

TOWN OF
CHEEKTOWAGA
ERIE COUNTY, NEW YORK

*COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT*

*FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2015*

SUPERVISOR DIANE BENCZKOWSKI

COUNCILMEMBERS

JAMES P. ROGOWSKI

GERALD P. KAMINSKI

TIMOTHY J. MEYERS

CHRISTINE ADAMCZYK

LINDA HAMMER

TOWN OF CHEEKTOWAGA, NEW YORK

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2015

Prepared by:

Town of Cheektowaga
Office of the Supervisor

Diane Benczkowski
Supervisor

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INTRODUCTORY SECTION



Town of Cheektowaga

Cheektowaga Town Hall – Suite 201
3301 Broadway Street
Cheektowaga, NY 14227

Hon. Diane Benczkowski
SUPERVISOR

Office Phone: (716) 686-3465
Fax: (716) 686-3551
Email: supervisorsoffice@tocny.org

June 22, 2016

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, 2015 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 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 metropolis areas, including Toronto, Canada, representing the center of Canadian commerce, industry and population, Cleveland, Ohio and Pittsburgh, Pennsylvania.

The Town has a solid financial footing and hosts a regional shopping hub that continually lures additional retail opportunities.

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, Northern Pennsylvania and Southern Ontario.
2. The Town continues to be a hub of commercial and residential development in Western New York. During 2015, the Town issued 2,127 building permits with a construction value of \$62.6 million.
3. There were some very exciting developments regarding businesses in Town. The Cabela's Crossings shopping center had further development with the opening of Home 2 Suites by Hilton, and two new restaurants – Panera Bread and Qdoba. The Walden Galleria Mall continues to redesign and provide current stores and restaurants to maintain its status as a destination for Town residents as well as thousands of travelers from outside the area. They added entertainment and restaurants such as Dave and Busters, Billy Beez adventure park,

Johnny's Burger Factory and World of Beer. Derrick Manufacturing is expanding their office facilities in Town. Garrett Leather Corp. moved their headquarters to Cheektowaga.

Long-term financial planning

The General Fund's unassigned fund balance of \$8,040,685 represents approximately 16.4 percent of its annual operating budget. This fund balance is viewed by management as a fiscally sound position. The Board 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. The New York State Department of Environmental Conservation (NYSDEC) has issued a consent order on the Town requiring that we develop a plan to deal with excess clear rain water entering the Town's sanitary sewer system. Since the sanitary sewer system was not designed to handle this excess clear water, it becomes overloaded during times of high groundwater or heavy rainfall. This can cause basement flooding or bypassing of raw wastewater to local streams and lakes. This plan is being formulated with the NYSDEC and we have developed some long term financial plans to obtain grants and borrow funds with no interest cost to carry out portions of this significant project estimated to cost \$60 million over the next ten years.
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 4 vacant buildings in 2015 and a total of 48 have been demolished since May 2008.
4. During 2015, the Town, through our Community Development Office, has rehabilitated and brought up to housing code standards 57 housing units for a total investment of \$385,948. 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. In the past couple of years the Town conducted an inventory of all trees on each street within the Town right of way (street trees). A total of 16,300 street trees were located using GPS units. The inventory accumulated information on each tree such as species, diameter and

general health of the tree. We recently were awarded a \$50,000 grant from the NYSDEC to prepare an Urban Forest Management Plan. All of this information will be used to assist the Town in protecting its existing tree resources and identify the benefits of sustaining the urban forest for future generations. This information will be helpful to battle issues such as tree diseases (ie. Emerald Ash borer) and to assist in our plan for excess rainwater entering our sanitary sewer system as trees are helpful in eliminating groundwater.

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, 2014. This was the twenty-fourth 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,



Diane Benczkowski
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, 2014

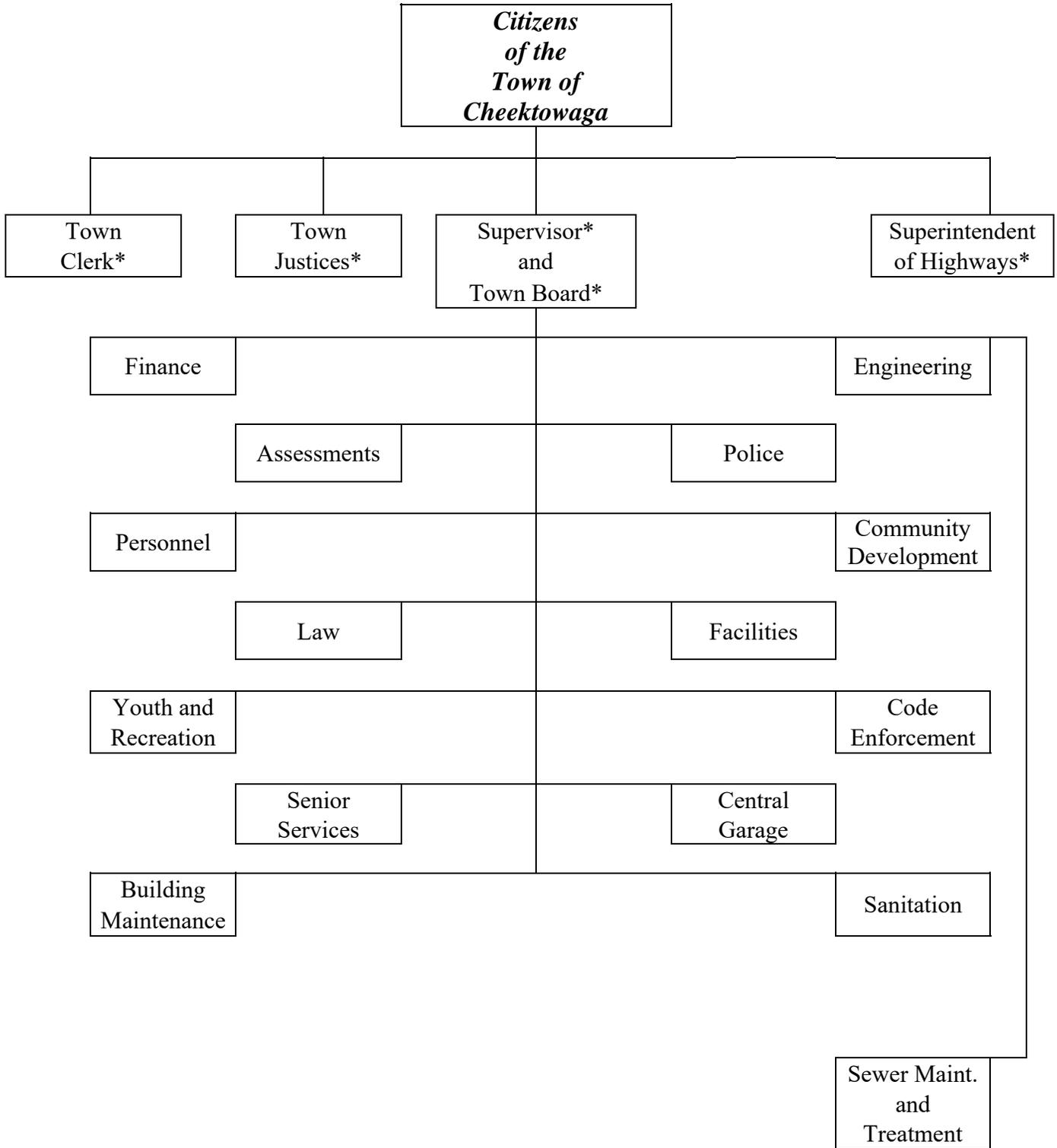
Executive Director/CEO

TOWN OF CHEEKTOWAGA, NEW YORK
Town Officials
Year Ended December 31, 2015

Name:	Title:
Elected:	
Diane Benczkowski	Supervisor
James P. Rogowski	Councilmember
Gerald P. Kaminski	Councilmember
Timothy J. Meyers	Councilmember
Christine Adamczyk	Councilmember
Linda Hammer	Councilmember
Dennis Gorski	Town Justice
Paul Piotrowski	Town Justice
Mark D. Wegner	Superintendent of Highways
Vickie L. Dankowski	Town Clerk/Receiver of Taxes
Appointed:	
Jeneen McSkimming	Town Assessor
Kevin Schenk	Town Attorney
Brian M. Krause	Director of Administration and Finance
Civil Service:	
Patrick T. Bowen	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, 2015, 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 shown as a 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, 2015, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, during the year ended December 31, 2015 the Town implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

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

Other Information

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

The Supplementary 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 Supplementary Information, as listed in the table of contents, 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.

Drescher & Mahesh LLP

June 16, 2016

TOWN OF CHEEKTOWAGA, NEW YORK
Management's Discussion and Analysis
For the Year Ended December 31, 2015

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, 2015. This document should be read in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

Financial Highlights

- The assets and deferred outflows of resources of the primary government exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$39,157,092 (*net position*). This consists of \$71,885,096 net investment in capital assets and \$7,899,325 restricted for specific purposes, offset by an unrestricted net deficit of \$40,627,329.
- The Town's primary government net position improved \$898,287 during the year ended December 31, 2015.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$30,385,532, an increase of \$18,407,139 in comparison with the prior year's fund balance of \$11,978,393. Excluding the Capital Projects Fund unassigned fund deficit of \$12,562,434, the Town had unrestricted fund balances of \$33,482,902; 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 \$3,201,651. At December 31, 2015, unassigned fund balance for the General Fund was \$8,040,685, or 15.8 percent of total General Fund expenditures and transfers out.
- The Town's total bonded debt increased by \$16,394,000 during the current year as a result of a \$17,619,000 issuance of serial bonds, offset by scheduled principal payments of \$1,225,000.

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 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 to 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., 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 Town does not engage in any business-type activities.

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 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 Supplementary Information section of this report.

The basic governmental fund financial statements 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 Town. 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 is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Town maintains one fiduciary fund, the Agency Fund.

The fiduciary fund financial statement 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 28-55 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 progress in funding its obligation to provide post-employment benefits to its employees, the Town’s net pension liability, and the Town’s budgetary comparison for the General Fund, Highway Fund, Sewer Fund, and Consolidated Garbage Fund. Required Supplementary Information and a related note to the required supplementary information can be found on pages 56-65 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 66-67 and 70-71.

Budgetary comparison schedules for each nonmajor fund with a legally adopted budget are presented immediately following their respective combining statements in the Supplementary Information section of this report on pages 68-69 and 72-74. The Statistical Section can be found on pages 75-95 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$39,157,092 at the close of the most recent fiscal year, as compared to \$38,258,805 (as restated) at the close of the fiscal year ended December 31, 2014.

Table 1, shown on the following page, presents a condensed statement of net position compared to the prior year.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities	
	December 31,	
	2015	2014 (as restated)
Current assets	\$ 65,236,280	\$ 67,005,368
Capital assets	109,159,357	103,474,187
Total assets	<u>174,395,637</u>	<u>170,479,555</u>
Deferred outflows of resources	5,974,889	6,275,236
Current liabilities	34,609,392	54,736,658
Noncurrent liabilities	106,210,114	83,498,747
Total liabilities	<u>140,819,506</u>	<u>138,235,405</u>
Deferred inflows of resources	393,928	260,581
Net position:		
Net investment in capital assets	71,885,096	67,316,133
Restricted	7,899,325	4,136,017
Unrestricted	<u>(40,627,329)</u>	<u>(33,193,345)</u>
Total net position	<u>\$ 39,157,092</u>	<u>\$ 38,258,805</u>

The largest portion of the Town's net position, \$71,885,096, reflects its investment in capital assets (e.g. 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 a variety of services to citizens. Accordingly, 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, \$7,899,325, represents resources that are subject to external restrictions imposed by creditors, grantors, contributions, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The remaining balance of net position, \$40,627,329, is considered to be an unrestricted deficit.

Table 2, as presented below, shows the changes in net position for the years ended December 31, 2015 and December 31, 2014.

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

	Governmental Activities	
	Year Ended December 31,	
	2015	2014 (as restated)
Program revenues:		
Charges for services	\$ 4,006,694	\$ 4,060,997
Operating grants and contributions	3,170,904	2,363,840
Capital grants and contributions	1,093,575	238,121
General revenues	81,377,682	78,019,812
Total revenues	<u>89,648,855</u>	<u>84,682,770</u>
Program expenses	<u>88,750,568</u>	<u>94,201,406</u>
Change in net position	898,287	(9,518,636)
Net position—beginning	38,258,805	47,047,567
Restatement	-	729,874
Net position—ending	<u>\$ 39,157,092</u>	<u>\$ 38,258,805</u>

Overall revenues of the primary government increased 5.9 percent from the prior year, due primarily to a refund of prior years' expenses related to a change in the Town's estimate for their self-insured accrued liabilities, as well as disaster recovery aid received in the current year related to expenses incurred in the prior year. Total program expenses of the primary government decreased 5.8 percent from the prior year, due primarily to decreases within general government support and transportation for decreased costs related to judgments and claims and the historic snow storm from the prior year.

A summary of sources of revenues for the years ended December 31, 2015 and December 31, 2014 is presented below in Table 3.

Table 3—Summary of Sources of Revenues—Primary Government

	Year Ended December 31,		Increase/(Decrease)	
	2015	2014	Dollars	Percent (%)
Charges for services	\$ 4,006,694	\$ 4,060,997	\$ (54,303)	(1.3)
Operating grants and contributions	3,170,904	2,363,840	807,064	34.1
Capital grants and contributions	1,093,575	238,121	855,454	359.3
Property taxes and other tax items	75,940,571	75,248,298	692,273	0.9
Use of money and property	157,104	212,137	(55,033)	(25.9)
Sale of property and compensation for loss	153,658	277,330	(123,672)	(44.6)
Miscellaneous	3,019,624	224,451	2,795,173	1,245.3
Unrestricted state aid	2,106,725	2,057,596	49,129	2.4
Total revenues	<u>\$ 89,648,855</u>	<u>\$ 84,682,770</u>	<u>\$ 4,966,085</u>	5.9

The Town's most significant source of revenue was property taxes and other tax items, which accounts for \$75,940,571, or 84.7 percent of total revenues, for the year ended December 31, 2015, and \$75,248,298, or 88.9 percent of total revenues, for the year ended December 31, 2014. The next largest source of revenue for the year ended December 31, 2015 was charges for services of \$4,006,694, or 4.5 percent of total revenues, comparable to \$4,060,997, or 4.8 percent of total revenues for the year ended December 31, 2014.

During the year ended December 31, 2015, miscellaneous revenues increased \$2,795,173 from the year ended December 31, 2014. The increase is largely attributed to a change in the Town's estimate for their self-insured accrued liabilities. Additionally, operating and capital grants increased \$1,662,518 compared to the year ended December 31, 2014, mainly due to aid received for the historic snow storm.

A summary of program expenses for the years ended December 31, 2015 and December 31, 2014 is presented below in Table 4.

Table 4—Summary of Program Expenses—Primary Government

	Year Ended December 31,		Increase/(Decrease)	
	2015	2014	Dollars	Percent (%)
General government support	\$ 13,177,821	\$ 16,748,348	\$ (3,570,527)	(21.3)
Public safety	27,220,126	25,574,204	1,645,922	6.4
Transportation	12,873,313	15,989,175	(3,115,862)	(19.5)
Economic assistance and opportunity	14,289	33,085	(18,796)	(56.8)
Culture and recreation	8,003,945	8,590,854	(586,909)	(6.8)
Home and community services	27,095,609	26,804,412	291,197	1.1
Interest and other fiscal charges	365,465	461,328	(95,863)	(20.8)
Total program expenses	<u>\$ 88,750,568</u>	<u>\$ 94,201,406</u>	<u>\$ (5,450,838)</u>	(5.8)

The Town's most significant expense items for the year ended December 31, 2015 were public safety of \$27,220,126, or 30.7 percent of total expenses, home and community services of \$27,095,609, or 30.5 percent of total expenses, general government support of \$13,177,821, or 14.8 percent of total expenses, and transportation of \$12,873,313, or 14.5 percent of total expenses. For the year ended December 31, 2014, significant expenses were home and community services of \$26,804,412, or 28.5 percent of total expenses, public safety of \$25,574,204, or 27.1 percent of total expenses, general government support of \$16,748,348, or 17.8 percent of total expenses, and transportation of \$15,989,175, or 17.0 percent of total expenses.

During the year ended December 31, 2015, general government support decreased \$3,570,527 due to decreased workers' compensation and general liability claims against the Town, as well as decreased employee benefits related to the implementation of GASB Statements No. 68 and 71. Further, transportation expenses decreased \$3,115,862, primarily due to significant emergency transportation costs associated with the snow storm in the prior year.

Financial Analysis of Governmental Funds

Governmental funds—The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* 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 discretionary use, 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 Board.

At December 31, 2015, the Town's governmental funds reported combined ending fund balances of \$30,385,532, an increase of \$18,407,139 in comparison with the prior year. The increase results primarily from proceeds related to the issuance of serial bonds and their related premium. Excluding the effects of a \$12,562,434 fund balance deficit in the Capital Projects Fund, approximately 45.4 percent (\$19,496,253) of the combined ending fund balances constitutes *unassigned fund balance* and *assigned to specific use* in special revenue funds, which is available for spending at the Town's discretion or amounts within special revenue funds that are not restricted or committed. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is: (1) not in spendable form (\$1,565,739), (2) restricted for particular purposes (\$7,899,325), or (3) assigned for particular purposes (\$13,986,649).

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

Table 5—Major Funds' Fund Balance

	General	Highway	Sewer
Net change in fund balances	\$ 3,201,651	\$ 1,680,718	\$ (437,764)
Unassigned or assigned to the fund's specific use	8,040,685	3,508,708	3,109,575
Total fund balances (deficit)	20,761,871	7,392,675	6,895,772
Percentage unassigned or assigned to specific use	38.7%	47.5%	45.1%
	Consolidated Garbage	Community Development	Capital Projects
Net change in fund balances	\$ (17,899)	\$ 68,847	\$ 13,937,495
Unassigned or assigned to the fund's specific use	656,402	519,115	(12,562,434)
Total fund balances (deficit)	1,055,824	520,055	(12,562,434)
Percentage unassigned or assigned to specific use	62.2%	99.8%	n/a

The General Fund is the chief operating fund of the Town. Total ending fund balance was \$20,761,871. Approximately 38.7 percent, \$8,040,685, of this amount is unassigned fund balance. The General Fund fund balance increased \$3,201,651 as a result of this year's activity. Overall General Fund expenditures for the year ended December 31, 2015 were significantly lower in comparison to the year ended December 31, 2014, decreasing 6.4 percent, \$3,255,536. This decrease was largely the result of a reduction in judgments and claims against the Town. 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 expenditures and transfers out. Unassigned fund balance represents 15.8 percent of total General Fund expenditures and transfers out, while total fund balance represents 40.7 percent of that same amount.

The Town's Highway Fund ending fund balance was \$7,392,675. Approximately 47.5 percent, \$3,508,708, of this amount is reported as fund balance assigned for specific (Highway Fund) use. During the year ended December 31, 2015, the Highway Fund fund balance increased \$1,680,718, primarily due to disaster recovery aid received in the current year related to expenses incurred in the prior year.

The Town's Sewer Fund ending fund balance was \$6,895,772. Approximately 45.1 percent, \$3,109,575, of this amount is fund balance assigned for specific (Sewer Fund) use. Fund balance within the Sewer Fund decreased by \$437,764 in the current year mainly due to increased sewer charges from the Buffalo Sewer Authority.

The Town's Consolidated Garbage Fund ending fund balance was \$1,055,824. Approximately 62.2 percent, \$656,402, of this amount is fund balance assigned for specific (Consolidated Garbage Fund) use. Fund balance within the Consolidated Garbage Fund decreased by \$17,899 as expenditures slightly exceeded revenues.

The Town's Community Development Fund ending fund balance was \$520,055. Approximately 99.8 percent, \$519,115, of this amount is fund balance assigned for specific (Community Development Fund) use. During the year ended December 31, 2015, the Community Development Fund fund balance increased by \$68,847 as grant revenues exceeded expenditures.

The Town's Capital Projects Fund ending fund balance was in a deficit position, \$(12,562,434). This deficit is expected to be remedied through the future issuance of long-term debt. During the year ended December 31, 2015, the Capital Projects Fund deficit decreased by \$13,937,495 due primarily to the issuance of serial bonds related to town-wide improvements.

General Fund Budgetary Highlights

The Town's General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward increased for prior year's encumbrances since the funds were allocated under the previous year's budget, and the Town has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward increased for additional current year appropriations supported by an increase in budgeted revenues. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended December 31, 2015 is presented below in Table 6.

Table 6—General Fund Budget

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues and other financing sources	\$ 46,653,464	\$ 49,095,921	\$ 54,231,050	\$ 5,135,129
Expenditures and other financing uses	51,262,338	53,704,795	51,029,399	2,675,396
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (4,608,874)</u>	<u>\$ (4,608,874)</u>	<u>\$ 3,201,651</u>	<u>\$ 7,810,525</u>

Original budget compared to final budget—At the close of the fiscal year, the overall budgeted appropriations increased by \$2,442,457. This increase was largely due to increased supplemental appropriations for the funding of ongoing capital projects, as well as increased public safety personnel costs related to a labor contract accrual.

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 favorable variances. General Fund total revenues and transfers in were \$5,135,129 higher than corresponding final budgeted revenues. General Fund total expenditures and transfers out were \$2,675,396 less than corresponding final budgeted appropriations. Following are the main components of the variances:

- Miscellaneous revenues were \$2,371,665 more than budgeted due primarily to a refund of prior years' expenses related to a change in the Town's estimate for their self-insured accrued liabilities.
- General government support expenditures were \$1,591,071 less than budgeted, as contracted assessor costs were less than projected amounts.

Capital Assets and Debt Administration

Capital assets—The Town's investment in capital assets for its governmental activities as of December 31, 2015, amounted to \$109,159,357 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, permanent fixtures, machinery and equipment and infrastructure.

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 for the years ended December 31, 2015 and 2014 are presented below in Table 7.

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

	Governmental Activities	
	December 31,	
	2015	2014
Land	\$ 6,781,714	\$ 6,781,714
Construction in progress	1,675,320	1,778,071
Buildings	27,305,500	25,849,556
Permanent fixtures	10,537,841	10,180,844
Machinery and equipment	13,883,850	12,542,684
Infrastructure	<u>48,975,132</u>	<u>46,341,318</u>
Total governmental activities	<u>\$ 109,159,357</u>	<u>\$ 103,474,187</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 5 to the financial statements.

Long-term debt—At December 31, 2015, the Town had total bonded debt outstanding of \$20,564,000, as compared to \$4,170,000 in the prior year. During the year ended December 31, 2015, the Town issued serial bonds in the amount of \$17,619,000, and made scheduled bond principal payments of \$1,225,000. New York State statutes limit the amount of general obligation debt a governmental entity may issue up to 7% of its five year valuation. The Town's debt is within the limit.

A summary of the Town's long-term liabilities at December 31, 2015 and 2014 is presented below in Table 8.

Table 8—Summary of Long-Term Liabilities

	Governmental Activities	
	December 31,	
	2015	2014 (as restated)
Bonds payable	\$ 22,203,793	\$ 4,211,781
Capital lease	2,257,238	2,694,235
Landfill obligation	1,920,000	2,040,000
Compensated absences	12,773,952	12,561,054
OPEB obligation	63,079,342	56,446,315
Net pension liability	<u>3,975,789</u>	<u>5,545,362</u>
Total long-term liabilities	<u>\$ 106,210,114</u>	<u>\$ 83,498,747</u>

Additional information on the Town's long-term debt can be found in Note 12 to the financial statements.

Economic Factors and Next Year's Budget

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region during December 2015 was 5.2 percent. This is comparable to New York State's unemployment rate of 4.7 and the national unemployment rate of 5.0 percent.

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the 2016 budget. The Town's 2016 budget includes the appropriation of \$4,225,000 of fund balance in the General Fund. Additional information on the Town's budgeted appropriations of fund balance can be found in Note 13 to the financial statements.

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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to 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, 2015

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Cheektowaga E.D.C. (March 31, 2015)</u>
ASSETS		
Cash and cash equivalents	\$ 39,802,428	\$ 938,054
Restricted cash and cash equivalents	9,375,850	-
Receivables	788,978	200,741
Loans receivable	6,469,307	874,525
Intergovernmental receivables	7,233,978	-
Prepaid items	1,565,739	-
Capital assets not being depreciated	8,457,034	-
Capital assets, net of accumulated depreciation	<u>100,702,323</u>	<u>-</u>
Total assets	<u>174,395,637</u>	<u>2,013,320</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows—relating to pensions	<u>5,974,889</u>	<u>-</u>
Total deferred outflows of resources	<u>5,974,889</u>	<u>-</u>
LIABILITIES		
Accounts payable	4,820,607	22,319
Accrued liabilities	7,101,179	-
Intergovernmental payables	1,616,019	-
Unearned revenue	6,653,587	-
Bond anticipation notes payable	14,418,000	-
Noncurrent liabilities:		
Due within one year	3,463,968	-
Due within more than one year	<u>102,746,146</u>	<u>-</u>
Total liabilities	<u>140,819,506</u>	<u>22,319</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue—golf course lease	221,248	-
Deferred inflows—relating to pensions	<u>172,680</u>	<u>-</u>
Total deferred inflows of resources	<u>393,928</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	71,885,096	-
Restricted for:		
Insurance	6,064,938	-
Debt reduction	1,834,387	-
Unrestricted	<u>(40,627,329)</u>	<u>1,991,001</u>
Total net position	<u>\$ 39,157,092</u>	<u>\$ 1,991,001</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, 2015

<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</u>	<u>Unit</u>
					<u>Cheektowaga E.D.C.</u>	<u>(March 31, 2015)</u>
Primary government:						
Governmental activities:						
General government support	\$ 13,177,821	\$ 949,518	\$ 11,374	\$ -	\$ (12,216,929)	\$ -
Public safety	27,220,126	1,322,666	392,015	-	(25,505,445)	-
Transportation	12,873,313	308,607	717,494	1,093,575	(10,753,637)	-
Economic assistance and opportunity	14,289	-	-	-	(14,289)	-
Culture and recreation	8,003,945	1,014,446	65,885	-	(6,923,614)	-
Home and community services	27,095,609	411,457	1,984,136	-	(24,700,016)	-
Interest and other fiscal charges	365,465	-	-	-	(365,465)	-
Total primary government	<u>\$ 88,750,568</u>	<u>\$ 4,006,694</u>	<u>\$ 3,170,904</u>	<u>\$ 1,093,575</u>	<u>(80,479,395)</u>	<u>-</u>
Component unit:						
Cheektowaga E.D.C.	<u>\$ 28,068</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>(28,068)</u>
General revenues:						
					65,378,795	-
Property taxes						
Non-property taxes:						
					9,516,474	-
Sales tax						
					1,045,302	-
Cable franchise tax						
					157,104	14,831
Use of money and property						
					70,454	-
Gain on sale of capital assets						
					83,204	-
Minor sales and compensation for loss						
					3,019,624	27
Miscellaneous						
					2,106,725	-
Unrestricted state aid						
					<u>81,377,682</u>	<u>14,858</u>
Total general revenues						
					898,287	(13,210)
Change in net position						
					<u>38,258,805</u>	<u>2,004,211</u>
Net position—beginning, as restated (see Note 2)						
					<u>\$ 39,157,092</u>	<u>\$ 1,991,001</u>
Net position—ending						

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

TOWN OF CHEEKTOWAGA, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2015

	<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	\$ 20,983,861	\$ 3,857,984	\$ 7,292,967	\$ 2,574,313	\$ 606,642	\$ 747,894	\$ 3,738,767	\$ 39,802,428
Restricted cash and cash equivalents	6,064,938	-	-	-	-	1,604,770	1,706,142	9,375,850
Receivables	721,277	987	1,386	40,221	-	-	25,107	788,978
Loans receivable	86,990	-	-	-	6,382,317	-	-	6,469,307
Intergovernmental receivables	856,098	3,901,046	259,882	17,000	227,649	758,633	1,213,670	7,233,978
Due from other funds	1,306,018	341,805	5,014	-	-	825,840	128,255	2,606,932
Prepaid items	1,151,502	187,333	87,157	99,422	940	-	39,385	1,565,739
Total assets	<u>\$ 31,170,684</u>	<u>\$ 8,289,155</u>	<u>\$ 7,646,406</u>	<u>\$ 2,730,956</u>	<u>\$ 7,217,548</u>	<u>\$ 3,937,137</u>	<u>\$ 6,851,326</u>	<u>\$ 67,843,212</u>
LIABILITIES								
Accounts payable	\$ 970,752	\$ 205,288	\$ 148,788	\$ 313,947	\$ 132,338	\$ 2,787,310	\$ 262,184	\$ 4,820,607
Accrued liabilities	6,451,324	241,688	130,406	127,312	-	-	83,567	7,034,297
Intergovernmental payables	1,246,934	52,401	171,495	28,835	102,033	-	14,321	1,616,019
Due to other funds	1,160,295	397,103	299,945	365,038	80,805	134,261	169,485	2,606,932
Unearned revenue	358,260	-	-	-	6,382,317	-	-	6,740,577
Bond anticipation notes payable	-	-	-	840,000	-	13,578,000	-	14,418,000
Total liabilities	<u>10,187,565</u>	<u>896,480</u>	<u>750,634</u>	<u>1,675,132</u>	<u>6,697,493</u>	<u>16,499,571</u>	<u>529,557</u>	<u>37,236,432</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - golf course lease	221,248	-	-	-	-	-	-	221,248
Total deferred inflows of resources	<u>221,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>221,248</u>
FUND BALANCES (DEFICIT)								
Nonspendable	1,151,502	187,333	87,157	99,422	940	-	39,385	1,565,739
Restricted	6,064,938	-	-	-	-	-	1,834,387	7,899,325
Assigned	5,504,746	7,205,342	6,808,615	956,402	519,115	-	4,447,997	25,442,217
Unassigned	8,040,685	-	-	-	-	(12,562,434)	-	(4,521,749)
Total fund balances (deficit)	<u>20,761,871</u>	<u>7,392,675</u>	<u>6,895,772</u>	<u>1,055,824</u>	<u>520,055</u>	<u>(12,562,434)</u>	<u>6,321,769</u>	<u>30,385,532</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 31,170,684</u>	<u>\$ 8,289,155</u>	<u>\$ 7,646,406</u>	<u>\$ 2,730,956</u>	<u>\$ 7,217,548</u>	<u>\$ 3,937,137</u>	<u>\$ 6,851,326</u>	<u>\$ 67,843,212</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 Government-wide Statement of Net Position
December 31, 2015

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

Total fund balances (deficit)—governmental funds (page 23)		\$ 30,385,532
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$185,816,387 and the accumulated depreciation is \$76,657,030.		109,159,357
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 4,469,621	
Deferred outflows related to experience and investment earnings	1,505,268	
Deferred inflows of resources related to pension plans	<u>(172,680)</u>	5,802,209
Certain accrued revenues reported in the statement of net position are received after the availability period for recognition of revenue in the governmental funds.		86,990
Net accrued interest expense for bonds and notes is not reported in the funds.		(66,882)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$(20,564,000)	
Premium on serial bonds	(1,639,793)	
Capital leases	(2,257,238)	
Landfill obligation	(1,920,000)	
Compensated absences	(12,773,952)	
Other post-employment benefits obligation	(63,079,342)	
Net pension liability	<u>(3,975,789)</u>	<u>(106,210,114)</u>
Net position of governmental activities		<u>\$ 39,157,092</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, 2015

	Special Revenue					Capital Projects	Total Nonmajor Funds	Total Governmental Funds
	General	Highway	Sewer	Consolidated Garbage	Community Development			
REVENUES								
Real property taxes	\$ 38,709,967	\$ 3,172,694	\$ 10,579,894	\$ 8,149,646	\$ -	\$ -	\$ 3,491,247	\$ 64,103,448
Other property tax items	1,223,691	42,156	-	4,350	-	-	5,150	1,275,347
Non-property tax items:								
Sales tax	-	8,393,684	-	-	-	-	1,122,790	9,516,474
Cable franchise tax	1,045,302	-	-	-	-	-	-	1,045,302
Departmental income	1,457,187	1,800	-	151,199	-	-	-	1,610,186
Intergovernmental charges	-	306,807	260,258	-	-	-	-	567,065
Use of money and property	57,729	2,368	6,114	2,450	-	1,336	79,338	149,335
Licenses and permits	31,056	-	-	-	-	-	625,435	656,491
Fines and forfeitures	1,172,952	-	-	-	-	-	-	1,172,952
Sale of property and compensation for loss	99,763	39,262	2,305	1,000	-	-	11,328	153,658
Miscellaneous	2,644,482	60,011	49,295	159,095	-	575,075	199,983	3,687,941
State aid	1,522,037	1,053,262	3,133	-	112,500	646,526	4,270	3,341,728
Federal aid	209,741	710,091	15,400	17,000	1,629,495	447,049	700	3,029,476
Total revenues	<u>48,173,907</u>	<u>13,782,135</u>	<u>10,916,399</u>	<u>8,484,740</u>	<u>1,741,995</u>	<u>1,669,986</u>	<u>5,540,241</u>	<u>90,309,403</u>
EXPENDITURES								
Current:								
General government support	7,942,463	-	-	-	-	-	-	7,942,463
Public safety	17,311,759	-	-	-	-	-	1,062,662	18,374,421
Transportation	229,230	7,216,283	-	-	-	-	-	7,445,513
Economic assistance and opportunity	10,235	-	-	-	-	-	-	10,235
Culture and recreation	5,115,307	-	-	-	-	-	116,390	5,231,697
Home and community services	-	5,000	8,932,527	5,985,487	1,673,148	-	3,061,152	19,657,314
Employee benefits	17,157,920	1,335,761	1,167,598	1,059,296	-	-	443,284	21,163,859
Debt service:								
Principal—serial bonds	-	-	-	-	-	-	1,225,000	1,225,000
Principal—capital leases	-	-	-	-	-	-	436,997	436,997
Interest and other fiscal charges	-	-	-	-	-	-	412,555	412,555
Capital outlay	-	-	-	-	-	9,283,709	-	9,283,709
Total expenditures	<u>47,766,914</u>	<u>8,557,044</u>	<u>10,100,125</u>	<u>7,044,783</u>	<u>1,673,148</u>	<u>9,283,709</u>	<u>6,758,040</u>	<u>91,183,763</u>
Excess (deficiency) of revenues over expenditures	<u>406,993</u>	<u>5,225,091</u>	<u>816,274</u>	<u>1,439,957</u>	<u>68,847</u>	<u>(7,613,723)</u>	<u>(1,217,799)</u>	<u>(874,360)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	6,057,143	388,960	20,000	190,000	-	4,060,475	5,687,440	16,404,018
Transfers out	(3,262,485)	(3,933,333)	(1,274,038)	(1,647,856)	-	(128,257)	(6,158,049)	(16,404,018)
Premium on serial bonds	-	-	-	-	-	-	1,662,499	1,662,499
Proceeds of serial bonds	-	-	-	-	-	17,619,000	-	17,619,000
Total other financing sources (uses)	<u>2,794,658</u>	<u>(3,544,373)</u>	<u>(1,254,038)</u>	<u>(1,457,856)</u>	<u>-</u>	<u>21,551,218</u>	<u>1,191,890</u>	<u>19,281,499</u>
Net change in fund balances (deficit)	3,201,651	1,680,718	(437,764)	(17,899)	68,847	13,937,495	(25,909)	18,407,139
Fund balances (deficit)—beginning	17,560,220	5,711,957	7,333,536	1,073,723	451,208	(26,499,929)	6,347,678	11,978,393
Fund balances (deficit)—ending	<u>\$ 20,761,871</u>	<u>\$ 7,392,675</u>	<u>\$ 6,895,772</u>	<u>\$ 1,055,824</u>	<u>\$ 520,055</u>	<u>\$ (12,562,434)</u>	<u>\$ 6,321,769</u>	<u>\$ 30,385,532</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 (Deficit)—
Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2015

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)		\$ 18,407,139
<p>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.</p>		
Capital asset additions, net	\$ 11,906,867	
Depreciation expense	<u>(5,553,380)</u>	6,353,487
<p>Loss on disposition of capital assets is recorded in the statement of activities but not in the statement for governmental funds.</p>		
		(668,317)
<p>Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:</p>		
Town pension contributions	\$ 4,469,621	
Cost of benefits earned net of employee contributions	<u>(3,373,075)</u>	1,096,546
<p>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.</p>		
		(56,718)
<p>In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.</p>		
		47,090
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, 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 in the treatment of long-term debt and the related items is as follows:</p>		
Proceeds from serial bonds	\$ (17,619,000)	
Repayment of serial bonds	1,225,000	
Premium on serial bonds	(1,662,499)	
Amortization of premiums on serial bonds	64,487	
Payment of capital lease	436,997	
Change in landfill obligation	120,000	
Change in compensated absences	(212,898)	
Change in other post-employment benefits obligation	<u>(6,633,027)</u>	<u>(24,280,940)</u>
Change in net position of governmental activities		<u>\$ 898,287</u>

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, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	\$ 176,306
Receivables	64,831
Intergovernmental receivables	<u>6,789</u>
Total assets	<u>\$ 247,926</u>
LIABILITIES	
Agency liabilities	\$ 245,987
Due to other governments	<u>1,939</u>
Total liabilities	<u>\$ 247,926</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, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic 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 as 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 are normally supported by taxes, 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 unit 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 Town and its component unit, an entity for which the Town is considered to be financially accountable.

Discretely Presented Component Unit—The component unit column in the basic financial statements includes the financial data of the Town’s discretely presented component unit. This 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.

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*—The Highway 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*—The Sewer 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*—The Consolidated Garbage 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*—The Community Development 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 from the Town's operating funds.

Additionally, the Town reports the following fund type:

Fiduciary Fund—These funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Agency Fund*. The Agency Fund is custodial in nature and does not involve measurement of results of operations. The Agency Fund accounts, such as payroll withholdings, are reported as liabilities.

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 the 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 revenue 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, pensions, other post-employment benefits, 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

and the amount is received during the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period of availability. 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.

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

Cash, Cash Equivalents and Investments—The Town’s cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. The Town had no investments at December 31, 2015; however, when the Town does have investments they are recorded 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 and unspent proceeds of debt.

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

Capital Assets—Capital assets, which include property, plant, equipment, roads and infrastructure assets, are reported 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. 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. Donated capital assets are recorded at estimated fair market value of the item at the date of its donation.

Land and construction in progress are not depreciated. The other capital assets of the primary government 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 highway vehicle included as part of *expenditures—transportation*). At times, amounts 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, 2015, the Town has one item that qualifies for reporting in this category. This item represents the effect of the net change in the Town’s proportion of the collective net pension liability, the difference during the measurement period between the Town’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date.

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, 2015, the Town has two items that qualify for reporting in this category. The first item represents future inflows from a golf course lease. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. These amounts have not met the time requirement recognition criterion and, as such, are deferred in the financial statements until these time constraints have been met. The final item represents the effect of the net change in the Town’s proportion of the collective net pension liability and the difference during the measurement periods between the Town’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense, and is reported on the government-wide financial statements.

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 has implemented a fund balance policy in accordance with and 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 Expenses/Expenditures

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 1st 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 April 1st a 4.5% penalty; April 2nd 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 June 30th, 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, 2015, the Town reported unearned revenues within the General Fund and Community Development Fund of \$358,260 and \$6,382,317, respectively. The Town received grant 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—The Town is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS") and the New York State Police and Fire Retirement System ("PFRS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

Other Post-Employment Benefits—In addition to providing pension benefits, the Town provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 8.

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 expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2015, the Town implemented GASB Statement 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—an amendment of GASB Statement No. 68*. GASB Statements No. 68 and No. 71 improve accounting and recognizing liabilities/(assets), deferred outflows of resources, deferred inflows of resources and expenses related to pensions.

Future Impacts of Accounting Pronouncements—The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 72, *Fair Value Measurement and Application*; No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; No. 77, *Tax Abatement Disclosures*; No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Plans*; and No. 79, *Certain External Investment Pools and Pool Participants*, effective for the fiscal year ending December 31, 2016; No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*; No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*; No. 81, *Irrevocable Split-Interest Agreements*; and No. 82, *Pension Issues; an Amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for the fiscal year ending December 31, 2017; and

No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the fiscal year ending December 31, 2018. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 72, 73, 74, 75, 76, 77, 78, 79, 80, 81 and 82 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

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.

Deficit Fund Balances—At December 31, 2015, the Capital Projects Fund, a major fund, has a deficit fund balance of \$12,562,434. 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.

2. RESTATEMENT OF NET POSITION

For the year ended December 31, 2015, the Town implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. The implementation of GASB Statements No. 68 and No. 71 resulted in the reporting of deferred outflows of resources, a deferred inflow of resources, and a liability related to the Town’s participation in the New York State Employees’ and Police and Fire Retirement Systems.

The Town's governmental activities net position as of December 31, 2014 has been restated as follows:

Net position—December 31, 2014, as previously stated	\$ 37,528,931
GASB Statements No. 68 and No. 71 implementation:	
Beginning system liability—Police and Fire Retirement System	(1,965,972)
Beginning system liability—Employees' Retirement System	(3,579,390)
Beginning deferred outflow of resources for contributions subsequent to the measurement date:	
Police and Fire Retirement System	3,530,397
Employees' Retirement System	<u>2,744,839</u>
Net position—December 31, 2014, as restated	<u>\$ 38,258,805</u>

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within New York 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.

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. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents at December 31, 2015 are as follows:

	Governmental Activities	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 6,870	\$ -	\$ 6,870
Deposits	<u>49,171,408</u>	<u>176,306</u>	<u>49,347,714</u>
Total	<u>\$ 49,178,278</u>	<u>\$ 176,306</u>	<u>\$ 49,354,584</u>

Deposits—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2015 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 1,545,879	\$ 1,545,879
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	<u>48,227,954</u>	<u>47,801,835</u>
Total	<u>\$ 49,773,833</u>	<u>\$ 49,347,714</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 New York State statute all deposits in excess of FDIC insurance coverage must be collateralized. At December 31, 2015, the Town’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Town’s name.

Restricted Cash and Cash Equivalents—The Town reports restricted cash, totaling \$9,375,850, 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 \$6,064,938, \$1,604,770 and \$1,706,142, respectively.

Investments—At December 31, 2015, 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 institutions. 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, 2015, the Corporation had \$938,054 in deposits.

4. RECEIVABLES

Major revenues accrued by the Town at December 31, 2015 include:

Receivables—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. Receivables at December 31, 2015 are presented on the following page.

General Fund:		
Franchise fees	\$ 547,244	
Insurance deposits	109,327	
Other	<u>64,706</u>	\$ 721,277
Highway Fund:		
Twin Village salvage		987
Sewer Fund:		
Miscellaneous sewer charges		1,386
Consolidated Garbage Fund:		
Recycling containers		40,221
Nonmajor Funds		<u>25,107</u>
Total governmental funds		<u>\$ 788,978</u>

Loans Receivable—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 unearned revenue. The balance at December 31, 2015 is \$86,990, and is expected to be repaid over the next two years through special assessments on the residents' tax levy.

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, 2015 is \$6,382,317.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Erie, or other local governments. Intergovernmental receivables at December 31, 2015 are:

General Fund:		
Due from Federal	\$ 85,000	
Due from New York State	10,674	
Due from Erie County	137,000	
Due from local municipalities	<u>623,424</u>	\$ 856,098
Highway Fund:		
Due from Erie County	\$ 3,888,046	
Due from Federal	<u>13,000</u>	3,901,046
Sewer Fund:		
Due from N.F.T.A.	\$ 220,127	
Due from Village of Sloan	33,755	
Due from Federal	<u>6,000</u>	259,882
Consolidated Garbage Fund:		
Due from Federal		17,000
Community Development Fund:		
Due from Federal		227,649
Capital Projects Fund:		
Due from New York State	\$ 549,224	
Due from Federal	<u>209,409</u>	758,633
Nonmajor Funds:		
Due from local municipalities		<u>1,213,670</u>
Total governmental funds		<u>\$ 7,233,978</u>

Discretely Presented Component Unit

Cheektowaga Economic Development Corporation—Loans receivable of the Cheektowaga E.D.C. totaled \$874,525, of which \$743,990 is secured by collateral security mortgages or security interest in specific equipment and assets. Such collateralized notes are term notes payable between 5 and 10 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.

5. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2015 was as follows:

	Balance 1/1/2015	Increases	Decreases	Balance 12/31/2015
Capital assets, not being depreciated:				
Land	\$ 6,781,714	\$ -	\$ -	\$ 6,781,714
Construction in progress	1,778,071	1,337,545	1,440,296	1,675,320
Total capital assets, not being depreciated	<u>8,559,785</u>	<u>1,337,545</u>	<u>1,440,296</u>	<u>8,457,034</u>
Capital assets, being depreciated:				
Buildings	35,817,211	2,182,883	-	38,000,094
Permanent fixtures	16,739,973	992,555	-	17,732,528
Machinery and equipment	32,282,688	3,816,822	1,984,592	34,114,918
Infrastructure	82,494,455	5,017,358	-	87,511,813
Total capital assets, being depreciated	<u>167,334,327</u>	<u>12,009,618</u>	<u>1,984,592</u>	<u>177,359,353</u>
Less accumulated depreciation for:				
Buildings	9,967,655	726,939	-	10,694,594
Permanent fixtures	6,559,129	635,558	-	7,194,687
Machinery and equipment	19,740,004	1,807,339	1,316,275	20,231,068
Infrastructure	36,153,137	2,383,544	-	38,536,681
Total accumulated depreciation	<u>72,419,925</u>	<u>5,553,380</u>	<u>1,316,275</u>	<u>76,657,030</u>
Total capital assets being depreciated, net	<u>94,914,402</u>	<u>6,456,238</u>	<u>668,317</u>	<u>100,702,323</u>
Total capital assets, net	<u>\$ 103,474,187</u>	<u>\$ 7,793,783</u>	<u>\$ 2,108,613</u>	<u>\$ 109,159,357</u>

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

Governmental activities:	
General government support	\$ 933,008
Public safety	405,098
Transportation	1,777,953
Culture and recreation	886,464
Home and community services	1,550,857
Total	<u>\$ 5,553,380</u>

6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2015 were as follows:

	General Fund	Highway Fund	Sewer Fund	Consolidated Garbage Fund	Other Governmental Funds	Total Governmental Funds
Salary and employee benefits	\$ 1,358,642	\$ 241,688	\$ 130,406	\$ 127,312	\$ 83,567	\$ 1,941,615
Judgments and claims - current	5,092,682	-	-	-	-	5,092,682
Total	<u>\$ 6,451,324</u>	<u>\$ 241,688</u>	<u>\$ 130,406</u>	<u>\$ 127,312</u>	<u>\$ 83,567</u>	<u>\$ 7,034,297</u>

See Note 9 for additional information regarding the Town's judgments and claims liability.

7. PENSION PLANS

Plan Descriptions and Benefits Provided

Police and Fire Retirement System ("PFRS") and Employees' Retirement System ("ERS")—The Town participates in the New York State and Local PFRS and ERS (the "System"). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At December 31, 2015, the Town reported the following liabilities for its proportionate share of the net pension liabilities for PFRS and ERS. The net pension liabilities were measured as of March 31, 2015. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2014, with update procedures used to roll forward the total net pension liabilities to the measurement date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

	PFRS	ERS
Measurement date	March 31, 2015	March 31, 2015
Net pension liability	\$ 1,299,881	\$ 2,675,908
Town's portion of the Plan's total net pension liability	0.4722381%	0.0792100%

For the year ended December 31, 2015, the Town recognized pension expenses of \$3,086,551 and \$2,378,553, respectively, for PFRS and ERS. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	PFRS	ERS	PFRS	ERS
Differences between expected and actual experiences	\$ 156,757	\$ 85,659	\$ -	\$ -
Net difference between projected and actual earnings on pension plan investments	436,413	464,771	-	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	361,668	-	-	172,680
Town contributions subsequent to the measurement date	<u>1,967,397</u>	<u>2,502,224</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,922,235</u>	<u>\$ 3,052,654</u>	<u>\$ -</u>	<u>\$ 172,680</u>

The Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	PFRS	ERS
2016	\$ 212,788	\$ 94,438
2017	212,788	94,438
2018	212,788	94,438
2019	212,788	94,436
2020	103,686	-

Actuarial Assumptions—The total pension liabilities as of the measurement date were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the following actuarial assumptions:

	PFRS	ERS
Measurement date	March 31, 2015	March 31, 2015
Actuarial valuation date	April 1, 2014	April 1, 2014
Interest rate	7.50%	7.50%
Salary scale	6.00%	4.90%
Decrement tables	April 1, 2005- March 31, 2010	April 1, 2005- March 31, 2010
Inflation rate	2.7%	2.7%

Annuitant mortality rates are based on April 1, 2005 – March 31, 2010 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

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

Measurement date	PFRS and ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2015	
Asset class:		
Domestic equities	38.0 %	7.3 %
International equities	13.0	8.6
Private equity	10.0	11.0
Real estate	8.0	8.3
Absolute return strategies	3.0	6.8
Opportunistic portfolio	3.0	8.6
Real assets	3.0	8.7
Bonds and mortgages	18.0	4.0
Cash	2.0	2.3
Inflation-indexed bonds	2.0	4.0
Total	<u>100.0 %</u>	

Discount Rate—The discount rate used to calculate the total pension liabilities was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart on the following page presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the Town’s proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage-point lower (6.5%) or one percentage-point higher (8.5%) than the current assumption.

	1% Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability/(asset)—PFRS	\$ 17,307,229	\$ 1,299,881	\$ (12,115,243)
Employer's proportionate share of the net pension liability/(asset)—ERS	17,836,087	2,675,908	(10,123,041)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liabilities of the employers as of the valuation dates, were as follows:

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	March 31, 2015	March 31, 2015	
Employers' total pension liability	\$ 28,474,417	\$ 164,591,504	\$ 193,065,921
Plan fiduciary net position	28,199,157	161,213,259	189,412,416
Employers' net pension liability	<u>\$ 275,260</u>	<u>\$ 3,378,245</u>	<u>\$ 3,653,505</u>
System fiduciary net position as a percentage of total pension liability	99.0%	97.9%	98.1%

8. 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 327 retirees receiving health care benefits at December 31, 2015.

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.

	<u>Year Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Annual required contribution ("ARC")	\$ 13,141,381	\$ 13,141,381
Interest on net OPEB obligation	2,257,853	1,978,446
Adjustment to ARC	<u>(3,264,296)</u>	<u>(2,860,344)</u>
Annual OPEB cost (expense)	12,134,938	12,259,483
Contributions made	<u>(5,501,911)</u>	<u>(5,274,329)</u>
Increase in net OPEB obligation	6,633,027	6,985,154
Net OPEB obligation - beginning	<u>56,446,315</u>	<u>49,461,161</u>
Net OPEB obligation - ending	<u>\$ 63,079,342</u>	<u>\$ 56,446,315</u>

Funding Status and Funding Progress—As of January 1, 2014, the most recent actuarial valuation date, the plan was not funded. Since there were no assets, the unfunded actuarial liability for benefits was \$155,323,486. The covered payroll (annual payroll of active employees covered by the plan) was \$36,065,588, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 4.31.

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 OPEB Cost	Contributions Made	Percentage Contributed	Net OPEB Obligation
2015	\$ 12,134,938	\$ 5,501,911	45.3%	\$ 63,079,342
2014	12,259,483	5,274,329	43.0%	56,446,315
2013	11,980,914	5,145,213	42.9%	49,461,161

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 the plan assets is increasing or decreasing 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, 2014 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a valuation date of January 1, 2014 and measurement date of December 31, 2015. The expected investment rate of return on employer's assets is 3.0%. 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-2014 Blue Collar Mortality Table projected using Improvement Scale MP-2014 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 7.0% 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, 2015 was twenty-two years.

9. 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 \$600,000. The Town also retains risk related to general liability. All other risks of loss are covered through the purchase of commercial insurance. The Town purchases insurance for: automobile and general liability. Automobile insurance is limited to \$1 million per accident. The general liability insurance is limited to \$1 million per occurrence, and an aggregate \$10 million limit. 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.

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 \$6,971,747 were recorded in the General Fund for the year ended December 31, 2015.

During the year ended December 31, 2015, the Town experienced a change in estimate related to their general liability and workers' compensation claims outstanding. This change in estimate resulted in a reduction in accrued liabilities and a \$2,299,236 refund of prior years' expenditures recorded in the General Fund miscellaneous revenues. At December 31, 2015, the current liability portion of judgments and claims, including workers' compensation claims, was \$5,092,682. These are considered to be due and payable at December 31, 2015 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, 2013 resulted from the following:

Year Ended December 31,	Liability, Beginning of Year	Claims and Changes in Estimates	Claim Payments and Changes in Estimates	Liability, End of Year
2015	\$ 7,956,114	\$ 6,971,747	\$ 9,835,179	\$ 5,092,682
2014	5,885,088	5,177,333	3,106,307	7,956,114
2013	3,621,496	3,493,741	1,230,149	5,885,088

The Town has claims in the range of \$7,000 to \$19,600 classified as reasonably possible. At December 31, 2015, 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 \$6,064,938.

10. LEASE OBLIGATIONS

Capital Leases—The Town entered into a long-term capital lease including an amendment, for certain energy related equipment and machinery. The present value of the amended lease at December 31, 2015 is \$2,257,238. A \$2,257,238 long-term 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>(2,325,725)</u>
Total	<u>\$ 3,399,013</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 interest rate ranges from 2.35% to 5.5%. The obligation under the lease can be summarized as follows:

<u>Year ended December 31,</u>	<u>Governmental Activities</u>
2016	\$ 558,144
2017	558,144
2018	558,144
2019	558,144
2020	162,492
2021-2022	<u>146,460</u>
Total minimum lease payments	2,541,528
Less: Amount representing imputed interest costs	<u>(284,290)</u>
Present value of minimum lease payments	<u>\$ 2,257,238</u>

11. 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. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the life of permanent financing, provided that annual reductions of principal are made. The following is a summary of the Town’s short-term debt for the year ended December 31, 2015:

Description	Interest Rate	Maturity Date	Balance 1/1/2015	Issues	Redemptions	Balance 12/31/2015
Recorded in Capital Projects Fund for:						
General Fund:						
Town maintenance building	0.50%	7/16/2015	\$ 1,338,000	\$ -	\$ 1,338,000	\$ -
Police and court building	0.50%	7/16/2015	13,779,000	-	13,779,000	-
Highway Fund:						
Highway repaving work	0.50%	7/16/2015	6,139,000	-	6,139,000	-
Sidewalks	0.50%	7/16/2015	867,000	-	867,000	-
Highway repaving work	1.00%	7/14/2016	-	4,751,000	-	4,751,000
Sidewalks	1.00%	7/14/2016	-	836,000	-	836,000
Road reconstruction	1.00%	7/14/2016	-	2,375,000	-	2,375,000
Special Districts:						
Highway drainage work	0.50%	7/16/2015	6,850,000	-	6,850,000	-
Dingens Road drainage work	0.50%	7/16/2015	770,000	-	770,000	-
Drainage District drainage work	0.50%	7/16/2015	801,000	-	801,000	-
Garbage totes	0.50%	7/16/2015	1,000,000	-	1,000,000	-
Sanitary sewers	0.50%	7/16/2015	700,000	-	700,000	-
Highway drainage work	1.00%	7/14/2016	-	3,581,000	-	3,581,000
Drainage District drainage work	1.00%	7/14/2016	-	1,373,000	-	1,373,000
Garbage totes	1.00%	7/14/2016	-	840,000	-	840,000
Sanitary sewers	1.00%	7/14/2016	-	662,000	-	662,000
Total			<u>\$ 32,244,000</u>	<u>\$ 14,418,000</u>	<u>\$ 32,244,000</u>	<u>\$ 14,418,000</u>

12. 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 serial bonds, capital leases, landfill obligation, compensated absences, other post-employment benefits (“OPEB”) obligation, and net pension liability. The serial bonds 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, 2015 follows:

	Balance 1/1/2015 (as restated)	Additions	Reductions	Balance 12/31/2015	Due Within One Year
Serial bonds	\$ 4,170,000	\$ 17,619,000	\$ 1,225,000	\$ 20,564,000	\$ 2,149,000
Premium on serial bonds	41,781	1,662,499	64,487	1,639,793	98,518
Bonds payable	4,211,781	19,281,499	1,289,487	22,203,793	2,247,518
Capital leases	2,694,235	-	436,997	2,257,238	457,752
Landfill obligation	2,040,000	-	120,000	1,920,000	120,000
Compensated absences	12,561,054	741,244	528,346	12,773,952	638,698
OPEB obligation	56,446,315	12,134,938	5,501,911	63,079,342	-
Net pension liability*	5,545,362	-	1,569,573	3,975,789	-
Total	<u>\$ 83,498,747</u>	<u>\$ 32,157,681</u>	<u>\$ 9,446,314</u>	<u>\$ 106,210,114</u>	<u>\$ 3,463,968</u>

*Reductions to the net pension liability are shown net of additions.

Serial Bonds—The Town issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds have been issued for governmental 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.

On July 15, 2015, the Town issued \$17,619,000 in various purpose serial bonds for the ongoing capital projects of the Town. The serial bonds were issued at a premium of \$1,662,499, and carry a variable interest rate ranging from 1.75%-5.0%. Principal payments on the bonds begin July 15, 2016 and mature on July 15, 2035.

Principal is paid annually, interest is paid semi-annually and are recorded in the Debt Service Fund. A summary of the Town's general obligation bonds is presented below:

Description	Original Issue	Year of Issue/ Maturity	Interest Rate (%)	Balance 1/1/2015	Additions	Reductions	Balance 12/31/2015
General Fund:							
Recreational park improvements	\$ 500,000	2005-2020	3.75-3.80	\$ 225,200	\$ -	\$ 32,900	\$ 192,300
Various park improvements	200,000	2005-2015	3.75-3.80	24,000	-	24,000	-
Pedestrian bridge demolition	50,000	2005-2015	3.75-3.80	6,000	-	6,000	-
General Fund refunding bonds	1,978,055	2010-2016	2.25-4.00	547,469	-	276,500	270,969
Town maintenance building	1,133,564	2015-2025	1.75-5.00	-	1,133,564	-	1,133,564
Police and court building	12,168,326	2015-2035	2.25-4.00	-	12,168,326	-	12,168,326
Highway Fund:							
Road reconstruction/resurfacing	2,000,000	2005-2020	3.75-3.80	899,700	-	131,700	768,000
Sidewalk/highway drainage	500,000	2005-2020	3.75-3.80	225,100	-	33,000	192,100
Highway equipment	3,500,000	2006-2016	3.88-4.00	800,000	-	400,000	400,000
Highway Fund refunding bonds	1,973,953	2010-2016	2.25-4.00	340,164	-	171,800	168,364
Highway drainage work (2009)	1,306,542	2015-2025	1.75-5.00	-	1,306,542	-	1,306,542
Highway drainage work (2011)	1,290,901	2015-2026	1.75-5.00	-	1,290,901	-	1,290,901
Highway repaving (2012)	932,982	2015-2026	1.75-5.00	-	932,982	-	932,982
Sidewalks (2011)	142,615	2015-2021	1.75-5.00	-	142,615	-	142,615
Special Districts:							
Alpine Sewer EFC Bond	752,825	2004-2034	1.20-5.15	505,000	-	25,000	480,000
Anderson road drainage	1,100,000	2005-2020	3.75-3.80	495,000	-	72,400	422,600
Sewer Fund refunding bonds	357,782	2010-2016	2.25-4.00	102,367	-	51,700	50,667
Dingens Road drainage	644,070	2015-2021	2.25-4.00	-	644,070	-	644,070
Total				<u>\$ 4,170,000</u>	<u>\$ 17,619,000</u>	<u>\$ 1,225,000</u>	<u>\$ 20,564,000</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 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, \$500,000 as of December 31, 2015, has been removed from the financial statements.

Amortization of Bond Premium—On July 21, 2010 the Town issued general obligation refunding serial bonds totaling \$4,510,000 and received a bond premium of \$158,333. On July 15, 2015, the Town issued serial bonds totaling \$17,619,000 and received a bond premium of \$1,662,499. The premiums are being amortized on a straight-line basis over the life of the bonds, which mature on May 15, 2016 and July 15, 2035, respectively. The unamortized premium as of December 31, 2015 was \$1,639,793.

Capital Leases—The Town entered into a long-term capital lease for certain energy related equipment and machinery. The outstanding balance at December 31, 2015 was \$2,257,238. Refer to Note 10 for additional information related to the Town's capital lease.

Landfill Obligation—As further discussed in Note 18, 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, 2015, the related postclosure liability approximates \$1,920,000.

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, 2015 for governmental activities is \$12,773,952, of which management estimates \$638,698 due within one year.

OPEB Obligation—As explained in Note 8, 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 General, Highway, Sewer and Consolidated Garbage Funds are the governmental funds that generally have been used in prior years to liquidate portions of the net OPEB expense. The Town's long-term OPEB obligation is estimated to be \$63,079,342 at December 31, 2015.

Net Pension Liability—The Town reported a liability for its proportionate share of the net pension liability for the Employees' Retirement System and Police and Fire Retirement System. The net pension liability is estimated to be \$3,975,789 in the governmental activities. Typically, the General Fund and all funds that pay NYS retirement have been used to liquidate this liability within the governmental funds. Refer to Note 7 for additional information related to the Town's net pension liability.

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

Year ending December 31,	Serial Bonds	Premium on Serial Bonds	Capital Lease	Landfill Obligation	Compensated Absences	OPEB Obligation	Net Pension Liability	Total
2016	\$ 2,149,000	\$ 98,518	\$ 457,752	\$ 120,000	\$ 638,698	\$ -	\$ -	\$ 3,463,968
2017	1,310,000	83,125	479,491	-	-	-	-	1,872,616
2018	1,365,000	83,125	502,266	-	-	-	-	1,950,391
2019	1,395,000	83,125	526,121	-	-	-	-	2,004,246
2020	1,435,000	83,125	151,574	-	-	-	-	1,669,699
2021-2025	5,840,000	415,625	140,034	-	-	-	-	6,395,659
2026-2030	3,560,000	415,625	-	-	-	-	-	3,975,625
2031-2035	3,510,000	377,525	-	-	-	-	-	3,887,525
2036-thereafter	-	-	-	1,800,000	12,135,254	63,079,342	3,975,789	80,990,385
	<u>\$ 20,564,000</u>	<u>\$ 1,639,793</u>	<u>\$ 2,257,238</u>	<u>\$ 1,920,000</u>	<u>\$ 12,773,952</u>	<u>\$ 63,079,342</u>	<u>\$ 3,975,789</u>	<u>\$ 106,210,114</u>

Judgments and Claims—Other estimated claims and judgments amounted to \$5,092,682 at December 31, 2015 and are considered current, therefore, have been included as accrued liabilities within the General Fund. See Note 6 and Note 9 for additional information related to the Town's judgments and claims liability.

Interest requirements on serial bonds payable are as follows:

Year ending December 31,	Interest
2016	\$ 829,087
2017	778,722
2018	716,938
2019	652,679
2020	586,902
2021-2025	2,019,535
2026-2030	924,566
2031-2035	374,566
Total	<u>\$ 6,882,995</u>

13. 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	\$ 109,159,357
Less related debt:	
Serial bonds	\$ (20,564,000)
Unspent bond proceeds	16,290
Unamortized bond premium	(1,639,793)
Bond anticipation notes ("BANs") payable	(14,418,000)
Unspent BAN proceeds	1,588,480
Capital leases	(2,257,238)
Net investment in capital assets	<u>\$ 71,885,096</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The total restricted component of net position of \$7,899,325 is restricted for insurance and debt reduction in the amounts of \$6,064,938 and \$1,834,387, 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, 2015 includes prepaid items as described below:

- **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, and Town Outside Village Fund reported amounts of \$1,151,502, \$187,333, \$87,157, \$99,422, \$940 and \$39,385, 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. At December 31, 2015, the Town reported the following restricted fund balances:

	Insurance	Debt Reduction	Total Restricted
General Fund	\$ 6,064,938	\$ -	\$ 6,064,938
Debt Service Fund	-	1,834,387	1,834,387
Total	<u>\$ 6,064,938</u>	<u>\$ 1,834,387</u>	<u>\$ 7,899,325</u>

- **Restricted for Insurance**—Represents reserve established within the General Fund which 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, 2015, the Town had \$6,064,938 restricted for insurance.
- **Debt Reduction**—Represents \$1,834,387 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, 2015, the Town has no committed fund balance.

In the fund financial statements, assignments are not legally required segregations but are segregated for a specific purpose by the Town. The Town Board authorizes the Supervisor to make a determination of the assigned amounts of fund balance. At December 31, 2015, the Town reported the following fund balance assignments:

	Encumb- rances	Subsequent Year's Expenditures	Capital Projects	Equipment	Pollution Remediation	Building Demolition	Specific Use	Total Assigned
General Fund	\$ 279,746	\$ 4,225,000	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 5,504,746
Highway Fund	211,637	1,184,997	1,400,000	900,000	-	-	3,508,708	7,205,342
Sewer Fund	347,794	851,246	500,000	-	2,000,000	-	3,109,575	6,808,615
Consolidated Garbage Fund	-	300,000	-	-	-	-	656,402	956,402
Community Development Fund	-	-	-	-	-	-	519,115	519,115
Nonmajor Funds:								
Special Purpose Fund	-	-	-	-	-	-	472,213	472,213
Town Outside Village Fund	26,320	350,000	-	-	-	98,314	1,687,754	2,162,388
Lighting District Fund	-	200,000	-	-	-	-	622,682	822,682
Master Drainage Fund	19,300	50,000	-	-	-	-	706,433	775,733
Water Hydrant Fund	-	42,295	-	-	-	-	172,686	214,981
Total	<u>\$ 884,797</u>	<u>\$ 7,203,538</u>	<u>\$ 2,900,000</u>	<u>\$ 900,000</u>	<u>\$ 2,000,000</u>	<u>\$ 98,314</u>	<u>\$ 11,455,568</u>	<u>\$ 25,442,217</u>

- **Assigned to Encumbrances**—Represents commitments related to unperformed contracts or purchase orders for goods or services.
- **Assigned to Subsequent Year's Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2016 fiscal year.
- **Assigned to Capital Projects**—Represents funds to be used for the construction of various capital projects.
- **Assigned to Equipment**—Represents amounts within the Highway Fund that are assigned for future purchases of various equipment.
- **Assigned to Pollution Remediation**—Represents funds to be used to assist in future obligations relating to pollution remediation.
- **Assigned to Building Demolition**—Represents funds to be used for the demolition of a Town building.
- **Assigned to 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.

14. 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, 2015 is as follows:

Fund	Interfund	
	Receivable	Payable
General Fund	\$ 1,306,018	\$ 1,160,295
Highway Fund	341,805	397,103
Sewer Fund	5,014	299,945
Consolidated Garbage Fund	-	365,038
Community Development Fund	-	80,805
Capital Projects Fund	825,840	134,261
Nonmajor Funds	128,255	169,485
Total	<u>\$ 2,606,932</u>	<u>\$ 2,606,932</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, 2015:

Fund	Transfers in:						Total
	General Fund	Highway Fund	Sewer Fund	Consolidated Garbage Fund	Capital Projects Fund	Nonmajor Funds	
Transfers out:							
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 813,475	\$ 2,449,010	\$ 3,262,485
Highway Fund	1,832,343	-	-	-	-	2,100,990	3,933,333
Sewer Fund	1,143,268	-	-	-	-	130,770	1,274,038
Consolidated Garbage Fund	1,482,856	-	-	-	-	165,000	1,647,856
Capital Projects Fund	-	-	-	-	-	128,257	128,257
Nonmajor Funds	<u>1,598,676</u>	<u>388,960</u>	<u>20,000</u>	<u>190,000</u>	<u>3,247,000</u>	<u>713,413</u>	<u>6,158,049</u>
Total	<u>\$ 6,057,143</u>	<u>\$ 388,960</u>	<u>\$ 20,000</u>	<u>\$ 190,000</u>	<u>\$ 4,060,475</u>	<u>\$ 5,687,440</u>	<u>\$ 16,404,018</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.

15. 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, 2015 is presented below:

	Balance 1/1/2015	Additions	Deletions	Balance 12/31/2015
ASSETS				
Cash	\$ 220,539	\$ 19,833,697	\$ 19,877,930	\$ 176,306
Receivables	50,492	64,831	50,492	64,831
Intergovernmental receivables	1,759	6,789	1,759	6,789
Total assets	<u>\$ 272,790</u>	<u>\$ 19,905,317</u>	<u>\$ 19,930,181</u>	<u>\$ 247,926</u>
LIABILITIES				
Agency liabilities	\$ 270,881	\$ 19,903,378	\$ 19,928,272	\$ 245,987
Intergovernmental payables	1,909	1,939	1,909	1,939
Total liabilities	<u>\$ 272,790</u>	<u>\$ 19,905,317</u>	<u>\$ 19,930,181</u>	<u>\$ 247,926</u>

16. 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 Cheektowaga Police Club and the Cheektowaga Employees' Association have unsettled contracts and are in negotiations as of December 31, 2015. The Cheektowaga Police Captains and Lieutenants Association and the Cheektowaga Supervisory Unit have negotiated contracts through December 31, 2015.

17. COMMITMENTS

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 expended in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of December 31, 2015, the Town reported the following significant encumbrances:

Purpose	Amount
General Fund — Ice rink renovation	\$ 101,000
Highway Fund — Model crew cab truck	109,969
Highway Fund — Ford F350	62,660

18. CONTINGENCIES

Litigation—The Town is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the Town. The outcome of these matters is not presently determinable, but in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the Town.

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 2015, costs related to these functions totaled \$73,579. At December 31, 2015, the liability approximates \$1,920,000, 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 \$1,297,500; 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. The disbursement of funds received under these programs generally requires compliance with terms and conditions that are specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the Town. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Pollution Remediation Obligations—On February 8, 2008, the Town was issued notice of intent to modify State Pollutant Discharge Elimination System Permit (“SPDES”), Town of Cheektowaga, DEC No. R9-20050317-12 by the New York State Department of Environmental Conservation (“NYSDEC”). As part of the notice, the Town submitted a plan for the abatement of the overflow of sanitary sewer discharge and received a response from the NYSDEC in December 2014. The NYSDEC has amended the process, requiring additional projects from the Town. The Town has therefore developed a ten year plan. As of December 31, 2015, the Town estimates the range of the project to be between \$45,000,000 and \$55,000,000. The Town plans to issue long-term debt to finance the project and, therefore, will record a liability when such financing is obtained. The Town Board authorized bonds totaling \$12,000,000 on September 8, 2015 for the initial phase of the project.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2016, 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 Funding Progress—Other Post-Employment Benefits Plan
Year Ended December 31, 2015

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, 2014	\$ -	\$ 155,323,486	\$ 155,323,486	-	\$ 36,065,586	430.7%
As of January 1, 2012	-	150,408,531	150,408,531	-	34,214,531	439.6%
As of January 1, 2010	-	145,423,580	145,423,580	-	31,184,968	466.3%

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of the Town's Proportionate Share of the
Net Pension Liability—Police and Fire Retirement System
Last Two Years

	<u>Year Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Measurement date	March 31, 2015	March 31, 2014
Towns proportion of the net pension liability	0.4722381%	0.4722381%
Town's proportionate share of the net pension liability	<u>\$ 1,299,881</u>	<u>\$ 1,965,972</u>
Town's covered-employee payroll	\$ 11,314,792	\$ 12,992,810
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	11.5%	15.1%
Plan fiduciary net position as a percentage of the total pension liability	99.0%	98.5%

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of the Town's Contributions—
Police and Fire Retirement System
Last Two Years

	Year Ended December 31,	
	2015	2014
Contractually required contributions	\$ 4,707,481	\$ 3,305,595
Contributions in relation to the contractually required contribution	(4,707,481)	(3,305,595)
Contribution deficiency (excess)	\$ -	\$ -
Town's covered-employee payroll	\$ 11,314,792	\$ 12,992,810
Contributions as a percentage of covered-employee payroll	41.6%	25.4%

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of the Town's Proportionate Share of the
Net Pension Liability—Employees' Retirement System
Last Two Years

	<u>Year Ended December 31,</u>	
	<u>2015</u>	<u>2014</u>
Measurement date	March 31, 2015	March 31, 2014
Town's proportionate share of the net pension liability	0.0792100%	0.0792100%
Town's proportionate share of the net pension liability	<u>\$ 2,675,908</u>	<u>\$ 3,579,390</u>
Town's covered-employee payroll	\$ 19,109,530	\$ 19,636,278
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	14.0%	18.2%
Plan fiduciary net position as a percentage of the total pension liability	97.9%	97.2%

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of the Town's Contributions—
Employees' Retirement System
Last Two Years

	Year Ended December 31,	
	2015	2014
Contractually required contributions	\$ 3,659,785	\$ 4,445,392
Contributions in relation to the contractually required contribution	(3,659,785)	(4,445,392)
Contribution deficiency (excess)	\$ -	\$ -
Town's covered-employee payroll	\$ 19,109,530	\$ 19,636,278
Contributions as a percentage of covered-employee payroll	19.2%	22.6%

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2015

	<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	\$ 38,524,064	\$ 38,524,064	\$ 38,709,967	\$ 185,903
Other property tax items	780,000	780,000	1,223,691	443,691
Non-property tax items	850,000	850,000	1,045,302	195,302
Departmental income	1,209,700	1,228,276	1,457,187	228,911
Use of money and property	71,000	71,000	57,729	(13,271)
Licenses and permits	7,300	7,300	31,056	23,756
Fines and forfeitures	1,050,000	1,050,000	1,172,952	122,952
Sale of property and compensation for loss	22,000	22,000	99,763	77,763
Miscellaneous	40,000	272,817	2,644,482	2,371,665
State aid	1,200,000	1,221,336	1,522,037	300,701
Federal aid	73,000	73,000	209,741	136,741
Total revenues	<u>43,827,064</u>	<u>44,099,793</u>	<u>48,173,907</u>	<u>4,074,114</u>
EXPENDITURES				
Current:				
General government support	9,478,355	9,533,532	7,942,463	1,591,069
Public safety	16,886,139	17,399,722	17,311,759	87,963
Transportation	253,796	253,796	229,230	24,566
Economic assistance and opportunity	11,300	11,300	10,235	1,065
Culture and recreation	5,330,413	5,385,704	5,115,307	270,397
Employee benefits	16,143,235	17,858,110	17,157,920	700,190
Total expenditures	<u>48,103,238</u>	<u>50,442,164</u>	<u>47,766,914</u>	<u>2,675,250</u>
Excess (deficiency) of revenues over expenditures	<u>(4,276,174)</u>	<u>(6,342,371)</u>	<u>406,993</u>	<u>6,749,364</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,826,400	4,996,128	6,057,143	1,061,015
Transfers out	<u>(3,159,100)</u>	<u>(3,262,631)</u>	<u>(3,262,485)</u>	<u>146</u>
Total other financing sources (uses)	<u>(332,700)</u>	<u>1,733,497</u>	<u>2,794,658</u>	<u>1,061,161</u>
Net change in fund balances *	(4,608,874)	(4,608,874)	3,201,651	7,810,525
Fund balances—beginning	<u>17,560,220</u>	<u>17,560,220</u>	<u>17,560,220</u>	<u>-</u>
Fund balances—ending	<u>\$ 12,951,346</u>	<u>\$ 12,951,346</u>	<u>\$ 20,761,871</u>	<u>\$ 7,810,525</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.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Highway Fund
Year Ended December 31, 2015

	<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	\$ 3,172,694	\$ 3,172,694	\$ 3,172,694	\$ -
Other property tax items	43,000	43,000	42,156	(844)
Non-property tax items	7,177,210	7,177,210	8,393,684	1,216,474
Departmental income	-	-	1,800	1,800
Intergovernmental charges	255,000	255,000	306,807	51,807
Use of money and property	5,500	5,500	2,368	(3,132)
Sale of property and compensation for loss	3,000	3,000	39,262	36,262
Miscellaneous	6,000	6,000	60,011	54,011
State aid	785,000	785,000	1,053,262	268,262
Federal aid	10,000	10,000	710,091	700,091
Total revenues	<u>11,457,404</u>	<u>11,457,404</u>	<u>13,782,135</u>	<u>2,324,731</u>
EXPENDITURES				
Current:				
Transportation	6,989,858	7,474,141	7,216,283	257,858
Home and community services	5,000	5,000	5,000	-
Employee benefits	<u>2,870,330</u>	<u>1,386,181</u>	<u>1,335,761</u>	<u>50,420</u>
Total expenditures	<u>9,865,188</u>	<u>8,865,322</u>	<u>8,557,044</u>	<u>308,278</u>
Excess of revenues over expenditures	<u>1,592,216</u>	<u>2,592,082</u>	<u>5,225,091</u>	<u>2,633,009</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	70,000	70,000	388,960	318,960
Transfers out	<u>(3,105,000)</u>	<u>(4,104,868)</u>	<u>(3,933,333)</u>	<u>171,535</u>
Total other financing sources (uses)	<u>(3,035,000)</u>	<u>(4,034,868)</u>	<u>(3,544,373)</u>	<u>490,495</u>
Net change in fund balances *	(1,442,784)	(1,442,786)	1,680,718	3,123,504
Fund balances—beginning	<u>5,711,957</u>	<u>5,711,957</u>	<u>5,711,957</u>	<u>-</u>
Fund balances—ending	<u>\$ 4,269,173</u>	<u>\$ 4,269,171</u>	<u>\$ 7,392,675</u>	<u>\$ 3,123,504</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.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Sewer Fund
Year Ended December 31, 2015

	<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	\$ 10,579,894	\$ 10,579,894	\$ 10,579,894	\$ -
Intergovernmental charges	304,600	304,600	260,258	(44,342)
Use of money and property	10,050	10,050	6,114	(3,936)
Sale of property and compensation for loss	-	-	2,305	2,305
Miscellaneous	4,000	4,000	49,295	45,295
State aid	-	-	3,133	3,133
Federal aid	5,000	5,000	15,400	10,400
Total revenues	<u>10,903,544</u>	<u>10,903,544</u>	<u>10,916,399</u>	<u>12,855</u>
EXPENDITURES				
Current:				
Home and community services	9,346,165	9,547,598	8,932,527	615,071
Employee benefits	1,249,084	1,279,903	1,167,598	112,305
Total expenditures	<u>10,595,249</u>	<u>10,827,501</u>	<u>10,100,125</u>	<u>727,376</u>
Excess of revenues over expenditures	<u>308,295</u>	<u>76,043</u>	<u>816,274</u>	<u>740,231</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Transfers out	(1,624,893)	(1,392,641)	(1,274,038)	118,603
Total other financing sources (uses)	<u>(1,604,893)</u>	<u>(1,372,641)</u>	<u>(1,254,038)</u>	<u>118,603</u>
Net change in fund balances *	(1,296,598)	(1,296,598)	(437,764)	858,834
Fund balances—beginning	<u>7,333,536</u>	<u>7,333,536</u>	<u>7,333,536</u>	<u>-</u>
Fund balances—ending	<u>\$ 6,036,938</u>	<u>\$ 6,036,938</u>	<u>\$ 6,895,772</u>	<u>\$ 858,834</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.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF CHEEKTOWAGA, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Consolidated Garbage Fund
Year Ended December 31, 2015

	<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	\$ 8,149,646	\$ 8,149,646	\$ 8,149,646	\$ -
Other property tax items	4,000	4,000	4,350	350
Departmental income	123,000	123,000	151,199	28,199
Use of money and property	8,000	8,000	2,450	(5,550)
Sale of property and compensation for loss	-	-	1,000	1,000
Miscellaneous	20,000	61,000	159,095	98,095
Federal aid	12,000	12,000	17,000	5,000
Total revenues	<u>8,316,646</u>	<u>8,357,646</u>	<u>8,484,740</u>	<u>127,094</u>
EXPENDITURES				
Current:				
Home and community services	6,024,506	6,065,506	5,985,487	80,019
Employee benefits	1,080,815	1,080,815	1,059,296	21,519
Total expenditures	<u>7,105,321</u>	<u>7,146,321</u>	<u>7,044,783</u>	<u>101,538</u>
Excess of revenues over expenditures	<u>1,211,325</u>	<u>1,211,325</u>	<u>1,439,957</u>	<u>228,632</u>
OTHER FINANCING USES				
Transfers in	30,000	30,000	190,000	160,000
Transfers out	<u>(1,792,000)</u>	<u>(1,792,000)</u>	<u>(1,647,856)</u>	<u>144,144</u>
Total other financing uses	<u>(1,762,000)</u>	<u>(1,762,000)</u>	<u>(1,457,856)</u>	<u>304,144</u>
Net change in fund balances *	(550,675)	(550,675)	(17,899)	532,776
Fund balances—beginning	<u>1,073,723</u>	<u>1,073,723</u>	<u>1,073,723</u>	<u>-</u>
Fund balances—ending	<u>\$ 523,048</u>	<u>\$ 523,048</u>	<u>\$ 1,055,824</u>	<u>\$ 532,776</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.

The note to the required supplementary information is an integral part of this schedule.

TOWN OF CHEEKTOWAGA, NEW YORK
Note to the Required Supplementary Information
Year Ended December 31, 2015

1. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America for all governmental funds, with the exception of the Community Development Fund, the Special Purpose Fund and the Capital Projects Fund. These funds are appropriated on a project-length basis; appropriations are approved through 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. Amendments and transfers of appropriations require the approval of the Town Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the object classification. The Town has provided budgetary comparison schedules within a Supplement to the Comprehensive Annual Financial Report to demonstrate compliance at the legal level of budgetary control.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Actual results of operations presented in accordance with GAAP and the Town's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements.

SUPPLEMENTARY 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 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, 2015

	<u>Special Revenue</u>			Total Nonmajor Special Revenue Funds	Debt Service	Total Nonmajor Funds
	<u>Special Purpose</u>	<u>Town Outside Village</u>	<u>Nonmajor Special Districts</u>			
ASSETS						
Cash and cash equivalents	\$ 473,416	\$ 1,234,736	\$ 2,030,615	\$ 3,738,767	\$ -	\$ 3,738,767
Restricted cash and cash equivalents	-	-	-	-	1,706,142	1,706,142
Receivables	-	-	25,107	25,107	-	25,107
Intergovernmental receivables	35	1,213,635	-	1,213,670	-	1,213,670
Due from other funds	-	-	-	-	128,255	128,255
Prepaid items	-	39,385	-	39,385	-	39,385
Total assets	<u>\$ 473,451</u>	<u>\$ 2,487,756</u>	<u>\$ 2,055,722</u>	<u>\$ 5,016,929</u>	<u>\$ 1,834,397</u>	<u>\$ 6,851,326</u>
LIABILITIES						
Accounts payable	\$ 1,238	\$ 18,610	\$ 242,326	\$ 262,174	\$ 10	\$ 262,184
Accrued liabilities	-	83,567	-	83,567	-	83,567
Intergovernmental payables	-	14,321	-	14,321	-	14,321
Due to other funds	-	169,485	-	169,485	-	169,485
Total liabilities	<u>1,238</u>	<u>285,983</u>	<u>242,326</u>	<u>529,547</u>	<u>10</u>	<u>529,557</u>
FUND BALANCES						
Nonspendable	-	39,385	-	39,385	-	39,385
Restricted	-	-	-	-	1,834,387	1,834,387
Assigned	<u>472,213</u>	<u>2,162,388</u>	<u>1,813,396</u>	<u>4,447,997</u>	<u>-</u>	<u>4,447,997</u>
Total fund balances	<u>472,213</u>	<u>2,201,773</u>	<u>1,813,396</u>	<u>4,487,382</u>	<u>1,834,387</u>	<u>6,321,769</u>
Total liabilities and fund balances	<u>\$ 473,451</u>	<u>\$ 2,487,756</u>	<u>\$ 2,055,722</u>	<u>\$ 5,016,929</u>	<u>\$ 1,834,397</u>	<u>\$ 6,851,326</u>

TOWN OF CHEEKTOWAGA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended December 31, 2015

	<u>Special Revenue</u>			<u>Total Nonmajor Special Revenue Funds</u>	<u>Debt Service</u>	<u>Total Nonmajor Funds</u>
	<u>Special Purpose</u>	<u>Town Outside Village</u>	<u>Nonmajor Special Districts</u>			
REVENUES						
Real property taxes	\$ -	\$ -	\$ 3,491,247	\$ 3,491,247	\$ -	\$ 3,491,247
Other property tax items	-	-	5,150	5,150	-	5,150
Non-property tax items	-	1,122,790	-	1,122,790	-	1,122,790
Use of money and property	3	600	1,459	2,062	77,276	79,338
Licenses and permits	-	625,435	-	625,435	-	625,435
Sale of property and compensation for loss	-	-	11,328	11,328	-	11,328
Miscellaneous	198,325	1,658	-	199,983	-	199,983
State aid	-	-	4,270	4,270	-	4,270
Federal aid	-	700	-	700	-	700
Total revenues	<u>198,328</u>	<u>1,751,183</u>	<u>3,513,454</u>	<u>5,462,965</u>	<u>77,276</u>	<u>5,540,241</u>
EXPENDITURES						
Current:						
Public safety	-	1,062,662	-	1,062,662	-	1,062,662
Culture and recreation	116,390	-	-	116,390	-	116,390
Home and community services	14,082	41,035	3,006,035	3,061,152	-	3,061,152
Employee benefits	-	279,411	163,873	443,284	-	443,284
Debt service:						
Principal—serial bonds	-	-	-	-	1,225,000	1,225,000
Principal—capital leases	-	-	-	-	436,997	436,997
Interest and other fiscal charges	-	-	-	-	412,555	412,555
Total expenditures	<u>130,472</u>	<u>1,383,108</u>	<u>3,169,908</u>	<u>4,683,488</u>	<u>2,074,552</u>	<u>6,758,040</u>
Excess (deficiency) of revenues over expenditures	<u>67,856</u>	<u>368,075</u>	<u>343,546</u>	<u>779,477</u>	<u>(1,997,276)</u>	<u>(1,217,799)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	77,630	77,630	5,609,810	5,687,440
Transfers out	-	(333,566)	(635,783)	(969,349)	(5,188,700)	(6,158,049)
Premium on serial bonds	-	-	-	-	1,662,499	1,662,499
Total other financing sources (uses)	<u>-</u>	<u>(333,566)</u>	<u>(558,153)</u>	<u>(891,719)</u>	<u>2,083,609</u>	<u>1,191,890</u>
Net change in fund balances	67,856	34,509	(214,607)	(112,242)	86,333	(25,909)
Fund balances—beginning	<u>404,357</u>	<u>2,167,264</u>	<u>2,028,003</u>	<u>4,599,624</u>	<u>1,748,054</u>	<u>6,347,678</u>
Fund balances—ending	<u>\$ 472,213</u>	<u>\$ 2,201,773</u>	<u>\$ 1,813,396</u>	<u>\$ 4,487,382</u>	<u>\$ 1,834,387</u>	<u>\$ 6,321,769</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, 2015

	<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				
Non-property taxes	\$ 1,122,790	\$ 1,122,790	\$ 1,122,790	\$ -
Use of money and property	1,000	1,000	600	(400)
Licenses and permits	450,000	450,000	625,435	175,435
Miscellaneous	-	-	1,658	1,658
Federal aid	500	500	700	200
Total revenues	<u>1,574,290</u>	<u>1,574,290</u>	<u>1,751,183</u>	<u>176,893</u>
EXPENDITURES				
Current:				
Public safety	1,156,144	1,143,343	1,062,662	80,681
Home and community services	43,437	43,437	41,035	2,402
Employee benefits	321,954	334,755	279,411	55,344
Total expenditures	<u>1,521,535</u>	<u>1,521,535</u>	<u>1,383,108</u>	<u>138,427</u>
Excess of revenues over expenditures	<u>52,755</u>	<u>52,755</u>	<u>368,075</u>	<u>315,320</u>
OTHER FINANCING USES				
Transfers out	<u>(379,075)</u>	<u>(379,075)</u>	<u>(333,566)</u>	<u>45,509</u>
Total other financing uses	<u>(379,075)</u>	<u>(379,075)</u>	<u>(333,566)</u>	<u>45,509</u>
Net change in fund balances *	(326,320)	(326,320)	34,509	360,829
Fund balances—beginning	<u>2,167,264</u>	<u>2,167,264</u>	<u>2,167,264</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,840,944</u>	<u>\$ 1,840,944</u>	<u>\$ 2,201,773</u>	<u>\$ 360,829</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—Debt Service Fund
Year Ended December 31, 2015

	<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				
Use of money and property	\$ 10,000	\$ 10,000	\$ 77,276	\$ 67,276
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>77,276</u>	<u>67,276</u>
EXPENDITURES				
Debt service:				
Principal—serial bonds	2,129,000	1,833,000	1,225,000	608,000
Principal—capital leases	1,830,200	1,830,200	436,997	1,393,203
Interest and other fiscal charges	<u>1,830,200</u>	<u>1,830,200</u>	<u>412,555</u>	<u>1,417,645</u>
Total expenditures	<u>5,789,400</u>	<u>5,493,400</u>	<u>2,074,552</u>	<u>3,418,848</u>
Excess (deficiency) of revenues over expenditures	<u>(5,779,400)</u>	<u>(5,483,400)</u>	<u>(1,997,276)</u>	<u>3,486,124</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,789,400	5,789,400	5,609,810	(179,590)
Transfers out	(251,700)	(1,657,700)	(5,188,700)	(3,531,000)
Premium on serial bonds	<u>-</u>	<u>1,110,000</u>	<u>1,662,499</u>	<u>552,499</u>
Total other financing sources (uses)	<u>5,537,700</u>	<u>5,241,700</u>	<u>2,083,609</u>	<u>(3,158,091)</u>
Net change in fund balances *	(241,700)	(241,700)	86,333	328,033
Fund balances—beginning	<u>1,748,054</u>	<u>1,748,054</u>	<u>1,748,054</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,506,354</u>	<u>\$ 1,506,354</u>	<u>\$ 1,834,387</u>	<u>\$ 328,033</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, 2015

	<u>Special Revenue</u>			Total Nonmajor Special Districts
	<u>Lighting District</u>	<u>Master Drainage</u>	<u>Water Hydrant</u>	
ASSETS				
Cash and cash equivalents	\$ 979,834	\$ 837,479	\$ 213,302	\$ 2,030,615
Receivables	<u>23,428</u>	<u>-</u>	<u>1,679</u>	<u>25,107</u>
Total assets	<u>\$ 1,003,262</u>	<u>\$ 837,479</u>	<u>\$ 214,981</u>	<u>\$ 2,055,722</u>
LIABILITIES				
Accounts payable	<u>180,580</u>	<u>61,746</u>	<u>-</u>	<u>242,326</u>
Total liabilities	<u>180,580</u>	<u>61,746</u>	<u>-</u>	<u>242,326</u>
FUND BALANCES				
Assigned	<u>822,682</u>	<u>775,733</u>	<u>214,981</u>	<u>1,813,396</u>
Total fund balances	<u>822,682</u>	<u>775,733</u>	<u>214,981</u>	<u>1,813,396</u>
Total liabilities and fund balances	<u>\$ 1,003,262</u>	<u>\$ 837,479</u>	<u>\$ 214,981</u>	<u>\$ 2,055,722</u>

TOWN OF CHEEKTOWAGA, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Special Districts Funds
Year Ended December 31, 2015

	<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	\$ 653,434	\$ 424,754	\$ 3,491,247
Other property tax items	5,150	-	-	5,150
Use of money and property	839	480	140	1,459
Sale of property and compensation for loss	11,328	-	-	11,328
State aid	4,270	-	-	4,270
Total revenues	<u>2,434,646</u>	<u>653,914</u>	<u>424,894</u>	<u>3,513,454</u>
EXPENDITURES				
Current:				
Home and community services	2,220,604	350,072	435,359	3,006,035
Employee benefits	74,166	52,711	36,996	163,873
Total expenditures	<u>2,294,770</u>	<u>402,783</u>	<u>472,355</u>	<u>3,169,908</u>
Excess (deficiency) of revenues over expenditures	<u>139,876</u>	<u>251,131</u>	<u>(47,461)</u>	<u>343,546</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,700	70,930	-	77,630
Transfers out	(357,788)	(277,995)	-	(635,783)
Total other financing sources (uses)	<u>(351,088)</u>	<u>(207,065)</u>	<u>-</u>	<u>(558,153)</u>
Net change in fund balances	(211,212)	44,066	(47,461)	(214,607)
Fund balances—beginning	<u>1,033,894</u>	<u>731,667</u>	<u>262,442</u>	<u>2,028,003</u>
Fund balances—ending	<u>\$ 822,682</u>	<u>\$ 775,733</u>	<u>\$ 214,981</u>	<u>\$ 1,813,396</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, 2015

	<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	5,150	1,150
Use of money and property	2,000	2,000	839	(1,161)
Sale of property and compensation for loss	-	-	11,328	11,328
State aid	-	-	4,270	4,270
Total revenues	<u>2,419,059</u>	<u>2,419,059</u>	<u>2,434,646</u>	<u>15,587</u>
EXPENDITURES				
Current:				
Home and community services	2,298,223	2,298,223	2,220,604	77,619
Employee benefits	74,166	74,166	74,166	-
Total expenditures	<u>2,372,389</u>	<u>2,372,389</u>	<u>2,294,770</u>	<u>77,619</u>
Excess of revenues over expenditures	<u>46,670</u>	<u>46,670</u>	<u>139,876</u>	<u>93,206</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,700	6,700	6,700	-
Transfers out	<u>(358,500)</u>	<u>(358,500)</u>	<u>(357,788)</u>	<u>712</u>
Total other financing sources (uses)	<u>(351,800)</u>	<u>(351,800)</u>	<u>(351,088)</u>	<u>712</u>
Net change in fund balances *	(305,130)	(305,130)	(211,212)	93,918
Fund balances—beginning	<u>1,033,894</u>	<u>1,033,894</u>	<u>1,033,894</u>	<u>-</u>
Fund balances—ending	<u>\$ 728,764</u>	<u>\$ 728,764</u>	<u>\$ 822,682</u>	<u>\$ 93,918</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, 2015

	<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	\$ 653,434	\$ 653,434	\$ 653,434	\$ -
Use of money and property	<u>750</u>	<u>750</u>	<u>480</u>	<u>(270)</u>
Total revenues	<u>654,184</u>	<u>654,184</u>	<u>653,914</u>	<u>(270)</u>
EXPENDITURES				
Current:				
Home and community services	369,150	382,230	350,072	32,158
Employee benefits	<u>52,711</u>	<u>52,711</u>	<u>52,711</u>	<u>-</u>
Total expenditures	<u>421,861</u>	<u>434,941</u>	<u>402,783</u>	<u>32,158</u>
Excess of revenues over expenditures	<u>232,323</u>	<u>219,243</u>	<u>251,131</u>	<u>31,888</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,000	15,000	70,930	55,930
Transfers out	<u>(295,400)</u>	<u>(282,320)</u>	<u>(277,995)</u>	<u>4,325</u>
Total other financing sources (uses)	<u>(280,400)</u>	<u>(267,320)</u>	<u>(207,065)</u>	<u>4,325</u>
Net change in fund balances *	(48,077)	(48,077)	44,066	92,143
Fund balances—beginning	<u>731,667</u>	<u>731,667</u>	<u>731,667</u>	<u>-</u>
Fund balances—ending	<u>\$ 683,590</u>	<u>\$ 683,590</u>	<u>\$ 775,733</u>	<u>\$ 92,143</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—Water Hydrant Fund
Year Ended December 31, 2015

	<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	\$ 424,754	\$ 424,754	\$ 424,754	\$ -
Use of money and property	460	460	140	(320)
Total revenues	<u>425,214</u>	<u>425,214</u>	<u>424,894</u>	<u>(320)</u>
EXPENDITURES				
Current:				
Home and community services	444,081	444,081	435,359	8,722
Employee benefits	<u>36,996</u>	<u>36,996</u>	<u>36,996</u>	<u>-</u>
Total expenditures	<u>481,077</u>	<u>481,077</u>	<u>472,355</u>	<u>8,722</u>
Net change in fund balances *	(55,863)	(55,863)	(47,461)	8,402
Fund balances—beginning	<u>262,442</u>	<u>262,442</u>	<u>262,442</u>	<u>-</u>
Fund balances—ending	<u>\$ 206,579</u>	<u>\$ 206,579</u>	<u>\$ 214,981</u>	<u>\$ 8,402</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, required supplementary information, and supplementary information says about the Town’s overall financial health.

Contents	Page
Financial Trends	75
<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.....	81
<i>These schedules contain information to help the reader assess the Town’s most significant revenue source, real property taxes.</i>	
Debt Capacity.....	86
<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	90
<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.....	92
<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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	\$ 37,296,021	\$ 39,713,401	\$ 44,105,979	\$ 49,718,794	\$ 53,004,308	\$ 57,296,433	\$ 61,713,677	\$ 65,381,799	\$ 67,316,133	\$ 71,885,096
Restricted for:										
Capital projects	3,645,587	9,656,051	7,377,925	2,557,288	-	-	2,252,146	-	-	-
Insurance	-	-	-	-	-	1,653,598	261,272	1,225,240	2,387,963	6,064,938
Debt reduction	1,765,817	1,973,591	1,878,492	2,203,633	2,136,124	2,045,263	1,985,934	1,812,662	1,748,054	1,834,387
Unrestricted	13,578,706	16,132,830	12,292,565	6,296,685	785,009	(6,570,885)	(18,098,551)	(21,372,134)	(33,923,931)	(40,627,329)
Total net position—governmental activities	<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>	<u>\$ 37,528,219</u>	<u>\$ 39,157,092</u>

Source: Town of Cheektowaga Basic Financial Statements

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Primary government:										
Expenses:										
Governmental activities:										
General government support	\$ 11,385,557	\$ 10,938,414	\$ 13,027,629	\$ 14,510,433	\$ 15,065,695	\$ 11,638,466	\$ 14,386,681	\$ 13,840,768	\$ 16,748,348	\$ 13,177,821
Public safety	18,875,076	19,591,559	22,281,698	22,556,169	23,838,771	25,901,940	25,295,847	24,710,972	25,574,204	27,220,126
Transportation	8,176,985	8,050,558	9,943,422	9,756,559	12,062,694	11,561,944	12,318,808	12,701,147	15,989,175	12,873,313
Economic assistance and opportunity	128,654	91,857	19,357	10,195	11,785	15,631	13,285	23,492	33,085	14,289
Culture and recreation	6,189,631	6,620,004	7,752,472	7,627,522	7,693,325	7,880,239	6,267,114	8,697,567	8,590,854	8,003,945
Home and community services	24,895,311	24,236,075	27,930,245	29,351,877	27,716,827	28,864,364	31,490,859	26,845,152	26,804,412	27,095,609
Interest and other fiscal charges	1,101,761	1,011,310	929,359	816,656	781,244	729,470	787,445	674,725	461,328	365,465
Total primary government expenses	<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>	<u>94,201,406</u>	<u>88,750,568</u>
Program revenues:										
Governmental activities:										
Charges for services										
General government support	994,291	1,227,014	1,024,606	822,872	802,947	913,453	910,089	1,169,173	817,991	949,518
Public safety	1,045,540	996,778	1,188,428	1,208,078	1,385,466	1,158,002	1,124,592	1,203,215	1,242,842	1,322,666
Transportation	220,735	233,215	247,247	262,487	269,481	283,146	297,883	312,929	446,004	308,607
Culture and recreation	776,988	861,565	854,491	978,785	996,153	997,030	963,711	1,016,966	1,046,461	1,014,446
Home and community services	630,616	653,301	786,021	661,673	525,887	509,073	615,589	484,253	507,699	411,457
Operating grants and contributions	4,034,307	3,500,662	2,012,129	2,610,887	2,890,335	2,489,086	2,072,168	2,353,174	2,363,840	3,170,904
Capital grants and contributions	266,068	239,629	1,508,796	597,923	1,009,851	1,510,051	961,167	544,551	238,121	1,093,575
Total primary government program revenues	<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>	<u>6,662,958</u>	<u>8,271,173</u>
Primary government net expense	<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>	<u>(87,538,448)</u>	<u>(80,479,395)</u>
General revenues:										
Property taxes	56,970,684	58,918,404	58,043,796	60,190,287	62,528,924	64,571,903	64,852,392	65,875,325	65,141,240	65,378,795
Non-property taxes	8,116,246	8,847,816	9,212,331	8,910,845	9,108,489	9,383,152	9,741,760	10,006,908	10,107,058	10,561,776
Use of money and property	2,594,403	2,940,211	1,844,834	818,404	453,969	387,965	406,892	240,994	212,137	157,104
Sale of property and compensation for loss	85,464	92,613	253,439	278,876	132,762	251,296	148,661	224,454	277,330	153,658
Miscellaneous	467,229	433,909	806,827	562,956	489,469	996,379	425,029	984,040	224,451	3,019,624
Unrestricted state aid	2,203,761	2,784,402	2,280,325	1,846,777	1,725,649	1,640,486	1,730,175	2,010,930	2,057,596	2,106,725
Total general revenues	<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>	<u>78,019,812</u>	<u>81,377,682</u>
Primary government change in net position	<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>	<u>\$ (9,518,636)</u>	<u>\$ 898,287</u>

Source: Town of Cheektowaga Basic Financial Statements

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

Function/Program	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Primary government:										
Governmental activities:										
General government support	\$ 1,517,835	\$ 1,492,119	\$ 1,326,446	\$ 945,599	\$ 888,686	\$ 952,946	\$ 939,365	\$ 1,232,756	\$ 877,929	\$ 960,892
Public safety	1,270,014	1,574,624	1,537,545	1,554,383	1,727,597	2,085,284	1,891,301	1,569,467	1,589,420	1,714,681
Transportation	1,126,575	1,115,471	367,156	794,639	610,017	643,215	737,634	834,196	1,130,022	2,119,676
Economic assistance and opportunity	121,878	7,442	10,834	-	-	-	-	-	-	-
Culture and recreation	776,988	861,565	2,236,512	1,016,955	1,347,228	1,158,539	1,028,741	1,085,245	1,122,027	1,080,331
Home and community services	<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>	<u>1,943,560</u>	<u>2,395,593</u>
Total program revenues	<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>	<u>\$ 6,662,958</u>	<u>\$ 8,271,173</u>

Source: Town of Cheektowaga Basic Financial Statements

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

	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
General Fund:										
Reserved	\$ 3,031,381	\$ 6,613,966	\$ 1,944,054	\$ 2,995,382	\$ 2,400,104	n/a	n/a	n/a	n/a	n/a
Unreserved	12,416,707	14,150,491	17,677,622	15,870,846	17,157,445	n/a	n/a	n/a	n/a	n/a
Total General Fund	<u>\$ 15,448,088</u>	<u>\$ 20,764,457</u>	<u>\$ 19,621,676</u>	<u>\$ 18,866,228</u>	<u>\$ 19,557,549</u>	n/a	n/a	n/a	n/a	n/a
All other governmental funds:										
Reserved	\$ 10,526,644	\$ 12,158,181	\$ 11,866,101	\$ 5,961,293	\$ 16,358,959	n/a	n/a	n/a	n/a	n/a
Unreserved, reported in:										
Special revenue funds	13,829,549	14,902,255	17,359,148	19,500,815	20,084,560	n/a	n/a	n/a	n/a	n/a
Capital projects fund	-	-	-	-	(16,218,058)	n/a	n/a	n/a	n/a	n/a
Total all other governmental funds	<u>\$ 24,356,193</u>	<u>\$ 27,060,436</u>	<u>\$ 29,225,249</u>	<u>\$ 25,462,108</u>	<u>\$ 20,225,461</u>	n/a	n/a	n/a	n/a	n/a
General Fund:										
Nonspendable	n/a	n/a	n/a	n/a	n/a	\$ 1,052,356	\$ 1,181,218	\$ 1,470,130	\$ 1,506,591	\$ 1,151,502
Restricted	n/a	n/a	n/a	n/a	n/a	1,653,598	261,272	1,225,240	2,387,963	6,064,938
Assigned	n/a	n/a	n/a	n/a	n/a	10,621,833	8,545,229	8,776,916	6,983,874	5,504,746
Unassigned	n/a	n/a	n/a	n/a	n/a	8,923,294	9,423,835	8,761,619	6,681,792	8,040,685
Total General Fund						<u>\$ 22,251,081</u>	<u>\$ 19,411,554</u>	<u>\$ 20,233,905</u>	<u>\$ 17,560,220</u>	<u>\$ 20,761,871</u>
All other governmental funds:										
Nonspendable	n/a	n/a	n/a	n/a	n/a	\$ 337,302	\$ 378,632	\$ 498,655	\$ 447,321	\$ 414,237
Restricted	n/a	n/a	n/a	n/a	n/a	2,045,263	4,238,080	1,812,662	1,748,054	1,834,387
Assigned	n/a	n/a	n/a	n/a	n/a	21,761,566	20,494,841	21,235,116	18,722,727	19,937,471
Unassigned	n/a	n/a	n/a	n/a	n/a	(15,114,575)	(24,266,514)	(24,558,369)	(26,499,929)	(12,562,434)
Total all other governmental funds						<u>\$ 9,029,556</u>	<u>\$ 845,039</u>	<u>\$ (1,011,936)</u>	<u>\$ (5,581,827)</u>	<u>\$ 9,623,661</u>

*During the fiscal year ended December 31, 2011, the Town implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Source: Town of Cheektowaga Basic Financial Statements

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Taxes ¹	\$65,086,930	\$67,766,220	\$67,256,127	\$69,101,132	\$71,637,413	\$73,955,054	\$74,594,151	\$75,882,232	\$75,248,298	\$75,940,571
Charges for services ²	1,950,605	2,094,208	2,252,747	2,263,596	2,097,791	2,188,233	2,101,909	2,197,404	2,443,634	2,177,251
Use of money and property	2,594,403	2,940,211	1,844,834	818,404	453,969	387,965	406,892	240,994	212,137	149,335
Licenses and permits	727,395	939,900	719,638	495,439	534,977	614,969	616,353	865,895	526,390	656,491
Fines and forfeitures	990,170	937,765	1,128,408	1,174,860	1,347,166	1,057,502	1,034,083	1,123,238	1,090,973	1,172,952
Miscellaneous ³	559,378	557,537	1,145,246	960,193	657,836	1,277,857	572,813	1,159,492	1,309,765	3,841,599
State aid	3,371,861	4,064,667	3,149,762	3,334,726	3,642,254	3,211,340	3,197,538	3,160,268	3,145,182	3,341,728
Federal aid	3,132,275	2,460,026	2,651,488	1,720,861	1,983,581	2,428,284	1,565,972	1,748,387	1,514,375	3,029,476
Total revenues	78,413,017	81,760,534	80,148,250	79,869,211	82,354,987	85,121,204	84,089,711	86,377,910	85,490,754	90,309,403
Expenditures:										
General government support	7,549,343	8,883,509	9,454,525	12,268,379	13,971,042	9,464,211	10,613,397	8,222,273	10,602,225	7,942,463
Public safety	14,832,325	15,685,796	16,122,639	16,306,024	16,742,094	25,025,203	21,866,501	17,295,752	17,782,731	18,374,421
Transportation	5,326,166	5,889,748	7,325,645	8,392,892	8,484,610	10,185,381	10,556,549	7,337,896	8,288,946	7,445,513
Economic assistance and opportunity	24,011	72,796	13,850	7,372	8,259	11,248	9,443	16,289	23,051	10,235
Culture and recreation	4,801,676	5,527,347	6,727,514	5,384,056	5,290,491	5,330,375	5,423,204	5,489,353	5,441,111	5,231,697
Home and community services	18,987,790	19,333,121	20,936,959	22,246,209	20,706,453	21,347,248	22,853,956	17,894,243	19,537,362	19,657,314
Employee benefits	14,896,282	14,510,696	14,891,430	16,465,268	18,549,187	19,230,908	20,748,470	21,087,743	22,421,715	21,163,859
Debt service:										
Principal	2,525,506	2,803,343	2,703,866	2,483,844	2,474,951	2,297,975	2,345,212	2,053,269	2,007,184	1,661,997
Interest and other fiscal charges	1,110,682	1,033,566	949,790	833,756	673,226	731,028	697,023	659,110	466,426	412,555
Capital outlay	2,039,233	1,065,000	-	-	-	-	-	7,356,606	6,163,579	9,283,709
Total expenditures	72,093,014	74,804,922	79,126,218	84,387,800	86,900,313	93,623,577	95,113,755	87,412,534	92,734,330	91,183,763

(continued)

(concluded)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Transfers in	7,099,369	6,865,498	11,327,459	5,378,311	5,601,115	5,939,181	10,167,215	12,482,312	13,122,984	16,404,018
Transfers out	(7,099,369)	(6,865,498)	(11,327,459)	(5,378,311)	(5,601,115)	(5,939,181)	(10,167,215)	(12,482,312)	(13,122,984)	(16,404,018)
Other financing sources ⁴	3,655,000	1,065,000	-	-	4,594,067	-	-	-	-	19,281,499
Other financing uses	-	-	-	-	(4,594,067)	-	-	-	-	-
Total other financing sources (uses)	3,655,000	1,065,000	-	-	-	-	-	-	-	19,281,499
Net change in fund balances	<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>	<u>\$ (7,243,576)</u>	<u>\$ 18,407,139</u>
Debt service as a percentage of noncapital expenditures	5.33%	5.49%	5.08%	4.37%	4.12%	3.99%	3.77%	3.49%	2.95%	2.62%

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 and Compensation for Loss, Refund Prior Year Expenses and Miscellaneous categories.

⁴ Includes debt issuance proceeds and premiums.

Source: Town of Cheektowaga Basic Financial Statements

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
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
2014	64,287,462	216,097	9,162,055	1,582,684	75,248,298
2015	64,103,448	710,384	9,516,474	1,610,265	75,940,571

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		
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
2014	2,669,660,997	4,305,904,834	62%	15.96640
2015 ⁴	4,504,537,628	4,504,537,628	100%	9.45667

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.

⁴ During 2015, the equalization rate for the Town of Cheektowaga was revised to assess all property at 100 percent of market value.

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)

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
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	23.06773	50.57783	49.11572	62.26886	47.25403	50.49983	60.11020
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
2014	14.59767	1.36874	15.96640	62.17181	46.03482	56.04589	57.30444	47.45332	41.70615	41.40286	42.09632	53.15462	41.24122	24.56312	48.74870
2015	8.65073	0.80594	9.45667	46.98721	36.77572	57.72107	47.75697	36.79262	33.21372	31.54345	32.47425	42.18372	31.46295	32.32702	40.75480

- 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 3 - 16; 7.5% - April 17 - April 30; then 1.5% additional each month thereafter. Unpaid taxes are returned to the Erie County Commissioner of Finance on or about June 30.
- (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.
- (4) During 2015, the equalization rate for the Town of Cheektowaga was revised to assess all property at 100 percent of market value.

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 Nine Years Ago

Taxpayer	Type of Business	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Pyramid Walden Co. (Galleria)	Shopping Mall	\$ 441,935,484	1	9.81%	\$ 90,540,900	1	3.90%
National Fuel Gas Dist. Co.	Public Utility	80,906,303	2	1.80%	37,077,979	4	1.60%
NYS Electric & Gas Dist. Co.	Public Utility	55,050,900	3	1.22%	18,780,467	5	0.80%
Idylwood Apartments	Apartments	47,930,323	4	1.06%	-	n/a	-
Niagara Mohawk	Public Utility	42,920,076	5	0.95%	14,964,475	6	0.60%
Sky Harbor Property	Mobile	42,442,195	6	0.94%	-	n/a	-
Union Consumer Square	Retail	39,471,903	7	0.88%	-	n/a	-
CSX Transportation Inc.	Transportation	38,992,416	8	0.87%	-	n/a	-
Appletree Realty Holdings	Real Estate	35,677,419	9	0.79%	-	n/a	-
4243 GS Associates LLC	Hotel	33,464,516	10	0.74%	-	n/a	-
DDR MDT Union Customer	Real Estate	-	n/a	-	48,237,150	2	2.10%
Benderson	Commercial	-	n/a	-	48,211,800	3	2.10%
Verizon New York, Inc	Public Utility	-	n/a	-	14,840,136	7	0.60%
Conrail Corporation	Railroad	-	n/a	-	11,231,570	8	0.40%
Norfolk Southern	Railroad	-	n/a	-	11,229,121	9	0.40%
Williamstowne Apartments, LP	Apartments	-	n/a	-	10,310,500	10	0.40%
Total		<u>\$ 858,791,535</u>		19.07%	<u>\$ 305,424,098</u>		12.90%

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	
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%
2014	71,455,494	31,059,269	102,514,763	94,780,696	92%	100%
2015	71,752,206	33,405,367	105,157,573	96,415,190	92%	100%

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

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

February 16 - 28	1.5%
March 1 - 15	3%
March 16 - 31	4.5%
April 1 - 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 them. 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 Tax Office

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

Fiscal Year	Serial Bonds ²	Capital Leases	Total Amount	Percentage of Personal Income ¹	Debt per Capita ¹
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	11,473,333	4,252,876	15,726,209	0.63%	178.25
2011	9,500,949	3,889,900	13,390,849	0.58%	151.78
2012	7,509,560	3,509,688	11,019,248	0.47%	124.90
2013	5,828,171	3,111,419	8,939,590	0.42%	101.33
2014	4,211,781	2,694,235	6,906,016	0.32%	78.28
2015	22,203,793	2,257,238	24,461,031	1.08%	277.25

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.

² Serial bonds are presented net of related premiums or discounts.

Source: Town of Cheektowaga Basic Financial Statements

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 ³	Less: Debt Service Funds	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value ¹	Net Bonded Debt per Capita ²	
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	11,473,333	2,136,124	9,337,209	0.36%	105.83	
2011	88,226	2,633,902,317	9,500,949	2,045,263	7,455,686	0.28%	84.51	
2012	88,226	2,633,911,681	7,509,560	1,985,934	5,523,626	0.21%	62.61	
2013	88,226	2,662,059,581	5,828,171	1,812,662	4,015,509	0.15%	45.51	
2014	88,226	2,669,660,997	4,211,781	1,748,054	2,463,727	0.09%	27.93	
2015 ⁴	88,226	4,504,537,628	22,203,793	1,834,387	20,369,406	0.45%	230.88	

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.

³ Gross bonded debt is presented net of related premiums or discounts.

⁴ During 2015, the equalization rate for the Town of Cheektowaga was revised to assess all property at 100 percent of market value.

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, 2015

Governmental Unit	Gross Indebtedness ¹	Estimated Exclusions ²	Net Indebtedness	Percentage Applicable ³	Town of Cheektowaga Portion
Estimated direct debt:					
Town of Cheektowaga	\$ 38,879,031	\$ -	\$ 38,879,031	100.00%	\$ 38,879,031
Estimated overlapping debt:					
Villages:					
Depew	2,930,000	546,436	2,383,564	50.64%	1,207,154
Sloan	154,818	-	154,818	100.00%	154,818
Williamsville	4,503,150	67,000	4,436,150	0.26%	11,629
School districts:					
Cheektowaga Central	9,895,000	6,530,700	3,364,300	100.00%	3,364,300
Cheektowaga-Maryvale Union Free	24,540,000	16,441,800	8,098,200	100.00%	8,098,200
Cleveland Hill Union Free at Cheektowaga	17,380,448	15,312,175	2,068,273	100.00%	2,068,273
Williamsville Central	17,841,733	12,649,789	5,191,944	0.10%	4,945
Lancaster Central	26,490,000	20,794,650	5,695,350	12.27%	698,704
Depew Union Free	32,679,471	26,437,692	6,241,779	70.26%	4,385,476
West Seneca Central	38,870,000	30,085,380	8,784,620	27.67%	2,430,683
Union Free School District #9 (Sloan)	10,735,000	8,437,710	2,297,290	96.60%	2,219,197
County of Erie	519,473,183	90,728,183	428,745,000	6.80%	29,169,729
Total estimated overlapping debt	<u>705,492,803</u>	<u>228,031,514</u>	<u>477,461,289</u>		<u>53,813,108</u>
Total estimated direct and overlapping debt	<u>\$ 744,371,834</u>	<u>\$ 228,031,514</u>	<u>\$ 516,340,320</u>		<u>\$ 92,692,139</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. The Town has not submitted such application, so it cannot formally exclude such indebtedness.

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 12-31-15, County 12-31-15, Villages 5-31-15, Schools 6-30-15 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 2015

Estimated Actual Value of Real Property (After Exemptions):	
2011	\$4,248,229,544
2012	4,248,244,647
2013	4,293,644,485
2014	4,305,904,834
2015	<u>4,504,537,628</u>
Total five-year valuation	<u>21,600,561,138</u>
Average full valuation	<u>4,320,112,228</u>
Debt limit - 7% of average full valuation ¹	302,407,856
Debt applicable to limit:	
General obligation bonds	20,564,000
Bond anticipation notes payable	14,418,000
Less other deductions allowed by law ²	
Sewer bonds	-
Drainage bonds	-
Total amount of net indebtedness applicable to debt limit	<u>34,982,000</u>
Legal debt margin ³	<u>\$ 267,425,856</u>
Percentage of debt contracting power exhausted	11.57%

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 240,991,300	\$ 248,449,943	\$ 256,884,654	\$ 264,712,835	\$ 274,199,759	\$ 283,930,262	\$ 290,898,149	\$ 292,876,762	\$ 297,381,400	\$ 302,407,856
Total net debt applicable to limit	<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>	<u>36,414,000</u>	<u>34,982,000</u>
Legal debt margin	<u>\$ 223,003,902</u>	<u>\$ 232,869,843</u>	<u>\$ 242,528,354</u>	<u>\$ 253,462,835</u>	<u>\$ 256,519,759</u>	<u>\$ 255,515,474</u>	<u>\$ 261,061,418</u>	<u>\$ 259,788,122</u>	<u>\$ 260,967,400</u>	<u>\$ 267,425,856</u>
Total net debt applicable to the limit as a percentage of debt limit	7.46%	6.27%	5.59%	4.26%	6.45%	10.01%	10.26%	11.30%	12.24%	11.57%

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	
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
2014	88,226	24,355	2,148,744	5.7%	5.8%	47.2
2015	88,226	25,597	2,258,321	5.2%	4.7%	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 Nine Years Ago

Employer	Type	2015			2006		
		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%	802	1	1.53%
Cameron, Inc.	Industrial	600	3	1.27%	552	3	1.06%
Derrick Corporation	Industrial	500	4	1.06%	-	-	-
Town of Cheektowaga ¹	Local Government	446	5	0.95%	-	-	-
Cheektowaga Central Schools	Public Schools	350	6	0.74%	-	-	-
Maryvale School District	Public Schools	310	7	0.66%	-	-	-
First Student Bus Service	Transportation	280	8	0.59%	-	-	-
Rosina Foods	Industrial	260	9	0.55%	200	9	0.38%
Upstate Niagara Cooperative, Inc.	Industrial	250	10	0.53%	650	2	1.24%
ITT Standard	Industrial	250	10	0.53%	-	-	-
Catholic Health System Home Care	Hospital	-	-	-	407	4	0.78%
DRS ER & Network Systems, Inc	Retail	-	-	-	300	5	0.57%
Elderwood Health Care at Maplewood	Hospital	-	-	-	300	6	0.57%
Pepsi Bottling Group	Industrial	-	-	-	214	7	0.41%
Millenium Airport Hotel Buffalo	Hotel	-	-	-	203	8	0.39%
Sam's Club	Retail	-	-	-	145	10	0.28%

¹ Full-time only.

² Estimated.

Source: Town Officials, as listed in the 2015 Bond Anticipation Note 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:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government support:										
Supervisor	3	2	2	2	2	2	2	2	3	3
Personnel	3	3	3	3	3	3	3	3	3	3
Accounting	5	5	5	5	5	5	5	5	5	5
Information Services	4	4	4	4	4	4	4	4	4	6
Assessors	7	7	7	7	7	5	5	5	5	6
Central Printing	1	1	1	1	2	1	1	1	1	1
Building Maintenance	9	9	9	9	9	9	9	12	12	12
Central Garage	12	12	12	11	11	11	11	10	9	9
Council	8	8	8	8	8	8	8	8	7	7
Engineering	7	7	8	8	8	8	8	8	8	8
Justice	14	14	14	14	14	14	14	14	14	13
Law	6	5	5	5	5	5	5	5	5	5
Town Clerk	10	9	9	8	7	7	7	7	6	5
	<u>89</u>	<u>86</u>	<u>87</u>	<u>85</u>	<u>85</u>	<u>82</u>	<u>82</u>	<u>84</u>	<u>82</u>	<u>83</u>
Public safety:										
Dispatchers	28	28	28	28	28	29	28	29	28	28
Officers	128	128	129	129	129	128	129	128	129	129
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	4	4	3	3	3	3	3	3	3	3
Building & Plumbing - Code Enforcement	19	19	19	19	19	19	17	17	17	16
	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>189</u>	<u>187</u>	<u>187</u>	<u>187</u>	<u>186</u>
Transportation:										
Highway	<u>74</u>	<u>75</u>	<u>75</u>	<u>74</u>	<u>74</u>	<u>75</u>	<u>74</u>	<u>71</u>	<u>70</u>	<u>70</u>

(continued)

(concluded)

Function/Program:	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Economic assistance and opportunity:										
Community Development	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Culture and recreation:										
Parks/Facilities	22	21	21	21	21	21	21	21	19	19
Youth & Recreation	10	10	10	9	9	9	9	9	9	9
Senior Services	<u>5</u>	<u>6</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>	<u>34</u>	<u>34</u>
Home and community services:										
Sanitation	45	46	45	45	45	45	45	41	40	39
Sewer	21	21	21	21	21	21	20	19	17	17
Main Pump	<u>11</u>	<u>12</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>	<u>69</u>	<u>68</u>
Total	<u><u>470</u></u>	<u><u>470</u></u>	<u><u>471</u></u>	<u><u>467</u></u>	<u><u>467</u></u>	<u><u>465</u></u>	<u><u>460</u></u>	<u><u>454</u></u>	<u><u>446</u></u>	<u><u>445</u></u>

Source: Various Town departments

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Town Justices' Caseload:										
Cases processed:										
Motor vehicle	16,922	16,248	16,751	17,786	20,532	18,021	26,590	19,984	17,275	13,017
Criminal	5,387	5,915	5,809	6,529	6,187	5,443	5,634	5,459	4,505	3,176
Civil	1,031	1,003	774	712	754	769	705	1,122	313	916
Fines assessed:										
Motor vehicle	\$ 1,607,360	\$ 1,569,394	\$ 1,690,540	\$ 1,981,681	\$ 2,220,604	\$ 1,714,594	\$ 1,703,720	\$ 1,753,580	\$ 1,400,141	\$ 1,404,349
Criminal	\$ 197,231	\$ 239,620	\$ 240,268	\$ 234,028	\$ 354,693	\$ 214,195	\$ 205,078	\$ 269,970	\$ 161,955	\$ 161,815
Civil	\$ 19,130	\$ 18,650	\$ 14,085	\$ 12,855	\$ 14,395	\$ 14,175	\$ 13,065	\$ 22,155	\$ 5,340	\$ 17,200
Number of Building Permits:										
One family	17	35	23	13	16	5	5	10	17	14
Apartments	1	-	-	-	-	-	-	-	-	-
Other	1,655	1,973	2,430	2,422	1,999	2,068	2,016	784	2,090	2,114
Value of construction	\$ 67,060,557	\$ 74,059,133	\$ 66,071,696	\$ 34,012,934	\$ 50,419,216	\$ 45,859,274	\$ 52,700,000	\$ 62,751,826	\$ 54,695,563	\$ 62,256,012
Police:										
Arrests	4,984	5,219	4,871	5,272	6,256	5,146	5,562	5,693	5,280	5,063
Traffic tickets	10,457	10,523	8,632	10,147	10,369	9,768	9,875	10,241	10,304	10,449
Calls for service	43,312	49,871	50,305	48,176	48,901	52,658	52,049	53,311	54,725	56,313
Police reports	11,524	10,993	10,609	10,696	10,640	10,371	10,666	10,500	10,468	9,885
Refuse Collection:										
Refuse collected (tons annually)	33,151	31,886	31,991	30,384	30,787	31,637	30,171	30,701	29,847	29,778

Source: Various Town departments

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

Function/Program:	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Substations	1	1	1	1	1	1	1	1	1	-
Patrol vehicles	49	49	50	49	49	49	48	50	58	49
Refuse collection:										
Collection trucks	15	21	19	17	18	19	18	19	23	19
Other public works:										
Streets (miles)	389	389	389	389	389	389	389	389	389	389
Streetlights	979	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,309
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	19	19	19	19	19	19	19
Soccer/football fields	5	5	5	5	5	5	5	5	7	7
Community centers	5	5	5	4	4	4	4	4	4	4
Water:										
Fire hydrants	1,371	1,378	1,378	1,379	1,381	1,381	1,381	1,383	1,383	1,386
Wastewater:										
Sanitary sewers (miles)	200	200	200	200	200	201	201	201	201	201
Storm sewers (miles)	150	175	175	178	182	186	186	191	194	194
Senior Center:										
Transport vans	8	8	8	9	8	7	6	7	7	8

Sources: Various Town departments

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