

TOWN OF
CHEEKTOWAGA
ERIE COUNTY, NEW YORK

COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013

SUPERVISOR MARY F. HOLTZ

COUNCILMEMBERS

JAMES P. ROGOWSKI

CHARLES C. MARKEL

GERALD P. KAMINSKI

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DIANE BENCZKOWSKI

TIMOTHY J. MEYERS

TOWN OF CHEEKTOWAGA, NEW YORK

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2013

Prepared by:

Town of Cheektowaga
Office of the Supervisor

Mary F. Holtz

Supervisor

TOWN OF CHEEKTOWAGA, NEW YORK
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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 19, 2014

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, 2013 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 unmodified 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 has experienced vast development. We are located a short distance from major metropolitan 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 completed negotiating new contracts with the remaining three of our five unions whose contracts were expired since 2009. These new contracts include the end of legacy health insurance and contributions toward health insurance by all members of the unions. The wage increases of 2.0% continue to be some of the lowest in the area.

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 2013, the Town issued 794 building permits with a construction value of slightly more than \$62.8 million.
3. There were some very exciting developments regarding businesses in Town. Cabela's Incorporated, the World's Foremost Outfitter of hunting, fishing and outdoor gear, plans to open its first New York location in Cheektowaga at the Walden Avenue exit of the NYS Thruway. The shopping center is going to be renamed Cabela's Crossings. Other major developments within Town included continued construction of hotels by the airport with the Aloft Hotel commencing. Calspan Corp. is expanding their facilities and API Heat Transfer is moving their global headquarters from Alabama to Cheektowaga. Also, the Walden Galleria Mall is remodeling and adding a Microsoft Store inside the mall.
4. The Town has completed its work on the 27,000 square foot addition and extensive renovations to the existing police/court facility in spring/summer 2013.

Long-term financial planning

The General Fund's unassigned fund balance of \$8,761,619 represents approximately 18 percent of its annual operating budget. The fund balance of the General Fund increased by \$822,351 from 2012. 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 8 vacant buildings in 2013 and a total of 38 have been demolished since May 2008.
4. During 2013, the Town, through our Community Development Office, the Town has rehabilitated and brought up to housing code standards 60 housing units for a total investment of \$958,788. Additionally, the Town partnered with Supportive Services to provide weatherization to 39 homeowners from insulation to windows and doors. 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 2013, they offered a total of 116 programs, services and events to an estimated 73,000 youths and adults. The department brought in approximately \$900,000 in total revenues.
3. The Town's code enforcement department has implemented new software to track activities and efforts in their department. This software keeps records electronically which will save paper. It is utilized with iPads in the field which will reduce the need for cameras and paper folders as well as increasing the information available to inspectors while out in the field.
4. The Town purchased 34,000 garbage totes for approximately \$1.5 million and distributed those totes to all the property owners throughout the Town. This program has been met with many positive responses from the residents. We will distribute another 34,000 totes in March 2014 for recycling of which the 50% of the cost for those totes will be reimbursed by New York State through a recycling grant.

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, 2012. This was the twenty-second 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 initial "M".

Mary F. Holtz
Supervisor
Chief Fiscal Officer



Government Finance Officers Association

**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, 2012

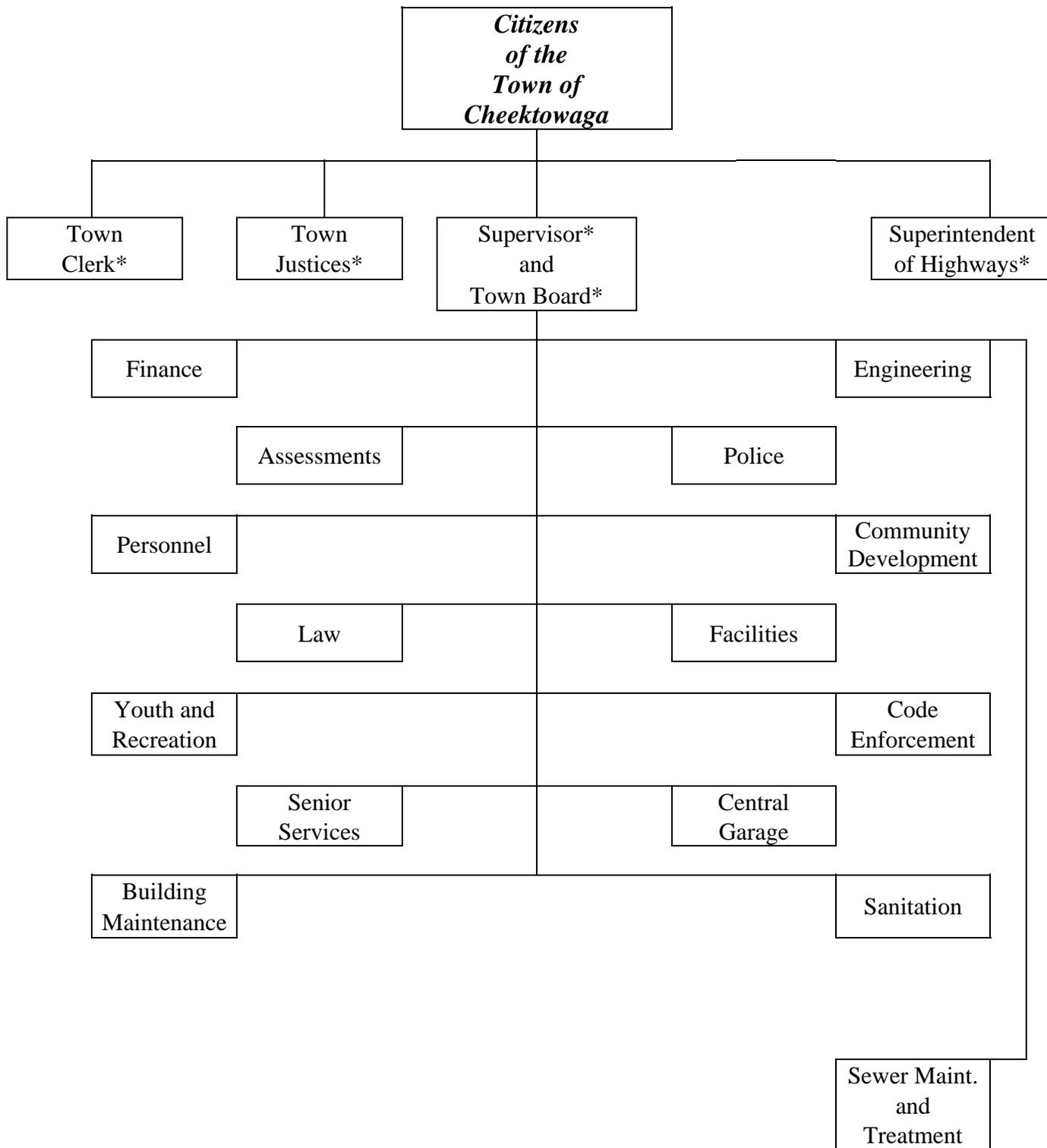
Executive Director/CEO

TOWN OF CHEEKTOWAGA, NEW YORK
Town Officials
Year Ended December 31, 2013

Name:	Title:
Elected:	
Mary F. Holtz	Supervisor
James P. Rogowski	Councilmember
Charles C. Markel	Councilmember
Gerald P. Kaminski	Councilmember
Angela M. Wozniak	Councilmember
Diane Benczkowski	Councilmember
Timothy J. Meyers	Councilmember
Dennis Delano	Town Justice
Paul Piotrowski	Town Justice
Mark D. Wegner	Superintendent of Highways
Alice Magierski	Town Clerk/Receiver of Taxes
Appointed:	
Jeneen McSkimming	Town Assessor
Kevin Schenk	Town Attorney
Brian M. Krause	Director of Administration and Finance
Civil Service:	
William Pugh	Town Engineer
David J. Zack	Police Chief

TOWN OF CHEEKTOWAGA, NEW YORK

ORGANIZATIONAL CHART



* Represents an independently elected official.

FINANCIAL SECTION

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Town Board
Town of Cheektowaga, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Cheektowaga, New York (the "Town"), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Cheektowaga Economic Development Corporation (the "Corporation"), which is the Town's discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corporation, is based solely on the report of the 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 financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Introductory Section, Supplemental Information, and Statistical Section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section, as listed in the table of contents, have 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 them.



June 16, 2014

TOWN OF CHEEKTOWAGA, NEW YORK
Management's Discussion and Analysis
For the Year Ended December 31, 2013

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, 2013. 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

- ◆ The assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$47,047,567 (net position). This consists of \$65,381,799 net investment in capital assets and \$3,037,902 restricted for specific purposes, offset by an unrestricted net deficit of \$21,372,134.
- ◆ The Town's Governmental Activities net position decreased \$1,066,911 during the year ended December 31, 2013.
- ◆ At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$19,221,969, a decrease of \$1,034,624 in comparison with the prior year. Excluding the Capital Projects Fund unassigned fund deficit of \$24,558,369, the Town had unrestricted fund balances of \$38,773,651; 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 \$822,351. At December 31, 2013, unassigned fund balance for the General Fund was \$8,761,619, or 18.7 percent of total General Fund expenditures.
- ◆ During the year ended December 31, 2013, the Town paid \$1,655,000 of its bond indebtedness.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise of 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.

Government-wide financial statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the Town's finances in a manner similar in format to a financial statement of a private-sector business.

The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving

rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this 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 (business-type activities). The governmental activities of the Town include general government support, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest and other fiscal charges.

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. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary 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 twelve 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 Fund, Highway Fund, Sewer Fund, Consolidated Garbage Fund, Community Development Fund and Capital Projects Fund, which are considered to be major funds. Data from the other six 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 in the Supplemental Information section of this report.

The fund financial statements for governmental funds can be found on pages 23-26 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

statements because the resources of those funds are *not* available to support the Town’s own programs. The Town maintains one fiduciary fund, the Agency Fund.

The Agency Fund reports resources held by the Town in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund statement of net position can be found on page 27 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 28-52 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the Town’s budgetary comparison schedules for each major fund with a legally adopted budget and other post-employment benefits obligation. Required supplementary information can be found on pages 53-57 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pages 58-59 and 62-63 of this report.

Budgetary comparison schedules for each nonmajor fund with a legally adopted budget are presented immediately following their respective combining statements in the Supplemental Information section on pages 60-61 and 64-66 of this report. The Statistical Section can be found on pages 67-87 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the Town, assets exceeded liabilities and deferred inflows of resources by \$47,047,567 at the close of the most recent fiscal year, as compared to \$48,114,478 at the close of the 2012 fiscal year.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities	
	December 31,	
	2013	2012
Current assets	\$ 66,099,013	\$ 68,761,153
Capital assets	100,752,371	95,955,778
Total assets	<u>166,851,384</u>	<u>164,716,931</u>
Current liabilities	39,758,230	41,326,186
Long-term liabilities	72,998,778	68,059,399
Total liabilities	<u>112,757,008</u>	<u>109,385,585</u>
Deferred inflows of resources	<u>7,046,809</u>	<u>7,216,868</u>
Net position:		
Net investment in capital assets	65,381,799	61,713,677
Restricted	3,037,902	4,499,352
Unrestricted	<u>(21,372,134)</u>	<u>(18,098,551)</u>
Total net position	<u>\$ 47,047,567</u>	<u>\$ 48,114,478</u>

The largest portion of the Town's net position reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt that was used to acquire those assets. 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 position, \$3,037,902, represents resources that are subject to external restrictions on how they may be used. The final portion of net position, \$21,372,134, is considered to be an unrestricted net deficit.

Total net position decreased \$1,066,911 as a result of current year activities. While revenues increased, mainly due to an increase in property tax revenue, total revenues were not enough to fully offset total expenses. Expenses decreased, mainly due to decreased costs related to the highway reconstruction and drainage projects but remain higher than revenues.

Table 2, presented below, shows the changes in net position for the years ended December 31, 2013 and December 31, 2012.

Table 2—Condensed Statements of Changes in Net Position—Primary Government

	Year Ended December 31,	
	2013	2012
Program revenues:		
Charges for services	\$ 4,186,536	\$ 3,911,864
Operating grants and contributions	2,353,174	2,072,168
Capital grants and contributions	544,551	961,167
General revenues:		
Property taxes	65,875,325	64,852,392
Non-property taxes	10,006,908	9,741,760
Use of money and property	240,994	406,892
Sale of property and compensation for loss	224,454	148,661
Miscellaneous	984,040	425,029
Unrestricted state aid	2,010,930	1,730,175
Total revenues	<u>86,426,912</u>	<u>84,250,108</u>
Program expenses	<u>87,493,823</u>	<u>90,560,039</u>
Change in net position	(1,066,911)	(6,309,931)
Net position—beginning	<u>48,114,478</u>	<u>54,424,409</u>
Net position—ending	<u>\$ 47,047,567</u>	<u>\$ 48,114,478</u>

Overall revenues increased by 2.6 percent from 2012, due primarily to increased property taxes and miscellaneous revenues. Total program expenses decreased 3.4 percent from the year ended December 31, 2012, due primarily to decreased home and community services costs related to sewer projects and decreased costs for compensated absences. These decreases were partially offset by increased costs throughout the Town for employee benefits.

A summary of sources of revenues for the years ended December 31, 2013 and December 31, 2012 is presented below in Table 3:

Table 3—Summary of Sources of Revenues—Primary Government

	<u>Year Ended December 31,</u>		<u>Increase/(decrease)</u>	
	<u>2013</u>	<u>2012</u>	<u>Dollars</u>	<u>Percent (%)</u>
Charges for services	\$ 4,186,536	\$ 3,911,864	\$ 274,672	7.0
Operating grants and contributions	2,353,174	2,072,168	281,006	13.6
Capital grants and contributions	544,551	961,167	(416,616)	(43.3)
Property and other taxes	75,882,233	74,594,152	1,288,081	1.7
Use of money and property	240,994	406,892	(165,898)	(40.8)
Miscellaneous	1,208,494	573,690	634,804	110.7
Unrestricted state aid	2,010,930	1,730,175	280,755	16.2
Total revenues	<u>\$ 86,426,912</u>	<u>\$ 84,250,108</u>	<u>\$ 2,176,804</u>	2.6

The most significant source of revenue is property and other taxes, which accounts for \$75,882,233, or 87.8 percent of total revenues, for the year ended December 31, 2013, and \$74,594,152, or 88.5 percent of total revenues, for the year ended December 31, 2012. The next largest source of revenue for the year ended December 31, 2013 was charges for services of \$4,186,536, or 4.8 percent of total revenues, comparable to \$3,911,864, or 4.6 percent of total revenues for the year ended December 31, 2012.

During the year ended December 31, 2013, property and other taxes increased \$1,288,081 from the year ended December 31, 2012. This allowed the Town to absorb the impact of decreased capital grants and contributions from prior year; these revenues root from various increased federal and state aid. Additionally, miscellaneous revenues increased \$634,804 from the year ended December 31, 2012, mainly due to the recovery of prior expenses related to workers' compensation.

A summary of program expenses for the years ended December 31, 2013 and December 31, 2012 is presented below in Table 4:

Table 4—Summary of Program Expenses—Primary Government

	<u>Year Ended December 31,</u>		<u>Increase/(decrease)</u>	
	<u>2013</u>	<u>2012</u>	<u>Dollars</u>	<u>Percent (%)</u>
General government support	\$ 13,840,768	\$ 14,386,681	\$ (545,913)	(3.8)
Public safety	24,710,972	25,295,847	(584,875)	(2.3)
Transportation	12,701,147	12,318,808	382,339	3.1
Economic assistance and opportunity	23,492	13,285	10,207	76.8
Culture and recreation	8,697,567	6,267,114	2,430,453	38.8
Home and community services	26,845,152	31,490,859	(4,645,707)	(14.8)
Interest and other fiscal charges	674,725	787,445	(112,720)	(14.3)
Total program expenses	<u>\$ 87,493,823</u>	<u>\$ 90,560,039</u>	<u>\$ (3,066,216)</u>	(3.4)

The Town's significant expense items for the year ended December 31, 2013 were home and community services (primarily sewer, lighting, and sanitation services) of \$26,845,152 or 30.7 percent of total expenses, public safety (primarily police services) of \$24,710,972 or 28.2 percent of total expenses, general government support of \$13,840,768 or 15.8 percent of total expenses, and transportation

(primarily highway and road services) of \$12,701,147 or 14.5 percent of total expenses. Similarly, for the year ended December 31, 2012 significant expenses were home and community services of \$31,490,859 or 34.8 percent of total expenses, public safety of \$25,295,847 or 27.9 percent of total expenses, general government support of \$14,386,681 or 15.9 percent of total expenses, and transportation of \$12,318,808 or 13.6 percent of total expenses.

During the year ended December 31, 2013 home and community services expenses decreased \$4,645,707. The decrease in home and community services expenses is primarily due to a significant decrease in costs related to drainage projects coupled by a decrease in the cost for compensated absences. The Town experienced an increase in culture and recreation expenses due to rising employee benefits costs, but this increase was outpaced by declining expenses elsewhere.

Financial Analysis of the Town’s Funds

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

Governmental funds. The focus of the Town’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town’s financing requirements. In particular, *unassigned fund balance* and *fund balance assigned to specific use* in special revenue funds may serve as a useful measure of a government’s net resources available for spending at the end of a fiscal year, as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town’s Board.

As of the end of the current fiscal year, the Town’s governmental funds reported combined ending fund balances of \$19,221,969, a decrease of \$1,034,624 in comparison with the prior year. Excluding the Capital Projects Fund unassigned fund deficit of \$24,558,369, the Town had fund balances of \$38,773,651 which were 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.

A summary of the Town’s major funds’ fund balance is provided in Table 5 below:

Table 5—Major Funds’ Fund Balance

	<u>General</u>	<u>Highway</u>	<u>Sewer</u>
Net change in fund balances	\$ 822,351	\$ (165,867)	\$ 1,188,226
Unassigned or assigned to the fund's specific use	8,761,619	3,177,777	2,432,692
Total fund balance (deficit)	20,233,905	6,260,886	6,881,726
Percentage unassigned or assigned to specific use	43.3%	50.8%	35.4%

	<u>Consolidated Garbage</u>	<u>Community Development</u>	<u>Capital Projects</u>
Net change in fund balances	\$ (142,127)	\$ (28,355)	\$ (2,544,001)
Unassigned or assigned to the fund's specific use	1,229,272	156,485	(24,558,369)
Total fund balance (deficit)	3,250,544	157,115	(24,558,369)
Percentage unassigned or assigned to specific use	37.8%	99.6%	n/a

The General Fund is the chief operating fund of the Town. Total ending fund balance was \$20,233,905. Approximately 43.3 percent, \$8,761,619, of this amount is unassigned fund balance. The General Fund fund balance increased \$822,351 as a result of this year's activity. Overall General Fund revenues for the year ended December 31, 2013 were marginally higher in comparison to the year ended December 31, 2012, increasing 6.0 percent, \$2,637,725. This increase was largely the result of increased real property tax revenue received within the fund, up \$1,632,950 from prior year. Additionally, revenues from state aid, miscellaneous sources, and federal increased a total of \$850,895. Total expenditures for the year ended December 31, 2013 increased \$982,398 from December 31, 2012. During the year ended December 31, 2013, the General Fund experienced a significant increase in employee benefits costs relating to rising health insurance and retirement costs from the year December 31, 2012. This increase was partially absorbed by a decrease in general government support expenditures caused by a significant decrease in judgments and claims in the current year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 18.7 percent of total General Fund expenditures, while total fund balance represents 43.2 percent of that same amount.

The Town's Highway Fund ending fund balance was \$6,260,886. Approximately 50.8 percent, \$3,177,777, of this amount is reported as fund balance assigned for specific (Highway Fund) use. During the year ended December 31, 2013, the Highway Fund fund balance decreased \$165,867, as contractual costs and transfers out within the fund exceeded revenues.

The Town's Sewer Fund ending fund balance was \$6,881,726. Approximately 35.4 percent, \$2,432,692, of this amount is fund balance assigned for specific (Sewer Fund) use. Fund balance within the Sewer Fund increased by \$1,188,226 in the current year mainly from decreased costs of providing services.

The Town's Consolidated Garbage Fund ending fund balance was \$3,250,544. Approximately 37.8 percent, \$1,229,272, of this amount is fund balance assigned for specific (Consolidated Garbage Fund) use. Fund balance within the Consolidated Garbage Fund decreased by \$142,127, mainly due to an increase in interfund transfers out for insurance claims.

The Town's Community Development Fund ending fund balance was \$157,115. Nearly 99.6 percent, \$156,485, of this amount is fund balance assigned for specific (Community Development Fund) use. During the year ended December 31, 2013, the Community Development Fund fund balance decreased by \$28,355.

The Town's Capital Projects Fund ending fund balance was in a deficit position, \$(24,558,369). This deficit is expected to be remedied through the future issuance of long-term debt. During the year ended December 31, 2013, the Capital Projects Fund deficit increased by \$2,544,001 due to continued capital improvement expenditures at the Police and Court complex.

Budgetary Highlights

The Town adopts an annual appropriated budget for the General, Highway, Sewer, Consolidated Garbage, Town Outside Village, Debt Service, Lighting, Master Drainage and Water Hydrant Funds. Budgetary comparison schedules within the required supplementary information and other information sections of this report have been provided to demonstrate compliance with their budgets.

A summary of the General Fund results of operations for the year ended December 31, 2013 is presented in Table 6 below:

Table 6—Summary of General Fund Results of Operations

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues and other financing sources	\$ 46,387,374	\$ 48,799,323	\$ 50,981,822	\$ 2,182,499
Expenditures and other financing uses	<u>50,678,603</u>	<u>52,110,552</u>	<u>50,159,471</u>	<u>1,951,081</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,291,229)</u>	<u>\$ (3,311,229)</u>	<u>\$ 822,351</u>	<u>\$ 4,133,580</u>

Original budget compared to final budget. During the fiscal year there was a \$1,431,949 net increase in General Fund appropriations between the original and final amended budget. This increase was largely due to an increase in supplemental appropriations for transfers out, resulting primarily from larger than expected employee and retiree medical insurance costs. This increase in appropriations was offset by corresponding increases in budgeted revenues and transfers in.

Final budget compared to actual results. A review of actual revenues and expenditures compared to the estimated revenues and appropriations in the final budget yields no significant variances.

General Fund actual expenditures and transfers out were \$1,951,081 less than final corresponding budgeted appropriations. Following are the main components of the variance:

- ◆ General government support expenditures were \$646,127 less than budgeted, as computer hardware and judgment and claims costs were less than projected amounts.
- ◆ Employee benefits expenditures were \$590,728 less than anticipated largely due to fewer retirement buyouts, and less insurance and social security expenditures than forecasted with the budget.
- ◆ Culture and recreation expenditures were \$400,800 less than budgeted due to unexpected savings in personnel costs.
- ◆ Transfers out were \$229,941 less than budgeted due to anticipated transfers for risk retention, debt service interest, and capital projects

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental activities as of December 31, 2013, amounted to \$100,752,371 (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, 2013 and 2012 are presented below in Table 7:

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

	Governmental Activities	
	2013	2012
Land	\$ 6,781,714	\$ 6,781,714
Construction in progress	657,172	18,354,197
Buildings	26,545,858	10,176,390
Permanent fixtures	10,127,667	8,233,995
Machinery and equipment	12,399,611	11,003,118
Infrastructure	44,240,349	41,406,364
Total governmental activities	<u>\$ 100,752,371</u>	<u>\$ 95,955,778</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 4 of this report.

Long-term debt. At December 31, 2013, the Town had total bonded debt outstanding of \$5,760,000, as compared to \$7,415,000 in the prior year. During the year ended December 31, 2013, the Town made scheduled debt payments of \$1,655,000. New York State statutes limit the amount of general obligation debt a governmental entity may issue up to 7% of its five year valuation.

A summary of the Town's long-term liabilities at December 31, 2013 and 2012 is presented below in Table 8:

Table 8—Summary of Long-Term Liabilities

	December 31,		Increase/(Decrease)	
	2013	2012	Dollar	Percent (%)
Bonds payable	\$ 5,828,170	\$ 7,509,559	\$ (1,681,389)	(22.4)
Capital lease	3,111,419	3,509,688	(398,269)	(11.3)
Landfill obligation	2,160,000	2,280,000	(120,000)	(5.3)
Compensated absences	12,438,028	12,229,251	208,777	1.7
OPEB obligation	49,461,161	42,625,460	6,835,701	16.0
Total long-term liabilities	<u>\$ 72,998,778</u>	<u>\$ 68,153,958</u>	<u>\$ 4,844,820</u>	7.1

Additional information on the Town's long-term debt can be found in Note 11 of this report.

Economic Factors and Next Year's Budget

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region at December 2013 was 6.5 percent. This compares favorably to both New York State's unemployment rate of 7.1 and the national unemployment rate of 6.7 percent.

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the 2014 budget. The Town's 2014 budget includes the appropriation of \$4,210,000 of fund balance in the General Fund. Additional information on the Town's budgeted appropriations of fund balance can be found in Note 12 of this report.

Requests for Information

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 Street, Cheektowaga, NY 14227.

BASIC FINANCIAL STATEMENTS

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TOWN OF CHEEKTOWAGA, NEW YORK
Statement of Net Position
December 31, 2013

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Cheektowaga E.D.C. (March 31, 2013)</u>
ASSETS		
Cash and cash equivalents	\$ 44,407,877	\$ 606,514
Restricted cash and cash equivalents	4,699,524	-
Accounts receivable	716,000	186,857
Loans receivable	6,937,970	1,247,984
Intergovernmental receivables	7,368,857	-
Prepays	1,968,785	-
Capital assets not being depreciated	7,438,886	-
Capital assets, net of accumulated depreciation	<u>93,313,485</u>	<u>-</u>
Total assets	<u>166,851,384</u>	<u>2,041,355</u>
LIABILITIES		
Accounts payable	2,760,417	10,048
Accrued liabilities	6,970,119	-
Due to other governments	1,664,677	504
Unearned revenue	263,017	-
Bond anticipation notes payable	28,100,000	-
Noncurrent liabilities:		
Due within one year	2,788,573	-
Due in more than one year	<u>70,210,205</u>	<u>-</u>
Total liabilities	<u>112,757,008</u>	<u>10,552</u>
DEFERRED INFLOWS OF RESOURCES		
Golf course lease	299,914	-
Loans receivable	<u>6,746,895</u>	<u>-</u>
Total deferred inflows of resources	<u>7,046,809</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	65,381,799	-
Restricted for:		
Insurance	1,225,240	-
Debt reduction	1,812,662	-
Unrestricted	<u>(21,372,134)</u>	<u>2,030,803</u>
Total net position	<u>\$ 47,047,567</u>	<u>\$ 2,030,803</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, 2013

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary</u>	<u>Component</u>
					<u>Governmental Activities</u>	<u>Unit Cheektowaga E.D.C. (March 31,2013)</u>
Primary government:						
Governmental activities:						
General government support	\$ 13,840,768	\$ 1,169,173	\$ 63,583	\$ -	\$ (12,608,012)	\$ -
Public safety	24,710,972	1,203,215	333,493	32,759	(23,141,505)	-
Transportation	12,701,147	312,929	13,000	508,267	(11,866,951)	-
Economic assistance and opportunity	23,492	-	-	-	(23,492)	-
Culture and recreation	8,697,567	1,016,966	64,754	3,525	(7,612,322)	-
Home and community services	26,845,152	484,253	1,878,344	-	(24,482,555)	-
Interest and other fiscal charges	<u>674,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(674,725)</u>	<u>-</u>
Total primary government	<u>\$ 87,493,823</u>	<u>\$ 4,186,536</u>	<u>\$ 2,353,174</u>	<u>\$ 544,551</u>	<u>(80,409,562)</u>	<u>-</u>
Component unit:						
Cheektowaga E.D.C.	<u>\$ 45,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(45,809)</u>
Total component unit	<u>\$ 45,809</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(45,809)</u>
General revenues:						
					65,875,325	-
					10,006,908	-
					240,994	20,530
					224,454	-
					984,040	16,340
					<u>2,010,930</u>	<u>-</u>
					79,342,651	36,870
					(1,066,911)	(8,939)
					48,114,478	2,039,742
					<u>\$ 47,047,567</u>	<u>\$ 2,030,803</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, 2013

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Consolidated Garbage</u>	<u>Community Development</u>			
ASSETS								
Cash and cash equivalents	\$ 22,450,448	\$ 3,223,250	\$ 8,077,469	\$ 4,340,274	\$ 222,318	\$ 1,311,375	\$ 4,782,743	\$ 44,407,877
Restricted cash and cash equivalents	1,225,240	-	-	-	-	1,669,017	1,805,267	4,699,524
Accounts receivable	655,369	947	11,423	21,132	-	25,526	1,603	716,000
Loans receivable	191,075	-	-	-	6,746,895	-	-	6,937,970
Due from other funds	2,813,266	54,997	-	-	1,000	589,384	32,778	3,491,425
Intergovernmental receivables	1,025,947	3,497,165	313,754	17,000	451,652	1,101,759	961,580	7,368,857
Prepaid items	1,470,130	210,147	113,712	121,272	630	-	52,894	1,968,785
Total assets	<u>\$ 29,831,475</u>	<u>\$ 6,986,506</u>	<u>\$ 8,516,358</u>	<u>\$ 4,499,678</u>	<u>\$ 7,422,495</u>	<u>\$ 4,697,061</u>	<u>\$ 7,636,865</u>	<u>\$ 69,590,438</u>
LIABILITIES								
Accounts payable	\$ 880,326	\$ 188,142	\$ 118,467	\$ 300,628	\$ 27,043	\$ 972,326	\$ 273,485	\$ 2,760,417
Accrued liabilities	6,486,469	127,826	66,168	143,519	-	-	27,067	6,851,049
Due to other funds	590,382	400,885	748,548	797,709	459,118	183,104	311,679	3,491,425
Due to other governments	886,387	8,767	701,449	7,278	32,324	-	28,472	1,664,677
Unearned revenue	263,017	-	-	-	-	-	-	263,017
Bond anticipation notes payable	-	-	-	-	-	28,100,000	-	28,100,000
Total liabilities	<u>9,106,581</u>	<u>725,620</u>	<u>1,634,632</u>	<u>1,249,134</u>	<u>518,485</u>	<u>29,255,430</u>	<u>640,703</u>	<u>43,130,585</u>
DEFERRED INFLOWS OF RESOURCES								
Golf course lease	299,914	-	-	-	-	-	-	299,914
Loans receivable	191,075	-	-	-	6,746,895	-	-	6,937,970
Total deferred inflows of resources	<u>490,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,746,895</u>	<u>-</u>	<u>-</u>	<u>7,237,884</u>
FUND BALANCES (DEFICIT)								
Nonspendable	1,470,130	210,147	113,712	121,272	630	-	52,894	1,968,785
Restricted	1,225,240	-	-	-	-	-	1,812,662	3,037,902
Assigned	8,776,916	6,050,739	6,768,014	3,129,272	156,485	-	5,130,606	30,012,032
Unassigned	8,761,619	-	-	-	-	(24,558,369)	-	(15,796,750)
Total fund balances (deficit)	<u>20,233,905</u>	<u>6,260,886</u>	<u>6,881,726</u>	<u>3,250,544</u>	<u>157,115</u>	<u>(24,558,369)</u>	<u>6,996,162</u>	<u>19,221,969</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 29,831,475</u>	<u>\$ 6,986,506</u>	<u>\$ 8,516,358</u>	<u>\$ 4,499,678</u>	<u>\$ 7,422,495</u>	<u>\$ 4,697,061</u>	<u>\$ 7,636,865</u>	<u>\$ 69,590,438</u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Statement of Net Position
December 31, 2013

Amounts reported for governmental activities in the statement of net position (page 21) are different because:

Total fund balances (deficit)—governmental funds (page 23)	\$	19,221,969
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$168,242,154 and the accumulated depreciation is \$67,489,783.		100,752,371
Certain accrued revenues reported in the statement of net position are received after the availability period for recognition of revenue in the governmental funds.		191,075
Net accrued interest expense for bonds and notes is not reported in the funds.		(119,070)
Long-term liabilities applicable to the Town's governmental funds are not due and payable in the current period and, therefore, are not reported in the funds. The effect of these items are:		
Serial bonds	\$	(5,760,000)
Unamortized premiums		(68,170)
Capital lease		(3,111,419)
Landfill obligation		(2,160,000)
Compensated absences		(12,438,028)
Other post-employment benefits obligation		(49,461,161)
		<u>(72,998,778)</u>
Net position of governmental activities	\$	<u>47,047,567</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 Balances (Deficit)—Governmental Funds
Year Ended December 31, 2013

	Special Revenue						Total Nonmajor Funds	Total Governmental Funds
	General	Highway	Sewer	Consolidated Garbage	Community Development	Capital Projects		
REVENUES								
Real property taxes	\$ 38,520,249	\$ 3,533,828	\$ 10,710,757	\$ 8,303,186	\$ -	\$ -	\$ 3,546,626	\$ 64,614,646
Other property tax items	1,197,377	54,287	-	4,350	-	-	4,664	1,260,678
Non-property tax items	1,532,164	7,202,391	-	-	-	-	1,272,353	10,006,908
Departmental income	1,400,222	1,200	-	144,938	-	-	-	1,546,360
Intergovernmental charges	-	311,729	339,315	-	-	-	-	651,044
Use of money and property	103,655	13,044	18,829	11,406	-	4,923	89,137	240,994
Sale of property and compensation for loss	129,326	91,622	823	-	-	-	2,683	224,454
Licenses and permits	32,601	-	-	-	-	-	833,294	865,895
Fines and forfeitures	1,123,238	-	-	-	-	-	-	1,123,238
Miscellaneous	300,694	61,492	31,916	70,588	-	99,306	371,042	935,038
State aid	1,651,162	820,898	-	-	225,000	463,208	-	3,160,268
Federal aid	539,790	13,000	6,000	17,000	1,090,554	81,343	700	1,748,387
Total revenues	<u>46,530,478</u>	<u>12,103,491</u>	<u>11,107,640</u>	<u>8,551,468</u>	<u>1,315,554</u>	<u>648,780</u>	<u>6,120,499</u>	<u>86,377,910</u>
EXPENDITURES								
Current:								
General government support	8,222,273	-	-	-	-	-	-	8,222,273
Public safety	16,048,665	-	-	-	-	-	1,247,087	17,295,752
Transportation	238,624	7,099,272	-	-	-	-	-	7,337,896
Economic assistance and opportunity	16,289	-	-	-	-	-	-	16,289
Culture and recreation	5,077,651	-	-	-	-	-	411,702	5,489,353
Home and community services	-	5,137	7,394,415	6,248,671	1,343,909	-	2,902,111	17,894,243
Employee benefits	17,188,945	1,278,777	1,109,868	1,043,189	-	-	466,964	21,087,743
Debt service:								
Principal—serial bonds	-	-	-	-	-	-	1,655,000	1,655,000
Principal—capital lease	-	-	-	-	-	-	398,269	398,269
Interest	-	-	-	-	-	-	659,110	659,110
Capital outlay	-	-	-	-	-	7,356,606	-	7,356,606
Total expenditures	<u>46,792,447</u>	<u>8,383,186</u>	<u>8,504,283</u>	<u>7,291,860</u>	<u>1,343,909</u>	<u>7,356,606</u>	<u>7,740,243</u>	<u>87,412,534</u>
Excess (deficiency) of revenues over expenditures	<u>(261,969)</u>	<u>3,720,305</u>	<u>2,603,357</u>	<u>1,259,608</u>	<u>(28,355)</u>	<u>(6,707,826)</u>	<u>(1,619,744)</u>	<u>(1,034,624)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	4,451,344	-	-	-	-	4,166,207	3,864,761	12,482,312
Transfers out	<u>(3,367,024)</u>	<u>(3,886,172)</u>	<u>(1,415,131)</u>	<u>(1,401,735)</u>	<u>-</u>	<u>(2,382)</u>	<u>(2,409,868)</u>	<u>(12,482,312)</u>
Total other financing sources (uses)	<u>1,084,320</u>	<u>(3,886,172)</u>	<u>(1,415,131)</u>	<u>(1,401,735)</u>	<u>-</u>	<u>4,163,825</u>	<u>1,454,893</u>	<u>-</u>
Net change in fund balances	822,351	(165,867)	1,188,226	(142,127)	(28,355)	(2,544,001)	(164,851)	(1,034,624)
Fund balances (deficit)—beginning	<u>19,411,554</u>	<u>6,426,753</u>	<u>5,693,500</u>	<u>3,392,671</u>	<u>185,470</u>	<u>(22,014,368)</u>	<u>7,161,013</u>	<u>20,256,593</u>
Fund balances (deficit)—ending	<u>\$ 20,233,905</u>	<u>\$ 6,260,886</u>	<u>\$ 6,881,726</u>	<u>\$ 3,250,544</u>	<u>\$ 157,115</u>	<u>\$ (24,558,369)</u>	<u>\$ 6,996,162</u>	<u>\$ 19,221,969</u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances—
Governmental Funds to the Statement of Activities
Year Ended December 31, 2013

Amounts reported for governmental activities in the statement of activities (page 22) are different because:

Net change in fund balances (deficit)—total governmental funds (page 25) \$ (1,034,624)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital asset additions	\$ 9,765,452	
Depreciation expense	<u>(4,959,917)</u>	4,805,535

Loss on disposition of capital assets is recorded in the statement of activities but not in the statement for governmental funds. (8,942)

Certain revenue in the governmental funds is not recognized because it is not available soon enough after year-end to pay for the current period's expenditures in the governmental funds when it is due. However, on the statement of activities, this is recognized as revenue regardless of when it is collected. 31,555

The governmental funds report the issuance of long-term debt as revenues and the repayment of principal 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 paid.

Repayment of serial bonds	\$ 1,655,000	
Amortization of bond premium	26,389	
Payment of capital lease	398,269	
Net change in accrued interest expense	<u>(15,615)</u>	2,064,043

In the statement of activities, certain operating expenses 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). The net effect of these differences is as follows:

Change in landfill obligation	\$ 120,000	
Change in compensated absences	(208,777)	
Change in other post-employment benefits obligation	<u>(6,835,701)</u>	<u>(6,924,478)</u>

Change in net position of governmental activities \$ (1,066,911)

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

TOWN OF CHEEKTOWAGA, NEW YORK
Statement of Net Position—Agency Fund
December 31, 2013

	Agency Fund
ASSETS	
Cash	\$ 331,455
Accounts receivable	29,786
Intergovernmental receivables	<u>1,860</u>
Total assets	<u><u>\$ 363,101</u></u>
LIABILITIES	
Amounts held in custody for others	\$ 361,091
Due to other governments	<u>2,010</u>
Total liabilities	<u><u>\$ 363,101</u></u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Notes to the Financial Statements
December 31, 2013

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 applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The Town reports no business-type activities. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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 consist of the following:

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

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

The accompanying financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Unit—The component unit column in the government-wide financial statements includes the financial data of the Town’s discretely presented component unit. The unit is reported in a separate column to emphasize that it is legally separate from the Town.

Cheektowaga Economic Development Corporation—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.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the Town has one discretely presented component unit. While the Cheektowaga E.D.C. is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

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

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Town’s funds. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the Town and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is real property taxes.
- *Highway Fund*—This fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town. The principal sources of revenue for the Highway Fund are real property taxes and sales tax.
- *Sewer Fund*—This fund is used to record all revenues and expenditures related to operation and maintenance of the sewer district. The principal source of revenue for the Sewer Fund is real property taxes.
- *Consolidated Garbage Fund*—This fund is used to record all activity related to the garbage pickup and recycling within the Town. The principal source of revenue for the Consolidated Garbage Fund is real property taxes.

- *Community Development Fund*—This fund is used to record all activity related to the Federal Housing and Urban Development Community Development program. The principal source of revenue for the Community Development Fund is Community Development Block Grant federal aid.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities. The principal sources of revenue and financing for the Capital Projects Fund are federal and state grants, bond proceeds and transfers in.

Additionally, the Town reports the following fund type:

- *Fiduciary Fund*—The *Agency Fund* is used to account for employee payroll tax withholdings and for other money (and/or property) received and held in the capacity of trustee, custodian or agent.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide 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 related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, 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, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Agency Fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Budgetary Information

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except the Community Development Fund, the Special Purpose Fund and the Capital Projects Fund. The Community Development Fund, the Special Purpose Fund and the Capital Projects Fund are appropriated on a project length basis; appropriations are approved through a Town Board resolution at the grant/project's inception and lapse upon completion/termination of the grant/project.

The appropriated budget is prepared by fund, function, department and object. All budget amendments and budget transfers require Town Board approval. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the object classification.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e. purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Encumbrances—Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve the portion of the applicable appropriation, is employed as an extension of budgetary control in the governmental funds. The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. The Town had a total of \$490,631 of encumbrances outstanding at December 31, 2013, further information regarding encumbrances can be found in Note 12.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents, and Investments—Cash, cash equivalents, and investments consist of 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 or less from the date of acquisition. The Town had no investments at December 31, 2013; however, when the Town does have investments it is Town policy to record them at fair value based on quoted market value.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent amounts to support fund balance restrictions.

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

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 governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost equal to or greater 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 after 1980. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the Town constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure 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

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new police vehicle included as part of *expenditures – public safety*). The amount reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2013, the Town does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2013, the Town has only one type of item that qualifies for reporting in this category. The Town reports unavailable revenues from three sources: golf course lease, special assessments loans receivable and revolving loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption—Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Revenues and Expenditures/Expenses

Program Revenues—Amounts reported as *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 or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes—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 1st to February 15th without penalty; February 16th to 28th a 1.5% penalty; March 1st to 15th a 3.0% penalty; March 16th to 31st a 4.5% penalty; April 1st to 15th a 6.0% penalty; April 16th to 30th a 7.5% penalty; and 1.5% added each month thereafter.

The tax roll is returned to the Erie County Commissioner of Finance after May 1st, at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items that 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 Town Clerk, independent of Town operations.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At December 31, 2013, the Town reported unearned revenues within the General Fund in the amount of \$263,017. The Town received grant and youth program money in advance but has not performed the services, and therefore recognizes a liability.

Compensated Absences—Most Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacations and compensatory absences must be used by the end of the fiscal year in which they are earned. Employees may accumulate sick leave, but they are not entitled to receive payment for unused sick leave in the event of termination or upon retirement.

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

Pensions—Nearly all Town employees are members of various New York State retirement systems. The Town is invoiced annually by the systems for its share of the cost.

Other

Estimates—The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2013, the Town implemented GASB Statements No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, and No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. GASB Statement No. 61 clarifies the manner in determining whether or not an organization should be included as a component unit, and GASB Statement No. 66 improves accounting and financial reporting for a governmental entity by resolving conflicting guidance that resulted from the issuance of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statements No. 61 and No. 66 did not have a material impact on the Town’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*; No. 69, *Government Combinations and Disposals of Government Operations*; and No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for the year ending December 31, 2014; and No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*; and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—and amendment of GASB Statement No. 68*, effective for the year ending December 31, 2015. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 67, 68, 69, 70 and 71 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Deficit Fund Balances—At December 31, 2013, the Capital Projects Fund, a major fund, has a deficit fund balance of \$24,558,369. The primary reason for the deficit in this case is that the Town issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Since the BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs or retire the BANs.

Legal Compliance—Budgets

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 30th, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1st. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5th.
- 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 20th.
- 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.

Excess of Expenditures over Appropriations—During the year ended December 31, 2013, transfers out for the Town’s capital projects totaling \$30,000 in the Town Outside Village Fund were not included in the appropriated budget.

2. 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.

Collateral is required for demand deposit accounts, time deposit accounts, and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school town subdivisions. Cash and cash equivalents at December 31, 2013 are shown below.

	Governmental Activites	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 7,000	\$ -	\$ 7,000
Deposits	<u>49,100,401</u>	<u>331,455</u>	<u>49,431,856</u>
Total	<u>\$ 49,107,401</u>	<u>\$ 331,455</u>	<u>\$ 49,438,856</u>

Deposits—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2013 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 1,295,836	\$ 1,295,836
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	<u>48,434,109</u>	<u>48,136,020</u>
Total	<u>\$ 49,729,945</u>	<u>\$ 49,431,856</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2013, the Town’s deposits were FDIC insured or collateralized.

Restricted Cash and Cash Equivalents—The Town reports restricted cash, totaling \$4,699,524, within the General Fund, Capital Projects Fund and Debt Service Fund. These funds are set aside for future payments toward insurance, approved capital project spending and debt service payments, in the amounts of \$1,225,240, \$1,669,017 and \$1,805,267, respectively.

Investments—Investments are carried at fair value, as determined by quoted market prices. At December 31, 2013, the Town had no investments.

Custodial Credit Risk—Investments—For investments, this is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the market value of purchased securities in repurchase transactions must be maintained and the securities must be held by a third party in the Town’s name.

Credit Risk—In compliance with the State law, Town investments are limited to obligations of the Federal government, obligations guaranteed by the Federal government where the payment of principal and interest are guaranteed by the Federal government, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and certain joint or cooperative investment programs.

Concentration of Credit Risk—To promote competition in rates and service cost, and to limit the risk of institutional failure, Town deposits and investments are placed with multiple institution. The general rule is not to place more than 50% of the Town’s total investment portfolio in overnight investments with any one institution.

Interest Rate Risk—The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are general limited to 180 days or less.

Discretely Presented Component Unit

Cheektowaga Economic Development Corporation—The Corporation considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At March 31, 2013, the Corporation had \$606,514 in deposits.

3. RECEIVABLES

Major revenues accrued by the Town at December 31, 2013 include:

Accounts Receivable—Primarily represents amounts due for franchise fees, insurance deposits, and from other Town departments, 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.

General Fund:			
Franchise fees	\$ 483,133		
Insurance deposits	107,714		
Other	<u>64,522</u>	\$	655,369
Highway Fund			947
Sewer Fund			11,423
Consolidated Garbage Fund			21,132
Capital Projects Fund			25,526
Other governmental funds			<u>1,603</u>
Total governmental funds		\$	<u>716,000</u>
Agency Fund		\$	<u>29,786</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, 2013 is \$6,746,895.

Loans receivable within the General Fund represent special assessments due from certain residents for curbing work. The Town has funded the amounts necessary to perform the work and recorded a receivable from Town residents and corresponding deferred inflow of resources. The balance at December 31, 2013 is \$191,075 and is expected to be repaid over the next four years through special assessments on the residents' tax levy.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Erie or other local governments. Amounts due the Town at December 31, 2013 are:

General Fund:		
Federal aid—NSP	\$ 255,780	
Federal aid—prescription drug subsidy	85,000	
Due from Erie County	187,906	
Town Clerk and Tax Receiver	297,860	
Fines and forfeitures	177,368	
Miscellaneous	<u>22,033</u>	\$ 1,025,947
Highway Fund:		
Due from Erie County	3,484,165	
Federal aid—prescription drug subsidy	<u>13,000</u>	3,497,165
Sewer Fund:		
N.F.T.A sewer billing	268,864	
Village of Sloan	38,890	
Federal aid—prescription drug subsidy	<u>6,000</u>	313,754
Consolidated Garbage Fund:		
Federal aid—prescription drug subsidy		17,000
Community Development Fund:		
Community Development Block Grant		451,652
Capital Projects Fund:		
New York State aid	1,050,601	
Federal aid	41,938	
Due from Erie County	<u>9,220</u>	1,101,759
Other governmental funds		
Town clerk fees and other		<u>961,580</u>
Total governmental funds		<u>\$ 7,368,857</u>

Discretely Presented Component Unit

Cheektowaga Economic Development Corporation—Loans receivable of the Town's component unit, the Cheektowaga E.D.C, totaled \$1,247,984, of which \$1,117,449 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 0.5% to 5.0%. A note totaling \$130,535 is unsecured, bears interest at 2% and is payable on demand.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance 1/1/2013	Increases	Decreases	Balance 12/31/2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,781,714	\$ -	\$ -	\$ 6,781,714
Construction in progress	<u>18,354,197</u>	<u>1,067,814</u>	<u>(18,764,839)</u>	<u>657,172</u>
Total capital assets, not being depreciated	<u>25,135,911</u>	<u>1,067,814</u>	<u>(18,764,839)</u>	<u>7,438,886</u>
Capital assets, being depreciated:				
Buildings	19,071,135	16,764,011	(50,981)	35,784,165
Permanent fixtures	13,595,687	2,490,741	(10,180)	16,076,248
Machinery and equipment	28,518,878	3,089,593	(751,766)	30,856,705
Infrastructure	<u>72,968,018</u>	<u>5,118,132</u>	<u>-</u>	<u>78,086,150</u>
Total capital assets, being depreciated	<u>134,153,718</u>	<u>27,462,477</u>	<u>(812,927)</u>	<u>160,803,268</u>
Less accumulated depreciation for:				
Buildings	(8,894,745)	(394,543)	50,981	(9,238,307)
Permanent fixtures	(5,361,692)	(588,543)	1,654	(5,948,581)
Machinery and equipment	(17,515,760)	(1,692,684)	751,350	(18,457,094)
Infrastructure	<u>(31,561,654)</u>	<u>(2,284,147)</u>	<u>-</u>	<u>(33,845,801)</u>
Total accumulated depreciation	<u>(63,333,851)</u>	<u>(4,959,917)</u>	<u>803,985</u>	<u>(67,489,783)</u>
Total capital assets being depreciated, net	<u>70,819,867</u>	<u>22,502,560</u>	<u>(8,942)</u>	<u>93,313,485</u>
Governmental activities capital assets, net	<u>\$ 95,955,778</u>	<u>\$ 23,570,374</u>	<u>\$ (18,773,781)</u>	<u>\$ 100,752,371</u>

Depreciation expense was charged to functions of the governmental activities during the year ended December 31, 2013 as follows:

Governmental activities:	
General government support	\$ 500,834
Public safety	378,334
Transportation	1,633,472
Culture and recreation	894,560
Home and community services	<u>1,552,717</u>
Total depreciation expense, governmental activities	<u>\$ 4,959,917</u>

Discretely Presented Component Unit

Cheektowaga Economic Development Corporation—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.

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2013 were as follows:

	General Fund	Highway Fund	Sewer Fund	Consolidated Garbage Fund	Other Governmental Funds	Total Governmental Funds
Salary and employee benefits	\$ 601,381	\$ 127,826	\$ 66,168	\$ 143,519	\$ 27,067	\$ 965,961
Judgments and claims - current	5,885,088	-	-	-	-	5,885,088
Total	<u>\$ 6,486,469</u>	<u>\$ 127,826</u>	<u>\$ 66,168</u>	<u>\$ 143,519</u>	<u>\$ 27,067</u>	<u>\$ 6,851,049</u>

6. PENSION PLANS

Plan Description—The Town participates in the New York State 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 (the “Systems”). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement 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 (the “NYSRSSL”). As set forth in the NYSRSSL, the Comptroller of the State of New York (the “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 the 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) who generally contribute 3% of their salary for their entire length of service. Those joining after April 1, 2012 (Tier 6) are required to contribute three and one-half percent (3.5%) of their annual salary until March 31, 2013, after which the contribution percentage will be based on salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the New York State Local Retirement Systems fiscal year ending March 31.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were as follows:

	ERS	PFRS
2013	\$4,445,392	\$3,305,595
2012	3,331,364	2,799,248
2011	2,914,523	2,409,787

The Town’s contributions made to the System were equal to 100% of the contributions required for each year.

7. OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

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 through a single-employer plan. 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 were 316 retirees receiving health care benefits at December 31, 2013.

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. 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 table presented below 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.

	Year ended December 31, 2013	Year ended December 31, 2012
Annual required contribution ("ARC")	\$ 12,740,931	\$ 12,740,931
Interest on net OPEB obligation	1,705,018	1,419,101
Adjustment to ARC	<u>(2,465,035)</u>	<u>(2,051,669)</u>
Annual OPEB cost (expense)	11,980,914	12,108,363
Contributions made	<u>(5,145,213)</u>	<u>(4,960,438)</u>
Increase in net OPEB obligation	6,835,701	7,147,925
Net OPEB obligation - beginning	<u>42,625,460</u>	<u>35,477,535</u>
Net OPEB obligation - ending	<u>\$ 49,461,161</u>	<u>\$ 42,625,460</u>

Funding Status and Funding Progress—As of January 1, 2012, the most recent actuarial valuation date, the plan was not funded. Since there were no assets, the unfunded actuarial liability for benefits was \$150,408,531.

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.

The Town’s schedule of contributions for the most recent three years is shown below:

Year Ended December 31,	Annual Required Contribution	Contributions Made	Percentage Contributed
2013	\$ 12,740,931	\$ 5,145,213	40.4%
2012	12,740,931	4,960,438	38.9%
2012	13,908,961	4,714,337	33.9%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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 employer and plan members. 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, 2012 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a valuation date of January 1, 2012 and measurement date of December 31, 2013. The expected investment rate of return on employer’s assets is 4.0%. 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 2.75%. The RP-2000 Mortality Table projected to 2020 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 4.5% to 8.0% 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, 2013 was twenty-four years.

8. RISK MANAGEMENT

The Town assumes liability for some risk including, but not limited to, torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town is self-insured for workers’ compensation and health insurance. 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 the 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 reasonable estimated. These losses include an estimate of claims that have been incurred but not reported.

9. LEASES

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 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, 2013 is \$3,111,419. A \$3,111,419 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>(1,817,995)</u>
Total	<u>\$ 3,906,743</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>
2014	\$ 558,144
2015	558,144
2016	558,144
2017	558,144
2018	558,144
2019-2022	<u>867,096</u>
Total minimum lease payments	3,657,816
Less: Amount representing imputed interest costs	<u>(546,397)</u>
Present value of minimum lease payments	<u>\$ 3,111,419</u>

10. SHORT-TERM DEBT

Liabilities for bond anticipation notes (“BANs”) are generally accounted for in the Capital Projects Fund. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date.

The following is a summary of the Town’s short-term debt for the year ended December 31, 2013:

Description:	Interest Rate	Maturity Date	Balance 1/1/2013	Issued	Paid	Balance 12/31/2013
Recorded in Capital Projects Fund for:						
General Fund:						
Town maintenance building	0.30%	7/18/2013	\$ 1,535,000	\$ -	\$ 1,535,000	\$ -
Town maintenance building	0.50%	7/17/2014	-	1,440,000	-	1,440,000
Police and court building	0.30%	7/18/2013	14,835,000	-	14,835,000	-
Police and court building	0.50%	7/17/2014	-	14,316,000	-	14,316,000
Highway Fund:						
Highway repaving work	0.30%	7/18/2013	1,240,000	-	1,240,000	-
Highway repaving work	0.50%	7/17/2014	-	4,026,000	-	4,026,000
Sidewalks	0.30%	7/18/2013	390,000	-	390,000	-
Sidewalks	0.50%	7/17/2014	-	563,000	-	563,000
Special Districts:						
Highway drainage work	0.30%	7/18/2013	5,670,000	-	5,670,000	-
Highway drainage work	0.50%	7/17/2014	-	6,063,000	-	6,063,000
Dingens Road drainage work	0.30%	7/18/2013	905,000	-	905,000	-
Dingens Road drainage work	0.50%	7/17/2014	-	840,000	-	840,000
Drainage District drainage work	0.30%	7/18/2013	900,000	-	900,000	-
Drainage District drainage work	0.50%	7/17/2014	-	852,000	-	852,000
Total			<u>\$ 25,475,000</u>	<u>\$ 28,100,000</u>	<u>\$ 25,475,000</u>	<u>\$ 28,100,000</u>

11. LONG-TERM LIABILITIES

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

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

The Town’s outstanding long-term liabilities include bonds payable, capital leases, landfill obligation, compensated absences and other post-employment benefits obligation. The bonds payable of the Town are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the Town's long-term debt at December 31, 2013 follows:

	Balance Outstanding			Balance Outstanding		Current Portion
	1/1/2013	Additions	Deletions	12/31/2013		
Serial bonds	\$ 7,415,000	\$ -	\$ (1,655,000)	\$ 5,760,000	\$ 1,590,000	
Premium on serial bonds	94,559	-	(26,389)	68,170	26,389	
Bonds payable	7,509,559	-	(1,681,389)	5,828,170	1,616,389	
Capital lease	3,509,688	-	(398,269)	3,111,419	417,184	
Landfill obligation	2,280,000	-	(120,000)	2,160,000	120,000	
Compensated absences	12,229,251	567,326	(358,549)	12,438,028	635,000	
OPEB obligation	42,625,460	11,980,914	(5,145,213)	49,461,161	-	
Total	<u>\$ 68,153,958</u>	<u>\$ 12,548,240</u>	<u>\$ (7,703,420)</u>	<u>\$ 72,998,778</u>	<u>\$ 2,788,573</u>	

General Obligation Bonds—The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 6 to 30 years.

Principal is paid annually, interest is paid semi-annually and are recorded in the Debt Service Fund. A summary of additions and payments for the year ended December 31, 2013 is shown below:

Description	Original Issue	Interest Rate (%)	Year of Issue/ Maturity	Balance 1/1/2013	Additions	Payments	Balance 12/31/2013
General Fund:							
Refunding serial bonds	\$ 2,487,855	2.00-3.75	2003-2014	\$ 361,600	\$ -	\$ 216,600	\$ 145,000
Recreational park improvements	500,000	3.75-3.80	2005-2020	291,000	-	32,900	258,100
Various park improvements	200,000	3.75-3.80	2005-2015	72,000	-	24,000	48,000
Pedestrian bridge demolition	50,000	3.75-3.80	2005-2015	18,000	-	6,000	12,000
General Fund refunding bonds	1,978,055	2.25-4.00	2010-2016	<u>1,126,069</u>	<u>-</u>	<u>291,295</u>	<u>834,774</u>
Highway Fund:							
Refunding serial bonds	192,826	2.00-3.63	2003-2013	4,600	-	4,600	-
Road reconstruction/resurfacing	2,000,000	3.75-3.80	2005-2020	1,163,100	-	131,700	1,031,400
Sidewalk/highway drainage	500,000	3.75-3.80	2005-2020	291,100	-	33,000	258,100
Highway equipment	3,500,000	3.88-4.00	2006-2016	1,550,000	-	350,000	1,200,000
Highway Fund refunding bonds	1,973,953	2.25-4.00	2010-2016	<u>1,009,164</u>	<u>-</u>	<u>336,807</u>	<u>672,357</u>
Special Districts:							
Refunding Serial Bonds - Sewer	39,789	2.00-3.63	2003-2013	4,300	-	4,300	-
Refunding Serial Bonds - Drainage	19,813	2.00-3.63	2003-2013	2,100	-	2,100	-
Refunding Serial Bonds - Garbage	209,717	2.00-3.63	2003-2013	22,400	-	22,400	-
Alpine Sewer EFC Bond	752,825	1.20-5.15	2004-2034	555,000	-	25,000	530,000
Anderson road drainage	1,100,000	3.75-3.80	2005-2020	639,800	-	72,400	567,400
Sewer Fund refunding bonds	357,782	2.25-4.00	2010-2016	205,766	-	52,057	153,709
Drainage Fund refunding bonds	200,210	2.25-4.00	2010-2014	<u>99,001</u>	<u>-</u>	<u>49,841</u>	<u>49,160</u>
Total				<u>\$ 7,415,000</u>	<u>\$ -</u>	<u>\$ 1,655,000</u>	<u>\$ 5,760,000</u>

Prior Years' 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 \$1,725,000, 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, 2013 financial statements do not reflect the obligation, now equal to \$150,000.

Amortization of Bond Premium—As noted above, on July 21, 2010 the Town issued general obligation refunding serial bonds totaling \$4,510,000 and received a bond premium of \$158,333. The premium is being amortized on a straight-line basis over the life of the bond, which matures on May 15, 2016.

Capital Lease—The Town entered into a long-term capital lease for certain energy related equipment and machinery. The outstanding balance at December 31, 2013 was \$3,111,419. Refer to Note 9 for additional information related to the Town's capital lease.

Judgments, Claims and Landfill Obligation—As further discussed in Note 16, 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, 2013, the related postclosure liability approximates \$2,160,000. Other estimated claims and judgments amounted to \$5,885,088 at December 31, 2013 and are considered current, therefore have been included as accrued liabilities within the General Fund. See Note 5.

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, 2013, for governmental activities is \$12,438,028.

Other Post-Employment Benefits ("OPEB") Obligation—As explained in Note 7, the Town provides a portion of healthcare benefits for retirees. The Town's annual OPEB cost is calculated based on the annual required contributions of the employer, an amount actuarially determined in accordance with GASB. The Town's long-term OPEB obligation is estimated to be \$49,461,161 at December 31, 2013.

The following is a maturity schedule of the Town's indebtedness:

	Serial Bonds	Capital Lease	Landfill Obligation	Compensated Absences	OPEB Obligation	Total
2014	\$ 1,590,000	\$ 417,184	\$ 120,000	\$ 635,000	\$ -	\$ 2,762,184
2015	1,225,000	436,997	-	-	-	1,661,997
2016	1,215,000	457,752	-	-	-	1,672,752
2017	325,000	479,491	-	-	-	804,491
2018	350,000	502,266	-	-	-	852,266
2019-2023	775,000	817,729	-	-	-	1,592,729
2024-2028	125,000	-	-	-	-	125,000
2029-2033	125,000	-	-	-	-	125,000
2034-thereafter	30,000	-	2,040,000	11,803,028	49,461,161	63,334,189
	<u>\$ 5,760,000</u>	<u>\$ 3,111,419</u>	<u>\$ 2,160,000</u>	<u>\$ 12,438,028</u>	<u>\$ 49,461,161</u>	<u>\$ 72,930,608</u>

Interest requirements on serial bonds payable are as follows:

Year ending December 31,	Interest
2014	\$ 196,748
2015	143,469
2016	104,479
2017	70,460
2018	57,926
2019-2023	123,693
2024-2028	55,750
2029-2033	23,820
2034-2038	773
	<u>\$ 777,118</u>

12. NET POSITION AND FUND BALANCE

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

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

The following is a reconciliation of the Town's governmental activities net investment in capital assets:

Capital assets, net of accumulated depreciation	\$ 100,752,371
Less: related debt	
Bonds payable	(5,760,000)
Unspent bond proceeds	149,617
Bond anticipation notes	(28,100,000)
Unspent BAN proceeds	1,519,400
Unamortized bond premium	(68,170)
Capital lease	<u>(3,111,419)</u>
Net investment in capital assets	<u>\$ 65,381,799</u>

- ◆ **Restricted Net Position**—This category represents 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 total restricted component of net position of \$3,037,902 is restricted for insurance and debt reduction in the amounts of \$1,225,240 and \$1,812,662, respectively, within governmental activities.
- ◆ **Unrestricted Net Position**—This category represents net position 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, 2013 includes:

- ◆ **Prepaid Items**—Represents amounts prepaid to the retirement system that are applicable to future accounting periods. The General Fund, Highway Fund, Sewer Fund, Consolidated Garbage Fund, Community Development Fund, Town outside Village Fund, and Master Drainage Fund reported amounts of \$1,470,130, \$210,147, \$113,712, \$121,272, \$630, \$52,579 and \$315, respectively.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance maintained by the Town at December 31, 2013 includes:

	<u>Insurance</u>	<u>Debt Reduction</u>	<u>Total Restricted</u>
General Fund	\$ 1,225,240	\$ -	\$ 1,225,240
Debt Service Fund	-	<u>1,812,662</u>	<u>1,812,662</u>
Total	<u>\$ 1,225,240</u>	<u>\$ 1,812,662</u>	<u>\$ 3,037,902</u>

- ◆ **Insurance**—Represents reserve established within the General Fund 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. At December 31, 2013, the Town had \$1,225,240 restricted for insurance.

- ◆ **Debt Reduction**—Represents \$1,812,662 restricted for the reduction of future debt service requirements.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Town’s highest level of decision-making authority. As of December 31, 2013, the Town has no committed fund balance.

The Town Board authorizes the Supervisor to make a determination of the assigned amounts of fund balance. Assigned funds represent amounts intended to be used for a specific purpose. Assignments of fund balance at December 31, 2013 include:

	Encumb- rances	Subsequent Year's Expenditures	Capital Projects	Equipment	Pollution Remediation	Building Demolition	Specific Use	Total Assigned
General Fund	\$ 191,916	\$ 4,210,000	\$ 4,375,000	\$ -	\$ -	\$ -	\$ -	\$ 8,776,916
Highway Fund	72,962	900,000	1,000,000	900,000	-	-	3,177,777	6,050,739
Sewer Fund	173,471	606,051	555,800	-	3,000,000	-	2,432,692	6,768,014
Consolidated Garbage Fund	-	600,000	1,300,000	-	-	-	1,229,272	3,129,272
Community Development Fund	-	-	-	-	-	-	156,485	156,485
Special Purpose Fund	-	-	-	-	-	-	421,983	421,983
Town Outside Village Fund	26,320	300,000	25,000	-	-	98,566	2,000,832	2,450,718
Lighting District Fund	-	281,406	-	-	-	-	960,259	1,241,665
Master Drainage Fund	25,962	48,077	-	-	-	-	633,488	707,527
Water Hydrant Fund	-	52,699	-	-	-	-	256,014	308,713
Total	\$ 490,631	\$ 6,998,233	\$ 7,255,800	\$ 900,000	\$ 3,000,000	\$ 98,566	\$ 11,268,802	\$ 30,012,032

- ◆ **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, 2013, the Town reported the following significant encumbrances:

Purpose	Amount
General Fund — Computer equipment	\$ 52,770
Sewer Fund — Sewer repair	90,000
Sewer Fund — Sewer repair	78,655
Capital Fund — Main pump equipment	698,635

- ◆ **Subsequent Year’s Expenditures**—Represents funds to be used to assist in supporting the subsequent year’s authorized appropriations.
- ◆ **Capital Projects**—Represents funds to be used for the construction of various capital projects.
- ◆ **Equipment**—Represents amounts within the Highway Fund that are assigned for future purchases of various equipment.
- ◆ **Pollution Remediation**—Represents funds to be used to assist in future obligations relating to pollution remediation.
- ◆ **Building Demolition**—Represents funds to be used for the demolition of a Town building.

- ◆ *Specific Use*—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignments' purpose relates to each fund's operations and represent the remaining amounts within funds that are not restricted or committed.

If the Town must use funds for emergency expenditures the Town Board shall authorize the Supervisor to expend funds first from funds classified as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available the Town will use unassigned fund balance.

13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of December 31, 2013 is as follows:

Fund	Interfund	
	Receivable	Payable
General Fund	\$ 2,813,266	\$ 590,382
Highway Fund	54,997	400,885
Sewer Fund	-	748,548
Consolidated Garbage Fund	-	797,709
Community Development Fund	1,000	459,118
Capital Projects Fund	589,384	183,104
Other governmental funds	32,778	311,679
Total	<u>\$ 3,491,425</u>	<u>\$ 3,491,425</u>

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. All of these balances are expected to be collected/paid within the subsequent year.

The Town made the following transfers during the year ended December 31, 2013:

Fund	Transfers in:			Total
	General Fund	Capital Projects Fund	Other governmental funds	
Transfers out:				
General Fund	\$ -	\$ 1,850,500	\$ 1,516,524	\$ 3,367,024
Highway Fund	1,652,295	810,000	1,423,877	3,886,172
Sewer Fund	1,025,619	325,707	63,805	1,415,131
Consolidated Garbage Fund	1,401,735	-	-	1,401,735
Capital Projects Fund	-	-	2,382	2,382
Other governmental funds	371,695	1,180,000	858,173	2,409,868
Total	<u>\$ 4,451,344</u>	<u>\$ 4,166,207</u>	<u>\$ 3,864,761</u>	<u>\$ 12,482,312</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.

14. AGENCY FUND

An agency fund exists for employee withholding and temporary deposit funds. A summary of changes in the assets and liabilities for the year ended December 31, 2013 is presented below:

	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
ASSETS				
Cash	\$ 272,175	\$ 19,974,436	\$(19,915,156)	\$ 331,455
Accounts receivable	29,342	29,786	(29,342)	29,786
Intergovernmental receivables	490	1,860	(490)	1,860
Total assets	<u>\$ 302,007</u>	<u>\$ 20,006,082</u>	<u>\$(19,944,988)</u>	<u>\$ 363,101</u>
LIABILITIES				
Amounts held in custody for others	\$ 299,906	\$ 20,005,411	\$(19,944,226)	\$ 361,091
Due to other governments	2,101	2,010	(2,101)	2,010
Total liabilities	<u>\$ 302,007</u>	<u>\$ 20,007,421</u>	<u>\$(19,946,327)</u>	<u>\$ 363,101</u>

15. LABOR RELATIONS

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

16. 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. Current liabilities are accrued within the General Fund. Total claims, judgments and workers' compensation insurance expenditures of \$5,885,088 were recorded in the General Fund for the year ended December 31, 2013.

At December 31, 2013, the current liability portion of judgments and claims, including workers' compensation claims, was \$5,885,088. These are considered to be due and payable at December 31, 2013 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, 2011 resulted from the following:

Year Ended December 31,	Liability, Beginning of Year	Claims and Changes in Estimates	Claim Payments	Liability, End of Year
2013	\$ 5,652,503	\$ 13,090,000	\$ 12,857,415	\$ 5,885,088
2012	3,606,832	10,163,150	8,117,479	5,652,503

The Town has claims in the range of \$35,000 to \$60,000 classified as reasonably possible. At December 31, 2013, a portion of the General Fund fund balance was restricted for the purpose of funding the Town's future liability and casualty claim liabilities, and is included within the Town's restricted fund balance for insurance totaling \$1,225,240.

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 2013, costs related to these functions totaled \$73,195. At December 31, 2013, the liability approximates \$2,160,000 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 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 various factors including market values and appraised amounts. Current assessment challenges request relief of \$1,888,282; 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 expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Other—The Town is involved in litigation 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.

17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2014, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget</u>
REVENUES				
Real property taxes	\$ 38,304,970	\$ 38,304,970	\$ 38,520,249	\$ 215,279
Other property tax items	955,000	955,000	1,197,377	242,377
Non-property tax items	1,406,417	1,406,417	1,532,164	125,747
Departmental income	1,183,273	1,205,911	1,400,222	194,311
Use of money and property	159,000	159,000	103,655	(55,345)
Sale of property and compensation for loss	22,200	22,200	129,326	107,126
Licenses and permits	26,000	26,000	32,601	6,601
Fines and forfeitures	1,000,000	1,000,000	1,123,238	123,238
Miscellaneous	40,000	40,000	300,694	260,694
State aid	1,008,514	1,110,310	1,651,162	540,852
Federal aid	76,500	118,171	539,790	421,619
Total revenues	<u>44,181,874</u>	<u>44,347,979</u>	<u>46,530,478</u>	<u>2,182,499</u>
EXPENDITURES				
Current:				
General government support	8,415,676	8,868,400	8,222,273	646,127
Public safety	15,719,610	16,119,445	16,048,665	70,780
Transportation	250,555	250,555	238,624	11,931
Economic assistance and opportunity	11,800	17,063	16,289	774
Culture and recreation	5,436,518	5,478,451	5,077,651	400,800
Employee benefits	17,720,844	17,779,673	17,188,945	590,728
Total expenditures	<u>47,555,003</u>	<u>48,513,587</u>	<u>46,792,447</u>	<u>1,721,140</u>
Excess (deficiency) of revenues over expenditures	<u>(3,373,129)</u>	<u>(4,165,608)</u>	<u>(261,969)</u>	<u>3,903,639</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,205,500	4,451,344	4,451,344	-
Transfers out	<u>(3,123,600)</u>	<u>(3,596,965)</u>	<u>(3,367,024)</u>	<u>229,941</u>
Total other financing sources (uses)	<u>(918,100)</u>	<u>854,379</u>	<u>1,084,320</u>	<u>229,941</u>
Net change in fund balances *	(4,291,229)	(3,311,229)	822,351	4,133,580
Fund balances—beginning	<u>19,411,554</u>	<u>19,411,554</u>	<u>19,411,554</u>	<u>-</u>
Fund balances—ending	<u>\$ 15,120,325</u>	<u>\$ 16,100,325</u>	<u>\$ 20,233,905</u>	<u>\$ 4,133,580</u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Highway Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u>
	<u>Original</u>	<u>Final</u>		<u>Budget</u>
REVENUES				
Real property taxes	\$ 3,533,828	\$ 3,533,828	\$ 3,533,828	\$ -
Other property tax items	60,000	60,000	54,287	(5,713)
Non-property tax items	6,371,230	6,676,725	7,202,391	525,666
Departmental income	-	-	1,200	1,200
Intergovernmental charges	250,000	250,000	311,729	61,729
Use of money and property	20,000	20,000	13,044	(6,956)
Sale of property and compensation for loss	3,000	73,105	91,622	18,517
Miscellaneous	5,000	5,000	61,492	56,492
State aid	780,000	780,000	820,898	40,898
Federal aid	10,000	10,000	13,000	3,000
Total revenues	<u>11,033,058</u>	<u>11,408,658</u>	<u>12,103,491</u>	<u>694,833</u>
EXPENDITURES				
Current:				
Transportation	7,153,942	7,268,338	7,099,272	169,066
Home and community services	6,000	6,000	5,137	863
Employee benefits	<u>2,810,017</u>	<u>1,476,430</u>	<u>1,278,777</u>	<u>197,653</u>
Total expenditures	<u>9,969,959</u>	<u>8,750,768</u>	<u>8,383,186</u>	<u>367,582</u>
Excess of revenues over expenditures	<u>1,063,099</u>	<u>2,657,890</u>	<u>3,720,305</u>	<u>1,062,415</u>
OTHER FINANCING USES				
Transfers out	<u>(2,450,275)</u>	<u>(4,045,067)</u>	<u>(3,886,172)</u>	<u>158,895</u>
Total other financing uses	<u>(2,450,275)</u>	<u>(4,045,067)</u>	<u>(3,886,172)</u>	<u>158,895</u>
Net change in fund balances *	(1,387,176)	(1,387,177)	(165,867)	1,221,310
Fund balances—beginning	<u>6,426,753</u>	<u>6,426,753</u>	<u>6,426,753</u>	<u>-</u>
Fund balances—ending	<u>\$ 5,039,577</u>	<u>\$ 5,039,576</u>	<u>\$ 6,260,886</u>	<u>\$ 1,221,310</u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Sewer Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 10,710,436	\$ 10,710,436	\$ 10,710,757	\$ 321
Intergovernmental charges	354,500	354,500	339,315	(15,185)
Use of money and property	60,100	60,100	18,829	(41,271)
Sale of property and compensation for loss	-	-	823	823
Miscellaneous	4,000	4,000	31,916	27,916
Federal aid	5,000	5,000	6,000	1,000
Total revenues	<u>11,134,036</u>	<u>11,134,036</u>	<u>11,107,640</u>	<u>(26,396)</u>
EXPENDITURES				
Current:				
Home and community services	9,182,812	9,006,830	7,394,415	1,612,415
Employee benefits	1,973,314	1,287,943	1,109,868	178,075
Total expenditures	<u>11,156,126</u>	<u>10,294,773</u>	<u>8,504,283</u>	<u>1,790,490</u>
Excess (deficiency) of revenues over expenditures	<u>(22,090)</u>	<u>839,263</u>	<u>2,603,357</u>	<u>1,764,094</u>
OTHER FINANCING USES				
Transfers out	<u>(703,000)</u>	<u>(1,564,354)</u>	<u>(1,415,131)</u>	<u>149,223</u>
Total other financing uses	<u>(703,000)</u>	<u>(1,564,354)</u>	<u>(1,415,131)</u>	<u>149,223</u>
Net change in fund balances *	(725,090)	(725,091)	1,188,226	1,913,317
Fund balances—beginning	<u>5,693,500</u>	<u>5,693,500</u>	<u>5,693,500</u>	<u>-</u>
Fund balances—ending	<u>\$ 4,968,410</u>	<u>\$ 4,968,409</u>	<u>\$ 6,881,726</u>	<u>\$ 1,913,317</u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Consolidated Garbage Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 8,303,186	\$ 8,303,186	\$ 8,303,186	\$ -
Other property tax items	4,000	4,000	4,350	350
Departmental income	118,000	118,000	144,938	26,938
Use of money and property	35,000	35,000	11,406	(23,594)
Miscellaneous	15,000	15,000	70,588	55,588
Federal aid	12,000	12,000	17,000	5,000
Total revenues	<u>8,487,186</u>	<u>8,487,186</u>	<u>8,551,468</u>	<u>64,282</u>
EXPENDITURES				
Current:				
Home and community services	6,374,786	6,554,315	6,248,671	305,644
Employee benefits	2,284,400	1,131,136	1,043,189	87,947
Total expenditures	<u>8,659,186</u>	<u>7,685,451</u>	<u>7,291,860</u>	<u>393,591</u>
Excess (deficiency) of revenues over expenditures	<u>(172,000)</u>	<u>801,735</u>	<u>1,259,608</u>	<u>457,873</u>
OTHER FINANCING USES				
Transfers out	<u>(428,000)</u>	<u>(1,401,735)</u>	<u>(1,401,735)</u>	<u>-</u>
Total other financing uses	<u>(428,000)</u>	<u>(1,401,735)</u>	<u>(1,401,735)</u>	<u>-</u>
Net change in fund balances *	(600,000)	(600,000)	(142,127)	457,873
Fund balances—beginning	<u>3,392,671</u>	<u>3,392,671</u>	<u>3,392,671</u>	<u>-</u>
Fund balances—ending	<u>\$ 2,792,671</u>	<u>\$ 2,792,671</u>	<u>\$ 3,250,544</u>	<u>\$ 457,873</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Funding Progress—
Other Post-Employment Benefits Obligations
Year Ended December 31, 2013

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded AAL ("UAAL")	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
As of January 1, 2012	\$ -	\$ 150,408,531	\$ 150,408,531	-	\$ 34,214,531	4.40
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

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SUPPLEMENTAL INFORMATION

FINANCIAL STATEMENTS OF NONMAJOR GOVERNMENTAL 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 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, 2013

	<u>Special Revenue</u>			<u>Total Special Revenue Funds</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>			
ASSETS						
Cash and cash equivalents	\$ 435,805	\$ 1,590,060	\$ 2,756,878	\$ 4,782,743	\$ -	\$ 4,782,743
Restricted cash and cash equivalents	-	-	-	-	1,805,267	1,805,267
Accounts receivable	-	-	1,603	1,603	-	1,603
Due from other funds	-	25,383	-	25,383	7,395	32,778
Intergovernmental receivables	-	961,580	-	961,580	-	961,580
Prepaid items	-	52,579	315	52,894	-	52,894
Total assets	<u>\$ 435,805</u>	<u>\$ 2,629,602</u>	<u>\$ 2,758,796</u>	<u>\$ 5,824,203</u>	<u>\$ 1,812,662</u>	<u>\$ 7,636,865</u>
LIABILITIES						
Accounts payable	\$ 13,822	\$ 10,582	\$ 249,081	\$ 273,485	\$ -	\$ 273,485
Accrued liabilities	-	27,067	-	27,067	-	27,067
Due to other funds	-	86,585	225,094	311,679	-	311,679
Due to other governments	-	2,071	26,401	28,472	-	28,472
Total liabilities	<u>13,822</u>	<u>126,305</u>	<u>500,576</u>	<u>640,703</u>	<u>-</u>	<u>640,703</u>
FUND BALANCES						
Nonspendable	-	52,579	315	52,894	-	52,894
Restricted	-	-	-	-	1,812,662	1,812,662
Assigned	421,983	2,450,718	2,257,905	5,130,606	-	5,130,606
Total fund balances	<u>421,983</u>	<u>2,503,297</u>	<u>2,258,220</u>	<u>5,183,500</u>	<u>1,812,662</u>	<u>6,996,162</u>
Total liabilities and fund balances	<u>\$ 435,805</u>	<u>\$ 2,629,602</u>	<u>\$ 2,758,796</u>	<u>\$ 5,824,203</u>	<u>\$ 1,812,662</u>	<u>\$ 7,636,865</u>

TOWN OF CHEEKTOWAGA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended December 31, 2013

	<u>Special Revenue</u>			<u>Total Special Revenue Funds</u>	<u>Debt Service</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Special Purpose</u>	<u>Town Outside Village</u>	<u>Nonmajor Special Districts</u>			
REVENUES						
Real property taxes	\$ -	\$ -	\$ 3,546,626	\$ 3,546,626	\$ -	\$ 3,546,626
Other property tax items	-	-	4,664	4,664	-	4,664
Non-property tax items	-	1,272,353	-	1,272,353	-	1,272,353
Use of money and property	418	2,645	7,222	10,285	78,852	89,137
Sale of property and compensation for loss	-	-	2,683	2,683	-	2,683
Licenses and permits	-	833,294	-	833,294	-	833,294
Miscellaneous	368,367	2,675	-	371,042	-	371,042
Federal aid	-	700	-	700	-	700
Total revenues	<u>368,785</u>	<u>2,111,667</u>	<u>3,561,195</u>	<u>6,041,647</u>	<u>78,852</u>	<u>6,120,499</u>
EXPENDITURES						
Current:						
Public safety	-	1,247,087	-	1,247,087	-	1,247,087
Culture and recreation	411,702	-	-	411,702	-	411,702
Home and community services	8,362	40,198	2,853,551	2,902,111	-	2,902,111
Employee benefits	-	298,304	168,660	466,964	-	466,964
Debt service:						
Principal—serial bonds	-	-	-	-	1,655,000	1,655,000
Principal—capital leases	-	-	-	-	398,269	398,269
Interest	-	-	-	-	659,110	659,110
Total expenditures	<u>420,064</u>	<u>1,585,589</u>	<u>3,022,211</u>	<u>5,027,864</u>	<u>2,712,379</u>	<u>7,740,243</u>
Excess (deficiency) of revenues over expenditures	<u>(51,279)</u>	<u>526,078</u>	<u>538,984</u>	<u>1,013,783</u>	<u>(2,633,527)</u>	<u>(1,619,744)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	3,864,761	3,864,761
Transfers out	-	(401,694)	(603,668)	(1,005,362)	(1,404,506)	(2,409,868)
Total other financing sources (uses)	<u>-</u>	<u>(401,694)</u>	<u>(603,668)</u>	<u>(1,005,362)</u>	<u>2,460,255</u>	<u>1,454,893</u>
Net change in fund balances	<u>(51,279)</u>	<u>124,384</u>	<u>(64,684)</u>	<u>8,421</u>	<u>(173,272)</u>	<u>(164,851)</u>
Fund balances—beginning	<u>473,262</u>	<u>2,378,913</u>	<u>2,322,904</u>	<u>5,175,079</u>	<u>1,985,934</u>	<u>7,161,013</u>
Fund balances—ending	<u>\$ 421,983</u>	<u>\$ 2,503,297</u>	<u>\$ 2,258,220</u>	<u>\$ 5,183,500</u>	<u>\$ 1,812,662</u>	<u>\$ 6,996,162</u>

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Town Outside Village Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u>
				<u>Budget</u>
REVENUES				
Non-property taxes	\$ 1,272,353	\$ 1,272,353	\$ 1,272,353	\$ -
Use of money and property	6,000	6,000	2,645	(3,355)
Licenses and permits	400,000	481,132	833,294	352,162
Miscellaneous	-	-	2,675	2,675
Federal aid	500	500	700	200
Total revenues	<u>1,678,853</u>	<u>1,759,985</u>	<u>2,111,667</u>	<u>351,682</u>
EXPENDITURES				
Current:				
Public safety	1,113,219	1,269,081	1,247,087	21,994
Home and community services	43,437	43,437	40,198	3,239
Employee benefits	<u>702,697</u>	<u>355,771</u>	<u>298,304</u>	<u>57,467</u>
Total expenditures	<u>1,859,353</u>	<u>1,668,289</u>	<u>1,585,589</u>	<u>82,700</u>
Excess (deficiency) of revenues over expenditures	<u>(180,500)</u>	<u>91,696</u>	<u>526,078</u>	<u>434,382</u>
OTHER FINANCING USES				
Transfers out	<u>(44,500)</u>	<u>(371,696)</u>	<u>(401,694)</u>	<u>(29,998)</u>
Total other financing uses	<u>(44,500)</u>	<u>(371,696)</u>	<u>(401,694)</u>	<u>(29,998)</u>
Net change in fund balances *	(225,000)	(280,000)	124,384	404,384
Fund balances—beginning	<u>2,378,913</u>	<u>2,378,913</u>	<u>2,378,913</u>	<u>-</u>
Fund balances—ending	<u>\$ 2,153,913</u>	<u>\$ 2,098,913</u>	<u>\$ 2,503,297</u>	<u>\$ 404,384</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Debt Service Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Use of money and property	\$ 10,000	\$ 10,000	\$ 78,852	\$ 68,852
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>78,852</u>	<u>68,852</u>
EXPENDITURES				
Debt service:				
Principal—serial bonds	3,038,731	1,888,731	1,655,000	233,731
Principal—capital leases	398,269	398,269	398,269	-
Interest	<u>2,205,500</u>	<u>2,205,500</u>	<u>659,110</u>	<u>1,546,390</u>
Total expenditures	<u>5,642,500</u>	<u>4,492,500</u>	<u>2,712,379</u>	<u>1,780,121</u>
Excess (deficiency) of revenues over expenditures	<u>(5,632,500)</u>	<u>(4,482,500)</u>	<u>(2,633,527)</u>	<u>1,848,973</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,642,500	5,642,500	3,864,761	(1,777,739)
Transfers out	<u>(254,506)</u>	<u>(1,404,506)</u>	<u>(1,404,506)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,387,994</u>	<u>4,237,994</u>	<u>2,460,255</u>	<u>(1,777,739)</u>
Net change in fund balances *	(244,506)	(244,506)	(173,272)	71,234
Fund balances—beginning	<u>1,985,934</u>	<u>1,985,934</u>	<u>1,985,934</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,741,428</u>	<u>\$ 1,741,428</u>	<u>\$ 1,812,662</u>	<u>\$ 71,234</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

TOWN OF CHEEKTOWAGA, NEW YORK
Combining Balance Sheet—Nonmajor Special Districts Funds
December 31, 2013

	<u>Special Revenue</u>			Total
	<u>Lighting District</u>	<u>Master Drainage</u>	<u>Water Hydrant</u>	<u>Nonmajor Special Districts</u>
ASSETS				
Cash and cash equivalents	\$ 1,544,778	\$ 840,111	\$ 371,989	\$ 2,756,878
Accounts receivable	-	-	1,603	1,603
Prepaid items	-	315	-	315
Total assets	<u>\$ 1,544,778</u>	<u>\$ 840,426</u>	<u>\$ 373,592</u>	<u>\$ 2,758,796</u>
LIABILITIES				
Accounts payable	\$ 170,849	\$ 78,232	\$ -	\$ 249,081
Due to other funds	132,264	54,352	38,478	225,094
Due to other governments	-	-	26,401	26,401
Total liabilities	<u>303,113</u>	<u>132,584</u>	<u>64,879</u>	<u>500,576</u>
FUND BALANCES				
Nonspendable	-	315	-	315
Assigned	<u>1,241,665</u>	<u>707,527</u>	<u>308,713</u>	<u>2,257,905</u>
Total fund balances	<u>1,241,665</u>	<u>707,842</u>	<u>308,713</u>	<u>2,258,220</u>
Total liabilities and fund balances	<u>\$ 1,544,778</u>	<u>\$ 840,426</u>	<u>\$ 373,592</u>	<u>\$ 2,758,796</u>

TOWN OF CHEEKTOWAGA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Special Districts Funds
Year Ended December 31, 2013

	<u>Special Revenue</u>			<u>Total Nonmajor Special Districts</u>
	<u>Lighting District</u>	<u>Master Drainage</u>	<u>Water Hydrant</u>	
REVENUES				
Real property taxes	\$ 2,413,059	\$ 710,762	\$ 422,805	\$ 3,546,626
Other property tax items	4,664	-	-	4,664
Use of money and property	4,331	1,828	1,063	7,222
Sale of property and compensation for loss	2,683	-	-	2,683
Total revenues	<u>2,424,737</u>	<u>712,590</u>	<u>423,868</u>	<u>3,561,195</u>
EXPENDITURES				
Current:				
Home and community services	2,076,674	344,483	432,394	2,853,551
Employee benefits	75,830	54,352	38,478	168,660
Total expenditures	<u>2,152,504</u>	<u>398,835</u>	<u>470,872</u>	<u>3,022,211</u>
Excess (deficiency) of revenues over expenditures	<u>272,233</u>	<u>313,755</u>	<u>(47,004)</u>	<u>538,984</u>
OTHER FINANCING USES				
Transfers out	<u>(351,088)</u>	<u>(252,580)</u>	<u>-</u>	<u>(603,668)</u>
Total other financing uses	<u>(351,088)</u>	<u>(252,580)</u>	<u>-</u>	<u>(603,668)</u>
Net change in fund balances	(78,855)	61,175	(47,004)	(64,684)
Fund balances—beginning	<u>1,320,520</u>	<u>646,667</u>	<u>355,717</u>	<u>2,322,904</u>
Fund balances—ending	<u>\$ 1,241,665</u>	<u>\$ 707,842</u>	<u>\$ 308,713</u>	<u>\$ 2,258,220</u>

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Lighting District Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 2,413,059	\$ 2,413,059	\$ 2,413,059	\$ -
Other property tax items	4,000	4,000	4,664	664
Use of money and property	6,000	6,000	4,331	(1,669)
Sale of property and compensation for loss	-	2,683	2,683	-
Total revenues	<u>2,423,059</u>	<u>2,425,742</u>	<u>2,424,737</u>	<u>(1,005)</u>
EXPENDITURES				
Current:				
Home and community services	2,288,315	2,290,998	2,076,674	214,324
Employee benefits	<u>75,831</u>	<u>75,831</u>	<u>75,830</u>	<u>1</u>
Total expenditures	<u>2,364,146</u>	<u>2,366,829</u>	<u>2,152,504</u>	<u>214,325</u>
Excess of revenues over expenditures	<u>58,913</u>	<u>58,913</u>	<u>272,233</u>	<u>213,320</u>
OTHER FINANCING USES				
Transfers out	<u>(351,800)</u>	<u>(351,800)</u>	<u>(351,088)</u>	<u>712</u>
Total other financing uses	<u>(351,800)</u>	<u>(351,800)</u>	<u>(351,088)</u>	<u>712</u>
Net change in fund balances *	(292,887)	(292,887)	(78,855)	214,032
Fund balances—beginning	<u>1,320,520</u>	<u>1,320,520</u>	<u>1,320,520</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,027,633</u>	<u>\$ 1,027,633</u>	<u>\$ 1,241,665</u>	<u>\$ 214,032</u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Master Drainage Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 710,762	\$ 710,762	\$ 710,762	\$ -
Use of money and property	5,000	5,000	1,828	(3,172)
Total revenues	<u>715,762</u>	<u>715,762</u>	<u>712,590</u>	<u>(3,172)</u>
EXPENDITURES				
Current:				
Home and community services	400,574	400,574	344,483	56,091
Employee benefits	<u>54,352</u>	<u>54,352</u>	<u>54,352</u>	<u>-</u>
Total expenditures	<u>454,926</u>	<u>454,926</u>	<u>398,835</u>	<u>56,091</u>
Excess of revenues over expenditures	<u>260,836</u>	<u>260,836</u>	<u>313,755</u>	<u>52,919</u>
OTHER FINANCING USES				
Transfers out	<u>(310,000)</u>	<u>(310,000)</u>	<u>(252,580)</u>	<u>57,420</u>
Total other financing uses	<u>(310,000)</u>	<u>(310,000)</u>	<u>(252,580)</u>	<u>57,420</u>
Net change in fund balances *	(49,164)	(49,164)	61,175	110,339
Fund balances—beginning	<u>646,667</u>	<u>646,667</u>	<u>646,667</u>	<u>-</u>
Fund balances—ending	<u>\$ 597,503</u>	<u>\$ 597,503</u>	<u>\$ 707,842</u>	<u>\$ 110,339</u>

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

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Water Hydrant District Fund
Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 422,805	\$ 422,805	\$ 422,805	\$ -
Use of money and property	1,700	1,700	1,063	(637)
Total revenues	<u>424,505</u>	<u>424,505</u>	<u>423,868</u>	<u>(637)</u>
EXPENDITURES				
Current:				
Home and community services	440,520	440,520	432,394	8,126
Employee benefits	<u>38,478</u>	<u>38,478</u>	<u>38,478</u>	<u>-</u>
Total expenditures	<u>478,998</u>	<u>478,998</u>	<u>470,872</u>	<u>8,126</u>
Net change in fund balances *	(54,493)	(54,493)	(47,004)	7,489
Fund balances—beginning	<u>355,717</u>	<u>355,717</u>	<u>355,717</u>	<u>-</u>
Fund balances—ending	<u>\$ 301,224</u>	<u>\$ 301,224</u>	<u>\$ 308,713</u>	<u>\$ 7,489</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

STATISTICAL SECTION

(UNAUDITED)

This section of the Town of Cheektowaga’s 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.

Contents	Page
Financial Trends	67
<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	73
<i>These schedules contain information to help the reader assess the Town’s most significant revenue source, real property taxes.</i>	
Debt Capacity	78
<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	82
<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	84
<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 Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
Net investment in capital assets	\$ 34,188,940	\$ 37,337,793	\$ 37,296,021	\$ 39,713,401	\$ 44,105,979	\$ 49,718,794	\$ 53,004,308	\$ 57,296,433	\$ 61,713,677	\$ 65,381,799
Restricted for:										
Capital projects	2,458,889	1,589,362	3,645,587	9,656,051	7,377,925	2,557,288	-	-	2,252,146	-
Insurance	-	-	-	-	-	-	-	1,653,598	261,272	1,225,240
Debt reduction	1,771,815	1,573,110	1,765,817	1,973,591	1,878,492	2,203,633	2,136,124	2,045,263	1,985,934	1,812,662
Unrestricted	6,337,851	8,132,509	13,578,706	16,132,830	12,292,565	6,296,685	785,009	(6,570,885)	(18,098,551)	(21,372,134)
Total net position—governmental activities	<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>	<u>\$ 48,114,478</u>	<u>\$ 47,047,567</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Primary government:										
Expenses:										
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	\$ 14,386,681	\$ 13,840,768
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	25,295,847	24,710,972
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	12,318,808	12,701,147
Economic assistance and opportunity	300,250	478,859	128,654	91,857	19,357	10,195	11,785	15,631	13,285	23,492
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	6,267,114	8,697,567
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	31,490,859	26,845,152
Interest and other fiscal charges	874,402	1,109,186	1,101,761	1,011,310	929,359	816,656	781,244	729,470	787,445	674,725
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>	<u>90,560,039</u>	<u>87,493,823</u>
Program revenues:										
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	910,089	1,169,173
Public safety	977,525	984,628	1,045,540	996,778	1,188,428	1,208,078	1,385,466	1,158,002	1,124,592	1,203,215
Transportation	93,721	220,729	220,735	233,215	247,247	262,487	269,481	283,146	297,883	312,929
Culture and recreation	860,963	773,202	776,988	861,565	854,491	978,785	996,153	997,030	963,711	1,016,966
Home and community services	629,361	640,846	630,616	653,301	786,021	661,673	525,887	509,073	615,589	484,253
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	2,072,168	2,353,174
Capital grants and contributions	471,302	157,391	266,068	239,629	1,508,796	597,923	1,009,851	1,510,051	961,167	544,551
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>	<u>6,945,199</u>	<u>7,084,261</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>	<u>(83,614,840)</u>	<u>(80,409,562)</u>
General revenues:										
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	64,852,392	65,875,325
Non-property taxes	7,803,930	8,009,665	8,116,246	8,847,816	9,212,331	8,910,845	9,108,489	9,383,152	9,741,760	10,006,908
Use of money and property	680,280	1,451,909	2,594,403	2,940,211	1,844,834	818,404	453,969	387,965	406,892	240,994
Sale of property and compensation for loss	-	-	85,464	92,613	253,439	278,876	132,762	251,296	148,661	224,454
Miscellaneous	406,335	298,775	467,229	433,909	806,827	562,956	489,469	996,379	425,029	984,040
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	1,730,175	2,010,930
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>	<u>77,304,909</u>	<u>79,342,651</u>
Primary government change in net position	<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>	<u>\$ (6,309,931)</u>	<u>\$ (1,066,911)</u>

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

Function/Program	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Primary government:										
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	\$ 939,365	\$ 1,232,756
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	1,891,301	1,569,467
Transportation	408,835	220,729	1,126,575	1,115,471	367,156	794,639	610,017	643,215	737,634	834,196
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	1,028,741	1,085,245
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>	<u>2,348,158</u>	<u>2,362,597</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>	<u>\$ 6,945,199</u>	<u>\$ 7,084,261</u>

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

	2004	2005	2006	2007	2008	2009	2010	2011*	2012	2013
General Fund:										
Reserved	\$ 1,324,669	\$ 1,620,832	\$ 3,031,381	\$ 6,613,966	\$ 1,944,054	\$ 2,995,382	\$ 2,400,104	n/a	n/a	n/a
Unreserved	7,355,624	9,816,508	12,416,707	14,150,491	17,677,622	15,870,846	17,157,445	n/a	n/a	n/a
Total General Fund	\$ 8,680,293	\$ 11,437,340	\$ 15,448,088	\$ 20,764,457	\$ 19,621,676	\$ 18,866,228	\$ 19,557,549	n/a	n/a	n/a
All other governmental funds:										
Reserved	\$ 2,487,758	\$ 1,752,201	\$ 10,526,644	\$ 12,158,181	\$ 11,866,101	\$ 5,961,293	\$ 16,358,959	n/a	n/a	n/a
Unreserved, reported in:										
Special revenue funds	11,533,996	11,546,949	13,829,549	14,902,255	17,359,148	19,500,815	20,084,560	n/a	n/a	n/a
Capital projects fund	1,812,597	5,092,788	-	-	-	-	(16,218,058)	n/a	n/a	n/a
Total all other governmental funds	\$ 15,834,351	\$ 18,391,938	\$ 24,356,193	\$ 27,060,436	\$ 29,225,249	\$ 25,462,108	\$ 20,225,461	n/a	n/a	n/a
General Fund:										
Nonspendable	n/a	\$ 1,052,356	\$ 1,181,218	\$ 1,470,130						
Restricted	n/a	1,653,598	261,272	1,225,240						
Assigned	n/a	10,621,833	8,545,229	8,776,916						
Unassigned	n/a	8,923,294	9,423,835	8,761,619						
Total General Fund								\$ 22,251,081	\$ 19,411,554	\$ 20,233,905
All other governmental funds:										
Nonspendable	n/a	\$ 337,302	\$ 378,632	\$ 498,655						
Restricted	n/a	2,045,263	4,238,080	1,812,662						
Assigned	n/a	21,761,566	20,494,841	21,235,116						
Unassigned	n/a	(15,114,575)	(24,266,514)	(24,558,369)						
Total all other governmental funds								\$ 9,029,556	\$ 845,039	\$ (1,011,936)

*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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Taxes ¹	\$ 55,791,314	\$ 61,499,687	\$ 65,086,930	\$ 67,766,220	\$ 67,256,127	\$ 69,101,132	\$ 71,637,413	\$ 73,955,054	\$ 74,594,151	\$ 75,882,232
Charges for services ²	1,889,350	1,953,173	1,950,605	2,094,208	2,252,747	2,263,596	2,097,791	2,188,233	2,101,909	2,197,404
Use of money and property	680,280	1,451,909	2,594,403	2,940,211	1,844,834	818,404	453,969	387,965	406,892	240,994
Licenses and permits	613,876	494,137	727,395	939,900	719,638	495,439	534,977	614,969	616,353	865,895
Fines and forfeitures	917,623	919,584	990,170	937,765	1,128,408	1,174,860	1,347,166	1,057,502	1,034,083	1,123,238
Miscellaneous ³	535,472	456,212	559,378	557,537	1,145,246	960,193	657,836	1,277,857	572,813	1,159,492
State aid	3,236,333	2,909,755	3,371,861	4,064,667	3,149,762	3,334,726	3,642,254	3,211,340	3,197,538	3,160,268
Federal aid	1,714,340	1,879,775	3,132,275	2,460,026	2,651,488	1,720,861	1,983,581	2,428,284	1,565,972	1,748,387
Total revenues	<u>65,378,588</u>	<u>71,564,232</u>	<u>78,413,017</u>	<u>81,760,534</u>	<u>80,148,250</u>	<u>79,869,211</u>	<u>82,354,987</u>	<u>85,121,204</u>	<u>84,089,711</u>	<u>86,377,910</u>
Expenditures:										
General government support	7,031,808	7,819,605	7,549,343	8,883,509	9,454,525	12,268,379	13,971,042	9,464,211	10,613,397	8,222,273
Public safety	14,212,951	13,708,457	14,832,325	15,685,796	16,122,639	16,306,024	16,742,094	25,025,203	21,866,501	17,295,752
Transportation	4,723,013	4,886,612	5,326,166	5,889,748	7,325,645	8,392,892	8,484,610	10,185,381	10,556,549	7,337,896
Economic assistance and opportunity	113,018	127,626	24,011	72,796	13,850	7,372	8,259	11,248	9,443	16,289
Culture and recreation	4,418,586	4,595,677	4,801,676	5,527,347	6,727,514	5,384,056	5,290,491	5,330,375	5,423,204	5,489,353
Home and community services	17,485,409	18,999,716	18,987,790	19,333,121	20,936,959	22,246,209	20,706,453	21,347,248	22,853,956	17,894,243
Employee benefits	13,061,811	14,472,657	14,896,282	14,510,696	14,891,430	16,465,268	18,549,187	19,230,908	20,748,470	21,087,743
Debt service:										
Principal	2,472,200	2,472,478	2,525,506	2,803,343	2,703,866	2,483,844	2,474,951	2,297,975	2,345,212	2,053,269
Interest and other fiscal charges	851,615	1,076,237	1,110,682	1,033,566	949,790	833,756	673,226	731,028	697,023	659,110
Capital outlay	3,521,491	2,440,533	2,039,233	1,065,000	-	-	-	-	-	7,356,606
Total expenditures	<u>67,891,902</u>	<u>70,599,598</u>	<u>72,093,014</u>	<u>74,804,922</u>	<u>79,126,218</u>	<u>84,387,800</u>	<u>86,900,313</u>	<u>93,623,577</u>	<u>95,113,755</u>	<u>87,412,534</u>

(continued)

(concluded)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Other financing sources (uses)										
Transfers in	6,221,538	6,501,357	7,099,369	6,865,498	11,327,459	5,378,311	5,601,115	5,939,181	10,167,215	12,482,312
Transfers out	(6,221,538)	(6,501,357)	(7,099,369)	(6,865,498)	(11,327,459)	(5,378,311)	(5,601,115)	(5,939,181)	(10,167,215)	(12,482,312)
Other financing sources	2,109,265	4,350,000	3,655,000	1,065,000	-	-	4,594,067	-	-	-
Other financing uses	(485,464)	-	-	-	-	-	(4,594,067)	-	-	-
Total other financing sources (uses)	<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>	<u>-</u>	<u>-</u>
Net change in fund balances	<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>	<u>\$ (11,024,044)</u>	<u>\$ (1,034,624)</u>
Debt service as a percentage of noncapital expenditures	5.41%	5.39%	5.33%	5.49%	5.08%	4.37%	4.12%	3.99%	3.77%	3.49%

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

² Includes revenues in Departmental Income and Intergovernmental Charges categories.

³ 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
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
2012	63,311,902	494,020	8,752,254	2,035,975	74,594,151
2013	64,614,646	569,704	9,031,161	1,666,721	75,882,232

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 ¹	Real Property		Ratio of Assessed Value to Estimated Actual Value ²	Total Direct Rate ³
	Assessed Value	Estimated Actual Value		
2004	2,226,242,978	3,424,989,197	65%	12.78832
2005	2,254,113,948	3,467,867,612	65%	14.20549
2006	2,309,575,871	3,553,193,648	65%	14.87586
2007	2,400,954,058	3,898,918,574	62%	14.67544
2008	2,465,623,045	4,003,934,792	62%	14.17547
2009	2,470,169,912	3,984,145,019	62%	14.53251
2010	2,570,213,122	4,145,505,035	62%	15.14690
2011	2,633,902,317	4,248,229,544	62%	15.78703
2012	2,633,911,681	4,248,244,647	62%	15.54829
2013	2,662,059,581	4,293,644,485	62%	16.03904

¹ 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 ² below) shown relates to such assessment year.

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

³ The total direct rate represents the amount charged per \$1,000 of assessed property value of the Town of Cheektowaga.

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 ¹										Total Weighted Average Rate	
				Depew		Sloan		Williamsville		Cheektowaga		Union Free #2	Union Free #3		Lancaster
	General Rate	Highway Rate	Total Direct Rate	Village	Town Outside Village	Village	Town Outside Village	Village	Town Outside Village	Village	Town Outside Village	Village	Town Outside Village		Village
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
2012	14.06878	1.47951	15.54829	72.65415	57.51008	72.80252	57.10108	59.14254	53.79064	51.73464	53.76108	68.47908	50.07477	51.80036	60.08301
2013	14.51031	1.52873	16.03904	74.91788	59.00779	93.03561	77.38749	60.48416	55.05765	52.18765	54.82802	70.42641	51.11365	52.70472	66.33189

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.

¹ 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	2013			2004		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Pyramid Walden Co. (Galleria)	Shopping Mall	\$ 103,221,400	1	4.01%	\$ 84,707,000	1	3.80%
National Fuel Gas Dist Co	Public Utility	33,377,360	2	1.30%	6,032,470	9	0.27%
DDR Companies	Commercial	27,872,100	3	1.08%	8,775,000	5	0.39%
Benderson	Commercial	26,707,135	4	1.04%	-	n/a	-
NYSEG	Public Utility	19,971,672	5	0.78%	-	n/a	-
Idylwood Apartments	Apartments	17,513,900	6	0.68%	-	n/a	-
Niagara Mohawk	Public Utility	16,485,457	7	0.64%	-	n/a	-
CSX Transportation	Railroad	12,786,990	8	0.50%	-	n/a	-
Williamstowne Apartments	Apartments	12,579,700	9	0.49%	6,107,400	8	0.27%
4243 GS Associates LLC	Hotel	12,495,629	10	0.49%	-	n/a	-
Appletree Realty Holdings	Real Estate	-	n/a	-	9,934,000	2	0.45%
Zoe Thaddeus & One	Hotel	-	n/a	-	9,100,000	3	0.41%
Wegmans Food Market Inc.	Food Market	-	n/a	-	8,800,000	4	0.40%
BG Thruway LLC	Retail	-	n/a	-	8,450,000	6	0.38%
The May Department Stores Co.	Shopping Mall	-	n/a	-	7,000,000	7	0.31%
Garden Village Appartments	Apartments	-	n/a	-	5,658,400	10	0.25%
Total		<u>\$ 283,011,343</u>		10.99%	<u>\$ 154,564,270</u>		6.93%

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	
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%
2012	70,324,693	30,847,924	101,172,617	92,913,493	92%	100%
2013	71,773,923	30,895,130	102,669,053	94,769,802	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 - 29	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	Bond Anticipation Notes	Total Amount	Percentage of Personal Income ¹	Debt per Capita ¹
2004	\$ 17,267,125	\$ 4,659,738	\$ 2,380,000	\$ 24,306,863	0.81%	\$ 258.58
2005	19,189,825	4,614,560	2,920,000	26,724,385	0.87%	284.30
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	8,300,000	23,867,876	0.96%	270.53
2011	9,380,000	3,889,900	21,380,000	34,649,900	1.49%	392.74
2012	7,415,000	3,509,688	25,475,000	36,399,688	1.56%	412.57
2013	5,760,000	3,111,419	28,100,000	36,971,419	1.72%	419.05

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

¹ 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 ¹	Net Bonded Debt per Capita ²
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
2012	88,226	2,633,911,681	7,415,000	1,985,934	5,429,066	0.21%	61.54
2013	88,226	2,574,435,264	5,760,000	1,812,662	3,947,338	0.15%	44.74

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

¹ See Schedule XVII for property value data.

² 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, 2013

Governmental Unit	Gross Indebtedness ¹	Estimated Exclusions ²	Net Indebtedness	Percentage Applicable ³	Town of Cheektowaga Portion
Estimated direct debt:					
Town of Cheektowaga	\$ 36,971,419	\$ 1,455,069	\$ 35,516,350	100.00%	\$ 35,516,350
Estimated overlapping debt:					
Villages:					
Depew	3,775,000	-	3,775,000	49.48%	1,867,893
Sloan	-	-	-	100.00%	-
Williamsville	4,125,000	92,000	4,033,000	0.23%	9,150
School districts:					
Cheektowaga Central	16,120,000	10,010,520	6,109,480	100.00%	6,109,480
Cheektowaga-Maryvale Union Free	31,810,889	23,476,436	8,334,453	100.00%	8,334,453
Cleveland Hill Union Free at Cheektowaga	20,060,000	17,452,200	2,607,800	100.00%	2,607,800
Williamsville Central	20,480,000	14,602,240	5,877,760	0.06%	3,397
Lancaster Central	39,925,000	33,297,450	6,627,550	7.63%	505,685
Depew Union Free	25,295,283	21,172,152	4,123,131	59.40%	2,449,301
West Seneca Central	49,170,000	37,025,010	12,144,990	19.13%	2,323,402
Union Free School District #9 (Sloan)	13,930,000	10,308,200	3,621,800	94.51%	3,423,070
County of Erie	686,105,528	183,735,528	502,370,000	7.20%	36,166,244
Total estimated overlapping debt	<u>910,796,700</u>	<u>351,171,736</u>	<u>559,624,964</u>		<u>63,799,874</u>
Total estimated direct and overlapping debt	<u>\$ 947,768,119</u>	<u>\$ 352,626,805</u>	<u>\$ 595,141,314</u>		<u>\$ 99,316,224</u>

¹ Direct debt includes the full amount of outstanding long-term debt instruments—including bonds, notes, certificates of participation, loans, and capital leases—of the government.

² 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.

³ 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 12-31-13, County 12-31-13, Villages 5-31-13, Schools 6-30-13 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 2013	
Estimated Actual Value of Real Property (After Exemptions):	
2009	\$ 3,984,145,019
2010	4,145,505,035
2011	4,248,229,544
2012	4,248,244,647
2013	<u>4,293,644,485</u>
Total five-year valuation	<u>20,919,768,731</u>
Average full valuation	<u>4,183,953,746</u>
Debt limit - 7% of average full valuation ¹	292,876,762
Debt applicable to limit:	
General obligation bonds	5,760,000
Bond anticipation notes payable	28,100,000
Less other deductions allowed by law ²	
Sewer bonds	683,709
Drainage bonds	<u>771,360</u>
Total amount of net indebtedness applicable to debt limit	<u>33,088,640</u>
Legal debt margin ³	<u><u>\$ 259,788,122</u></u>
Percentage of debt contracting power exhausted	11.30%

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 237,807,588	\$ 232,480,431	\$ 240,991,300	\$ 248,449,943	\$ 256,884,654	\$ 264,712,835	\$ 274,199,759	\$ 283,930,262	\$ 290,898,149	\$ 292,876,762
Total net debt applicable to limit	<u>17,127,126</u>	<u>19,792,524</u>	<u>17,987,398</u>	<u>15,580,100</u>	<u>14,356,300</u>	<u>11,280,000</u>	<u>17,680,000</u>	<u>28,414,788</u>	<u>29,836,731</u>	<u>33,088,640</u>
Legal debt margin	<u><u>\$ 223,060,462</u></u>	<u><u>\$ 215,607,907</u></u>	<u><u>\$ 223,003,902</u></u>	<u><u>\$ 232,869,843</u></u>	<u><u>\$ 242,528,354</u></u>	<u><u>\$ 253,462,835</u></u>	<u><u>\$ 256,519,759</u></u>	<u><u>\$ 255,515,474</u></u>	<u><u>\$ 261,061,418</u></u>	<u><u>\$ 259,788,122</u></u>
Total net debt applicable to the limit as a percentage of debt limit	7.20%	8.51%	7.46%	6.27%	5.59%	4.26%	6.45%	10.01%	10.26%	11.30%

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

² 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.

³ 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: 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 XV—Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population	Per Capita		Unemployment Rate ³		Labor Force ⁴
		Personal Income ¹	Personal Income ²	Cheektowaga	New York State	
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
2012	88,226	26,378	2,327,225	8.5%	8.5%	47.2
2013	88,226	24,355	2,148,744	6.5%	6.6%	47.2

¹ Data represents per capita income for Erie County.

² Estimated, in thousands.

³ Annual averages.

⁴ In thousands.

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 XVI—Principal Cheektowaga Chamber of Commerce Business Members
Current Year and Ten³ Years Ago

Employer	Type	2013			2001 ³		
		Approx. No. of Employees	Rank	Percentage of Labor Force ²	Approx. No. of Employees	Rank	Percentage of Total City Employment
Walden Galleria Mall	Retail	3000	1	6.36%	-	-	-
St. Joseph Hospital	Hospital	800	2	1.70%	501	3	1.02%
Cameron, Inc.	Industrial	700	3	1.48%	-	-	-
Derrick Corporation	Industrial	500	4	1.06%	-	-	-
Town of Cheektowaga ¹	Local Government	460	5	0.97%	475	6	0.97%
Cheektowaga Central Schools	Public Schools	350	6	0.74%	400	8	0.82%
Maryvale School District	Public Schools	310	7	0.66%	390	9	0.80%
First Student Bus Service	Transportation	280	8	0.59%	-	-	-
Rosina Foods	Industrial	260	9	0.55%	-	-	-
Upstate Niagara Cooperative, Inc.	Industrial	250	10	0.53%	-	-	-
ITT Standard	Industrial	250	10	0.53%	-	-	-
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%

¹ Full-time only.

² Estimated.

³ Data from ten years prior (2004) not available.

Source: 2013 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:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government support										
Supervisor	3	3	3	2	2	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	3	3	4	4	4	4	4	4	4	4
Assessors	6	7	7	7	7	7	7	5	5	5
Central Printing	1	1	1	1	1	1	2	1	1	1
Building Maintenance	9	9	9	9	9	9	9	9	9	12
Central Garage	12	12	12	12	12	11	11	11	11	10
Council	8	8	8	8	8	8	8	8	8	8
Engineering	7	7	7	7	8	8	8	8	8	8
Justice	14	14	14	14	14	14	14	14	14	14
Law	6	6	6	5	5	5	5	5	5	5
Town Clerk	9	8	10	9	9	8	7	7	7	7
Tax office	2	2	-	-	-	-	-	-	-	-
	<u>88</u>	<u>88</u>	<u>89</u>	<u>86</u>	<u>87</u>	<u>85</u>	<u>85</u>	<u>82</u>	<u>82</u>	<u>84</u>
Public safety										
Dispatchers	28	28	28	28	28	28	28	29	28	29
Officers	127	127	128	128	129	129	129	128	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	4	4	4	3	3	3	3	3	3
Building & Plumbing - code enforcement	15	17	19	19	19	19	19	19	17	17
	<u>183</u>	<u>186</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>187</u>	<u>187</u>
Transportation										
Highway	<u>74</u>	<u>74</u>	<u>74</u>	<u>75</u>	<u>75</u>	<u>74</u>	<u>74</u>	<u>75</u>	<u>74</u>	<u>71</u>

(continued)

(concluded)

Function/Program:	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Economic assistance and opportunity										
Community Development	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>
Culture and recreation										
Parks/Facilities	21	21	22	21	21	21	21	21	21	21
Youth & Recreation	10	10	10	10	10	9	9	9	9	9
Senior services	<u>6</u>	<u>6</u>	<u>5</u>	<u>6</u>						
	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>36</u>	<u>36</u>	<u>36</u>	<u>36</u>	<u>36</u>
Home and community services										
Sanitation	45	46	45	46	45	45	45	45	45	41
Sewer	22	22	21	21	21	21	21	21	20	19
Main Pump	<u>12</u>	<u>12</u>	<u>11</u>	<u>12</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>	<u>77</u>	<u>72</u>
Total	<u>466</u>	<u>470</u>	<u>470</u>	<u>470</u>	<u>471</u>	<u>467</u>	<u>467</u>	<u>465</u>	<u>460</u>	<u>454</u>

Source: Various Town departments

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TOWN JUSTICES' CASELOAD:										
Cases processed:										
Motor vehicle	16,309	17,351	16,922	16,248	16,751	17,786	20,532	18,021	26,590	19,984
Criminal	4,441	4,643	5,387	5,915	5,809	6,529	6,187	5,443	5,634	5,459
Civil	983	1,140	1,031	1,003	774	712	754	769	705	1,122
Fines assessed:										
Motor vehicle	\$ 1,567,165	\$ 1,638,585	\$ 1,607,360	\$ 1,569,394	\$ 1,690,540	\$ 1,981,681	\$ 2,220,604	\$ 1,714,594	\$ 1,703,720	\$ 1,753,580
Criminal	\$ 185,884	\$ 148,936	\$ 197,231	\$ 239,620	\$ 240,268	\$ 234,028	\$ 354,693	\$ 214,195	\$ 205,078	\$ 269,970
Civil	\$ 17,260	\$ 20,355	\$ 19,130	\$ 18,650	\$ 14,085	\$ 12,855	\$ 14,395	\$ 14,175	\$ 13,065	\$ 22,155
NUMBER OF BUILDING PERMITS:										
One family	27	30	17	35	23	13	16	5	5	10
Two family	-	-	-	-	-	-	-	-	-	-
Apartments	-	7	1	-	-	-	-	-	-	-
Other	1,541	1,559	1,655	1,973	2,430	2,422	1,999	2,068	2,016	784
Value of construction	\$ 40,110,887	\$ 45,285,068	\$ 67,060,557	\$ 74,059,133	\$ 66,071,696	\$ 34,012,934	\$ 50,419,216	\$ 45,859,274	\$ 52,700,000	\$ 62,751,826
POLICE:										
Arrests	4,448	4,770	4,984	5,219	4,871	5,272	6,256	5,146	5,562	5,693
Traffic tickets	10,277	11,791	10,457	10,523	8,632	10,147	10,369	9,768	9,875	10,241
Calls for service	43,216	43,366	43,312	49,871	50,305	48,176	48,901	52,658	52,049	53,311
Police reports	11,185	11,621	11,524	10,993	10,609	10,696	10,640	10,371	10,666	10,500
REFUSE COLLECTION:										
Refuse collected (tons annually)	35,855	33,070	33,151	31,886	31,991	30,384	30,787	31,637	30,171	30,701

Source: Various Town departments

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

Function/Program:	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	1
Patrol vehicles	48	44	49	49	50	49	49	49	48	50
Refuse collection										
Collection trucks	15	19	15	21	19	17	18	19	18	19
Other public works										
Streets (miles)	389	389	389	389	389	389	389	389	389	389
Streetlights	962	966	979	1,310	1,310	1,310	1,310	1,310	1,310	1,310
Traffic signals	41	41	41	41	41	41	41	41	41	41
Parks and recreation										
Acreage	552	552	552	552	552	552	552	552	552	552
Playgrounds	18	18	18	18	18	18	18	18	18	18
Baseball/softball diamonds	21	21	21	21	21	19	19	19	19	19
Soccer/football fields	3	4	5	5	5	5	5	5	5	5
Community centers	5	5	5	5	5	4	4	4	4	4
Water										
Fire hydrants	1,360	1,363	1,371	1,378	1,378	1,379	1,381	1,381	1,381	1,383
Wastewater										
Sanitary sewers (miles)	200	200	200	200	200	200	200	201	201	201
Storm sewers (miles)	150	150	150	175	175	178	182	186	186	191
Senior Center										
Transport vans	7	7	8	8	8	9	8	7	6	7

Sources: Various Town departments

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