016 was \$103,278.

## 14. OTHER INFORMATION (Continued)

### B. Commitments and Contingencies

#### 1. Commitments

The Town participates in a number of federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

#### 2. Litigation

There are tax certiorari claims requesting reduction of assessments pending. The outcome of the tax certiorari claims is undeterminable at this time; as such no allowance has been recorded.

## 15. OPERATING LEASES

The Town leases property and equipment under operating leases. Total rental expenditures on such leases for the year ended December 31, 2016 were approximately \$119,000.

The maximum future non-cancelable operating lease payments are as follows:

2017	\$ 119,417
2018	119,417
2019	120,092
2020	120,317
2021	120,317
Thereafter	<u>276,916</u>
Total	<u>\$ 876,476</u>

## 16. TAX ABATEMENT

The Town has 3 real property tax abatement agreements entered into by the Monroe County IDA under Article 18-A of the real property tax law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) and are under one of four possible programs:

### **JobsPlus Program**

Under the JobsPlus program the recipient can be manufacturers, technology-based producer service companies, commercial projects which will increase the tax assessment with new construction and the rehabilitation of existing commercial buildings that have been vacant for a long period of time. They must meet a minimum of 10% job creation goal over impacted employment within three years. The project must use all local labor for the construction of new, expanded or renovated facilities.

## 16. TAX ABATEMENT (Continued)

### Enhanced JobsPlus Program

Under the Enhanced JobsPlus program the recipient can be manufacturers or technology based producer service companies. The requirements are an investment minimum of \$15 million in new plant, machinery and equipment or renovation of existing buildings, a minimum of 100 new jobs from new companies locating in Monroe County, or existing companies expanding operations within Monroe County within 3 years, and in the absence of a waiver permitting otherwise, the project must use all local labor for the construction of new, expanded or renovated facilities.

### Shelter Rent

Property tax abated under the Shelter rent program is for new building or renovation projects for student or affordable housing. This program requires job creation of a minimum of 10% within 3 years as well as the use of local labor for the construction of new or renovation of facilities.

### Green JobsPlus

Under the Green JobsPlus program the recipient can be manufacturers, technology-based producer service companies, or commercial projects which will increase the tax assessment with new construction. Requirements for this program are that the project must be rated as certified, gold, silver or platinum by the United States Green Building Council's Leadership in Energy and Environmental Design Green Building Rating System must meet the minimum of 10% job creation in 3 years and must use all local labor.

### LeasePlus Program

For the new building construction or renovation projects for Universities and medical related facilities in which 501(c)3 entity leases from a for-profit entity. The requirements under this program are job creation of 10% within 3 years and the use of local labor.

The following information relates to the PILOT agreements entered into under the aforementioned programs:

<u>Start Date</u>	<u>Agreement</u>	<u>Taxable Assessed Value</u>	<u>Tax Rate</u>	<u>Tax Value</u>	<u>Pilot Received</u>	<u>Taxes Abated</u>
2008	Schoen Place LLC, Section 2	\$ 940,000	2.657489	\$ 846,000	\$ 2,248	\$ 250
2013	Schoen Place LLC, Section 3	\$ 994,000	2.657489	\$ 397,600	\$ 1,057	\$ 1,585
2011	7 Linden Park Assoc LLC Section 2	\$ 200,000	2.977552	\$ 120,000	\$ 357	\$ 238

The Town is also subject to Mortgage and Sales tax abatements granted by the County of Monroe Industrial Development Agency in order to increase business activity and employment in the region. The amount of sales tax abated in the Town of Pittsford for the year ended December 31, 2016 was \$77,665. This was 1.5% of the sales tax apportioned to the Town in 2016.

## 17. IMPACT OF FUTURE GASB PRONOUNCEMENTS

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* which supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* and amends Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, paragraphs 64, 74, and 82. Statement No. 76 reduces the number of categories of authoritative generally accepted accounting principles (GAAP) hierarchy and the framework for selecting those principles to two categories. The primary category "Category A" will consist of officially established GASB Statements and GASB Interpretations heretofore issued and currently in effect. The second category "Category B" will consist of GASB Technical Bulletins, GASB Implementation Guides when presented in the form of a *Comprehensive Implementation Guide*, and literature of the AICPA cleared by the GASB. The goal of Statement No. 76 is to help governments apply financial reporting guidance with less variability, therefore improving usefulness and comparability of financial statement information among state and local governments. The Town is required to adopt the provisions of Statement No. 76 for the year ending December 31, 2016, and should be adopted retroactively, with early adoption permitted.

In June 2015, the GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. The Town is required to adopt the provisions of these Statements for the year ending December 31, 2018, with early adoption encouraged.

In March 2016, GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, Financial Reporting for pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GAS 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Statement addresses issues related to the presentation of payroll related measures in required supplementary information, selection of assumptions and the treatment of deviations and classification of payments made by employers to meet employee contribution requirements. The Statement takes effect for reporting periods beginning after June 15, 2016 except for the selection of assumptions in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end in which the effective date is on or after June 15, 2017. Earlier adoption is encouraged.

## 17. IMPACT OF FUTURE GASB PRONOUNCEMENTS (Continued)

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefore. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2019.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement apply to the financial statements of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2019.



**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	GENERAL FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 5,166,147	\$ 5,166,147	\$ 5,181,811	\$ 15,664
Nonproperty tax items	410,000	410,000	433,817	23,817
Departmental income	778,675	778,675	798,011	19,336
Intergovernmental charges	111,430	111,430	107,604	(3,826)
Interfund revenues	25,000	25,000	30,038	5,038
Use of money and property	102,193	102,193	110,411	8,218
Licenses and permits	30,650	30,650	30,202	(448)
Fines and forfeitures	147,000	147,000	124,833	(22,167)
Sale of property and compensation for loss	1,250	1,250	252,359	251,109
Miscellaneous	46,544	46,544	55,214	8,670
State aid	923,000	923,000	939,451	16,451
	<u>7,741,889</u>	<u>7,741,889</u>	<u>8,063,751</u>	<u>321,862</u>
<b>Total revenues</b>				
<b>EXPENDITURES:</b>				
General governmental support	3,049,239	3,254,814	3,037,596	217,218
Public safety	207,406	208,053	190,353	17,700
Public health	36,598	36,598	35,923	675
Transportation	146,305	146,495	117,177	29,318
Economic assistance and opportunity	414,888	415,165	365,262	49,903
Culture and recreation	1,621,826	1,649,847	1,475,120	174,727
Home and community services	283,207	308,390	184,726	123,664
Employee benefits	1,640,528	1,586,615	1,290,427	296,188
Debt service	-	-	85,178	(85,178)
	<u>7,399,997</u>	<u>7,605,977</u>	<u>6,781,762</u>	<u>824,215</u>
<b>Total expenditures</b>				
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>341,892</u>	<u>135,912</u>	<u>1,281,989</u>	<u>1,146,077</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	200,000	295,265	8,640	(286,625)
Operating transfers - out	(1,702,923)	(1,781,192)	(1,632,764)	148,428
	<u>(1,502,923)</u>	<u>(1,485,927)</u>	<u>(1,624,124)</u>	<u>(138,197)</u>
<b>Total other financing sources and uses</b>				
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (1,161,031)</u>	<u>\$ (1,350,015)</u>	<u>(342,135)</u>	<u>\$ 1,007,880</u>
<b>FUND BALANCE - beginning of year</b>			<u>11,681,740</u>	
<b>FUND BALANCE - end of year</b>			<u>\$ 11,339,605</u>	

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HIGHWAY FUND (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	HIGHWAY FUND			
	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 1,753,326	\$ 1,753,326	\$ 1,753,326	\$ -
Intergovernmental charges	400,000	400,000	389,076	(10,924)
Use of money and property	10,100	10,100	11,738	1,638
Sale of property and compensation for loss	1,000	1,000	837	(163)
Miscellaneous	<u>-</u>	<u>-</u>	<u>749</u>	<u>749</u>
Total revenues	<u>2,164,426</u>	<u>2,164,426</u>	<u>2,155,726</u>	<u>(8,700)</u>
<b>EXPENDITURES:</b>				
Transportation	1,766,783	2,624,478	2,334,312	290,166
Employee benefits	<u>717,643</u>	<u>717,643</u>	<u>579,562</u>	<u>138,081</u>
Total expenditures	<u>2,484,426</u>	<u>3,342,121</u>	<u>2,913,874</u>	<u>428,247</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(320,000)</u>	<u>(1,177,695)</u>	<u>(758,148)</u>	<u>419,547</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	-	255,978	255,978	-
Operating transfers - out	<u>-</u>	<u>(832)</u>	<u>(832)</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>255,146</u>	<u>255,146</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (320,000)</u>	<u>\$ (922,549)</u>	<u>(503,002)</u>	<u>\$ 419,547</u>
FUND BALANCE - beginning of year			<u>2,540,269</u>	
FUND BALANCE - end of year			<u>\$ 2,037,267</u>	

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HIGHWAY FUND PART-TOWN (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	HIGHWAY FUND PART-TOWN			
	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 902,089	\$ 902,089	\$ 902,089	\$ -
Nonproperty tax items	1,480,111	1,480,111	2,119,328	639,217
Intergovernmental charges	8,500	8,500	18,241	9,741
Use of money and property	1,580	1,580	4,783	3,203
State aid	<u>171,703</u>	<u>210,777</u>	<u>210,254</u>	<u>(523)</u>
Total revenues	<u>2,563,983</u>	<u>2,603,057</u>	<u>3,254,695</u>	<u>651,638</u>
<b>EXPENDITURES:</b>				
Home and community services	2,230	2,230	1,415	815
Transportation	2,078,773	2,403,838	2,307,416	96,422
Employee benefits	<u>982,980</u>	<u>932,980</u>	<u>843,575</u>	<u>89,405</u>
Total expenditures	<u>3,063,983</u>	<u>3,339,048</u>	<u>3,152,406</u>	<u>186,642</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(500,000)</u>	<u>(735,991)</u>	<u>102,289</u>	<u>838,280</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	-	150,000	-	(150,000)
Operating transfers - out	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>80,000</u>	<u>(70,000)</u>	<u>(150,000)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (500,000)</u>	<u>\$ (655,991)</u>	<u>32,289</u>	<u>\$ 688,280</u>
FUND BALANCE - beginning of year			<u>3,418,025</u>	
FUND BALANCE - end of year			<u>\$ 3,450,314</u>	

**TOWN OF PITTSFORD, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - CONSOLIDATED SEWER DISTRICT (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	CONSOLIDATED SEWER DISTRICT			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes and tax items	\$ 1,103,209	\$ 1,103,209	\$ 1,103,635	\$ 426
Departmental income	6,000	6,000	5,305	(695)
Use of money and property	1,425	1,425	2,884	1,459
Licenses and permits	2,500	2,500	2,200	(300)
Sale of property and compensation for loss	-	-	50,856	50,856
Miscellaneous	12,000	12,000	34,538	22,538
Total revenues	<u>1,125,134</u>	<u>1,125,134</u>	<u>1,199,418</u>	<u>74,284</u>
<b>EXPENDITURES:</b>				
Home and community services	790,579	826,383	724,808	101,575
Employee benefits	348,385	348,385	273,618	74,767
Total expenditures	<u>1,138,964</u>	<u>1,174,768</u>	<u>998,426</u>	<u>176,342</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(13,830)</u>	<u>(49,634)</u>	<u>200,992</u>	<u>250,626</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - out	(112,170)	(121,174)	-	121,174
Total other financing sources (uses)	<u>(112,170)</u>	<u>(121,174)</u>	<u>-</u>	<u>121,174</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (126,000)</u>	<u>\$ (170,808)</u>	<u>200,992</u>	<u>\$ 371,800</u>
FUND BALANCE - beginning of year			<u>2,589,280</u>	
FUND BALANCE - end of year			<u>\$ 2,790,272</u>	

**TOWN OF PITTSFORD, NEW YORK**

**SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFIT PLAN (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Actuarial Valuation Date	Fiscal Year Ended	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a percentage of Covered Payroll
January 1, 2014	12/31/2016	\$ -	\$ 13,584,944	\$ 13,584,944	0%	\$ 6,721,314	202%
January 1, 2014	12/31/2015	\$ -	\$ 13,584,944	\$ 13,584,944	0%	\$ 6,882,232	197%
January 1, 2014	12/31/2014	\$ -	\$ 13,584,944	\$ 13,584,944	0%	\$ 6,538,371	208%

**TOWN OF PITTSFORD, NEW YORK**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS</b>										
Proportion of the net pension liability (asset)	0.021%	0.021%								
Proportionate share of the net pension liability (asset)	\$ 3,307	\$ 703								
Covered-employee payroll	\$ 5,781	\$ 5,642								
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	57.21%	12.46%								
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.70%	97.90%								

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

TOWN OF PITTSFORD, NEW YORK

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS - PENSION PLAN (UNAUDITED)  
 FOR THE YEAR ENDED DECEMBER 31, 2016

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS</b>										
Contractually required contribution	\$ 852	\$ 995								
Contributions in relation to the contractually required contribution	<u>852</u>	<u>995</u>								
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
Covered-employee payroll	\$ 5,781	\$ 5,642								
Contributions as a percentage of covered-employee payroll	14.75%	17.64%								

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

**TOWN OF PITTSFORD, NEW YORK**

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2016**

	General Fund <u>Part-Town</u>	Debt Service <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,302,042	\$ 781,810	\$ 753,144	\$ 2,836,996
Receivables	7,916	-	-	7,916
Due from other funds	24,415	-	-	24,415
Due from other governments	198,842	-	1,768	200,610
Prepaid expenditures	<u>15,150</u>	<u>-</u>	<u>18,581</u>	<u>33,731</u>
Total assets	<u>\$ 1,548,365</u>	<u>\$ 781,810</u>	<u>\$ 773,493</u>	<u>\$ 3,103,668</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 1,106	\$ -	\$ 913	\$ 2,019
Accrued liabilities	<u>8,420</u>	<u>-</u>	<u>14,507</u>	<u>22,927</u>
Total liabilities	<u>9,526</u>	<u>-</u>	<u>15,420</u>	<u>24,946</u>
<b>FUND BALANCES:</b>				
Nonspendable	15,150	-	18,581	33,731
Restricted	145,548	781,810	122,357	1,049,715
Assigned	<u>1,378,141</u>	<u>-</u>	<u>617,135</u>	<u>1,995,276</u>
Total fund balances	<u>1,538,839</u>	<u>781,810</u>	<u>758,073</u>	<u>3,078,722</u>
Total liabilities and fund balances	<u>\$ 1,548,365</u>	<u>\$ 781,810</u>	<u>\$ 773,493</u>	<u>\$ 3,103,668</u>



**TOWN OF PITTSFORD, NEW YORK**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General Fund <u>Part-Town</u>	Debt Service <u>Fund</u>	Total Nonmajor Special Revenue <u>Funds</u>	Total Nonmajor Governmental <u>Funds</u>
<b>REVENUES:</b>				
Real property taxes and tax items	\$ -	\$ 18,590	\$ 1,439,691	\$ 1,458,281
Nonproperty tax items	897,716	-	-	897,716
Departmental income	41,697	-	144,113	185,810
Intergovernmental charges	7,800	-	-	7,800
Use of money and property	1,087	411	934	2,432
Licenses and permits	83,841	-	-	83,841
Sale of property and compensation for loss	13,410	-	-	13,410
Miscellaneous	1,093	-	60	1,153
	<u>1,046,644</u>	<u>19,001</u>	<u>1,584,798</u>	<u>2,650,443</u>
<b>Total revenues</b>				
<b>EXPENDITURES:</b>				
General governmental support	43,737	-	-	43,737
Public safety	207,575	-	123,506	331,081
Public health	-	-	-	-
Transportation	-	-	55,812	55,812
Culture and recreation	-	-	1,059,180	1,059,180
Home and community services	522,384	-	-	522,384
Employee benefits	200,403	-	268,008	468,411
Debt service -				
Principal	-	656,816	-	656,816
Interest	-	463,851	-	463,851
	<u>974,099</u>	<u>1,120,667</u>	<u>1,506,506</u>	<u>3,601,272</u>
<b>Total expenditures</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>72,545</u>	<u>(1,101,666)</u>	<u>78,292</u>	<u>(950,829)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Premium on bond anticipation note	-	207,142	-	207,142
Operating transfers - in	-	976,786	-	976,786
	<u>-</u>	<u>1,183,928</u>	<u>-</u>	<u>1,183,928</u>
<b>Total other financing sources and uses</b>				
<b>CHANGE IN FUND BALANCE</b>	72,545	82,262	78,292	233,099
<b>FUND BALANCE - beginning of year</b>	<u>1,466,294</u>	<u>699,548</u>	<u>679,781</u>	<u>2,845,623</u>
<b>FUND BALANCE - end of year</b>	<u>\$ 1,538,839</u>	<u>\$ 781,810</u>	<u>\$ 758,073</u>	<u>\$ 3,078,722</u>

**TOWN OF PITTSFORD, NEW YORK**

**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2016**

	Public Library Fund	Consolidated Lighting District	Parks Fund	Park Land Deposits Fund	Fire Protection Fund	Ambulance District Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 451,306	\$ 41,491	\$ 122,357	\$ 137,990	\$ -	\$ -	\$ 753,144
Due from other governments	1,768	-	-	-	-	-	1,768
Prepaid expenses	18,581	-	-	-	-	-	18,581
Total assets	<u>\$ 471,655</u>	<u>\$ 41,491</u>	<u>\$ 122,357</u>	<u>\$ 137,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,493</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 913
Accrued liabilities	14,507	-	-	-	-	-	14,507
Total liabilities	<u>15,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,420</u>
<b>FUND BALANCES:</b>							
Nonspendable	18,581	-	-	-	-	-	18,581
Restricted	-	-	122,357	-	-	-	122,357
Assigned	437,654	41,491	-	137,990	-	-	617,135
Total fund balances	<u>456,235</u>	<u>41,491</u>	<u>122,357</u>	<u>137,990</u>	<u>-</u>	<u>-</u>	<u>758,073</u>
Total liabilities and fund balances	<u>\$ 471,655</u>	<u>\$ 41,491</u>	<u>\$ 122,357</u>	<u>\$ 137,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,493</u>

**TOWN OF PITTSFORD, NEW YORK**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016**

	Public Library Fund	Consolidated Lighting Fund	Parks Fund	Park Land Deposits Fund	Fire Protection Fund	Ambulance District Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>							
Real property taxes and tax items	\$ 1,188,547	\$ 56,845	\$ 70,793	\$ -	\$ 21,047	\$ 102,459	\$ 1,439,691
Departmental income	93,613	-	-	50,500	-	-	144,113
Miscellaneous	60	-	-	-	-	-	60
Use of money and property	827	12	31	64	-	-	934
<b>Total revenues</b>	<b>1,283,047</b>	<b>56,857</b>	<b>70,824</b>	<b>50,564</b>	<b>21,047</b>	<b>102,459</b>	<b>1,584,798</b>
<b>EXPENDITURES:</b>							
Public health	-	-	-	-	-	-	-
Transportation	-	55,812	-	-	-	-	55,812
Public safety	-	-	-	-	21,047	102,459	123,506
Culture and recreation	989,039	-	70,141	-	-	-	1,059,180
Employee benefits	268,008	-	-	-	-	-	268,008
<b>Total expenditures</b>	<b>1,257,047</b>	<b>55,812</b>	<b>70,141</b>	<b>-</b>	<b>21,047</b>	<b>102,459</b>	<b>1,506,506</b>
<b>CHANGE IN FUND BALANCE</b>	<b>26,000</b>	<b>1,045</b>	<b>683</b>	<b>50,564</b>	<b>-</b>	<b>-</b>	<b>78,292</b>
<b>FUND BALANCE - beginning of year</b>	<b>430,235</b>	<b>40,446</b>	<b>121,674</b>	<b>87,426</b>	<b>-</b>	<b>-</b>	<b>679,781</b>
<b>FUND BALANCE - end of year</b>	<b>\$ 456,235</b>	<b>\$ 41,491</b>	<b>\$ 122,357</b>	<b>\$ 137,990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 758,073</b>