

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

TOWN OF

**CHEEKTOWAGA**

ERIE COUNTY, NEW YORK



*FOR THE FISCAL YEAR ENDED  
DECEMBER 31, 2011*

Mary F. Holtz, Supervisor

Councilmembers:

Patricia A. Jaworowicz  
Stanley J. Kaznowski, III  
Gerald P. Kaminski

James P. Rogowski  
Charles C. Markel  
Angela M. Wozniak



# TOWN OF CHEEKTOWAGA, NEW YORK

## Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2011

Prepared by:

Town of Cheektowaga  
Office of the Supervisor

Mary F. Holtz

Supervisor



**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2011**

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Introductory Section

Letter of Transmittal .....	1
GFOA Certificate of Achievement .....	6
Town Officials .....	7
Organizational Chart.....	8

Financial Section

Independent Auditors' Report .....	9
Management's Discussion and Analysis (MD&A) .....	11

Basic Financial Statements:

**Government-wide Financial Statements:**

Statement of Net Assets (Deficit) .....	21
Statement of Activities.....	22

**Fund Financial Statements:**

Balance Sheet—Governmental Funds .....	23
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)—Governmental Funds .....	25
Statement of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—General Fund .....	27
Statement of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Highway Fund .....	28
Statement of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Sewer Fund .....	29
Statement of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Consolidated Garbage Fund .....	30
Statement of Fiduciary Net Assets—Fiduciary Fund .....	31
Notes to the Financial Statements .....	32

(continued)



**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2011**

---

Combining, Individual Fund Statements and Schedules

Combining Balance Sheet—Nonmajor Governmental Funds .....	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds .....	56
Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Town Outside Village Fund.....	57
Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Debt Service Fund .....	58
Combining Balance Sheet—Nonmajor Special District Funds .....	59
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Special District Funds .....	60
Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Lighting District Fund .....	61
Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Master Drainage Fund .....	62
Schedule of Revenues, Expenditures and Changes in Fund Balance— Budget and Actual—Water Hydrant Districts Fund.....	63

Statistical Section

Schedule I—Net Assets by Component.....	64
Schedule II—Changes in Net Assets .....	65
Schedule III—Program Revenues by Function/Program.....	66
Schedule IV—Fund Balances, Governmental Funds.....	67
Schedule V—Changes in Fund Balances, Governmental Funds .....	68
Schedule VI—Tax Revenues by Source, Governmental Funds .....	70
Schedule VII—Assessed and Estimated Actual Value of Taxable Property .....	71
Schedule VIII—Direct and Overlapping Property Tax Rates.....	72
Schedule IX—Principal Taxpayers.....	73

(continued)



**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2011**

---

	(concluded)
Schedule X—Property Tax Levies and Collections.....	74
Schedule XI—Ratios of Outstanding Debt by Type.....	75
Schedule XII—Ratios of General Bonded Debt Outstanding.....	76
Schedule XIII—Computation of Estimated Direct and Overlapping Debt.....	77
Schedule XIV—Legal Debt Margin Information .....	78
Schedule XV—Demographic and Economic Statistics .....	79
Schedule XVI—Principal Cheektowaga Chamber of Commerce Business Members.....	80
Schedule XVII—Full-time Equivalent Town Government Employees by Function/Program.....	81
Schedule XVIII—Operating Indicators .....	83
Schedule XIX—Capital Asset Statistics by Function/Program .....	84



# INTRODUCTORY SECTION



# The Town of Cheektowaga



CHEEKTOWAGA TOWN HALL  
3301 BROADWAY  
CHEEKTOWAGA, NEW YORK 14227  
(716) 686-3465  
mholtz@tocny.org

MARY F. HOLTZ  
Town Supervisor

June 7, 2012

To the Citizens of the Town of Cheektowaga:

The comprehensive annual financial report of the Town of Cheektowaga, New York (the "Town") for the fiscal year ended December 31, 2011 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rest with the Town. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and the results of operations of the various funds of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included in this report.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established by the Town. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements

The Town's financial statements have been audited by Drescher & Malecki LLP. They have issued an unqualified opinion thereon. The independent auditors' report is located at the front of the financial section of this report.

The management's discussion and analysis (the "MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A is intended to complement this letter of transmittal and should be read in conjunction with it.

The independent audit of the financial statements of the Town was also a part of the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Single Audit Report.

### ***Profile of the Town***

The Town is one of the several suburbs of Buffalo, New York. The Town is one of the largest towns in New York State and is centrally located within the region, which is commonly referred to as Western New York. The Town is a unit of local government created by the State of New York. The Town operates under provisions of New York State law with authority vested by those statutes.

The Town provides a full range of services. These services include police protection; sewage utility; sanitation and recycling; construction and maintenance of highways, roads and infrastructure; culture and recreation; community development and general administrative services. The Cheektowaga Economic Development Corporation has been included in the financial statements of the Town as the Town Board is able to exercise significant control over its activities. Other units of government, which operate within the boundaries of the Town, are the Villages of Sloan, Depew and Williamsville. In addition, portions, or the total, of eight school districts provide public education within the Town. None of these entities have met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report.

### ***Local economy***

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment in which the Town operates.

The region has many positive attributes. The area boasts to house one of the seven natural wonders of the world, Niagara Falls, which attracts thousands of tourists each year. We have a national league football and hockey team, a prominent theater district in downtown Buffalo that has recently undergone extensive improvements, a renowned philharmonic orchestra, and numerous other cultural and social activities. The Town of Cheektowaga is located close to Lake Erie, with numerous public beaches and docks available to residents and visitors. The Lake Erie waterfront also has vast development possibilities, which currently is being discussed by local officials. We are located a short distance from major metropolis areas, including Toronto, Canada, representing the center of Canadian commerce, industry and population, Cleveland, Ohio and Pittsburgh, Pennsylvania.

The Town has a solid financial footing and hosts a regional shopping hub that continually lures additional retail opportunities. Throughout the year, the Town stood steadfast in its financial operations; The Town successfully negotiated a new contract with one of our five unions whose contract was expired since 2009. This new contract includes the end of legacy health insurance and contributions toward health insurance by all members of this union. The wage increases of 2.0% continue to be some of the lowest in the area. The Town has remained committed with regard to these items being included in the other three union contracts as negotiations continue.

Positive factors which have helped or are anticipated to help the local economy include:

1. Buffalo Niagara International Airport – Travelers paid the second-highest airfare in the nation several years ago. Over the last several years, airport fares have been driven down by powerhouse budget carriers such as Southwest Airlines, Jet Blue, and AirTran. Today, this airport is the hub for a huge travel market stretching deep into Upstate New York and Southern Ontario.

2. The Town continues to be a hub of commercial and residential development in Western New York. During 2011, the Town issued 2,070 building permits with a construction value of slightly more than \$45.8 million.
3. There were some existing Town businesses that decided to expand their facilities. Derrick Manufacturing added 128,000 square feet to its facility for a cost of \$9.7 million. Upstate Farms and Keller Chevrolet also expanded their facilities for a total of \$1.3 million. Other major developments within Town included a re-use of a warehouse by Latino Foods totaling \$2.3 million and a new restaurant/micro brewery named Gordon Biersch which tallied \$1.7 million.
4. The Town has continued its work on the 27,000 square foot addition and extensive renovations to the existing police/court facility. The phase 1 addition portion of the project is expected to be completed in spring/summer 2012. The renovation of the existing building in phase 2 is expected to be completed in winter 2012. The project continues to progress well within the \$15.5 million budget.

### ***Long-term financial planning***

The General Fund's unassigned fund balance of \$8,923,294 represents approximately 22 percent of its annual operating budget. The fund balance of the General Fund increased by \$2,693,532 from 2010. This fund balance is viewed by management as a fiscally sound position. The Council believes this level of fund balance is adequate and it intends to maintain current levels.

As part of its strategic plan, the Town has set some goals and objectives in order to move forward and make the Town a better place to live. A few of these goals are as follows:

1. Economic Development – The Town Board recognized the fact that we need to do more to not only attract new business to Town and create more jobs and opportunities, but we must also work with our existing businesses to keep them here.
2. As a member of the Erie County Industrial Development Agency, the Town has strongly emphasized the needs of our community. There has been a new emphasis on reaching out to businesses by the ECIDA and passage of “The Reuse Policy” allows for loans and assistance to older structures which should help our community. Other than the City of Buffalo, more businesses in Cheektowaga have been assisted by the ECIDA than any other community.
3. The Town has taken action to deal with unsafe and abandoned structures to eliminate eyesores and hazardous situations. The Town has demolished 11 vacant buildings in 2011 and a total of 26 have been demolished since May 2008. Additionally, 9 more are slated for demolition in 2012.
4. During 2011, the Town, through our Community Development Office, has rehabilitated and brought up to housing code standards 53 housing units for a total investment of \$1.25 million. Additionally, rehabilitation work on another 9 houses was either begun or approved through the Community Development Office. The housing rehabilitation program and the Town's code enforcement efforts are important elements of the Town's commitment to stabilize and preserve its neighborhoods.

### ***Major initiatives***

There are a number of positive items to report in the area of service accomplishments and revenue enhancement / cost reduction:

1. To aid the planning of future development in the Town, we are currently working on updating the Town's Master Plan. The plan is partially funded with a \$100,000 Quality Communities Grant from the State of New York. This master plan will be a key tool through the next decade and beyond related to land use, town development and green space.
2. Our Youth and Recreation Department continues its commitment to family oriented programs, customer service and community partnerships. In 2011, they offered a total of 115 programs, services and events to an estimated 65,000 youths and adults. The department saw a 2% increase in program revenue and brought in approximately \$970,000 in total revenues.
3. The Town received \$718,800 in grant monies from the United States Department of Energy. These monies were used to help replace two building roofs and purchase 658 solar panels for installation on four Town buildings. The Town anticipates saving \$625,000 in utility costs over the 25 year life of the system.
4. Our engineering department following design approval from the New York State Department of Environmental Conservation, administered contracts for the construction of the North Creek Sanitary Sewer Project. It consists of approximately 5100 linear feet of sanitary sewer pipeline. This sewer interceptor project will redirect wastewater flows from the North Creek Drive/ JFK intersection to a downstream sanitary sewer having available capacity. This project provided for the elimination of a four inch discharge pump.

Through innovative ideas and continual efforts of our Town employees, we remain an active and financially stable Town.

### ***Financial policies***

The Town has developed a Capital Plan for future capital projects within the Town. Management has decided to fund some of these projects out of current fund balances in the General and Sewer funds. These amounts have been reserved in the fund balances of each of those funds.

### ***Awards and acknowledgements***

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the twenty-first consecutive year that the Town has received this prestigious award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the accounting department. I would like to express my appreciation to all who assisted and contributed to its preparation.

In closing, I also wish to thank the Town Board for their leadership and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Sincerely,

A handwritten signature in blue ink that reads "Mary F. Holtz". The signature is written in a cursive style with a large, looped initial "M".

Mary F. Holtz  
Supervisor  
Chief Fiscal Officer



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Cheektowaga  
New York

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Sandison*

President

*Jeffrey R. Emer*

Executive Director



**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Town Officials**  
**Year Ended December 31, 2011**

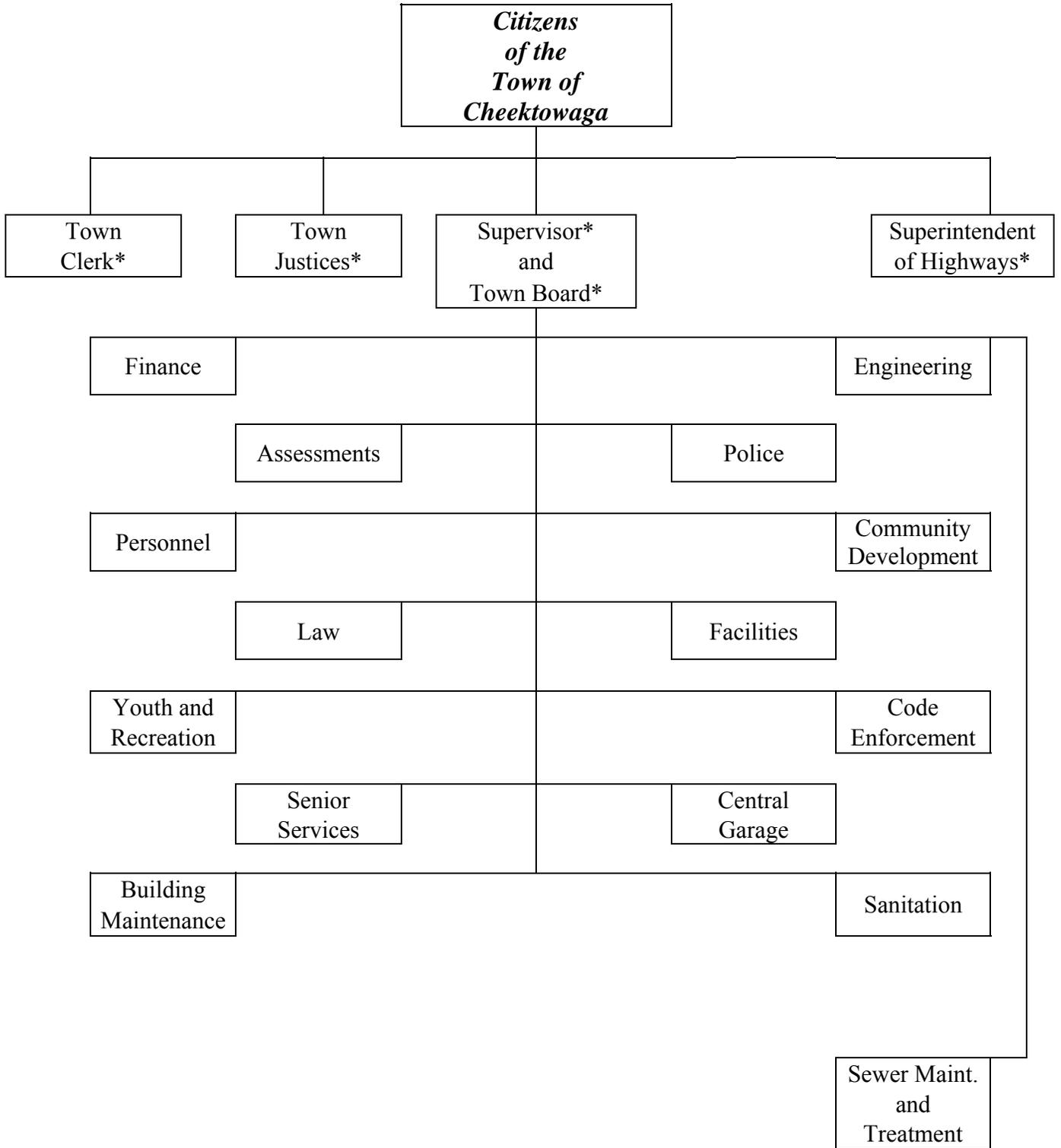
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<b>Name:</b>	<b>Title:</b>
<b>Elected:</b>	
Mary F. Holtz	Supervisor
Patricia A. Jaworowicz	Councilmember
Jeff Swiatek	Councilmember
James P. Rogowski	Councilmember
Richard A. Zydel	Councilmember
Charles C. Markel	Councilmember
Stanley J. Kaznowski III	Councilmember
Gerald P. Kaminski	Councilmember (elect)
Angela M. Wozniak	Councilmember (elect)
Thomas S. Kolbert	Town Justice
Dennis Delano	Town Justice
Paul Piotrowski	Town Justice (elect)
Mark D. Wegner	Superintendent of Highways
Alice Magierski	Town Clerk/Receiver of Taxes
<b>Appointed:</b>	
Jeneen McSkimming	Town Assessor
Kevin Schenk	Town Attorney
Brian M. Krause	Director of Administration and Finance
<b>Civil Service:</b>	
William Pugh	Town Engineer
David J. Zack	Police Chief



# TOWN OF CHEEKTOWAGA

## ORGANIZATIONAL CHART



\* Represents an independently elected official.



## FINANCIAL SECTION



## **INDEPENDENT AUDITORS' REPORT**

Honorable Town Board  
Town of Cheektowaga, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Cheektowaga, New York (the "Town") as of and for the year ended December 31, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Cheektowaga Economic Development Corporation, which are shown as a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Cheektowaga Economic Development Corporation, is based solely on the report of other auditors.

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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, 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 at December 31, 2011, and the respective changes in financial position thereof and the respective budgetary comparisons for the General, Highway, Sewer and Consolidated Garbage Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis as listed in the forgoing table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Drescher & Malachuk LLP*

June 7, 2012

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2011**

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As management of the Town of Cheektowaga, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2011. This document should be read in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

**Financial Highlights**

- ◆ During the year ended December 31, 2011, the Town adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the Town to change its fund balance classifications.
- ◆ The Town's Governmental Activities net assets decreased \$1,501,032, as a result of this year's activity.
- ◆ The assets of the primary government of the Town exceeded its liabilities at the close of the fiscal year by \$54,424,409 (net assets). Of this amount, \$6,570,885 is considered to be an unrestricted net deficit.
- ◆ At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$31,280,637, a decrease of \$8,502,373 in comparison with the prior year. Of this amount, \$26,192,118 is considered unrestricted fund balance; the remainder is subject to external restrictions (restricted) or is not available for spending (nonspendable).
- ◆ The General Fund reported a net increase in fund balance this year of \$2,693,532. At December 31, 2011, unassigned fund balance for the General Fund was \$8,923,294, or 19.1 percent of 2012 General Fund appropriations.
- ◆ The Town's total bonded debt decreased by \$1,935,000 during the current year. This decrease was due to principal payments.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The basic financial statements include two kinds of statements that present different views of the Town:

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also the Cheektowaga Economic Development Corporation for which the Town is financially accountable. Financial information for this *component unit* is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 21-22 of this report.

**Fund financial statements.** A *fund* is a 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. During the year ended December 31, 2011, the Town adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, which requires the Town to change its fund balance classifications for governmental funds. The new classifications are nonspendable, restricted, committed, assigned and unassigned. Additional information on the Town's fund balance classifications can be found in Notes 1 and 14. The Town has two kinds of funds:

**Governmental 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 statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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 thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway, Sewer, Consolidated Garbage, Community Development and Capital Projects funds, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town adopts an annual appropriated budget for General, Highway, Sewer, Consolidated Garbage, Town Outside Village, Debt Service, Lighting, Master Drainage and Water Hydrant funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 23-30 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town’s own programs.

The fiduciary fund financial statements can be found on page 31 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32-54 of this report.

**Other information.** As stated earlier, the financial statements include a section with combining statements that provide details about our nonmajor governmental funds, which are added together and presented in single columns in the basic financial statements. Additionally, the financial statements include a statistical section to provide additional analysis on the Town.

The supplemental financial statements can be found following the notes to the financial statements on pages 55-63 of this report. The Statistical Section can be found at pages 64-84 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets exceeded liabilities by \$54,424,409 at the close of the 2011 fiscal year, as compared to \$55,925,441 at the close of the 2010 fiscal year.

**Table 1 – Condensed Statement of Net Assets**

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
	<u>                    </u>	<u>                    </u>
Current assets	\$ 72,740,450	\$ 66,048,900
Capital assets	86,132,460	72,995,343
Total assets	<u>158,872,910</u>	<u>139,044,243</u>
Current liabilities	41,593,794	26,427,819
Noncurrent liabilities	<u>62,854,707</u>	<u>56,690,983</u>
Total liabilities	<u>104,448,501</u>	<u>83,118,802</u>
Invested in capital assets, net of related debt	57,296,433	53,004,308
Restricted	3,698,861	2,136,124
Unrestricted	<u>(6,570,885)</u>	<u>785,009</u>
Total net assets	<u>\$ 54,424,409</u>	<u>\$ 55,925,441</u>

The largest portion of the Town’s net assets reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town’s investment in 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.

An additional portion of the Town’s net assets, \$3,698,861, represents resources that are subject to external restrictions on how they may be used. The final portion of net assets (deficit), \$6,570,885, is considered to be an unrestricted net deficit.

Total net assets decreased \$1,501,032 from prior year. The decrease in net assets can be primarily attributed to increased expenses related to the Town’s other postemployment benefits (“OPEB”) costs and increases in employee benefits, in addition to decreases in revenue received from interest earnings, sale of property and compensation for loss and unrestricted state aid during the year ended December 31, 2011.

The Town had a ratio of current assets to current liabilities of 1.75 at December 31, 2011, which decreased from 2.50 at December 31, 2010. Such a ratio implies that the Town has sufficient assets on hand to meet obligations in the coming year.

Table 2, shown below, presents a comparison of current assets to current liabilities at December 31, 2011 and December 31, 2010:

**Table 2 – Current assets and current liabilities**

	<b>December 31,</b>	
	<b>2011</b>	<b>2010</b>
Current assets	\$72,740,450	\$66,048,900
Current liabilities	41,593,794	26,427,819
 Ratio of current assets to current liabilities	 1.75	 2.50

Table 3, presented on the following page, shows the changes in net assets for the years ended December 31, 2011 and December 31, 2010.

**Table 3 – Condensed Statements of Revenues, Expenses and Changes in Net Assets**

	<b>Year Ended December 31,</b>	
	<b>2011</b>	<b>2010</b>
Program revenues:		
Charges for services	\$ 3,860,704	\$ 3,979,934
Operating grants and contributions	2,489,086	2,890,335
Capital grants and contributions	1,510,051	1,009,851
General revenues	<u>77,231,181</u>	<u>74,439,262</u>
Total revenues	<u>85,091,022</u>	<u>82,319,382</u>
Program expenses	<u>86,592,054</u>	<u>87,170,341</u>
Change in net assets	(1,501,032)	(4,850,959)
Net assets—beginning	<u>55,925,441</u>	<u>60,776,400</u>
Net assets—ending	<u>\$ 54,424,409</u>	<u>\$ 55,925,441</u>

Overall revenues increased by 3.4 percent due primarily to increased property taxes, coupled with increases in miscellaneous revenues and capital grants and contributions. Total program expenses decreased 0.7 percent from the year ended December 31, 2010 due primarily to decreased general government support and transportation costs, coupled by interest expense savings realized by the refunding of serial bonds in 2010. These decreases were offset by rising OPEB and employee benefit costs, as well as heightened public safety and home and community service costs.

A summary of sources of revenues for the years ended December 31, 2011 and December 31, 2010 is presented below in Table 4:

**Table 4 – Summary of Sources of Revenues**

	<b>Year Ended December 31,</b>		<b>Increase/(decrease)</b>	
	<b>2011</b>	<b>2010</b>	<b>Dollars</b>	<b>Percent</b>
Charges for services	\$ 3,860,704	\$ 3,979,934	\$ (119,230)	(3.0)
Operating grants and contributions	2,489,086	2,890,335	(401,249)	(13.9)
Capital grants and contributions	1,510,051	1,009,851	500,200	49.5
Property and other taxes	73,955,055	71,637,413	2,317,642	3.2
Interest earnings	387,965	453,969	(66,004)	(14.5)
Miscellaneous	1,247,675	622,231	625,444	100.5
Unrestricted state aid	<u>1,640,486</u>	<u>1,725,649</u>	<u>(85,163)</u>	<u>(4.9)</u>
Total revenues, net	<u>\$ 85,091,022</u>	<u>\$ 82,319,382</u>	<u>\$ 2,771,640</u>	3.4

As presented in Table 4, the Town's most significant source of revenues is property and other taxes, which accounts for \$73,955,055, or 86.9 percent of total revenues, for the year ended December 31, 2011 and \$71,637,413, or 86.7 percent of total revenues, for the year ended December 31, 2010. The next largest source of revenue for the year ended December 31, 2011 was charges for services of \$3,860,704, or 4.5 percent of total revenues, as compared to \$3,979,934, or 4.8 percent of total revenues for the year ended December 31, 2010.

During the year ended December 31, 2011, property and other taxes increased \$2,317,642 from the year ended December 31, 2010. The Town also experienced greater capital grant contributions than prior year; these revenues root from various increased federal and state aid. In addition, miscellaneous revenues increased \$672,564 from the year ended December 31, 2010, mainly due to increased asset forfeitures.

A summary of program expenses for the years ended December 31, 2011 and December 31, 2010 is presented below in Table 5:

**Table 5 – Summary of Program Expenses**

	<u>Year Ended December 31,</u>		<u>Increase/(decrease)</u>	
	<u>2011</u>	<u>2010</u>	<u>Dollars</u>	<u>Percent</u>
General government support	\$ 11,638,466	\$ 15,065,695	\$ (3,427,229)	(22.7)
Public safety	25,901,940	23,838,771	2,063,169	8.7
Transportation	11,561,944	12,062,694	(500,750)	(4.2)
Economic assistance and opportunity	15,631	11,785	3,846	32.6
Culture and recreation	7,880,239	7,693,325	186,914	2.4
Home and community services	28,864,364	27,716,827	1,147,537	4.1
Interest and other fiscal charges	729,470	781,244	(51,774)	(6.6)
Total program expenses	<u>\$ 86,592,054</u>	<u>\$ 87,170,341</u>	<u>\$ (578,287)</u>	<u>(0.7)</u>

The Town’s significant expense items for the year ended December 31, 2011 were home and community services of \$28,864,364 or 33.3 percent of total expenses (primarily sewer, lighting, and sanitation services), public safety of \$25,901,940 or 29.9 percent of total expenses (primarily police services), general government support of \$11,638,466 or 13.4 percent of total expenses and transportation of \$11,561,944 or 13.4 percent of total expenses (primarily highway and road services). Similarly, for the year ended December 31, 2010 significant expenses were home and community services of \$27,716,827 or 31.8 percent of total expenses, public safety of \$23,838,771 or 27.3 percent of total expenses, general government support of \$15,065,695 or 17.3 percent of total expenses and transportation of \$12,062,694 or 13.9 percent of total expenses.

General government support expenses during the year ended December 31, 2011 decreased by \$3,427,230 from the year ended December 31, 2010, largely from a significant drop in judgments and claims costs. Additionally, this decrease, along with that within transportation, benefited from savings realized due to reduced personnel and equipment costs. These decreases were offset by increased OPEB and employee benefits costs.

**Financial Analysis of the Town’s Funds**

**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 a fiscal year.

As of the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$31,280,637, a decrease of \$8,502,373 in comparison with the prior year. Of this amount, \$26,192,118 is considered unrestricted; however, amounts within unrestricted fund balance have been set aside (assigned) for various purposes, including encumbrances, capital projects, equipment purchases, pollution remediation, building demolition and next year’s budget. The remainder of fund balance is

*restricted or nonspendable* to indicate that it is not available for new spending because it has already been committed for self-insurance, to pay debt service and for prepaid items.

The Town's General Fund ending fund balance was \$22,251,081. Approximately 40.1 percent, \$8,923,294, of this amount is unassigned fund balance. The General Fund fund balance increased \$2,693,532 as a result of this year's activity. Overall General Fund revenues for the year ended December 31, 2011 were marginally higher in comparison to the year ended December 31, 2010, increasing 2.7 percent, \$1,158,551. This increase was largely the result of increased real property tax revenue received within the fund, up \$1,750,619, additional support from federal aid due to new grants, which accounted for an increase of \$132,371 from the prior year, and increased departmental income, which increased \$93,591 from prior year. These increases in revenue were somewhat offset by decreased use of money and property from interest earnings and fines and forfeitures. Total expenditures for the year ended December 31, 2011 decreased \$883,146 from December 31, 2010. During the year ended December 31, 2011, the General Fund experienced a significant decrease in risk financing costs from the year December 31, 2010. This decrease was offset by a large increase in employee benefits due to rising health insurance and retirement costs.

The Town's Highway Fund ending fund balance was \$5,485,666. Approximately 52.5 percent, \$2,878,474, of this amount is reported as fund balance assigned for specific (Highway Fund) use. During the year ended December 31, 2011 the Highway Fund fund balance increased \$1,205,942 largely from favorable sale tax receipts and controlling transportation costs in the fund, aided by a reduction in transfers out for debt principal and interest.

The Town's Sewer Fund ending fund balance was \$6,425,230. Approximately 27.6 percent, \$1,776,264, of this amount is fund balance assigned for specific (Sewer Fund) use. Fund balance within the Sewer Fund improved by \$48,221 in the current year mainly from controlling home and community service expenditures.

The Town's Consolidated Garbage Fund ending fund balance was \$4,761,823. Approximately 31.7 percent, \$1,508,530, of this amount is fund balance assigned for specific (Consolidated Garbage Fund) use. The Town Consolidated Garbage Fund decreased by \$170,581, mainly due to increasing personnel and employee benefits costs.

The Town's Community Development Fund ending fund balance was \$89,150. Nearly 99.2 percent, \$88,410, of this amount is fund balance assigned for specific (Community Development Fund) use. During the year ended December 31, 2011 the Community Development Fund fund balance decreased by \$102,258.

The Town's Capital Projects Fund ending fund balance was in a deficit position, \$(15,114,575). This deficit is expected to be remedied through the future issuance of long-term debt. During the year ended December 31, 2011, the Capital Projects Fund's deficit increased by \$12,492,018 due to continued capital improvement expenditures at the Town Hall/Court complex

A summary of the Town’s major funds’ fund balance is provided in Table 6.

**Table 6—Major Funds’ Fund Balance**

	<u>General</u>	<u>Highway</u>	<u>Sewer</u>
Net change in fund balances	\$ 2,693,532	\$ 1,205,942	\$ 48,221
Unassigned or assigned to the fund's specific use	8,923,294	2,878,474	1,776,264
Total fund balance (deficit)	22,251,081	5,485,666	6,425,230
Percentage unassigned or assigned to specific use	40.1%	52.5%	27.6%
	<u>Consolidated Garbage</u>	<u>Community Development</u>	<u>Capital Projects</u>
Net change in fund balances	\$ (170,581)	\$ (102,258)	\$(12,492,018)
Unassigned or assigned to the fund's specific use	1,508,530	88,410	(15,114,575)
Total fund balance (deficit)	4,761,823	89,150	(15,114,575)
Percentage unassigned or assigned to specific use	31.7%	99.2%	n/a

**General Fund Budgetary Highlights**

During the year there was a \$344,436 net increase in General Fund appropriations between the original and final amended budget. This increase was due to \$231,402 in supplemental appropriations for general government support largely in anticipation of expenditures for computer network hardware and Town-wide telephone system.

These supplemental appropriations were primarily supported by expenditures falling under the original budget and from a variety of favorable revenues variances.

General Fund actual expenditures were \$5,010,744 less than final amended budget appropriations. Following are the main components of the variance:

- ◆ General government support expenditures were \$771,577 less than anticipated largely due to savings for contractual services, utility costs and payroll within buildings and grounds, central garage and the assessor’s departments.
- ◆ Public safety expenditures were \$731,474 less than budget due to less police department payroll and general equipment costs than projected.
- ◆ Culture and recreation expenditures were \$405,122 less than anticipated due to unexpected savings in personnel and utility costs.
- ◆ Although increased from the prior year, employee benefits were \$3,076,650 under the final budgeted amount due to less retirement, insurance and retirees’ hospitalization expenditures than forecasted with the budget.

## Capital Asset and Debt Administration

**Capital Assets.** The Town's investment in capital assets for its governmental funds as of December 31, 2011, amounted to \$86,132,460 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, infrastructure, buildings and improvements, vehicles and equipment.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the Town's capital asset policy.

Capital assets net of depreciation for the governmental activities at the years ended December 31, 2011 and 2010 are presented below:

**Table 7—Summary of Capital Assets (Net of Depreciation)**

	Governmental Activities	
	2011	2010
Land	\$ 6,781,714	\$ 6,725,239
Construction in progress	14,817,960	4,122,211
Buildings	10,570,929	10,965,464
Permanent fixtures	5,684,682	6,100,164
Machinery and equipment	10,747,464	10,268,425
Infrastructure	37,529,711	34,813,840
Total	<u>\$86,132,460</u>	<u>\$72,995,343</u>

The Town's infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide financial statements. The Town has elected to depreciate their infrastructure assets. Additional information on the Town's capital assets can be found in Note 7 of this report.

**Debt.** At December 31, 2011, the Town had total long-term bonds outstanding of \$9,380,000 as compared to \$11,315,000 in the prior year. During the year ended December 31, 2011, the made scheduled payments of \$1,935,000. New York State statutes limit the amount of general obligation debt a governmental entity may issue up to 7% of its five year valuation. The current debt-limitation for the Town is \$276,895,474, which is significantly in excess of the Town's outstanding general obligation debt.

The Town has a bond rating from Moody's Investor Service of Aa2. Additional information on the Town's long-term debt can be found in Note 9 of this report.

### Financial Positions, Economic Factors, Next Year's Budgets and Rates

- ◆ The unemployment rate for the Buffalo-Niagara statistical area, which includes the Town, was 7.9 percent, which is a decrease from a rate of 8.2 percent a year ago. This compares with the New York State average of 8.0 percent and the national average of 8.3 percent in December 2011.
- ◆ Healthcare costs consistently increase at rates well above inflation.

All of these factors are considered in preparing the Town's budgets.

The Town's 2012 budget includes the appropriation of \$4,042,455 of fund balance in the General Fund. The 2012 budget also includes a General Fund tax rate decrease of 1.5 percent.

### **Contacting the Town's Finance Department**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Supervisor's Office, Town of Cheektowaga, 3301 Broadway St., Cheektowaga, NY 14227.

# BASIC FINANCIAL STATEMENTS



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**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Net Assets (Deficit)**  
**December 31, 2011**

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Cheektowaga E.D.C. (March 31, 2011)</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 51,548,005	\$ 928,297
Restricted cash and cash equivalents	5,818,880	-
Accounts receivable	681,055	173,151
Loans receivable	6,787,002	970,045
Internal balances	182,041	-
Due from other governments	6,365,204	-
Prepays	1,358,263	-
Capital assets not being depreciated	21,599,674	-
Capital assets net of accumulated depreciation	<u>64,532,786</u>	<u>-</u>
Total assets	<u>158,872,910</u>	<u>2,071,493</u>
<b>LIABILITIES</b>		
Accounts payable	4,202,790	6,028
Accrued liabilities	6,391,288	-
Due to other governments	2,073,437	-
Bond anticipation notes payable	21,380,000	-
Unearned revenue	7,546,279	-
Noncurrent liabilities:		
Due within one year	3,048,999	-
Due in more than one year	<u>59,805,708</u>	<u>-</u>
Total liabilities	<u>104,448,501</u>	<u>6,028</u>
<b>NET ASSETS (DEFICIT)</b>		
Investment in capital assets, net of related debt	57,296,433	-
Restricted for:		
Insurance	1,653,598	-
Debt service	2,045,263	-
Unrestricted	<u>(6,570,885)</u>	<u>2,065,465</u>
Total net assets (deficit)	<u>\$ 54,424,409</u>	<u>\$ 2,065,465</u>

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

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2011**

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Assets</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Unit Cheektowaga E.D.C. (March 31,2011)</u>
<b>Primary government:</b>						
Governmental activities:						
General government support	\$ 11,638,466	\$ 913,453	\$ 39,493	\$ -	\$ (10,685,520)	\$ -
Public safety	25,901,940	1,158,002	527,079	400,203	(23,816,656)	-
Transportation	11,561,944	283,146	16,500	343,569	(10,918,729)	-
Economic assistance and opportunity	15,631	-	-	-	(15,631)	-
Culture and recreation	7,880,239	997,030	79,411	82,098	(6,721,700)	-
Home and community services	28,864,364	509,073	1,826,603	684,181	(25,844,507)	-
Interest and other fiscal charges	729,470	-	-	-	(729,470)	-
Total primary government	<u>\$ 86,592,054</u>	<u>\$ 3,860,704</u>	<u>\$ 2,489,086</u>	<u>\$ 1,510,051</u>	<u>(78,732,213)</u>	<u>-</u>
<b>Component unit:</b>						
Cheektowaga E.D.C.	\$ 117,856	\$ -	\$ -	\$ -	-	(117,856)
Total component unit	<u>\$ 117,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(117,856)</u>
General revenues:						
Property taxes					64,571,903	-
Non-property taxes:						
Sales tax					8,410,808	-
Franchise tax					972,344	-
Interest earnings					387,965	40,304
Sale of property and compensation for loss					251,296	-
Miscellaneous					996,379	12,421
Unrestricted state aid					1,640,486	-
Total general revenues					<u>77,231,181</u>	<u>52,725</u>
Change in net assets					(1,501,032)	(65,131)
Net assets—beginning					<u>55,925,441</u>	<u>2,130,596</u>
Net assets—ending					<u>\$ 54,424,409</u>	<u>\$ 2,065,465</u>

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

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**December 31, 2011**

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Consolidated Garbage</u>	<u>Community Development</u>			
<b>ASSETS</b>								
Cash and cash equivalents	\$ 27,615,083	\$ 1,990,992	\$ 7,990,947	\$ 5,421,265	\$ 169,733	\$ 999,774	\$ 7,360,211	\$ 51,548,005
Restricted cash and cash equivalents	-	-	-	-	-	5,818,880	-	5,818,880
Accounts receivable	658,235	2,471	3,822	15,936	-	-	591	681,055
Loans receivable	-	-	-	-	6,787,002	-	-	6,787,002
Due from other funds	691,108	730,463	8,393	20,901	-	1,047,120	105,521	2,603,506
Due from other governments	1,045,525	3,277,494	369,666	22,000	481,269	871,839	297,411	6,365,204
Prepaid items	1,052,356	135,214	80,726	78,463	740	-	42,159	1,389,658
Total assets	<u>\$ 31,062,307</u>	<u>\$ 6,136,634</u>	<u>\$ 8,453,554</u>	<u>\$ 5,558,565</u>	<u>\$ 7,438,744</u>	<u>\$ 8,737,613</u>	<u>\$ 7,805,893</u>	<u>\$ 75,193,310</u>
<b>LIABILITIES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 691,116	\$ 103,386	\$ 312,136	\$ 453,168	\$ 33,574	\$ 2,374,810	\$ 234,600	\$ 4,202,790
Accrued liabilities	5,446,738	340,585	156,103	257,709	-	-	87,567	6,288,702
Due to other funds	747,120	-	1,000,000	45,640	472,230	97,378	59,097	2,421,465
Due to other governments	1,315,416	58,556	560,085	40,225	56,788	-	42,367	2,073,437
Deferred revenue	610,836	148,441	-	-	6,787,002	-	-	7,546,279
Bond anticipation notes payable	-	-	-	-	-	21,380,000	-	21,380,000
Total liabilities	<u>8,811,226</u>	<u>650,968</u>	<u>2,028,324</u>	<u>796,742</u>	<u>7,349,594</u>	<u>23,852,188</u>	<u>423,631</u>	<u>43,912,673</u>
Fund balances:								
Nonspendable - prepaid items	1,052,356	135,214	80,726	78,463	740	-	42,159	1,389,658
Restricted:								
Insurance	1,653,598	-	-	-	-	-	-	1,653,598
Debt service	-	-	-	-	-	-	2,045,263	2,045,263
Assigned:								
Encumbrances	179,378	71,978	228,171	-	-	-	200	479,727
Capital projects	6,400,000	-	1,000,000	2,500,000	-	-	-	9,900,000
Equipment	-	1,500,000	-	-	-	-	-	1,500,000
Pollution remediation	-	-	2,700,000	-	-	-	-	2,700,000
Building demolition	-	-	-	-	-	-	108,754	108,754

(continued)

(concluded)

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Consolidated Garbage</u>	<u>Community Development</u>			
Subsequent year's expenditures	4,042,455	900,000	640,069	674,830	-	-	-	6,257,354
Subsequent year's expenditures, reported in nonmajor:								
Town outside village fund	-	-	-	-	-	-	125,000	125,000
Lighting district fund	-	-	-	-	-	-	282,406	282,406
Master drainage fund	-	-	-	-	-	-	19,961	19,961
Water hydrant fund	-	-	-	-	-	-	53,024	53,024
Specific uses	-	2,878,474	1,776,264	1,508,530	88,410	-	-	6,251,678
Specific uses, reported in nonmajor:								
Special purpose fund	-	-	-	-	-	-	803,398	803,398
Town outside village fund	-	-	-	-	-	-	1,977,245	1,977,245
Lighting district fund	-	-	-	-	-	-	1,078,974	1,078,974
Master drainage fund	-	-	-	-	-	-	497,744	497,744
Water hydrant fund	-	-	-	-	-	-	348,134	348,134
Unassigned	8,923,294	-	-	-	-	(15,114,575)	-	(6,191,281)
Total fund balances	<u>22,251,081</u>	<u>5,485,666</u>	<u>6,425,230</u>	<u>4,761,823</u>	<u>89,150</u>	<u>(15,114,575)</u>	<u>7,382,262</u>	<u>31,280,637</u>
Total liabilities and fund balances	<u>\$ 31,062,307</u>	<u>\$ 6,136,634</u>	<u>\$ 8,453,554</u>	<u>\$ 5,558,565</u>	<u>\$ 7,438,744</u>	<u>\$ 8,737,613</u>	<u>\$ 7,805,893</u>	<u>\$ 75,193,310</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$145,428,576 and the accumulated depreciation is \$59,296,116. 86,132,460

Bond issuance costs are reported as expenditures in the governmental funds. The issuance cost is \$222,199 and accumulated amortization is \$106,257. (5,006)  
Bond issuance premiums are reported as revenues in the governmental funds. The issuance premium is \$158,333 and accumulated amortization is \$37,385.

Net accrued interest for bonds and notes is not reported in the balance sheet for governmental funds. (128,975)

Long-term liabilities, including bonds payable, capital leases, claims and judgements, other post-employment obligation and compensated absences, are not due and payable in the current period and, therefore, are not reported in the governmental funds. (62,854,707)

Total net assets—governmental activities \$ 54,424,409

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

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds**  
**Year Ended December 31, 2011**

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Consolidated Garbage</u>	<u>Community Development</u>			
<b>REVENUES</b>								
Real property taxes	\$ 36,859,273	\$ 3,391,112	\$ 10,874,276	\$ 8,633,219	\$ -	\$ -	\$ 3,520,416	\$ 63,278,296
Other property tax items	1,006,317	63,172	-	219,350	-	-	4,767	1,293,606
Non property tax items	972,344	7,014,672	-	-	-	-	1,396,136	9,383,152
Departmental income	1,396,014	400	-	140,180	-	-	-	1,536,594
Intergovernmental charges	-	282,746	368,893	-	-	-	-	651,639
Use of money and property	146,366	10,907	31,388	27,681	96	25,729	145,798	387,965
Licenses and permits	35,340	-	-	-	-	-	579,629	614,969
Fines and forfeitures	1,057,502	-	-	-	-	-	-	1,057,502
Sale of property and compensation for loss	164,761	66,898	4,427	-	-	-	15,210	251,296
Miscellaneous	177,791	48,989	20,781	94,964	-	297,977	386,059	1,026,561
State aid	1,464,572	820,898	-	-	300,000	625,870	-	3,211,340
Federal aid	392,169	16,500	9,000	22,000	1,103,434	884,181	1,000	2,428,284
Total revenues	<u>43,672,449</u>	<u>11,716,294</u>	<u>11,308,765</u>	<u>9,137,394</u>	<u>1,403,530</u>	<u>1,833,757</u>	<u>6,049,015</u>	<u>85,121,204</u>
<b>EXPENDITURES</b>								
Current:								
General government support	7,826,860	-	-	-	-	1,637,351	-	9,464,211
Public safety	15,155,282	-	-	-	-	8,768,936	1,100,985	25,025,203
Transportation	239,253	6,558,199	-	-	-	3,387,929	-	10,185,381
Economic assistance and opportunity	11,248	-	-	-	-	-	-	11,248
Culture and recreation	5,194,332	-	-	-	-	77,229	58,814	5,330,375
Home and community services	-	5,388	8,149,952	6,755,059	1,505,788	1,911,828	3,019,233	21,347,248
Employee benefits	12,265,629	2,361,697	1,726,204	2,139,916	-	-	737,462	19,230,908
Debt service:								
Principal—serial bonds	-	-	-	-	-	-	1,935,000	1,935,000
Principal—capital leases	-	-	-	-	-	-	362,975	362,975
Interest	-	-	-	-	-	-	731,028	731,028
Total expenditures	<u>40,692,604</u>	<u>8,925,284</u>	<u>9,876,156</u>	<u>8,894,975</u>	<u>1,505,788</u>	<u>15,783,273</u>	<u>7,945,497</u>	<u>93,623,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,979,845</u>	<u>2,791,010</u>	<u>1,432,609</u>	<u>242,419</u>	<u>(102,258)</u>	<u>(13,949,516)</u>	<u>(1,896,482)</u>	<u>(8,502,373)</u>

(continued)

(concluded)

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Consolidated Garbage</u>	<u>Community Development</u>			
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	1,134,000	37,243	-	-	-	1,688,677	3,079,261	5,939,181
Transfers out	<u>(1,420,313)</u>	<u>(1,622,311)</u>	<u>(1,384,388)</u>	<u>(413,000)</u>	<u>-</u>	<u>(231,179)</u>	<u>(867,990)</u>	<u>(5,939,181)</u>
Total other financing sources (uses)	<u>(286,313)</u>	<u>(1,585,068)</u>	<u>(1,384,388)</u>	<u>(413,000)</u>	<u>-</u>	<u>1,457,498</u>	<u>2,211,271</u>	<u>-</u>
Net change in fund balances	2,693,532	1,205,942	48,221	(170,581)	(102,258)	(12,492,018)	314,789	(8,502,373)
Fund balances (deficit)—beginning	<u>19,557,549</u>	<u>4,279,724</u>	<u>6,377,009</u>	<u>4,932,404</u>	<u>191,408</u>	<u>(2,622,557)</u>	<u>7,067,473</u>	<u>39,783,010</u>
Fund balances (deficit)—ending	<u>\$ 22,251,081</u>	<u>\$ 5,485,666</u>	<u>\$ 6,425,230</u>	<u>\$ 4,761,823</u>	<u>\$ 89,150</u>	<u>\$ (15,114,575)</u>	<u>\$ 7,382,262</u>	<u>\$ 31,280,637</u>

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

Net change in fund balances (deficit)—total governmental funds \$ (8,502,373)

Governmental funds report capital asset additions as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. Capital asset additions were \$17,723,582, with related depreciation expense of \$4,529,894. This is the amount by which capital asset additions exceeded depreciation in the current period. 13,193,688

Loss on disposition of assets that is recorded in the statement of activities but not in the statement for governmental funds. (56,571)

The governmental funds report the repayment of bond principal as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Net repayment of serial bonds	\$ 1,935,000	
Payment on capital lease	362,975	
Net change in accrued expense	<u>26,606</u>	2,324,581

In the statement of activities, certain operating expenses—other post-employment benefit obligations, compensated absences (vacation & sick leave) and judgments and claims—are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the net effect of these differences in the treatment of such items. (8,461,698)

Amortization of net bond issuance costs that are recorded on the statement for governmental funds but not in the statement of activities. 1,341

Change in net assets of governmental activities \$ (1,501,032)

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

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**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUE</b>				
Real property taxes	\$ 36,804,534	\$ 36,804,534	\$ 36,859,273	\$ 54,739
Other property tax items	945,000	945,000	1,006,317	61,317
Non property tax items	1,475,000	1,475,000	972,344	(502,656)
Departmental income	1,135,647	1,187,896	1,396,014	208,118
Use of money and property	340,000	340,000	146,366	(193,634)
Licenses and permits	26,200	26,200	35,340	9,140
Fines and forfeitures	1,250,000	1,250,000	1,057,502	(192,498)
Sale of property and compensation for loss	16,500	55,614	164,761	109,147
Miscellaneous	40,000	69,949	177,791	107,842
State aid	1,145,592	1,254,554	1,464,572	210,018
Federal aid	76,500	76,500	392,169	315,669
Total revenues	<u>43,254,973</u>	<u>43,485,247</u>	<u>43,672,449</u>	<u>187,202</u>
<b>EXPENDITURES</b>				
General government support	8,367,035	8,598,437	7,826,860	771,577
Public safety	15,809,982	15,886,756	15,155,282	731,474
Transportation	264,222	264,222	239,253	24,969
Economic assistance and opportunity	12,200	12,200	11,248	952
Culture and recreation	5,536,538	5,599,454	5,194,332	405,122
Employee benefits	15,483,100	15,342,279	12,265,629	3,076,650
Total expenditures	<u>45,473,077</u>	<u>45,703,348</u>	<u>40,692,604</u>	<u>5,010,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,218,104)</u>	<u>(2,218,101)</u>	<u>2,979,845</u>	<u>5,197,946</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,128,000	1,134,000	1,134,000	-
Transfers out	(2,767,800)	(1,773,800)	(1,420,313)	353,487
Total other financing sources (uses)	<u>(639,800)</u>	<u>(639,800)</u>	<u>(286,313)</u>	<u>353,487</u>
Net change in fund balance	(2,857,904)	(2,857,901)	2,693,532	5,551,433
Fund balance—beginning	19,557,549	19,557,549	19,557,549	-
Fund balance—ending	<u>\$ 16,699,645</u>	<u>\$ 16,699,648</u>	<u>\$ 22,251,081</u>	<u>\$ 5,551,433</u>

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

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget and Actual—Highway Fund**  
**Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUE</b>				
Real property taxes	\$ 3,391,112	\$ 3,391,112	\$ 3,391,112	\$ -
Other property tax items	-	-	63,172	63,172
Non property tax items	5,903,864	5,903,864	7,014,672	1,110,808
Departmental income	-	-	400	400
Intergovernmental charges	230,000	230,000	282,746	52,746
Use of money and property	60,000	60,000	10,907	(49,093)
Sale of property and compensation for loss	-	54,937	66,898	11,961
Miscellaneous	-	-	48,989	48,989
State aid	775,000	775,000	820,898	45,898
Federal aid	10,000	10,000	16,500	6,500
Total revenues	<u>10,369,976</u>	<u>10,424,913</u>	<u>11,716,294</u>	<u>1,291,381</u>
<b>EXPENDITURES</b>				
Transportation	6,497,375	6,666,563	6,558,199	108,364
Home and community services	6,000	6,000	5,388	612
Employee benefits	2,807,955	2,787,432	2,361,697	425,735
Total expenditures	<u>9,311,330</u>	<u>9,459,995</u>	<u>8,925,284</u>	<u>534,711</u>
Excess of revenues over expenditures	<u>1,058,646</u>	<u>964,918</u>	<u>2,791,010</u>	<u>1,826,092</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	37,230	37,243	13
Transfers out	(2,090,700)	(2,064,200)	(1,622,311)	441,889
Total other financing sources (uses)	<u>(2,090,700)</u>	<u>(2,026,970)</u>	<u>(1,585,068)</u>	<u>441,902</u>
Net change in fund balance	(1,032,054)	(1,062,052)	1,205,942	2,267,994
Fund balance—beginning	4,279,724	4,279,724	4,279,724	-
Fund balance—ending	<u>\$ 3,247,670</u>	<u>\$ 3,217,672</u>	<u>\$ 5,485,666</u>	<u>\$ 2,267,994</u>

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

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget and Actual—Sewer Fund**  
**Year Ended December 31, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUE</b>				
Real property taxes	\$ 10,873,918	\$ 10,873,918	\$ 10,874,276	\$ 358
Intergovernmental charges	454,300	454,300	368,893	(85,407)
Use of money and property	120,100	120,100	31,388	(88,712)
Sale of property and compensation for loss	-	-	4,427	4,427
Miscellaneous	-	-	20,781	20,781
Federal aid	4,000	4,000	9,000	5,000
Total revenues	<u>11,452,318</u>	<u>11,452,318</u>	<u>11,308,765</u>	<u>(143,553)</u>
<b>EXPENDITURES</b>				
Home and community services	9,367,843	9,449,355	8,149,952	1,299,403
Employee benefits	2,034,633	2,018,121	1,726,204	291,917
Total expenditures	<u>11,402,476</u>	<u>11,467,476</u>	<u>9,876,156</u>	<u>1,591,320</u>
Excess of revenues over expenditures	<u>49,842</u>	<u>(15,158)</u>	<u>1,432,609</u>	<u>1,447,767</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(708,000)</u>	<u>(643,000)</u>	<u>(1,384,388)</u>	<u>(741,388)</u>
Total other financing uses	<u>(708,000)</u>	<u>(643,000)</u>	<u>(1,384,388)</u>	<u>(741,388)</u>
Net change in fund balance	(658,158)	(658,158)	48,221	706,379
Fund balance—beginning	<u>6,377,009</u>	<u>6,377,009</u>	<u>6,377,009</u>	<u>-</u>
Fund balance—ending	<u>\$ 5,718,851</u>	<u>\$ 5,718,851</u>	<u>\$ 6,425,230</u>	<u>\$ 706,379</u>

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

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Fund Balance—**  
**Budget and Actual—Consolidated Garbage Fund**  
**Year Ended December 31, 2011**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUE</b>				
Real property taxes	\$ 8,633,219	\$ 8,633,219	\$ 8,633,219	\$ -
Other property tax items	210,000	210,000	219,350	9,350
Departmental income	70,000	70,000	140,180	70,180
Use of money and property	75,000	75,000	27,681	(47,319)
Miscellaneous	52,000	52,000	94,964	42,964
Federal aid	12,000	12,000	22,000	10,000
Total revenues	<u>9,052,219</u>	<u>9,052,219</u>	<u>9,137,394</u>	<u>85,175</u>
<b>EXPENDITURES</b>				
Home and community services	6,920,539	6,920,539	6,755,059	165,480
Employee benefits	2,447,276	2,447,276	2,139,916	307,360
Total expenditures	<u>9,367,815</u>	<u>9,367,815</u>	<u>8,894,975</u>	<u>472,840</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(315,596)</u>	<u>(315,596)</u>	<u>242,419</u>	<u>558,015</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(413,000)	(413,000)	(413,000)	-
Total other financing uses	<u>(413,000)</u>	<u>(413,000)</u>	<u>(413,000)</u>	<u>-</u>
Net change in fund balance	(728,596)	(728,596)	(170,581)	558,015
Fund balance—beginning	<u>4,932,404</u>	<u>4,932,404</u>	<u>4,932,404</u>	<u>-</u>
Fund balance—ending	<u>\$ 4,203,808</u>	<u>\$ 4,203,808</u>	<u>\$ 4,761,823</u>	<u>\$ 558,015</u>

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

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Statement of Fiduciary Net Assets—Fiduciary Fund**  
**December 31, 2011**

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**ASSETS**

Cash	\$ 429,842
Accounts receivable	68
Due from other governments	<u>743</u>
Total assets	<u>\$ 430,653</u>

**LIABILITIES**

Amounts held in custody for others	\$ 246,890
Due to other funds	182,041
Due to other governments	<u>1,722</u>
Total liabilities	<u>\$ 430,653</u>

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

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**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2011**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Cheektowaga, New York (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

***Reporting Entity***

The Town is a unit of local government created by the State of New York. The Town operates under provisions of New York State law and various local laws. The seven-member Town Board is the legislative body responsible for overall operations. The Supervisor serves as both Chief Executive Officer and Chief Fiscal Officer.

Independently elected officials of the Town include:

Supervisor	Town Clerk
Councilmen (6)	Superintendent of Highways
Town Justices (2)	

The financial reporting entity is in accordance with Government Accounting Standards No. 14, *The Financial Reporting Entity*.

Units of local government which operate within the boundaries of the Town are the County of Erie, the Villages of Depew, Sloan, and Williamsville. Public education is provided by eight independent school districts within the Town.

**Discretely presented component units.** The Cheektowaga Economic Development Corporation (the “E.D.C.”) was formed June 10, 1983 pursuant to resolution of the Town Board, as a quasi-public local development corporation under the New York State Not-for Profit Corporation Law. The members of the governing board of the E.D.C. are appointed by the Town Board. The Town Board is able to impose its will on the E.D.C.; however the E.D.C. does not provide services to the primary government. Additional detailed information concerning the E.D.C. may be found in the E.D.C.’s annual financial report. This report may be obtained by writing to the Cheektowaga Economic Development Corporation, 275 Alexander Street, Cheektowaga, New York, 14211. This unit is reported in a separate column to emphasize that it is legally separate from the Town.

**Government-wide and Fund Financial Statements.** The government-wide financial statements (i.e., statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable

with a specific function or segment. *Indirect Expenses* have been included as part of the program expenses reported for the various functional activities. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items are not properly included among program revenues are reported instead as general revenues.

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation.** 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 when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when the underlying exchange transaction has occurred and the resources are available. For this purpose, the Town considers revenues to be available if the Town has collected the revenues in the current period or expects to collect them soon enough after the end of the period to use them to pay liabilities of the current period. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

Property taxes, sales taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. There were no significant revenues considered as not subject to accrual.

The Town considers the following governmental funds as major funds:

- *General Fund*—This is the principal operating fund of the Town and includes all operations not required to be recorded in other funds.
- *Highway Fund*—This is used to record all revenues and expenditures related to road maintenance and construction throughout the Town.
- *Sewer Fund*—This is used to record all revenues and expenditures related to operation and maintenance of the sewer district.
- *Consolidated Garbage Fund*—This fund is used to record all activity related to the garbage pickup and recycling within the Town.
- *Community Development Fund*—This is used to record all activity related to the Federal Housing and Urban Development Community Development program.
- *Capital Projects Fund*—This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the Town reports the following fiduciary fund type that is used to account for assets held by the Town in a custodial capacity:

- *Fiduciary Fund*—The Agency Fund is used to account for assets held by the Town as an agent for individuals, other governments, or other funds. The Agency Fund is custodial in nature and does not involve measurement of results of operations. It does not have a measurement focus. The Agency Fund accounts, such as payroll withholdings, are reported as liabilities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments and charges between the Town's sewer and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues are those that cannot be associated directly with program activities.

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

***Budgets***—Annual budgets for all governmental funds, except the Community Development Fund, Special Purpose Fund and the Capital Projects fund, are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A form of encumbrance accounting is employed as a measure of budgetary control in all governmental funds, under which purchase orders, certain contracts and other commitments outstanding at year-end for the expenditure of monies (encumbrances) are recorded as an assignment of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. On January 1, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year's budget.

The Community Development Fund, the Special Purpose Fund and the Capital Projects Fund appropriations are not included in the Town's annual budget. Instead appropriations are approved through a Town Board resolution at the grant/project's inception and lapse upon completion/termination of the grant/project.

***Cash and Cash Equivalents***—Cash and cash equivalents include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within 90 days from the original date of purchase.

***Restricted Cash and Cash Equivalents***—Restricted cash and cash equivalents represents unspent proceeds from serial bonds and bond anticipation notes.

***Investments***—The Town had no investments at December 31, 2011; however, when the Town does have investments it is Town policy to record them at quoted market value.

***Prepaid Items***—Certain payments to the New York State retirement systems and to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements on the consumption method.

**Unearned/Deferred Revenues**—Certain revenues have not met the revenue recognition criteria for government-wide or fund purposes.

**Compensated Absences**—The Town labor agreements and Town Board rules and regulations provide for sick leave, vacations, and miscellaneous other paid absences (“compensatory time”). Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave and vacation. These payments are budgeted annually without accrual.

Estimated compensatory time accumulated by governmental fund type employees has been recorded. Payment of sick leave and compensatory time is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of sick leave and compensatory time when such payments become due.

**Capital Assets**—Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. All infrastructure assets in the Town have been recorded in the capital assets balances.

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

Property, plant, and equipment of the Town are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings	50
Permanent fixtures	15-20
Machinery and equipment	
Automobiles	3-6
Computer software and equipment	5
Equipment	7-20
Heavy equipment	12
Office equipment and furniture	20
Infrastructure	
Bridges	30
Drainage	100
Highways	15
Storm sewer	40
Sewer and water systems	40
Traffic signals	15

**Post-Retirement Benefits**—In addition to providing pension benefits, the Town provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 11.

**Estimates**—The preparation of the financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

**Future Impacts of Accounting Pronouncements**—The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*; No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*, effective for the year ending December 31, 2012; and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*; No. 65, *Items Previously Reported as Assets and Liabilities*; and No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*, effective for the year ending December 31, 2013. The Town is therefore unable to disclose the impact that adopting GASB Statements No. 57, 60, 61, 62, 63, 64, 65 and 66 will have on its financial position and results of operations when such statements are adopted.

**Adoption of New Accounting Pronouncements**—The Town has adopted GASB Statement No. 59, *Financial Instruments Omnibus*, which was implemented and had no material impact to the Town.

Additionally, during the year ended December 31, 2011, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition* was implemented. The Town has evaluated, classified and reported amounts in the appropriate fund balance classifications by applying accounting policies that determine whether restricted, committed, assigned and unassigned amounts are considered to have been spent. These policies have been disclosed in Note 14. The new classifications are explained below.

- ◆ Nonspendable fund balance—Amounts that are not in a spendable form (such as inventory or prepaids) or are required to be maintained intact (such as the corpus of an endowment fund).
- ◆ Restricted fund balance—Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation.
- ◆ Committed fund balance—Amounts constrained to specific purposes by a government itself using its highest level of decision-making authority (Town Board); to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- ◆ Assigned fund balance—Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

- ◆ Unassigned fund balance—Amounts that are available for any purpose; these amounts are reported only in the general fund.

## 2. LEGAL COMPLIANCE—BUDGETS

***Budgets and Budgetary Accounting***—The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- ◆ Prior to September 30, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1<sup>st</sup>. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5<sup>th</sup>.
- ◆ The full Town Board reviews the tentative budget and may adjust same before approving a “preliminary” budget and calling for a public hearing, which is generally held in October.
- ◆ Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20<sup>th</sup>.
- ◆ During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for the departmental budgetary control. All budget amendments and budget transfers require Town Board approval. For the year ended December 31, 2011, supplemental appropriations of \$344,436 were approved in the governmental funds.

Individual governmental fund comparisons of budgetary and actual data at the legal level of control established by the adopted budget (i.e., minimally the department level and account level) are not presented in this report for those funds with annual appropriated budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

- ◆ Annual budgets for governmental funds, except the special grants fund and capital projects fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Encumbrances outstanding at year-end are accounted for on the lapsing method, which reappropriated encumbrances in the subsequent years’ budget. Accordingly, the Town assigns fund balance for all encumbrances it intends to honor in the subsequent period.
- ◆ The Capital Projects Fund appropriations are not included in the Town’s annual budget. Instead appropriations are approved through a Town Board resolution at the project’s inception and lapse upon termination of the project.
- ◆ Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification.

During the year ended December 31, 2011, the Sewer Fund’s appropriations for transfers out exceeded the adjusted budget due to an unexpected transfer to the Capital Projects Fund.

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities. The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal government.

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Cash at December 31, 2011 consisted of:

	Governmental Activities	Fiduciary Fund	Balance
Petty cash (uncollateralized)	\$ 6,900	\$ -	\$ 6,900
Deposits	<u>57,359,985</u>	<u>429,842</u>	<u>57,789,827</u>
Total	<u>\$57,366,885</u>	<u>\$ 429,842</u>	<u>\$ 57,796,727</u>

**Deposits**—All deposits are carried at fair value.

The following is a summary of deposits:

	Bank Balance	Carrying Balance
Insured (FDIC)	\$ 2,679,194	\$ 2,679,194
Uninsured:		
Collateral held by bank's agent in the Town's name	<u>55,299,231</u>	<u>55,110,633</u>
Total	<u>\$ 57,978,425</u>	<u>\$ 57,789,827</u>

**Custodial Credit Risk**—In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. By State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2011, all uninsured bank deposits were fully collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name and all of the Town's restricted cash in the form of investments was registered in the Town's name.

At December 31, 2011, the Town had no investments.

**Restricted Cash and Cash Equivalents**—The Town reports unspent proceeds from serial bonds and bond anticipation notes as restricted cash and cash equivalents. At December 31, 2011, the Town reported \$5,818,880 of restricted cash and cash equivalents within its governmental activities.

#### 4. PROPERTY TAX

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

Tax payments are due January 1 to February 15 without penalty; February 16 to 28 a 1.5% penalty; March 1 to 15 a 3% penalty; March 16 to 31 a 4.5% penalty; April 1 to 17 a 6% penalty; April 18 to May 1 a 7.5% penalty. Once May 2, the 7.5% penalty fee is added to the levy forming the base of the tax then due. Thereafter, interest is added to the base at the rate of 1.5% per month on the 1<sup>st</sup> of each month, making 18.78% in all when unpaid taxes are sold in November.

The tax roll is returned to the Erie County Commissioner of Finance after May 1 at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items are returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

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

#### 5. RECEIVABLES

Major revenues accrued by the Town at December 31, 2011:

*Accounts Receivable*—represents franchise fees receivable and insurance deposits; other miscellaneous items are also included. Accounts receivable for the Town at December 31, 2011 are shown in the table below:

General Fund:		
Franchise fees	\$ 481,334	
Insurance deposits	103,379	
Other	<u>73,522</u>	\$ 658,235
Highway Fund		2,471
Sewer Fund		3,822
Consolidated Garbage Fund		15,936
Other governmental funds		<u>591</u>
Total		<u>\$ 681,055</u>

**Due from Other Governments**—represents amounts due from other units of government, such as Federal, New York State, County of Erie, other local governments and amounts due from other Town departments (e.g. Town Justice, Town Clerk and Receiver of Taxes, etc.) who are acting as intermediary collecting agents, collecting various fines, fees and other charges which are remitted to the Town in accordance with State statute. Amounts due the Town at December 31, 2011 are:

General Fund:		
Federal aid	\$ 412,274	
State aid	354,429	
Fines and forfeitures	141,347	
Prescription drug subsidy	91,500	
Miscellaneous	<u>45,975</u>	\$ 1,045,525
Highway Fund:		
Sales tax due from Erie County	3,260,994	
Prescription drug subsidy	<u>16,500</u>	3,277,494
Sewer Fund:		
N.F.T.A sewer billing	360,666	
Prescription drug subsidy	<u>9,000</u>	369,666
Consolidated Garbage Fund:		
Prescription drug subsidy		22,000
Community Development Fund:		
Community Development Block Grant		481,269
Capital Projects Fund:		
New York State aid	568,817	
Due from Erie County	200,000	
Miscellaneous	<u>103,022</u>	871,839
Other governmental funds		
Town clerk fees and other		<u>297,411</u>
Total		<u>\$ 6,365,204</u>

**Loans Receivable**—Loans receivable within the Community Development Fund consist of loans which were made by the Community Development Office of the Town through implementation of the Community Development Block Grant program. The funds received from repayments of such loans will be used towards future Community Development Block Grant expenditures and the related programs implemented through such grant. The balance outstanding at December 31, 2011 is \$6,787,002.

Loans receivable of the Town's component unit, the Cheektowaga E.D.C, totaled \$970,045, of which \$839,510 is secured by collateral security mortgages or security interest in specific equipment and assets. Such collateralized notes are term notes payable between 5 and 9 years with interest in the range of 2.6% to 6.2%. A note totaling \$130,535 is unsecured, bears interest at 2% and is payable on demand.

## 6. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables of the Town at December 31, 2011 consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General Fund	\$ 691,108	\$ 747,120
Highway Fund	730,463	-
Sewer Fund	8,393	1,000,000
Garbage Fund	20,901	45,640
Community Development Fund	-	472,230
Capital Projects Fund	1,047,120	97,378
Other governmental funds	<u>105,521</u>	<u>59,097</u>
	<u>2,603,506</u>	<u>2,421,465</u>
Fiduciary Fund:		
Agency Fund	<u>-</u>	<u>182,041</u>
Total	<u>\$ 2,603,506</u>	<u>\$ 2,603,506</u>

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances.

The Town made the following transfers during 2011:

	Transfer in:				
	<u>Governmental activities</u>				
Transfer out:	<u>General Fund</u>	<u>Highway Fund</u>	<u>Capital Projects</u>	<u>Other Governmental</u>	<u>Total</u>
General Fund	\$ -	\$ -	\$ 405,000	\$ 1,015,313	\$ 1,420,313
Highway Fund	350,000	-	95,000	1,177,311	1,622,311
Sewer Fund	328,000	-	1,000,000	56,388	1,384,388
Consolidated Garbage Fund	413,000	-	-	-	413,000
Capital Projects Fund	-	37,243	-	193,936	231,179
Other governmental funds	<u>43,000</u>	<u>-</u>	<u>188,677</u>	<u>636,313</u>	<u>867,990</u>
Total governmental activities	<u>\$ 1,134,000</u>	<u>\$ 37,243</u>	<u>\$ 1,688,677</u>	<u>\$ 3,079,261</u>	<u>\$ 5,939,181</u>

Transfers are used primarily to move revenues from the fund responsible for paying debt to the debt service fund as debt service principal and interest become due and to move various fund revenues that the Town must account for in other funds in accordance with budgetary authorizations. Additionally, transfers from certain funds are used to finance various capital projects within the Capital Projects Fund.

## 7. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2011
Capital assets, not being depreciated:				
Land	\$ 6,725,239	\$ 60,000	\$ (3,525)	\$ 6,781,714
Construction in progress	<u>4,122,211</u>	<u>10,718,452</u>	<u>(22,703)</u>	<u>14,817,960</u>
Total capital assets, not being depreciated	<u>10,847,450</u>	<u>10,778,452</u>	<u>(26,228)</u>	<u>21,599,674</u>
Capital assets, being depreciated:				
Buildings	19,183,752	-	(112,617)	19,071,135
Permanent fixtures	10,566,680	34,890	(242)	10,601,328
Machinery and equipment	26,087,609	2,175,438	(1,130,587)	27,132,460
Infrastructure	<u>62,266,474</u>	<u>4,757,505</u>	<u>-</u>	<u>67,023,979</u>
Total capital assets, being depreciated	<u>118,104,515</u>	<u>6,967,833</u>	<u>(1,243,446)</u>	<u>123,828,902</u>
Less accumulated depreciation for:				
Buildings	(8,218,288)	(394,535)	112,617	(8,500,206)
Permanent fixtures	(4,466,516)	(450,372)	242	(4,916,646)
Machinery and equipment	(15,819,184)	(1,643,353)	1,077,541	(16,384,996)
Infrastructure	<u>(27,452,634)</u>	<u>(2,041,634)</u>	<u>-</u>	<u>(29,494,268)</u>
Total accumulated depreciation	<u>(55,956,622)</u>	<u>(4,529,894)</u>	<u>1,190,400</u>	<u>(59,296,116)</u>
Total capital assets, being depreciated, net	<u>62,147,893</u>	<u>2,437,939</u>	<u>(53,046)</u>	<u>64,532,786</u>
Governmental activities capital assets, net	<u>\$ 72,995,343</u>	<u>\$ 13,216,391</u>	<u>\$ (79,274)</u>	<u>\$ 86,132,460</u>

Depreciation expense was charged to functions of the governmental activities as follows:

Governmental activities:	
General government support	\$ 344,898
Public safety	343,379
Transportation	1,571,912
Culture and recreation	792,751
Home and community service	<u>1,476,954</u>
Total governmental activities depreciation expense	<u>\$ 4,529,894</u>

The component unit of the Town, the Cheektowaga E.D.C., does not own land, buildings, equipment or infrastructure. Therefore, no amounts are included within its balance sheet.

## 8. SHORT-TERM DEBT

Short-term debt of the Town represents bond anticipation notes. These notes are reported as a fund liability in the fund receiving the proceeds in accordance with the criteria set forth in Accounting Standards Codification 405, *Liabilities*, because legal steps have not been taken to refinance the notes on a long-term basis.

The following is a summary of changes in short-term debt for the year ended December 31, 2011:

	Issue/ Maturity	Interest Rate	Balance 1/1/2011	Issued	Redeemed	Balance 12/31/2011
<b>Capital Projects Fund:</b>						
<b>General Fund:</b>						
Town Maintenance Building	2009/2010	0.55%	\$ 1,700,000	\$ -	\$ 1,700,000	\$ -
Town Maintenance Building	2010/2011	0.41%	-	1,620,000	-	1,620,000
Police & Court Building	2009/2010	0.55%	3,600,000	-	3,600,000	-
Police & Court Building	2010/2011	0.41%	-	13,600,000	-	13,600,000
<b>Highway Fund:</b>						
Highway Repaving Work	2010/2011	0.41%	-	1,300,000	-	1,300,000
Sidewalks	2010/2011	0.41%	-	200,000	-	200,000
<b>Special Districts:</b>						
Highway Drainage Work	2009/2010	0.55%	2,000,000	-	2,000,000	-
Highway Drainage Work	2010/2011	0.41%	-	3,705,000	-	3,705,000
Dingens Road Drainage Work	2009/2010	0.55%	1,000,000	-	1,000,000	-
Dingens Road Drainage Work	2010/2011	0.41%	-	955,000	-	955,000
Total			<u>\$ 8,300,000</u>	<u>\$ 21,380,000</u>	<u>\$ 8,300,000</u>	<u>\$ 21,380,000</u>

## 9. INDEBTEDNESS

*Summary of Changes in Long-Term Debt*—The following is a summary of changes in long-term debt for the year ended December 31, 2011:

	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2011	Due Within One Year
Serial bonds	\$ 11,315,000	\$ -	\$ 1,935,000	\$ 9,380,000	\$ 1,965,000
Capital leases	4,252,875	-	362,975	3,889,900	380,212
Claims & judgments	3,150,000	-	150,000	3,000,000	150,000
Compensated absences	11,252,200	337,660	482,588	11,107,272	553,787
OPEB obligation	26,720,908	13,470,964	4,714,337	35,477,535	-
	<u>\$ 56,690,983</u>	<u>\$ 13,808,624</u>	<u>\$ 7,644,900</u>	<u>\$ 62,854,707</u>	<u>\$ 3,048,999</u>

A summary of the Town's serial bonds follows:

	Original Issue Amount	Year Issued - Maturity	Interest Rate	Principal Outstanding 1/1/2011	Issued	Redeemed	Principal Outstanding 12/31/2011
<b>General Fund</b>							
Refunding serial bonds	\$ 2,487,855	2003-2014	2.00-3.75	\$ 799,800	\$ -	\$ 221,600	\$ 578,200
Recreational park improvements	500,000	2005-2020	3.75-3.80	355,000	-	30,500	324,500
Various park improvements	200,000	2005-2015	3.75-3.80	112,000	-	20,000	92,000
Pedestrian bridge demolition	50,000	2005-2015	3.75-3.80	28,000	-	5,000	23,000
General Fund refunding bonds	1,978,055	2010-2016	2.25-4.00	<u>1,978,055</u>	<u>-</u>	<u>421,476</u>	<u>1,556,579</u>
				<u>3,272,855</u>	<u>-</u>	<u>698,576</u>	<u>2,574,279</u>
<b>Highway Fund</b>							
Refunding serial bonds	\$ 192,826	2003-2013	2.00-3.63	13,800	-	4,600	9,200
Road reconstruction/resurfacing	2,000,000	2005-2020	3.75-3.80	1,419,300	-	121,900	1,297,400
Sidewalk/highway drainage	500,000	2005-2020	3.75-3.80	355,000	-	30,500	324,500
Highway equipment	3,500,000	2006-2016	3.88-4.00	2,250,000	-	350,000	1,900,000
Highway Fund refunding bonds	1,973,953	2010-2016	2.25-4.00	<u>1,973,953</u>	<u>-</u>	<u>481,113</u>	<u>1,492,840</u>
				<u>6,012,053</u>	<u>-</u>	<u>988,113</u>	<u>5,023,940</u>
<b>Special Districts</b>							
Refunding Serial Bonds - Sewer	\$ 39,789	2003-2013	2.00-3.63	12,900	-	4,300	8,600
Refunding Serial Bonds - Drainage	19,813	2003-2013	2.00-3.63	6,300	-	2,100	4,200
Refunding Serial Bonds - Garbage	209,717	2003-2013	2.00-3.63	67,200	-	22,400	44,800
Alpine Sewer EFC Bond	752,825	2004-2034	1.20-5.15	605,000	-	25,000	580,000
Anderson road drainage	1,100,000	2005-2020	3.75-3.80	780,700	-	67,100	713,600
Sewer Fund refunding bonds	357,782	2010-2016	2.25-4.00	357,782	-	76,426	281,356
Drainage Fund refunding bonds	200,210	2010-2014	2.25-4.00	<u>200,210</u>	<u>-</u>	<u>50,985</u>	<u>149,225</u>
				<u>2,030,092</u>	<u>-</u>	<u>248,311</u>	<u>1,781,781</u>
<b>GRAND TOTAL</b>				<u>\$ 11,315,000</u>	<u>\$ -</u>	<u>\$ 1,935,000</u>	<u>\$ 9,380,000</u>

**Prior Year's Advanced Refunding**—The Town issued \$4,510,000 in Refunding Serial Bonds, which collectively refund the previously issued Various Purpose Serial - 1997, Public Improvement Bonds - 1999 and Public Improvement Bonds - 2001 bonds. The total net proceeds were used to purchase non-callable, direct obligations of the United States of America, with the remaining cash proceeds from the sale of the bonds, and placed in an irrevocable trust fund to pay for all future debt service payments of the original bonds. As a result, the previously issued Various Purpose Serial - 1997, Public Improvement Bonds - 1999 and Public Improvement Bonds - 2001 bonds are considered fully defeased and the liability of those bonds, now equal to \$3,450,000, has been removed from the financial statements.

Additionally, in prior years, the Town advanced refunded \$2,750,000 of serial bonds that were originally issued in 1993 and 1994 for various purposes. The bond proceeds were placed in an irrevocable trust fund with an escrow agent to provide for all future debt service payments on the 1993 and 1994 Bonds. As a result, the 1993 and 1994 Bonds were considered to be defeased, and the December 31, 2011 financial statements do not reflect the obligation, now equal to \$675,000.

**Capital Leases**—The Town entered into a long-term capital lease for certain energy related equipment and machinery. During the year ended December 31, 2007, an amendment to the amended lease agreement totaling \$1,415,780, of which \$387,745 represents imputed interest costs, was

entered into. The present value of the amended lease at December 31, 2011 is \$3,889,900. A \$3,889,900 liability has been recorded within the Town’s governmental activities. The assets acquired through the capital lease are as follows:

	<u>Governmental Activities</u>
Assets:	
Machinery and equipment	\$ 5,724,738
Less: Accumulated depreciation	<u>(1,102,602)</u>
Total	<u>\$ 4,622,136</u>

Payments on the original lease commenced January 15, 2005 and are due every six months thereafter (payment dates are January 15 and July 15). Total payments range between \$48,820 and \$279,072 with final payment due January 15, 2022. The implicit rate ranges from 2.35% to 5.5%. The obligation under the lease can be summarized as follows:

Year ended December 31,	<u>Governmental Activities</u>
2012	\$ 558,144
2013	558,144
2014	558,144
2015	558,144
2016	558,144
2017-2021	1,934,563
2022	<u>48,820</u>
Total minimum lease payments	4,774,103
Less: Amount representing imputed interest costs	<u>(884,203)</u>
Present value of minimum lease payments	<u>\$ 3,889,900</u>

**Judgments, Claims and Postclosure Costs**—The Town is responsible to perform specified operation and maintenance functions at a landfill site for a period of thirty (30) years. At December 31, 2011, the related postclosure liability approximates \$3,000,000. Other estimated claims and judgments amounted to \$3,606,832 at December 31, 2011 and are considered current, therefore have been included as accrued liabilities within the General Fund. See Note 15.

**Compensated Absences**—As explained in Note 1, the Town records the value of compensated absences. The annual budgets of the General, Highway, Sewer and Consolidated Garbage funds provide funding for these benefits as they become payable. The value recorded in the government-wide financial statements at December 31, 2011, for governmental activities is \$11,107,272. This amount has been recorded as a non-current liability due within more than one year since payment of compensated absences are dependent upon many factors, therefore, timing of future payments is not readily determinable.

**OPEB Obligation**—As explained in Note 11, the Town provides health insurance coverage for retirees. The Town’s annual postemployment benefit (“OPEB”) cost is calculated based in the annual required contributions of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The estimated long-term OPEB liability is estimated to be \$35,477,535 at December 31, 2011. Typically, the Town’s General, Consolidated Garbage, Sewer, Highway and Town Outside Village funds have been responsible for the contributions made to the OPEB liability.

Remaining annual maturities of long-term debt, by debt type follows:

Year	Serial Bonds Principal	Leases Payable	Claims and Postclosure Costs	Compensated Absences	OPEB Obligation	Total
2012	\$ 1,965,000	\$ 380,212	\$ 150,000	\$ 553,787	\$ -	\$ 3,048,999
2013	1,655,000	398,269	-	31,552	-	2,084,821
2014	1,590,000	417,184	-	-	-	2,007,184
2015	1,225,000	436,997	-	-	-	1,661,997
2016	1,215,000	457,752	-	-	-	1,672,752
2017-2021	1,400,000	1,751,754	-	-	-	3,151,754
2022-2026	125,000	47,732	-	-	-	172,732
2027-2031	125,000	-	-	-	-	125,000
2032-2036	80,000	-	-	-	-	80,000
Various	-	-	2,850,000	10,521,933	35,477,535	48,849,468
Total	<u>\$ 9,380,000</u>	<u>\$ 3,889,900</u>	<u>\$ 3,000,000</u>	<u>\$ 11,107,272</u>	<u>\$ 35,477,535</u>	<u>\$ 62,854,707</u>

Interest requirements on serial bond payable are as follows:

Year	Serial Bonds Interest
2012	\$ 317,462
2013	255,742
2014	196,675
2015	143,469
2016	104,479
2017-2021	217,838
2022-2026	68,286
2027-2031	36,659
2032-2036	6,438
Total	<u>\$ 1,347,048</u>

## 10. PENSION PLANS

**Plan Description**—The Town participates in the New York and Local Employees’ Retirement System (“ERS”), the New York State and Local Police and Fire Retirement System (“PFRS”) and the Public Employees’ Group Life Insurance Plan (“Systems”). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). As set forth in the NYSRSSL, the Comptroller of the State of New York (“Comptroller”) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

**Funding Policy**—The Systems are noncontributory except for employees who joined the New York State and Local Employees’ Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for their entire length of service. Under the authority of NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the New York State Local Retirement fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of contributions required, and were as follows:

	<u>ERS</u>	<u>PFRS</u>
2011	\$2,914,523	\$2,409,787
2010	2,014,105	2,031,397
2009	1,364,498	1,900,544

## 11. OTHER POSTEMPLOYMENT BENEFITS

**Plan Description**—In addition to providing pension benefits, the Town provides health insurance coverage and/or payment for fractional values of unused sick leave to eligible retired employees. Substantially all of the Town’s full-time employees may become eligible for these benefits upon retirement. The value of the employee’s unused compensatory time is used as the basis for the Town’s liability. The Town is obligated to pay such benefits as a result of union contracts and Town Board rules and regulation for nonunion employees. Health care benefits are provided through insurance companies whose premiums are based on the benefits paid during the year. There is no separate, audited GAAP-basis postemployment benefit plan report available. There were 309 retirees receiving health care benefits at December 31, 2011.

**Funding Policy**—Authorization for the Town to pay retiree health insurance premiums was enacted by through union contracts, which are approved by the Town Board. Retirees that meet the age and years of service requirements are not required to contribute to postretirement healthcare benefits. Additionally, retirees in Management Union groups are not required to contribute to postretirement dental and vision benefits. Spouses receive the same benefits as the retiree. Surviving spouses are permitted to continue coverage at no cost and at the cost of 100% the premium for Management Union groups and non-Management Union groups respectively.

The Town’s annual OPEB cost is calculated based on the annual required contributions (“ARC”) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period not to exceed thirty years.

The following table shows the components of the Town's annual OPEB cost for the past two years, the amount actually contributed to the plan, and the changes in the Town's net OPEB obligation.

	2011	2010
Annual required contribution	\$ 13,908,961	\$ 13,908,961
Interest on net OPEB obligation	1,202,441	774,285
Adjustment to annual required contribution	<u>(1,640,438)</u>	<u>(1,056,324)</u>
Annual OPEB costs (expense)	13,470,964	13,626,922
Contributions made	<u>(4,714,337)</u>	<u>(4,112,354)</u>
Increase in net OPEB obligation	8,756,627	9,514,568
Net OPEB obligation - beginning of year	<u>26,720,908</u>	<u>17,206,340</u>
Net OPEB obligation - end of year	<u>\$ 35,477,535</u>	<u>\$ 26,720,908</u>

As of January 1, 2010, the most recent actuarial valuation date, the plan was not funded. Since there were no assets, the unfunded actuarial liability for benefits was \$145,423,580.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Funding Status and Funding Progress**—As of December 31, 2011, the Town has had two actuarial valuations performed. Accordingly, information from the study is presented in the Town's Schedule of Funding Progress and the Schedule of the Town's Contributions below.

The Town's Schedule of Funding Progress is presented below:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded AAL ("UAAL")	Funded Ratio	Covered Payroll	Ratio of UAAL to Budget Covered Payroll
As of January 1, 2010	\$ -	\$ 145,423,580	\$ 145,423,580	-	\$31,184,968	4.66
As of January 1, 2008	-	128,887,628	128,887,628	-	30,238,917	4.26

The Schedule of the Town's Contributions is shown below:

Year Ended December 31,	Annual OPEB Cost	Contributions Made	Percentage Contributed
2011	\$ 13,470,964	\$ 4,714,337	35.0%
2010	12,426,481	4,112,354	33.1%
2009	12,426,481	4,054,858	32.6%

**Actuarial Methods and Assumptions**—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employee and plan members. The projection of benefits does not incorporate the potential effect of a change in the pattern of cost sharing between the employer and plan members in the future. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a valuation date of January 1, 2010 and measurement date of December 31, 2010. The expected investment rate of return on employer’s assets is 4.5%. The rate is based on the projected long-term earning rate of the assets expected to be available to pay benefits. Since the Town does not currently segregate funding for these benefits, the appropriate rate is the expected return on the employer’s assets. The expected inflation rate is 3.25%. The RP-2000 Mortality Table for males and females is used for mortality rates. The rates of decrement due to disability are assumed to be zero. The assumed rates of increase in health care vary from 5.0% to 11.0% and the administrative fees are assumed to increase at 3.0% per year. The unfunded actuarial accrued liability is being amortized over 30 years on a level dollar open basis, therefore the remaining amortization period at December 31, 2011 was twenty-six years.

## 12. AGENCY FUND

An agency fund exists for employee withholding and temporary deposit funds. The following is a summary of changes in assets and liabilities during the year ended December 31, 2011:

	Balance 1/1/2011	Additions	Deletions	Balance 12/31/2011
<b>ASSETS</b>				
Cash	\$ 261,392	\$ 17,741,501	\$ (17,573,051)	\$ 429,842
Accounts receivable	1,565	68	(1,565)	68
Due from other governments	790	743	(790)	743
Total assets	<u>\$ 263,747</u>	<u>\$ 17,742,312</u>	<u>\$ (17,575,406)</u>	<u>\$ 430,653</u>
<b>LIABILITIES</b>				
Amounts held in custody for others	\$ 262,957	\$ 17,558,549	\$ (17,574,616)	\$ 246,890
Due to other funds	-	182,041	-	182,041
Due to other governments	790	1,722	(790)	1,722
Total liabilities	<u>\$ 263,747</u>	<u>\$ 17,742,312</u>	<u>\$ (17,575,406)</u>	<u>\$ 430,653</u>

## 13. LABOR RELATIONS

Town employees are represented by five bargaining units with the balance governed by Town Board rules and regulations. The Police Club, Public Safety Dispatchers Association and the Captains and Lieutenants have unsettled contracts and are in negotiations as of December 31, 2011. The Supervisory Unit has a contract negotiated through December 31, 2012 and the Employees’ Association has a contract negotiated through December 31, 2013.

#### 14. NET ASSETS AND FUND BALANCE

The government wide financial statements utilize a net assets presentation. Net Assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- **Investment in Capital Assets, Net of Related Debt**—This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Capital assets, net of accumulated depreciation		\$ 86,132,460
Related debt:		
Serial bonds issued	(9,380,000)	
Unspent proceeds from serial bonds	20,899	
Bond anticipation notes issued for capital assets	(21,380,000)	
Unspent proceeds from bond anticipation notes	<u>5,797,981</u>	
Debt issued issued for capital assets		(24,941,120)
Unamortized bond issue premium, net of unamortized issue costs		(5,006)
Capital leases		<u>(3,889,901)</u>
Investment in capital assets, net of related debt		<u>\$ 57,296,433</u>

- **Restricted Net Assets**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The Town has \$2,045,263 of net assets restricted for debt service and \$1,653,598 restricted for insurance at December 31, 2011.
- **Unrestricted Net Assets**—This category represents net assets of the Town not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Town at December 31, 2011 include:

- **Prepaid Items**—Represents amounts prepaid to New York State retirement and vendors that are applicable to future accounting periods.
- **Interfund Loan**—Represents a long-term loan of \$47,120 from the General Fund to the Capital Projects Fund for specific capital project improvements.

In the fund financial statements, restricted fund balances have external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions and enabling legislation. Restrictions of the Town at December 31, 2011 include:

- **Restricted for Insurance**—Represents reserve established in accordance with section 6-n of the General Municipal Law and will be used to pay claims, actions or judgments against the Town that results from personal injuries or property damage; to pay self-insured workers'

compensation claims and expenses in excess of claims and expenses paid from current appropriations; and to pay non-insured unemployment losses.

- **Restricted for Debt Service**—Represents amounts restricted for the reduction of future debt service requirements.

In the fund financial statements, committed fund balance are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Town’s highest level of decision-making authority is the Town Board. As of December 31, 2011, the Town has no committed fund balance.

In the fund financial statements, assigned amounts are subject to a purpose constraint that represents an intended use established by the Town Board, or by their designated body or official (Supervisor). The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. As of December 31, 2011, the following balances were considered to be assigned:

- **Assigned to Encumbrances**—Represents commitments related to unperformed contracts or purchase orders for goods or services.

The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of December 31, 2011, the Town reported the following significant encumbrances:

Purpose	Amount
Sewer Maintenance - Equipment	\$ 154,215
Highway Maintenance - Equipment	69,992

- **Assigned for Capital Projects**—Represents funds to be used for the construction of various capital projects.
- **Assigned for Equipment**—Represents funds to be used for the purchase of various equipment.
- **Assigned for Pollution Remediation**—Represents funds to be used to assist in future obligations relating to pollution remediation.
- **Assigned for Building Demolition**—Represents funds to be used for the demolition of a Town building.
- **Assigned to Subsequent Year’s Expenditures**—Represents funds to be used to assist in supporting the subsequent year authorized appropriations.
- **Assigned for Specific Use**—Represents remaining fund balance of special revenue funds to be used for each fund’s specific use.

A summary of assigned fund balance by governmental fund follows:

Fund	Assigned for							Total Assigned
	Encumbrances	Capital Projects	Equipment	Pollution Remediation	Building Demolition	Subsequent Year's Expenditures	Specific Use	
General	\$ 179,378	\$ 6,400,000	\$ -	\$ -	\$ -	\$ 4,042,455	\$ -	\$ 10,621,833
Highway	71,978	-	1,500,000	-	-	900,000	2,878,474	5,350,452
Sewer	228,171	1,000,000	-	2,700,000	-	640,069	1,776,264	6,344,504
Consolidated garbage	-	2,500,000	-	-	-	674,830	1,508,530	4,683,360
Community developm	-	-	-	-	-	-	88,410	88,410
Special purpose	-	-	-	-	-	-	803,398	803,398
Town outside village	-	-	-	-	108,754	125,000	1,977,245	2,210,999
Lighting district	-	-	-	-	-	282,406	1,078,974	1,361,380
Master drainage	200	-	-	-	-	19,691	497,744	517,635
Water hydrant	-	-	-	-	-	53,024	348,134	401,158
<b>Total</b>	<b>\$ 479,727</b>	<b>\$ 9,900,000</b>	<b>\$ 1,500,000</b>	<b>\$ 2,700,000</b>	<b>\$ 108,754</b>	<b>\$ 6,737,475</b>	<b>\$ 10,957,173</b>	<b>\$ 32,383,129</b>

The Town's policy is to expend fund balances in the following order: non-spendable fund balance (if available), restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance.

At Decemeber 31, 2012, the Town's Capital Projects Fund was in a deficit position of \$(15,114,575). Management anticipates that this deficit will remedied through the future issuance of long-term debt.

## 15. CONTINGENCIES

**Judgments and Claims**—The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town decided to stop carrying commercial workers' compensation insurance because of its prohibitive cost and began covering all related claim settlements and judgments out of its resources. The Town purchases insurance coverage for workers' compensation claims in excess of \$450,000. The Town also retains risk related to general liability. All other risks of loss are covered through the purchase of commercial insurance. There have been no significant reductions in the levels of commercial insurance from the prior year, nor have there been any settlements which exceeded insurance coverage for each of the past three fiscal years. The Town currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Current liabilities are accrued within the General Fund. Total claims, judgments and workers' compensation insurance expenditures of \$3,606,832 were recorded in the General Fund for the year ended December 31, 2011.

At December 31, 2011, the current liability portion of judgments and claims, including workers' compensation claims, was \$3,606,832. These are considered to be due and payable at December 31, 2011 and are recorded as a portion of accrued liabilities in the General Fund since they are expected to be liquidated with current financial resources. Changes in the reported liability since December 31, 2008 resulted from the following:

Year Ended December 31,	Liability, Beginning of Year	Claims and Changes in Estimates	Claim Payments	Liability, End of Year
2011	\$ 3,621,496	\$ 1,694,835	\$ 1,709,499	\$ 3,606,832
2010	6,304,105	301,652	2,984,261	3,621,496

The Town has claims in the range of \$44,626 to \$62,646 which are probable of a future loss. The low end of this range has been included in the Town's accrued liabilities. The Town has claims in the range of \$80,000 to \$412,440 classified as reasonably possible. At December 31, 2011, a portion of the General Fund fund balance was reserved for purpose of funding the Town's future liability and casualty claim liabilities and, is included within the Town's reserve for insurance totaling \$1,653,598.

**Landfill Postclosure**—The Town is responsible to perform specified operation and maintenance functions at a landfill site for a period of (30) years. In 1993, the landfill was classified for cleanup by the United States Environmental Protection Agency as Superfund site NYD980507495. The site is being addressed in two stages, an interim remedial measure and a long-term remedial action phase focusing on the cleanup of the entire site. The interim remedial measure was completed in 1995. During 2011, costs related to these functions approximated \$85,884. At December 31, 2011, the liability approximates \$3,000,000 which is based on 100% usage of the landfill. The landfill postclosure care liability is an estimate and is subject to changes resulting from inflation, deflation, technology or changes in applicable laws or regulations.

**Assessments**—The Town is a defendant in various litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Town vigorously defends assessments, the likelihood of success is on a case-by-case basis, and is dependent upon many factors including market values and appraised amounts. Current assessment challenges request relief of \$3,750,214. However, the potential loss cannot be estimated. Management believes that the level of such potential loss, if any, would be immaterial and no provisions have been made within the financial statements.

**Grants**—In the normal course of operations, the Town receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditures which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

**Pollution Remediation Obligations**—On January 31, 2008, the Town was issued a consent order by the New York State Department of Environmental Conservation. As part of the consent order the Town has submitted a plan for the abatement of the overflow of sanitary sewer discharge prior January 31, 2010. As of the date of this report, the Town has not received a response to its plan for the abatement of the overflow of sanitary sewer discharge. As of December 31, 2011 the Town is unable to determine the range or the likelihood of any potential liability as a result of the consent order.

*Other*—The Town is involved in litigation arising in the ordinary course of its operations. The Town believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the Town’s financial condition or results of operations.

## **16. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 7, 2012, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

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COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES



# FINANCIAL STATEMENTS OF NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

**Special Purpose Special Revenue Fund**—maintains those funds that are handled by the Town deposited on behalf of another party and designated for a specified purpose.

**Town Outside Village Special Revenue Fund**—accounts for selected services which by New York State Statute cannot be charged to residents of the Village located within the Town.

**Nonmajor Special Districts Special Revenue Fund**—funds that maintain various systems throughout the Town but are not considered a major fund.

- **Lighting District Fund**—accounts for lighting services provided to areas within the Town
- **Master Drainage Fund**—accounts for the maintenance of the Town's street drainage system
- **Water Hydrant District Fund**—accounts for maintaining the fire hydrants throughout the Town

**Debt Service Fund**—used to account for the payment of principal and interest on serial bonds within all governmental funds.



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**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**December 31, 2011**

	<u>Special Revenue</u>			<u>Total Special Revenue</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>			
<b>ASSETS</b>						
Cash and cash equivalents	\$ 811,406	\$ 2,057,336	\$ 2,542,105	\$ 5,410,847	\$ 1,949,364	\$ 7,360,211
Accounts receivable	-	-	591	591	-	591
Due from other funds	-	9,622	-	9,622	95,899	105,521
Due from other governments	-	297,411	-	297,411	-	297,411
Prepaid items	-	41,194	965	42,159	-	42,159
Total assets	<u>\$ 811,406</u>	<u>\$ 2,405,563</u>	<u>\$ 2,543,661</u>	<u>\$ 5,760,630</u>	<u>\$ 2,045,263</u>	<u>\$ 7,805,893</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 5,632	\$ 49,818	\$ 179,150	\$ 234,600	\$ -	\$ 234,600
Accrued liabilities	-	87,567	-	87,567	-	87,567
Due to other funds	2,376	-	56,721	59,097	-	59,097
Due to other governments	-	15,985	26,382	42,367	-	42,367
Total liabilities	<u>8,008</u>	<u>153,370</u>	<u>262,253</u>	<u>423,631</u>	<u>-</u>	<u>423,631</u>
Fund Balances:						
Nonspendable - prepaid items	-	41,194	965	42,159	-	42,159
Restricted for debt service	-	-	-	-	2,045,263	2,045,263
Assigned for:						
Encumbrances	-	-	200	200	-	200
Building demolition	-	108,754	-	108,754	-	108,754
Subsequent years' expenditures, reported in nonmajor:						
Town outside village fund	-	125,000	-	125,000	-	125,000
Lighting district fund	-	-	282,406	282,406	-	282,406
Master drainage fund	-	-	19,961	19,961	-	19,961
Water hydrant fund	-	-	53,024	53,024	-	53,024
Specific use:						
Special purpose fund	803,398	-	-	803,398	-	803,398
Town outside village fund	-	1,977,245	-	1,977,245	-	1,977,245
Lighting district fund	-	-	1,078,974	1,078,974	-	1,078,974
Master drainage fund	-	-	497,744	497,744	-	497,744
Water hydrant fund	-	-	348,134	348,134	-	348,134
Total fund balances	<u>803,398</u>	<u>2,252,193</u>	<u>2,281,408</u>	<u>5,336,999</u>	<u>2,045,263</u>	<u>7,382,262</u>
Total liabilities and fund balances	<u>\$ 811,406</u>	<u>\$ 2,405,563</u>	<u>\$ 2,543,661</u>	<u>\$ 5,760,630</u>	<u>\$ 2,045,263</u>	<u>\$ 7,805,893</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2011**

	<u>Special Revenue</u>			<u>Total Special Revenue</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>			
<b>REVENUES</b>						
Real property taxes	\$ -	\$ -	\$ 3,520,416	\$ 3,520,416	\$ -	\$ 3,520,416
Other property tax items	-	-	4,767	4,767	-	4,767
Non property tax items	-	1,396,136	-	1,396,136	-	1,396,136
Use of money and property	105	5,381	10,771	16,257	129,541	145,798
Licenses and permits	-	579,629	-	579,629	-	579,629
Sale of property and compensation for loss	-	18	15,192	15,210	-	15,210
Miscellaneous	355,895	30,164	-	386,059	-	386,059
Federal aid	-	1,000	-	1,000	-	1,000
Total revenues	<u>356,000</u>	<u>2,012,328</u>	<u>3,551,146</u>	<u>5,919,474</u>	<u>129,541</u>	<u>6,049,015</u>
<b>EXPENDITURES</b>						
Current:						
Public safety	-	1,100,985	-	1,100,985	-	1,100,985
Culture and recreation	58,814	-	-	58,814	-	58,814
Home and community services	180,612	43,249	2,795,372	3,019,233	-	3,019,233
Employee benefits	-	558,795	178,667	737,462	-	737,462
Debt service:						
Principal—serial bonds	-	-	-	-	1,935,000	1,935,000
Principal—capital leases	-	-	-	-	362,975	362,975
Interest	-	-	-	-	731,028	731,028
Total expenditures	<u>239,426</u>	<u>1,703,029</u>	<u>2,974,039</u>	<u>4,916,494</u>	<u>3,029,003</u>	<u>7,945,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>116,574</u>	<u>309,299</u>	<u>577,107</u>	<u>1,002,980</u>	<u>(2,899,462)</u>	<u>(1,896,482)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	3,079,261	3,079,261
Transfers out	<u>-</u>	<u>(43,000)</u>	<u>(554,330)</u>	<u>(597,330)</u>	<u>(270,660)</u>	<u>(867,990)</u>
Total other financing sources (uses)	<u>-</u>	<u>(43,000)</u>	<u>(554,330)</u>	<u>(597,330)</u>	<u>2,808,601</u>	<u>2,211,271</u>
Net change in fund balances	116,574	266,299	22,777	405,650	(90,861)	314,789
Fund balances—beginning	<u>686,824</u>	<u>1,985,894</u>	<u>2,258,631</u>	<u>4,931,349</u>	<u>2,136,124</u>	<u>7,067,473</u>
Fund balances—ending	<u>\$ 803,398</u>	<u>\$ 2,252,193</u>	<u>\$ 2,281,408</u>	<u>\$ 5,336,999</u>	<u>\$ 2,045,263</u>	<u>\$ 7,382,262</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance—**  
**Budget and Actual—Town Outside Village Fund**  
**Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Non-property taxes	\$ 1,396,136	\$ 1,396,136	\$ 1,396,136	\$ -
Use of money and property	15,000	15,000	5,381	(9,619)
Licenses and permits	400,000	400,000	579,629	179,629
Miscellaneous	-	-	30,182	30,182
Federal aid	500	500	1,000	500
Total revenues	<u>1,811,636</u>	<u>1,811,636</u>	<u>2,012,328</u>	<u>200,692</u>
<b>EXPENDITURES</b>				
Public safety	1,103,714	1,109,875	1,100,985	8,890
Home and community services	43,437	43,437	43,249	188
Employee benefits	746,789	732,628	558,795	173,833
Total expenditures	<u>1,893,940</u>	<u>1,885,940</u>	<u>1,703,029</u>	<u>182,911</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(82,304)</u>	<u>(74,304)</u>	<u>309,299</u>	<u>383,603</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(43,000)	(43,000)	(43,000)	-
Total other financing uses	<u>(43,000)</u>	<u>(43,000)</u>	<u>(43,000)</u>	<u>-</u>
Net change in fund balance	(125,304)	(117,304)	266,299	383,603
Fund balance—beginning	1,985,894	1,985,894	1,985,894	-
Fund balance—ending	<u>\$ 1,860,590</u>	<u>\$ 1,868,590</u>	<u>\$ 2,252,193</u>	<u>\$ 383,603</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance—**  
**Budget and Actual—Debt Service Fund**  
**Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Use of money and property	\$ 10,000	\$ 10,000	\$ 129,541	\$ 119,541
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>129,541</u>	<u>119,541</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal—serial bonds	3,251,200	3,251,200	1,935,000	1,316,200
Principal—capital leases	-	-	362,975	(362,975)
Interest	<u>1,590,800</u>	<u>1,590,800</u>	<u>731,028</u>	<u>859,772</u>
Total expenditures	<u>4,842,000</u>	<u>4,842,000</u>	<u>3,029,003</u>	<u>1,812,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,832,000)</u>	<u>(4,832,000)</u>	<u>(2,899,462)</u>	<u>1,932,538</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,842,000	4,842,000	3,079,261	(1,762,739)
Transfers out	<u>(316,300)</u>	<u>(316,300)</u>	<u>(270,660)</u>	<u>(45,640)</u>
Total other financing sources (uses)	<u>4,525,700</u>	<u>4,525,700</u>	<u>2,808,601</u>	<u>(1,808,379)</u>
Net change in fund balance	(306,300)	(306,300)	(90,861)	124,159
Fund balance—beginning	<u>2,136,124</u>	<u>2,136,124</u>	<u>2,136,124</u>	<u>-</u>
Fund balance—ending	<u>\$ 1,829,824</u>	<u>\$ 1,829,824</u>	<u>\$ 2,045,263</u>	<u>\$ 124,159</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Combining Balance Sheet—Nonmajor Special District Funds**  
**December 31, 2011**

	<u>Lighting District</u>	<u>Master Drainage</u>	<u>Water Hydrant</u>	<u>Total Nonmajor Special Districts</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,596,350	\$ 518,806	\$ 426,949	\$ 2,542,105
Accounts receivable	-	-	591	591
Prepaid items	<u>965</u>	<u>-</u>	<u>-</u>	<u>965</u>
Total assets	<u>\$ 1,597,315</u>	<u>\$ 518,806</u>	<u>\$ 427,540</u>	<u>\$ 2,543,661</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 178,249	\$ 901	\$ -	\$ 179,150
Due to other funds	56,721	-	-	56,721
Due to other governments	<u>-</u>	<u>-</u>	<u>26,382</u>	<u>26,382</u>
Total liabilities	<u>234,970</u>	<u>901</u>	<u>26,382</u>	<u>262,253</u>
Fund balances:				
Nonspendable - Prepaid items	965	-	-	965
Assigned:				
Encumbrances	-	200	-	200
Subsequent year's expenditures, reported in nonmajor:				
Lighting district fund	282,406	-	-	282,406
Master drainage fund	-	19,961	-	19,961
Water hydrant fund	-	-	53,024	53,024
Specific uses, reported in nonmajor:				
Lighting district fund	1,078,974	-	-	1,078,974
Master drainage fund	-	497,744	-	497,744
Water hydrant fund	<u>-</u>	<u>-</u>	<u>348,134</u>	<u>348,134</u>
Total fund balances	<u>1,362,345</u>	<u>517,905</u>	<u>401,158</u>	<u>2,281,408</u>
Total liabilities and fund balances	<u>\$ 1,597,315</u>	<u>\$ 518,806</u>	<u>\$ 427,540</u>	<u>\$ 2,543,661</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—**  
**Nonmajor Special District Funds**  
**Year Ended December 31, 2011**

	<u>Lighting District</u>	<u>Master Drainage</u>	<u>Water Hydrant</u>	<u>Total Nonmajor Special Districts</u>
<b>REVENUES</b>				
Real property taxes	\$ 2,399,850	\$ 710,762	\$ 409,804	\$ 3,520,416
Other property tax items	4,767	-	-	4,767
Use of money and property	6,669	2,513	1,589	10,771
Sale of property and compensation for loss	15,192	-	-	15,192
Miscellaneous	-	-	-	-
Total revenues	<u>2,426,478</u>	<u>713,275</u>	<u>411,393</u>	<u>3,551,146</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	2,015,356	356,842	423,174	2,795,372
Employee benefits	<u>81,279</u>	<u>53,524</u>	<u>43,864</u>	<u>178,667</u>
Total expenditures	<u>2,096,635</u>	<u>410,366</u>	<u>467,038</u>	<u>2,974,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>329,843</u>	<u>302,909</u>	<u>(55,645)</u>	<u>577,107</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(351,088)</u>	<u>(203,242)</u>	<u>-</u>	<u>(554,330)</u>
Total other financing uses	<u>(351,088)</u>	<u>(203,242)</u>	<u>-</u>	<u>(554,330)</u>
Net change in fund balances	(21,245)	99,667	(55,645)	22,777
Fund balances—beginning	<u>1,383,590</u>	<u>418,238</u>	<u>456,803</u>	<u>2,258,631</u>
Fund balances—ending	<u>\$ 1,362,345</u>	<u>\$ 517,905</u>	<u>\$ 401,158</u>	<u>\$ 2,281,408</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance—**  
**Budget and Actual—Lighting District Fund**  
**Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUE</b>				
Real property taxes	\$ 2,399,850	\$ 2,399,850	\$ 2,399,850	\$ -
Other tax items	3,000	3,000	4,767	1,767
Use of money and property	15,000	15,000	6,669	(8,331)
Sale of property and compensation for loss	-	15,512	15,192	(320)
Total revenues	<u>2,417,850</u>	<u>2,433,362</u>	<u>2,426,478</u>	<u>(6,884)</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	2,263,475	2,278,987	2,015,356	263,631
Employee benefits	81,279	81,279	81,279	-
Total expenditures	<u>2,344,754</u>	<u>2,360,266</u>	<u>2,096,635</u>	<u>263,631</u>
Excess (deficiency) of revenues over (under) expenditures	73,096	73,096	329,843	256,747
<b>OTHER FINANCING USES</b>				
Transfers out	(351,200)	(351,200)	(351,088)	112
Total other financing uses	<u>(351,200)</u>	<u>(351,200)</u>	<u>(351,088)</u>	<u>112</u>
Net change in fund balance	(278,104)	(278,104)	(21,245)	256,859
Fund balance—beginning	<u>1,383,590</u>	<u>1,383,590</u>	<u>1,383,590</u>	<u>-</u>
Fund balance—ending	<u>\$ 1,105,486</u>	<u>\$ 1,105,486</u>	<u>\$ 1,362,345</u>	<u>\$ 256,859</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance—**  
**Budget and Actual—Master Drainage Fund**  
**Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUE</b>				
Real property taxes	\$ 710,762	\$ 710,762	\$ 710,762	\$ -
Use of money and property	<u>8,000</u>	<u>8,000</u>	<u>2,513</u>	<u>(5,487)</u>
Total revenues	<u>718,762</u>	<u>718,762</u>	<u>713,275</u>	<u>(5,487)</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	435,134	435,134	356,842	78,292
Employee benefits	<u>53,524</u>	<u>53,524</u>	<u>53,524</u>	<u>-</u>
Total expenditures	<u>488,658</u>	<u>488,658</u>	<u>410,366</u>	<u>78,292</u>
Excess of revenue over expenditures	<u>230,104</u>	<u>230,104</u>	<u>302,909</u>	<u>72,805</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(280,000)</u>	<u>(280,000)</u>	<u>(203,242)</u>	<u>76,758</u>
Total other financing uses	<u>(280,000)</u>	<u>(280,000)</u>	<u>(203,242)</u>	<u>76,758</u>
Net change in fund balance	(49,896)	(49,896)	99,667	149,563
Fund balance—beginning	<u>418,238</u>	<u>418,238</u>	<u>418,238</u>	<u>-</u>
Fund balance—ending	<u>\$ 368,342</u>	<u>\$ 368,342</u>	<u>\$ 517,905</u>	<u>\$ 149,563</u>

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance—**  
**Budget and Actual—Water Hydrant District Fund**  
**Year Ended December 31, 2011**

	<u>Original Budget</u>	<u>Adjusted Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUE</b>				
Real property taxes	\$ 409,804	\$ 409,804	\$ 409,804	\$ -
Use of money and property	<u>9,050</u>	<u>9,050</u>	<u>1,589</u>	<u>(7,461)</u>
Total revenues	<u>418,854</u>	<u>418,854</u>	<u>411,393</u>	<u>(7,461)</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	431,520	431,520	423,174	8,346
Employee benefits	<u>43,864</u>	<u>43,864</u>	<u>43,864</u>	<u>-</u>
Total expenditures	<u>475,384</u>	<u>475,384</u>	<u>467,038</u>	<u>8,346</u>
Excess of revenue over expenditures	<u>(56,530)</u>	<u>(56,530)</u>	<u>(55,645)</u>	<u>885</u>
 Net change in fund balance	 (56,530)	 (56,530)	 (55,645)	 885
 Fund balance—beginning	 <u>456,803</u>	 <u>456,803</u>	 <u>456,803</u>	 <u>-</u>
Fund balance—ending	<u>\$ 400,273</u>	<u>\$ 400,273</u>	<u>\$ 401,158</u>	<u>\$ 885</u>

# STATISTICAL SECTION

## (UNAUDITED)

This part of the Town of Cheektowaga comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends .....	64
<i>These schedules contain trend information to help the reader understand how the Town’s financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	70
<i>These schedules contain information to help the reader assess the Town’s most significant revenue source, real property taxes.</i>	
Debt Capacity .....	75
<i>These schedules present information to help the reader assess the affordability of the Town’s current levels of outstanding debt and the Town’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information .....	79
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town’s financial activities take place.</i>	
Operating Information.....	81
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town’s financial report relates to the services the Town’s provides and the activities it performs.</i>	



**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule I—Net Assets by Component**  
**Last Eight Fiscal Years**  
(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities								
Invested in capital assets, net of related debt	\$ 34,188,940	\$ 37,337,793	\$ 37,296,021	\$ 39,713,401	\$ 44,105,979	\$ 49,718,794	\$ 53,004,308	\$ 57,296,433
Restricted for:								
Capital projects	2,458,889	1,589,362	3,645,587	9,656,051	7,377,925	2,557,288	-	-
Insurance	-	-	-	-	-	-	-	1,653,598
Debt service	1,771,815	1,573,110	1,765,817	1,973,591	1,878,492	2,203,633	2,136,124	2,045,263
Unrestricted	<u>6,337,851</u>	<u>8,132,509</u>	<u>13,578,706</u>	<u>16,132,830</u>	<u>12,292,565</u>	<u>6,296,685</u>	<u>785,009</u>	<u>(6,570,885)</u>
Total net assets	<u>\$ 44,757,495</u>	<u>\$ 48,632,774</u>	<u>\$ 56,286,131</u>	<u>\$ 67,475,873</u>	<u>\$ 65,654,961</u>	<u>\$ 60,776,400</u>	<u>\$ 55,925,441</u>	<u>\$ 54,424,409</u>

Note: The Town began to report accrual information when it implemented GASB 34 in the year ended December 31, 2003.

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule II—Changes in Net Assets**  
**Last Eight Fiscal Years**  
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses:</b>								
<b>Primary government:</b>								
Governmental activities:								
General government support	\$ 8,284,691	\$10,602,516	\$11,385,557	\$10,938,414	\$13,027,629	\$14,510,433	\$15,065,695	\$11,638,466
Public safety	17,877,314	17,581,780	18,875,076	19,591,559	22,281,698	22,556,169	23,838,771	25,901,940
Transportation	7,011,438	7,340,730	8,176,985	8,050,558	9,943,422	9,756,559	12,062,694	11,561,944
Economic assistance and opportunity	300,250	478,859	128,654	91,857	19,357	10,195	11,785	15,631
Culture and recreation	5,778,707	6,505,853	6,189,631	6,620,004	7,752,472	7,627,522	7,693,325	7,880,239
Home and community services	22,642,493	23,912,592	24,895,311	24,236,075	27,930,245	29,351,877	27,716,827	28,864,364
Interest and other fiscal charges	874,402	1,109,186	1,101,761	1,011,310	929,359	816,656	781,244	729,470
Total primary government expenses	<u>62,769,295</u>	<u>67,531,516</u>	<u>70,752,975</u>	<u>70,539,777</u>	<u>81,884,182</u>	<u>84,629,411</u>	<u>87,170,341</u>	<u>86,592,054</u>
<b>Program revenues:</b>								
Governmental activities:								
Charges for services								
General government support	863,780	747,489	994,291	1,227,014	1,024,606	822,872	802,947	913,453
Public safety	977,525	984,628	1,045,540	996,778	1,188,428	1,208,078	1,385,466	1,158,002
Transportation	93,721	220,729	220,735	233,215	247,247	262,487	269,481	283,146
Culture and recreation	860,963	773,202	776,988	861,565	854,491	978,785	996,153	997,030
Home and community services	629,361	640,846	630,616	653,301	786,021	661,673	525,887	509,073
Operating grants and contributions	2,106,008	2,206,012	4,034,307	3,500,662	2,012,129	2,610,887	2,890,335	2,489,086
Capital grants and contributions	471,302	157,391	266,068	239,629	1,508,796	597,923	1,009,851	1,510,051
Total primary government program revenues	<u>6,002,660</u>	<u>5,730,297</u>	<u>7,968,545</u>	<u>7,712,164</u>	<u>7,621,718</u>	<u>7,142,705</u>	<u>7,880,120</u>	<u>7,859,841</u>
Primary government net expense	<u>(56,766,635)</u>	<u>(61,801,219)</u>	<u>(62,784,430)</u>	<u>(62,827,613)</u>	<u>(74,262,464)</u>	<u>(77,486,706)</u>	<u>(79,290,221)</u>	<u>(78,732,213)</u>
<b>General revenues:</b>								
Property taxes	47,987,384	53,490,022	56,970,684	58,918,404	58,043,796	60,190,287	62,528,924	64,571,903
Non-property tax items	7,803,930	8,009,665	8,116,246	8,847,816	9,212,331	8,910,845	9,108,489	9,383,152
Interest earnings	680,280	1,451,909	2,594,403	2,940,211	1,844,834	818,404	453,969	387,965
Sale of property and compensation for loss	-	-	85,464	92,613	253,439	278,876	132,762	251,296
Miscellaneous	406,335	298,775	467,229	433,909	806,827	562,956	489,469	996,379
Unrestricted State aid	2,373,363	2,426,127	2,203,761	2,784,402	2,280,325	1,846,777	1,725,649	1,640,486
Total general revenues	<u>59,251,292</u>	<u>65,676,498</u>	<u>70,437,787</u>	<u>74,017,355</u>	<u>72,441,552</u>	<u>72,608,145</u>	<u>74,439,262</u>	<u>77,231,181</u>
Change in net assets	<u>\$ 2,484,657</u>	<u>\$ 3,875,279</u>	<u>\$ 7,653,357</u>	<u>\$11,189,742</u>	<u>\$ (1,820,912)</u>	<u>\$ (4,878,561)</u>	<u>\$ (4,850,959)</u>	<u>\$ (1,501,032)</u>

Note: The Town began to report accrual information when it implemented GASB 34 in the year ended December 31, 2003.

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule III—Program Revenues by Function/Program**  
**Last Eight Fiscal Years**  
(accrual basis of accounting)

<b>Function/Program</b>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Primary government:</b>								
Governmental activities:								
General government support	\$ 1,062,884	\$ 904,937	\$ 1,517,835	\$ 1,492,119	\$ 1,326,446	\$ 945,599	\$ 888,686	\$ 952,946
Public safety	1,130,655	1,273,238	1,270,014	1,574,624	1,537,545	1,554,383	1,727,597	2,085,284
Transportation	408,835	220,729	1,126,575	1,115,471	367,156	794,639	610,017	643,215
Economic assistance and opportunity	106,709	119,557	121,878	7,442	10,834	-	-	-
Culture and recreation	944,535	964,449	776,988	861,565	2,236,512	1,016,955	1,347,228	1,158,539
Home and community services	<u>2,349,042</u>	<u>2,247,387</u>	<u>3,155,255</u>	<u>2,660,943</u>	<u>2,143,225</u>	<u>2,831,129</u>	<u>3,306,592</u>	<u>3,019,857</u>
Total program revenues	<u>\$ 6,002,660</u>	<u>\$ 5,730,297</u>	<u>\$ 7,968,545</u>	<u>\$ 7,712,164</u>	<u>\$ 7,621,718</u>	<u>\$ 7,142,705</u>	<u>\$ 7,880,120</u>	<u>\$ 7,859,841</u>

Note: The Town began to report accrual information when it implemented GASB 34 in the year ended December 31, 2003.

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule IV—Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011*
General fund										
Reserved	\$ 1,521,670	\$ 1,481,378	\$ 1,324,669	\$ 1,620,832	\$ 3,031,381	\$ 6,613,966	\$ 1,944,054	\$ 2,995,382	\$ 2,400,104	n/a
Unreserved	6,892,803	7,182,829	7,355,624	9,816,508	12,416,707	14,150,491	17,677,622	15,870,846	17,157,445	n/a
Total General Fund	<u>\$ 8,414,473</u>	<u>\$ 8,664,207</u>	<u>\$ 8,680,293</u>	<u>\$11,437,340</u>	<u>\$15,448,088</u>	<u>\$20,764,457</u>	<u>\$19,621,676</u>	<u>\$18,866,228</u>	<u>\$19,557,549</u>	n/a
All other governmental funds										
Reserved	\$ 3,308,155	\$ 2,988,853	\$ 2,487,758	\$ 1,752,201	\$10,526,644	\$12,158,181	\$11,866,101	\$ 5,961,293	\$16,358,959	n/a
Unreserved, reported in:										
Special revenue funds	11,411,788	11,243,957	11,533,996	11,546,949	13,829,549	14,902,255	17,359,148	19,500,815	20,084,560	n/a
Capital projects fund	5,730,499	2,507,140	1,812,597	5,092,788	-	-	-	-	(16,218,058)	n/a
Total all other governmental funds	<u>\$20,450,442</u>	<u>\$16,739,950</u>	<u>\$15,834,351</u>	<u>\$18,391,938</u>	<u>\$24,356,193</u>	<u>\$27,060,436</u>	<u>\$29,225,249</u>	<u>\$25,462,108</u>	<u>\$20,225,461</u>	n/a
General Fund:										
Nonspendable	n/a	\$ 1,052,356								
Restricted	n/a	1,653,598								
Assigned	n/a	10,621,833								
Unassigned	n/a	8,923,294								
Total General Fund										<u>\$22,251,081</u>
All other governmental funds:										
Nonspendable	n/a	\$ 337,302								
Restricted	n/a	2,045,263								
Assigned	n/a	21,761,566								
Unassigned	n/a	(15,114,575)								
Total all other governmental funds										<u>\$ 9,029,556</u>

\*During the fiscal year ended December 31, 2011, the Town implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions.

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**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule V—Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes <sup>1</sup>	\$49,451,441	\$52,158,754	\$55,791,314	\$61,499,687	\$65,086,930	\$67,766,220	\$67,256,127	\$ 69,101,132	\$ 71,637,413	\$ 73,955,054
Charges for services <sup>2</sup>	1,995,698	2,034,922	1,889,350	1,953,173	1,950,605	2,094,208	2,252,747	2,263,596	2,097,791	2,188,233
Interdistrict charges	3,000	-	-	-	-	-	-	-	-	-
Use of money and property	1,009,646	662,303	680,280	1,451,909	2,594,403	2,940,211	1,844,834	818,404	453,969	387,965
Licenses and permits	477,213	332,472	613,876	494,137	727,395	939,900	719,638	495,439	534,977	614,969
Fines and forfeitures	803,924	960,453	917,623	919,584	990,170	937,765	1,128,408	1,174,860	1,347,166	1,057,502
Miscellaneous <sup>3</sup>	374,525	466,972	535,472	456,212	559,378	557,537	1,145,246	960,193	657,836	1,277,857
State aid	2,793,210	3,973,511	3,236,333	2,909,755	3,371,861	4,064,667	3,149,762	3,334,726	3,642,254	3,211,340
Federal aid	1,390,477	1,448,976	1,714,340	1,879,775	3,132,275	2,460,026	2,651,488	1,720,861	1,983,581	2,428,284
<b>Total revenues</b>	<b>58,299,134</b>	<b>62,038,363</b>	<b>65,378,588</b>	<b>71,564,232</b>	<b>78,413,017</b>	<b>81,760,534</b>	<b>80,148,250</b>	<b>79,869,211</b>	<b>82,354,987</b>	<b>85,121,204</b>
<b>Expenditures</b>										
General government support	6,129,164	6,981,397	7,031,808	7,819,605	7,549,343	8,883,509	9,454,525	12,268,379	13,971,042	9,464,211
Public safety	13,414,181	13,541,990	14,212,951	13,708,457	14,832,325	15,685,796	16,122,639	16,306,024	16,742,094	25,025,203
Transportation	6,856,312	4,762,886	4,723,013	4,886,612	5,326,166	5,889,748	7,325,645	8,392,892	8,484,610	10,185,381
Economic assistance and opportunity	168,515	140,881	113,018	127,626	24,011	72,796	13,850	7,372	8,259	11,248
Culture and recreation	4,138,185	4,310,142	4,418,586	4,595,677	4,801,676	5,527,347	6,727,514	5,384,056	5,290,491	5,330,375
Home and community services	15,130,239	16,516,941	17,485,409	18,999,716	18,987,790	19,333,121	20,936,959	22,246,209	20,706,453	21,347,248
Employee benefits	9,516,397	11,293,950	13,061,811	14,472,657	14,896,282	14,510,696	14,891,430	16,465,268	18,549,187	19,230,908
Capital outlay	3,749,967	7,258,151	3,521,491	2,440,533	2,039,233	1,065,000	-	-	-	-
Debt service:										
Principal	3,050,000	2,950,000	2,472,200	2,472,478	2,525,506	2,803,343	2,703,866	2,483,844	2,474,951	2,297,975
Interest and other fiscal charges	1,198,309	1,246,080	851,615	1,076,237	1,110,682	1,033,566	949,790	833,756	673,226	731,028
<b>Total expenditures</b>	<b>63,351,269</b>	<b>69,002,418</b>	<b>67,891,902</b>	<b>70,599,598</b>	<b>72,093,014</b>	<b>74,804,922</b>	<b>79,126,218</b>	<b>84,387,800</b>	<b>86,900,313</b>	<b>93,623,577</b>

(continued)

(concluded)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Other financing sources (uses)										
Transfers in	5,648,101	5,967,880	6,221,538	6,501,357	7,099,369	6,865,498	11,327,459	5,378,311	5,601,115	5,939,181
Transfers out	(5,648,101)	(5,967,880)	(6,221,538)	(6,501,357)	(7,099,369)	(6,865,498)	(11,327,459)	(5,378,311)	(5,601,115)	(5,939,181)
Other financing sources	-	6,253,298	2,109,265	4,350,000	3,655,000	1,065,000	-	-	4,594,067	-
Other financing uses	-	(2,750,000)	(485,464)	-	-	-	-	-	(4,594,067)	-
Total other financing sources (uses)	<u>-</u>	<u>3,503,298</u>	<u>1,623,801</u>	<u>4,350,000</u>	<u>3,655,000</u>	<u>1,065,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$(5,052,135)</u>	<u>\$(3,460,757)</u>	<u>\$ (889,513)</u>	<u>\$ 5,314,634</u>	<u>\$ 9,975,003</u>	<u>\$ 8,020,612</u>	<u>\$ 1,022,032</u>	<u>\$ (4,518,589)</u>	<u>\$ (4,545,326)</u>	<u>\$ (8,502,373)</u>
Debt service as a percentage of noncapital expenditures	7.13%	6.80%	5.41%	5.39%	5.33%	5.49%	5.08%	4.37%	4.12%	3.99%

<sup>1</sup> General Property Taxes, Interest and Penalties on Tax, Payments in Lieu of Tax, Sales Tax and Franchise Fees.

<sup>2</sup> Includes revenues in Departmental Income and Intergovernmental Charges categories.

<sup>3</sup> Includes revenues in Sale of Property, Refund Prior Year Expenses and Miscellaneous categories.

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule VI—Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Year	General Property Taxes	Interest and Penalties on Taxes	General Sales Taxes	Franchise and Other Payments in Lieu of Taxes	Total Taxes
2002	\$ 40,418,618	\$ 182,912	\$ 6,881,842	\$ 1,968,069	\$ 49,451,441
2003	42,905,919	215,717	7,143,931	1,893,187	52,158,754
2004	46,841,128	217,707	7,028,007	1,704,472	55,791,314
2005	52,182,313	244,856	7,226,775	1,845,743	61,499,687
2006	55,431,045	423,723	7,310,175	1,921,987	65,086,930
2007	56,943,000	758,343	8,066,168	1,998,709	67,766,220
2008	56,462,538	405,073	8,400,761	1,987,755	67,256,127
2009	58,734,391	500,629	8,055,669	1,810,443	69,101,132
2010	61,214,130	291,131	8,180,932	1,951,220	71,637,413
2011	63,278,296	267,704	8,410,808	1,998,246	73,955,054

Source: Town of Cheektowaga Finance Department records

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule VII—Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Year <sup>1</sup>	Real Property		Ratio of Assessed Value to Estimated Actual Value <sup>2</sup>
	Assessed Value	Estimated Actual Value	
2002	\$ 2,188,319,614	\$ 3,366,645,560	65%
2003	2,210,629,397	3,400,968,303	65%
2004	2,226,242,978	3,424,989,197	65%
2005	2,254,113,948	3,467,867,612	65%
2006	2,309,575,871	3,553,193,648	65%
2007	2,400,954,058	3,898,918,574	62%
2008	2,465,623,045	4,003,934,792	62%
2009	2,470,169,912	3,984,145,019	62%
2010	2,570,213,122	4,145,505,035	62%
2011	2,633,902,317	4,248,229,544	62%

<sup>1</sup> The years indicated relate to the tax levy year. Assessments are compiled from the Town's tax rolls for the preceding year and the equalization rate (see <sup>2</sup> below) shown relates to such assessment year.

<sup>2</sup> Ratio is the equalization rate as published by the Division of Real Property Tax, Department of Finance, Erie County, New York.

Source: Annual Report of the Division of Real Property Tax, Department of Finance, County of Erie, New York

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule VIII—Direct and Overlapping Property Tax Rates (\$)**  
**Last Ten Fiscal Years**  
(rate per \$1,000 of assessed value, in dollars)

Year	Town Direct Rates			Overlapping Rates <sup>1</sup>											Total Weighted Average Rate
	General Rate	Highway Rate	Total Direct Rate	Depew		Sloan		Williamsville		Cheektowaga	Union Free #2	Union Free #3	Lancaster	West Seneca	
				Village	Town Outside Village	Village	Town Outside Village	Village	Town Outside Village	Town Outside Village	Town Outside Village	Town Outside Village	Town Outside Village	Town Outside Village	
2002	10.73705	-	10.73705	62.99881	50.74207	63.64455	53.22302	52.49454	48.60023	43.97910	44.17598	51.50804	43.23292	44.33072	51.73750
2003	10.73647	0.91882	11.65530	65.95380	52.93323	68.45492	57.25318	53.57210	49.75932	44.56819	44.76506	56.18932	43.06620	45.89123	54.20607
2004	11.67972	1.10860	12.78832	68.43905	53.43914	74.37603	62.88974	55.99165	49.97882	46.35734	47.87219	58.91173	43.10106	47.08794	56.94161
2005	12.87447	1.33103	14.20549	71.46511	55.60758	81.91891	66.13487	57.11877	51.29517	48.84848	49.75368	58.87047	45.04231	48.20725	59.68794
2006	13.46739	1.40847	14.87586	72.69677	56.46866	84.19368	68.81113	59.52484	54.45696	50.38526	50.11549	62.30187	48.33758	50.41484	61.75360
2007	13.30243	1.37300	14.67544	72.02966	55.14906	83.56147	68.06001	55.60297	52.42472	50.57783	49.11572	62.26886	47.25403	50.49983	60.80864
2008	12.84589	1.32957	14.17547	72.12493	54.73851	81.12122	65.92859	57.56517	51.93844	48.58889	48.67346	62.74668	46.56253	49.74614	60.09800
2009	13.15154	1.38097	14.53251	69.70805	54.88406	81.88087	66.83620	56.21629	50.71688	49.64985	48.91442	64.10741	46.66341	48.72601	59.99448
2010	13.72797	1.41893	15.14690	70.78927	56.45534	67.17992	52.18527	57.34871	52.08527	50.27625	52.49844	66.43527	47.45741	49.64933	57.60522
2011	14.27943	1.50760	15.78703	71.67926	57.43568	73.16678	57.76881	58.63342	53.36302	51.25792	53.57299	68.18371	49.99361	51.22230	59.85420

Notes: (1) There are no limitations, either as to the rate or amount, with respect to ad valorem taxes real property in the Town which may be required to pay principal and interest of its bonded indebtedness.

(2) Taxes, other than Village and School, are due January 1 to February 15 without penalty. Penalties are 1.5% - February 16 - 28; 3% - March 1 - 15; 4.5% - March 16 - April 2; 6% - April 1 - 16; 7.5% April 17 - May 1; then 1.5% additional each month thereafter. Unpaid taxes are returned to the Erie County Commissioner of Finance on or about August 31.

(3) Assessed values used by the Villages vary from the Town's assessed values because different equalization rates are applicable. For this reason tax rates in the Villages cannot be compared with rates of Town Outside Villages.

<sup>1</sup> Overlapping rates are those of local governments that apply to property owners within the Town. Not all overlapping rates apply to all the Town's property owners.

Sources: Annual Report of the Division of Real Property Tax, Department of Finance, County of Erie, New York and various School Business Managers

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule IX—Principal Taxpayers**  
**Current Year and Ten Years Ago**

Taxpayer	Type of Business	2011			2002		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Pyramid Walden Co. (Galleria)	Shopping Mall	\$ 103,531,200	1	3.9%	\$ 84,728,400	1	3.8%
DDR Companies	Commercial	37,603,500	2	1.4%	-	n/a	-
National Fuel Gas Dist Co	Public Utility	32,514,092	3	1.2%	33,082,756	3	1.5%
Benderson	Commercial	26,644,875	4	1.0%	39,819,100	2	1.8%
NYSEG	Public Utility	22,085,010	5	0.8%	19,109,992	5	0.9%
Niagara Mohawk	Public Utility	17,569,697	6	0.7%	14,948,329	7	0.7%
Idylwood Apartments	Apartments	17,513,900	7	0.7%	-	n/a	-
BG Thruway LLC	Retail	13,826,000	8	0.5%	-	n/a	-
Williamstowne Apartments	Apartments	12,579,700	9	0.5%	-	n/a	-
American Land Lease	Real Estate Trust	11,600,700	10	0.4%	-	n/a	-
Verizon New York, Inc.	Public Utility	-	n/a	-	15,135,752	6	0.7%
Clover Properties Fund I, LP	Apartments	-	n/a	-	19,535,500	4	0.9%
CSX Transportation	Railroad	-	n/a	-	14,304,935	8	0.7%
Norfolk Southern	Railroad	-	n/a	-	12,973,103	9	0.6%
Wegmans Food Market Inc.	Food Market	-	n/a	-	12,323,200	10	0.6%
		<u>\$ 295,468,674</u>		11.2%	<u>\$ 265,961,067</u>		12.0%

Source: Town of Cheektowaga Assessor

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule X—Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended December 31,	Taxes levied for the Fiscal Year			Collected within the Fiscal Year of the Levy (1)		Town Percentage Collected at Date of Return (2)
	Town Portion	County Portion	Total	Amount	Percentage of Total Levy	
2002	\$ 45,723,725	\$ 22,205,843	\$ 67,929,568	\$ 65,010,482	96%	100%
2003	48,394,976	21,890,413	70,285,389	66,226,550	94%	100%
2004	52,474,075	21,780,799	74,254,874	71,137,182	96%	100%
2005	58,089,614	21,852,457	79,942,071	76,636,294	96%	100%
2006	61,491,459	24,636,726	86,128,185	82,423,154	96%	100%
2007	63,201,387	26,807,977	90,009,364	86,283,007	96%	100%
2008	63,002,173	27,733,771	90,735,944	86,934,446	96%	100%
2009	65,353,938	27,576,577	92,930,515	89,022,890	96%	100%
2010	67,997,727	29,044,962	97,042,689	93,026,841	96%	100%
2011	70,176,363	29,688,795	99,865,157	92,125,189	92%	100%

The total levy included the billing for New York State and Erie County real property taxes which are jointly billed with the Town levies.

Tax payments are due January 1 to February 15th without penalty. Penalties are:

February 16 - 28	1.5%
March 1 - 15	3%
March 16 - April 2	4.5%
April 3 - 16	6%
April 17 - 30	7.5%

1.5% added each month thereafter.

- (1) The tax roll is returned to the Erie County Commissioner of Finance after August 31 at which time all unpaid taxes and penalties are payable to him. The Town retains their full tax levies for all funds and special districts prior to remitting the balance plus unpaid items to the County. Thus, the Town is assured of receiving 100% of its tax levy.
- (2) The tax roll is returned to the Erie County Commissioner of Finance after June 30 at which time all unpaid taxes and penalties are payable to him. The Town retains their full tax levies for all funds and special districts prior to remitting the balance plus unpaid items to the County. Thus, the Town has received 100% of its tax levy at the date of return. The County is responsible for collecting the remainder of Erie County real property taxes.

Source: Town of Cheektowaga Receiver of Taxes

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XI—Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Serial Bonds	Capital Leases	Total Amount	Percentage of Personal Income <sup>1</sup>	Debt per Capita <sup>1</sup>
2002	\$ 22,175,000	\$ -	\$ 22,175,000	0.81%	\$ 235.90
2003	19,425,000	3,303,298	22,728,298	0.80%	241.79
2004	17,267,125	4,659,738	21,926,863	0.73%	233.26
2005	19,189,825	4,614,560	23,804,385	0.78%	253.24
2006	20,527,524	4,406,354	24,933,878	0.77%	265.25
2007	17,987,400	5,208,136	23,195,536	0.66%	246.76
2008	15,580,100	4,911,570	20,491,670	0.56%	218.00
2009	13,415,000	4,592,826	18,007,826	0.72%	191.57
2010	11,315,000	4,252,876	15,567,876	0.63%	176.45
2011	9,380,000	3,889,900	13,269,900	0.57%	150.41

Notes: Detail regarding the Town's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See Schedule XV for personal income and population data.

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XII—Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

General Bonded Debt Outstanding							
Year	Population	Assessed Value (Taxable)	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value <sup>1</sup>	Net Bonded Debt per Capita <sup>2</sup>
2002	94,000	\$ 2,188,319,614	\$ 22,175,000	\$ 2,441,585	\$ 19,733,415	0.90%	\$ 209.93
2003	94,000	2,210,629,397	19,425,000	2,059,593	17,365,407	0.79%	184.74
2004	94,000	2,226,242,978	17,267,125	1,771,815	15,495,310	0.70%	164.84
2005	94,000	2,254,113,948	19,189,825	1,573,110	17,616,715	0.78%	187.41
2006	94,000	2,309,575,871	20,527,524	1,765,817	18,761,707	0.81%	199.59
2007	94,000	2,400,954,058	17,987,400	1,973,591	16,013,809	0.67%	170.36
2008	94,000	2,465,623,045	15,580,100	1,878,492	13,701,608	0.56%	145.76
2009	94,000	2,470,169,912	13,415,000	2,203,633	11,211,367	0.45%	119.27
2010	88,226	2,570,213,122	11,315,000	2,136,124	9,178,876	0.36%	104.04
2011	88,226	2,633,902,317	9,380,000	2,045,263	7,334,737	0.28%	83.14

Notes: Detail regarding the Town's outstanding debt can be found in the notes to the financial statements.

<sup>1</sup> See Schedule XVII for property value data.

<sup>2</sup> See Schedule XV for personal income and population data.

Sources: Town of Cheektowaga Annual Financial Report to the State of New York, Office of the State Comptroller and U.S. Bureau of the Census

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XIII—Computation of Estimated Direct and Overlapping Debt**  
**As of December 31, 2011**

Governmental Unit	Gross Indebtedness	Estimated Exclusions <sup>1</sup>	Net Indebtedness	Percentage Applicable <sup>2</sup>	Town of Cheektowaga Portion
Estimated direct debt:					
Town of Cheektowaga	\$ 13,269,900	\$ 2,345,212	\$ 10,924,688	100.00%	\$ 10,924,688
Estimated overlapping debt:					
Villages:					
Depew	4,812,000	-	4,812,000	51.33%	2,469,922
Sloan	-	-	-	100.00%	-
Williamsville	2,180,000	100,000	2,080,000	0.20%	4,186
School Districts:					
Cheektowaga Central	7,185,000	4,663,065	2,521,935	100.00%	2,521,935
Cheektowaga-Maryvale Union Free	25,685,000	18,955,530	6,729,470	100.00%	6,729,470
Cleveland Hill Union Free at Cheektowaga	27,276,132	22,230,048	5,046,084	100.00%	5,046,084
Williamsville Central	27,541,000	18,177,060	9,363,940	0.06%	5,548
Lancaster Central	33,870,000	28,247,580	5,622,420	7.52%	423,029
Depew Union Free	28,810,000	24,834,220	3,975,780	58.29%	2,317,616
West Seneca Central	33,565,000	24,301,060	9,263,940	19.03%	1,763,362
Union Free School District #9 (Sloan)	17,295,000	13,887,885	3,407,115	94.36%	3,215,107
County of Erie	<u>573,732,688</u>	<u>236,778,658</u>	<u>336,954,030</u>	7.43%	<u>25,023,156</u>
Total estimated overlapping debt	<u>781,951,820</u>	<u>392,175,106</u>	<u>389,776,714</u>		<u>49,519,415</u>
Total estimated direct and overlapping debt	<u>\$ 795,221,720</u>	<u>\$ 394,520,318</u>	<u>\$ 400,701,402</u>		<u>\$ 60,444,103</u>

<sup>1</sup> Under New York State Statutes certain indebtedness related to Water and Sewer Improvements as well as School Indebtedness funded by State Building Aid may be excluded in the computation of statutory debt limits.

<sup>2</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Town's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used with the County of Erie's debt, which was estimated by dividing the Town's assessed value by the total assessed value of the County of Erie.

Sources: Most recent data provided by Town 12-31-11, County 12-31-11, Villages 5-31-11, Schools 6-30-11 and Annual Report of the Division of Real Property Tax, Department of Finance, County of Erie, New York

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XIV—Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2011

Estimated Actual Value of Real Property (After Exemptions):	
2007	\$3,898,918,574
2008	4,003,934,792
2009	3,984,145,019
2010	4,145,505,035
2011	<u>4,248,229,544</u>
Total five-year valuation	20,280,732,965
Average full valuation	4,056,146,593
Debt limit- 7% of average full valuation <sup>1</sup>	283,930,262
Debt applicable to limit:	
General Obligations bonds	9,380,000
Less other deductions allowed by law <sup>2</sup>	
Budgeted appropriations	<u>2,345,212</u>
Total amount of net indebtedness applicable to debt limit	<u>7,034,788</u>
Legal debt margin <sup>3</sup>	<u>\$ 276,895,474</u>
Percentage of debt contracting power exhausted	2.48%

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$234,894,119	\$236,267,707	\$237,807,588	\$232,480,431	\$240,991,300	\$248,449,943	\$256,884,654	\$ 264,712,835	\$274,199,759	\$283,930,262
Total net debt applicable to limit	<u>19,087,800</u>	<u>16,000,150</u>	<u>14,747,126</u>	<u>16,872,524</u>	<u>17,987,398</u>	<u>15,580,100</u>	<u>14,356,300</u>	<u>11,280,000</u>	<u>9,380,000</u>	<u>7,034,788</u>
Legal debt margin	<u>\$215,806,319</u>	<u>\$220,267,557</u>	<u>\$223,060,462</u>	<u>\$215,607,907</u>	<u>\$223,003,902</u>	<u>\$232,869,843</u>	<u>\$242,528,354</u>	<u>\$ 253,462,835</u>	<u>\$264,819,759</u>	<u>\$276,895,474</u>
Total net debt applicable to the limit as a percentage of debt limit	8.13%	6.77%	6.20%	7.26%	7.46%	6.27%	5.59%	4.26%	3.42%	2.48%

<sup>1</sup> The provisions of Section 104 of the Local Finance Law specifies debt limits of Towns of New York State.

<sup>2</sup> Under the State Constitution, indebtedness contracted for the construction of sewer facilities may be excluded, in ascertaining the debt incurring power of the Town upon application to and the technical approval of the State Comptroller. The Town has not submitted such application, so it cannot formally exclude such indebtedness.

<sup>3</sup> There is no constitutional limitation of the amount that may be raised by the Town by tax on real estate in any fiscal year to pay interest and principal on all indebtedness.

Sources: Town of Cheektowaga Annual Financial Report to the State of New York, Office of the State Comptroller and the Annual Report of the Division of Real Property Tax, Department of Finance, County of Erie, New York

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XV—Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Calendar Year	Population	Per Capita		Unemployment Rate <sup>3</sup>		Labor Force <sup>4</sup>
		Personal Income <sup>1</sup>	Personal Income <sup>2</sup>	Cheektowaga	New York State	
2002	94,000	\$ 29,053	\$ 2,730,982	5.4%	6.2%	49.1
2003	94,000	30,299	2,848,106	5.7%	6.4%	48.8
2004	94,000	31,827	2,991,738	5.8%	5.8%	49.2
2005	94,000	32,631	3,067,314	5.2%	5.0%	48.9
2006	94,000	34,631	3,255,314	5.1%	4.6%	48.7
2007	94,000	37,231	3,499,714	4.8%	4.5%	48.2
2008	94,000	38,795	3,646,730	5.5%	5.3%	48.6
2009	94,000	26,627	2,502,938	8.2%	8.4%	48.5
2010	94,019	26,378	2,480,033	8.2%	8.6%	47.7
2011	88,226	26,378	2,327,225	7.8%	8.2%	46.9

<sup>1</sup> Data represents per capita income for Erie County.

<sup>2</sup> Estimated, in thousands.

<sup>3</sup> Annual averages.

<sup>4</sup> In thousands.

Sources: U.S. Bureau of the Census, New York State Department of Labor, U.S. Department of Labor—Bureau of Labor Statistics and the Bureau of Economic Analysis

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XVI—Principal Cheektowaga Chamber of Commerce Business Members**  
**Current Year and Ten<sup>3</sup> Years Ago**

Employer	Type	2011			2001 <sup>3</sup>		
		Approx. No. of Employees	Rank	Percentage of Labor Force <sup>2</sup>	Approx. No. of Employees	Rank	Percentage of Total City Employment
St. Joseph Hospital	Hospital	800	1	1.68%	501	3	1.02%
Cameron, Inc.	Industrial	700	2	1.47%	-	-	-
Derrick Corporation	Industrial	500	3	1.05%	-	-	-
Town of Cheektowaga <sup>1</sup>	Local Government	460	4	0.96%	475	6	0.97%
Quad/Graphics	Industrial	400	5	0.84%	-	-	-
Cheektowaga Central Schools	Public Schools	350	6	0.73%	400	8	0.82%
Maryvale School District	Public Schools	350	7	0.73%	390	9	0.80%
First Student Bus Service	Transportation	300	8	0.63%	-	-	-
Rosina Foods	Industrial	260	9	0.55%	-	-	-
Upstate Niagara Cooperative, Inc.	Industrial	250	10	0.52%	-	-	-
Quebecor	Industrial	-	-	-	1,350	1	2.76%
National School Bus Service	Transportation	-	-	-	700	2	1.43%
Calspan Corporation	Industrial	-	-	-	500	4	1.02%
Sierra Technologies	Industrial	-	-	-	495	5	1.01%
Cooper Turbo Compressor	Industrial	-	-	-	400	7	0.82%
J.C. Penny Co., Inc.	Department Store	-	-	-	356	10	0.73%

<sup>1</sup> Full-time only.

<sup>2</sup> Estimated.

<sup>3</sup> Data from nine years prior (2002) not available.

Source: 2011 BAN Issuance Documentation and Cheektowaga Chamber of Commerce

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**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XVII—Full-time Equivalent Town Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/Program:	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General government support										
Supervisor	3	3	3	3	3	2	2	2	2	2
Personnel	3	3	3	3	3	3	3	3	3	3
Accounting	5	5	5	5	5	5	5	5	5	5
Information Services	1	2	3	3	4	4	4	4	4	4
Assessors	6	6	6	7	7	7	7	7	7	5
Central Printing	1	1	1	1	1	1	1	1	2	1
Building Maintenance	9	9	9	9	9	9	9	9	9	9
Central Garage	12	12	12	12	12	12	12	11	11	11
Council	8	8	8	8	8	8	8	8	8	8
Engineering	7	7	7	7	7	7	8	8	8	8
Justice	14	14	14	14	14	14	14	14	14	14
Law	6	6	6	6	6	5	5	5	5	5
Town Clerk	9	9	9	8	10	9	9	8	7	7
Tax office	2	2	2	2	-	-	-	-	-	-
	<u>86</u>	<u>87</u>	<u>88</u>	<u>88</u>	<u>89</u>	<u>86</u>	<u>87</u>	<u>85</u>	<u>85</u>	<u>82</u>
Public safety										
Dispatchers	28	28	28	28	28	28	28	28	28	29
Officers	127	128	127	127	128	128	129	129	129	128
Civilians	9	9	9	9	9	9	9	9	9	9
Animal control	1	1	1	1	1	1	1	1	1	1
Sign Maintenance	3	3	3	4	4	4	3	3	3	3
Building & Plumbing - code enforcement	14	15	15	17	19	19	19	19	19	19
	<u>182</u>	<u>184</u>	<u>183</u>	<u>186</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>
Transportation										
Highway	<u>75</u>	<u>76</u>	<u>74</u>	<u>74</u>	<u>74</u>	<u>75</u>	<u>75</u>	<u>74</u>	<u>74</u>	<u>75</u>

(continued)

(concluded)

Function/Program:	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Economic assistance and opportunity										
Community Development	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Culture and recreation										
Parks/Facilities	21	21	21	21	22	21	21	21	21	21
Youth & Recreation	10	10	10	10	10	10	10	9	9	9
Senior services	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>5</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
	<u>37</u>	<u>36</u>	<u>36</u>	<u>36</u>						
Home and community services										
Sanitation	40	46	45	46	45	46	45	45	45	45
Recycling	16	-	-	-	-	-	-	-	-	-
Sewer	23	22	22	22	21	21	21	21	21	21
Main Pump	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>11</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>
	<u>91</u>	<u>80</u>	<u>79</u>	<u>80</u>	<u>77</u>	<u>79</u>	<u>78</u>	<u>78</u>	<u>78</u>	<u>78</u>

Source: Various Town departments

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XVIII—Operating Indicators**  
**Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>TOWN JUSTICES' CASELOAD:</b>										
Cases processed:										
Motor vehicle	18,803	18,510	16,309	17,351	16,922	16,248	16,751	17,786	20,532	18,021
Criminal	4,821	4,437	4,441	4,643	5,387	5,915	5,809	6,529	6,187	5,443
Civil	1,218	1,118	983	1,140	1,031	1,003	774	712	754	769
Fines assessed:										
Motor vehicle	\$ 1,288,591	\$ 1,508,280	\$ 1,567,165	\$ 1,638,585	\$ 1,607,360	\$ 1,569,394	\$ 1,690,540	\$ 1,981,681	\$ 2,220,604	\$ 1,714,594
Criminal	\$ 177,261	\$ 181,159	\$ 185,884	\$ 148,936	\$ 197,231	\$ 239,620	\$ 240,268	\$ 234,028	\$ 354,693	\$ 214,195
Civil	\$ 25,330	\$ 15,733	\$ 17,260	\$ 20,355	\$ 19,130	\$ 18,650	\$ 14,085	\$ 12,855	\$ 14,395	\$ 14,175
<b>NUMBER OF BUILDING PERMITS:</b>										
One family	56	54	27	30	17	35	23	13	16	5
Two family	-	-	-	-	-	-	-	-	-	-
Apartments	-	6	-	7	1	-	-	-	-	-
Other	1,423	1,031	1,541	1,559	1,655	1,973	2,430	2,422	1,999	2,068
Value of construction	\$38,935,882	\$39,429,426	\$40,110,887	\$45,285,068	\$67,060,557	\$74,059,133	\$66,071,696	\$34,012,934	\$50,419,216	\$45,859,274
<b>POLICE:</b>										
Arrests	4,100	3,843	4,448	4,770	4,984	5,219	4,871	5,272	6,256	5,146
Traffic tickets	13,612	13,369	10,277	11,791	10,457	10,523	8,632	10,147	10,369	9,768
Calls for service	41,145	40,015	43,216	43,366	43,312	49,871	50,305	48,176	48,901	52,658
Police reports	11,633	11,386	11,185	11,621	11,524	10,993	10,609	10,696	10,640	10,371
<b>REFUSE COLLECTION:</b>										
Refuse collected (tons annually) <sup>1</sup>	34,136	42,727	35,855	33,070	33,151	31,886	31,991	30,384	30,787	31,637

<sup>1</sup> During the year ended December 31, 2003 the recycling program for the Town was eliminated and all recyclables went into garbage, during the year ended December 31, 2004 a private recycling program was initiated.

Source: Various Town departments

**TOWN OF CHEEKTOWAGA, NEW YORK**  
**Schedule XIX—Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program:	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	52	50	48	44	49	49	50	49	49	49
<b>Refuse collection</b>										
Collection trucks	16	20	15	19	15	21	19	17	18	19
<b>Other public works</b>										
Streets (miles)	n/a	389	389	389	389	389	389	389	389	389
Streetlights	n/a	962	962	966	979	1310	1310	1310	1310	1310
Traffic signals	n/a	41	41	41	41	41	41	41	41	41
<b>Parks and recreation</b>										
Acreage	n/a	552	552	552	552	552	552	552	552	552
Playgrounds	n/a	18	18	18	18	18	18	18	18	18
Baseball/softball diamonds	n/a	21	21	21	21	21	21	19	19	19
Soccer/football fields	n/a	3	3	4	5	5	5	5	5	5
Community centers	n/a	5	5	5	5	5	5	4	4	4
<b>Water</b>										
Fire hydrants	n/a	1399	1360	1363	1371	1378	1378	1379	1381	1831
<b>Wastewater</b>										
Sanitary sewers (miles)	n/a	200	200	200	200	200	200	200	200	201
Storm sewers (miles)	n/a	150	150	150	150	175	175	178	182	186
<b>Senior Center</b>										
Transport vans	n/a	8	7	7	8	8	8	9	8	7

<sup>1</sup> Certain data (marked "n/a") regarding the Town's capital assets is not available for years prior to the Town's implementation of GASB Statement No. 34 during the year ended December 31, 2003.

Sources: Various Town departments

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