

**City of Oneonta, New York**

Financial Report

December 31, 2015

# City of Oneonta, New York

## Financial Report

December 31, 2015

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## **Independent Auditor's Report**

Mayor and Members of the Common Council  
City of Oneonta, New York  
Oneonta, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of each governmental fund, proprietary fund, the fiduciary fund, and each account group of the City of Oneonta, New York (City) as of December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting and reporting practices permitted by the New York State Office of the State Comptroller. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements are prepared by the City on the basis of accounting and reporting practices permitted by the New York State Office of the State Comptroller, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New York State.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental, proprietary and fiduciary funds, and account groups of the City as of December 31, 2015, or the changes in financial position of the governmental and proprietary funds, and cash flows of the proprietary funds for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental, proprietary, and fiduciary funds and account groups of the City of Oneonta, New York, as of December 31, 2015, and the changes in financial position of the governmental and proprietary funds and cash flows of the proprietary funds for the year then ended in accordance with the accounting and reporting practices permitted by the New York State Office of the State Comptroller described in Note 1.

***Emphasis of Matter***

*New Accounting Standards*

As discussed in Note 1, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*, as of January 1, 2015. Our opinions are not modified with respect to this matter.

***Other Matters***

*Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The schedule of funding progress on page 41, budgetary comparison information on pages 47 through 52, and combining special revenue fund financial statements on pages 53 and 54 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

***Other Matters - Continued***

*Supplementary and Other Information - Continued*

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

The Management's Discussion and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BST & CO. CPAs, LLP

Albany, New York  
August 29, 2016



# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

As management of the City of Oneonta, New York (City), we offer readers of the City's financial statements - regulatory basis, this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

The City has chosen to prepare its financial statements on the regulatory basis of accounting as permitted by the New York State Office of the State Comptroller. As described in Note 1 to the financial statements, the regulatory basis of accounting varies from accounting principles generally accepted in the United States of America (U.S. GAAP). The only variation from U.S. GAAP is in relation to Governmental Accounting Standards Board No. 34 (GASB No. 34) which requires the following:

- Two additional statements, the statement of net position and the statement of activities, collectively referred to as the "government-wide" financial statements which are presented on the accrual basis of accounting.
- Fund-based financial statements reconciliation to the "government-wide" financial statements.
- Capital assets, other than land, are depreciated and reported on the "government-wide" statement of net position at net book value, and depreciation expense is allocated to the major functions on the statement of activities based on the use of the underlying assets.

For a four-year period (2003 through 2006), the City prepared its financial statements in conformity with U.S. GAAP by preparing its financials under the guidelines of GASB No. 34. However, the City decided to no longer fully implement GASB No. 34 due, in part, to the following reasons:

- The City's Annual Update Document (AUD), which is required to be filed with the New York State Comptroller's Office, is reported on the regulatory basis.
- The requirements needed to fulfill GASB No. 34 created major demands on staff, time, and procedures.
- There was no apparent benefit to the citizenry.
- The City's historical bond rating has not been adversely affected by preparing regulatory financial statements.
- The regulatory financial statements are more easily understood by the reader.
- The regulatory financial statements are consistent with annual budget procedures.

### Financial Highlights

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$16,607,928, a decrease of \$755,951 in comparison with the prior year. The General Fund increased \$486,820, Special Revenue Funds increased \$141,460, and the Capital Projects Fund decreased \$1,363,248. There are a number of capital projects that will be funded by future bond proceeds.
- Once again, the City maintained compliance with the New York State Tax Cap provisions. The City's 2015 tax levy was \$4,563,588, an increase of \$47,973 (1.06%), and the Library's 2015 tax levy was \$414,555, an increase of \$6,572 (1.61%). Refer to Note 12 for further information regarding property taxes.
- The City's total bonds payable decreased by \$715,000 (5.97%) during the current fiscal year.

# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### Overview of the Financial Statements

The City's financial statements are comprised of two components: 1) fund financial statements and budgetary comparisons, and 2) notes to the financial statements. The report contains other supplementary information in addition to the financial statements themselves.

**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 City, 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 City can be divided into three categories: governmental, proprietary, and fiduciary funds.

**Governmental funds:** *Governmental funds* are used to account for those activities that are principally supported by taxes and intergovernmental revenues. The City also accounts for the Water and Sewer operations as governmental funds, even though these funds are financed principally through user fees.

The City maintains nine governmental funds: the General Fund, Capital Projects Fund, Permanent Fund, Debt Service Fund, and the Special Revenue Funds which consist of the Water, Sewer, Community Development, Library, and Miscellaneous Special Revenue funds. Governmental fund balance sheets and statements of revenues, expenditures, and changes in fund balances are presented for all funds.

Compliance with the City's General Fund's annual operating budget for the year ended December 31, 2015, is reported in the *Combining Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual* which is found in the *Supplementary Information* section of the financial report, along with the combined statements detailing the various special revenue funds.

**Proprietary funds:** The City maintains two types of proprietary funds. The City uses an *Enterprise Fund* to account for its public transit operations. The *Internal Service Fund* is used to account for a central vehicle/equipment maintenance operation and a central supplies operation.

**Fiduciary funds:** Fiduciary funds are used to account for government-held resources that are not available to support the government's own programs, such as employee payroll deductions.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the amounts provided in the fund financial statements.

### Financial Analysis of the Government's Funds

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

**Governmental Funds:** The focus of the City's *governmental funds* is to provide information on near term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Government's Funds - Continued

#### Governmental Funds - Continued

As Note 11 details, fund balance reporting is comprised of five categories: nonspendable, restricted, committed, assigned, and unassigned. The following details the significant components of the first four categories:

##### Nonspendable:

- Permanent Fund - restricted donation - \$1,498,742
- Prepaid expenses - \$288,586
- Inventory - \$22,645

##### Restricted:

- Capital reserves/projects - \$1,857,759
- Capital Projects Library - \$1,640,980
- Employee benefits - \$439,575
- Community Development Grant Program - \$311,546
- Repair reserve - \$291,398
- Restricted donations - \$517,695
- Sewer Fund - \$933,114
- Special recreation facility - \$347,585
- Crime proceeds - \$23,840
- DBL awareness - \$14,211
- EMS education - \$16,650
- Bonded debt - \$20,623

##### Committed:

- Capital Projects Library - \$488,566
- Capital Projects - \$576,242
- Local Grant Program - \$49,996

##### Assigned:

- Encumbrances to liquidate General Fund contracts/purchase orders - \$187,178
- Water Fund - \$568,156
- Library Fund - \$244,140
- Appropriated for next year's Library Fund budget - \$104,380
- Community landscaping program - \$129,500
- Appropriated for next year's Community landscaping program - \$38,500
- Greenway Trail project - \$18,645
- Appropriated for next year's Greenway Trail project - \$1,520



# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Government's Funds - Continued

**General Fund:** The General Fund is the principal operating fund of the City. As of December 31, 2015, the unassigned fund balance of the General Fund was \$7,527,670, an increase of \$680,994 (9.95%) from the previous year, while the total fund balance was \$10,667,016, an increase of \$486,820 (4.78%) from the previous year. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures and operating transfers out. Unassigned fund balances represent 50.48% of that amount. The City utilizes a conservative budgeting approach to revenues and expenditures, and practices consistent expenditure controls.

**Capital Projects:** The Capital Projects Fund accounts for the construction and reconstruction of public improvements. At the end of the current fiscal year, the fund balance was \$1,214,752; this is comprised of \$2,129,546 reserved for a library building project, and a fund balance for all other projects equaling a net of \$(914,794), consisting primarily of various city property/buildings, street, and park projects. There are several capital projects with a deficit fund balance which will be financed with future bond proceeds, grants, and contributions from the General Fund.

**Permanent Fund:** The Permanent Fund is to primarily account for the donation restricted for the "beautification of and non-sports development" of the City Parks, "particularly planting, care and replacement of trees, shrubs, lawns and flowers." The donation must remain intact and the interest earned supports the Miscellaneous Revenue Fund established to support the donor's request.

**Debt Service Fund:** The Debt Service Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest on general obligation long-term debt. Debt Service Funds are used when legally mandated and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

**Water Fund:** The Water Fund is used to account for the provision of water services to the citizenry, funded by user fees based on water rates approved by the Common Council. At the end of the current fiscal year, the undesignated fund balance was \$568,156 with the total fund balance being \$786,594, a decrease of \$2,376 from the previous year.

**Sewer Fund:** The Sewer Fund is used to account for the provision of sewer services to the citizenry, funded by user fees based on sewer rates approved by the Common Council. At the end of the current fiscal year, the undesignated fund balance was \$933,114, with the total fund balance being \$1,273,868, an increase of \$51,212.

**Community Development Special Revenue Fund:** The Community Development Block Grant Fund is a Special Revenue Fund used to account for the programs and projects primarily funded by the U.S. Department of Housing and Urban Development. At the end of the current fiscal year, the fund balance was \$361,542.

# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Government's Funds - Continued

**Miscellaneous Special Revenue Fund:** The Miscellaneous Special Revenue Fund is used to account for restricted donations, or assigned funds authorized by the Council, which benefit the government or its citizenry. As of the end of the current fiscal year, the fund balance consists of the following designations:

- Swart Wilcox - \$56,460
- Parks - \$12,601
- Susquehanna Greenway - \$20,166
- Park Roads - \$6,125
- Community Landscaping - \$168,000
- Youth Programs - \$17,360
- Korean War Memorial - \$3,952
- Animal Shelter - \$9,572
- Trainman Veteran Monument - \$1,502
- Allison Building - \$2,453
- Miller Memorial - \$11,300

**Proprietary Funds:** The net position of the proprietary funds at the end of the current fiscal year totaled \$1,149,337, a decrease from the previous year of \$276,960. This amount includes an adjustment of \$70,732 pursuant to implementing GASB 68 which prescribes new financial reporting for pension plans.

**Library Fund:** As detailed in Note 1d, the Library Fund is included as a Special Revenue Fund due to the determination that the Huntington Memorial Library is a component unit of the City. This fund accounts for the revenue and expenditures recognized in the operation of the Library. As of the end of the current fiscal year, the undesignated fund balance was \$244,140, with the total fund balance being \$475,300, an increase of \$11,247.

Additionally, the City reports the following fund types and account groups:

**Agency Fund** - is a fiduciary fund used to account for money (and/or property) received and held in the capacity of trustee, custodian, or agent.

**Non-Current Governmental Asset Account Group** - is used to establish accounting control for the City's capital assets (land, buildings, improvements, machinery, and equipment) used in governmental fund type operations. No depreciation is expended in the governmental funds for governmental capital assets. This fund also accounts for the deferred outflows of resources related to pensions as required by GASB 68.

**Non-Current Governmental Liability Account Group** - is used to establish accounting control for the City's long-term obligations payable from governmental funds which will not be liquidated from current resources. Such obligations include long-term debt, compensated absences, deferred inflows of resources related to pensions, long-term judgments and claims payable, and other postemployment benefits.

# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### Capital Assets and Debt Administration

**Capital Assets:** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounted to \$47,608,162 (net of depreciation for the business-type activities). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. See financial statement Note 6 for a summary of the City's capital assets. As stated in Note 1, the City has elected to prepare its financial statements on the regulatory basis of accounting as permitted by the New York State Office of the State Comptroller for annual reports to that office. In doing so, the City is not required under the accounting practices permitted by the New York State Office of the State Comptroller to report the value of the City's infrastructure and the accumulated depreciation for the governmental funds' capital assets.

**Long-Term Debt:** The City's outstanding debt, including bonds and notes on December 31, 2015, was \$11,255,000, a decrease of \$715,000, or 5.97% over the prior year. The outstanding debt is backed by the full faith and credit of the City. See financial statement Note 9 for a summary of the City's indebtedness. The City maintains a conservative debt borrowing policy with an accelerated debt repayment schedule where possible and funds a significant level of capital expenditures from current funds. The most recent bond rating received was an A+/Stable from Standard & Poor's in connection with the February 2013 Build America Mutual Assurance Company insured bond issue.

Outside of bonded debt of \$11,255,000, the City also entered into a lease agreement in July 2012, with Municipal Leasing Consultants, LLC. This agreement financed the energy performance capital project, which included weatherization, roof repairs, HVAC/lighting systems improvements, a new water meter system, and improvements at the wastewater treatment plant. This lease is for a total of \$3,500,000, with an annual interest rate of 2.84% for a term of 180 months. The December 31, 2015 balance equaled \$2,912,423.

### Budgetary Highlights

The City's annual budget, which is prepared on a basis consistent with the one used to account for fund activities throughout the year, includes estimated revenues and annual appropriations for all funds with the exception of the Capital Project Fund, Community Development Grants, and the Library Fund. The City has developed a five-year capital plan which is included in the annual budget packet. Project-length financial plans are adopted for all Capital Project Funds. The Library Budget is adopted by the Huntington Memorial Library Board. The Community Development Grants are excluded from the annual operating budget due to the multi-year projects of the Community Development Block Grant program. This program is funded by the U.S. Department of Housing and Urban Development which has a separate budget and management process.

The City's principal operating budgets, including general, water, and sewer, increased by \$1,757,621 or 9.27%, during the fiscal year. The appropriations increases were made to appropriate monies to finance the items described in the financial statement Note 2.a.vi. Comparisons of the amended budget with actual revenues and expenditures for the various funds can be found in the supplementary information section of the audited financial statements.

# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### **Statutory Limits: Real Property Tax and Debt**

The New York State Constitution restricts the annual real property tax levy for operating expenses to 2% of the average full value of taxable City property over the last five years. For the fiscal year ended December 31, 2015, the City had a legal margin of approximately \$4.9 million, or 55.99% of its taxing power remaining.

The Constitution also imposes a debt limit of 7% of the most recent five-year average of full valuation of taxable real estate. As of December 31, 2015, the City had a debt margin of approximately \$22.6 million, or 73.7% of its borrowing power remaining.

### **Adoption of New Accounting Standards**

During 2015, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The primary objective of these statements is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers regarding financial support for pensions that is provided by other entities.

As a result of adopting these accounting standards and guidance, the City now reports its proportionate share of the net pension liability as determined by the State and Local Employees' Retirement System. This liability, along with deferred outflows of resources, deferred inflows of resources, and pension expense have been allocated between the governmental funds and proprietary funds using covered payroll. See Note 1t for detail.

### **General Information**

The City is located in Central Upstate New York along the southern border of Otsego County. The City has a land area of approximately 4.1 square miles and a population of 13,946 (2013 US Census Bureau estimate). The City is the County's only incorporated urban community, and Otsego County has one of the lowest unemployment rates in the Central New York area. The City is fortunate to have three major modes of transportation; I-88, which traverses northeast and southwest providing easy access to Albany and Binghamton, as does the rail transportation, and air transportation is provided by the City of Oneonta Airport.

The City continues to maintain a strong economy, primarily due to the employment base of the State University of New York at Oneonta, Hartwick College, A.O. Fox Memorial Hospital, Bassett Hospital, and other not-for-profit, government, and other medical-related employers. Three industrial parks near the City, the Browne Street Industrial Park, the Pony Farm Industrial Park, and the Oneonta River Corp Industrial Park, are home to many small and mid-size manufacturing companies. Corning Inc., which employees 185 people in the City, is the largest private manufacturer. In addition, the City benefits from tourism activity generated primarily as a result of youth sports camps which brings thousands of participants and their families to the area each summer. Also, the two colleges have an estimated enrollment of 7,000 students which provides for economic and social activity throughout the community.

# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### 2015 Accomplishments

During 2015, the City undertook a number of initiatives in the areas of technology, infrastructure and equipment, evaluation and planning, and community development. Below are highlights of these accomplishments:

#### Technology:

- Electronic patient care reporting (E-PCR) equipment and procedures for emergency medical services.
- The City's Geographic Information System (GIS) program was advanced with additional information regarding sanitary sewers, water services, street surveys, pavement conditions, plow routes and census data; including on-site access to infrastructure information and updating capabilities.
- Electronic interface between Code Enforcement and Finance for daily transfers of invoices for Code activity.

#### Investments in City Infrastructure and Equipment:

- Renovation of Wilber Pool Bathhouse.
- Catella Park well upgrade.
- Wilber Park pedestrian bridge.
- Traffic signal replacement at Spruce, Center, and Maple Streets.
- Mill Race sanitary sewer line repairs.
- Improvements to the storm water lines.
- Water Treatment Plant loading dock/entry/parking lot improvements.
- Street Projects: Eighth, West, Valleyview, Burnside Ave, East, Chestnut, Hudson, Walnut, Wilcox, and Clinton being the major streets.
- Various sidewalk repairs and replacement.
- Repair and preventative maintenance of the City's water tanks.
- Wastewater Treatment Plant improvements, including catwalk replacement, chemical containment, and structural wall repairs.
- The Fire Department received a new aerial fire truck which replaces a 1987 Mack aerial and the department's Zoll heart monitors were replaced with state of the art technology. The City was awarded \$750,000 from New York State for this purchase of the fire truck.
- The Police Department received a \$100,000 federal grant to update tactical equipment used by the Special Response Team.
- Major renovations to the City's airport terminal.

#### Evaluation and Planning

- A comprehensive analysis of the City's water system and a water rate study.
- Quantification and removal study of metals in the wastewater stream.
- Center for Public Safety Management (CPSM) conducted a study of fire operations.
- Planning grant study to identify future improvements to Main Street.
- City-wide revaluation project to ensure property assessments are fair and accurate.
- Implementation of police body camera pilot program.
- Updates to the Airport Master Plan.

# City of Oneonta, New York

## Management's Discussion and Analysis December 31, 2015

### 2015 Accomplishments - Continued

#### Community Development Activities

- NY Main Street grant totaling \$186,500 to six (6) Main Street properties to assist the businesses and strengthen the economic vitality of the City's downtown.
- Micro-enterprise grants totaling \$175,000 were awarded to ten (10) businesses within the City that have 5 or fewer employees.
- Development of the City's Main Street Streetscape improvements.
- Housing Visions project advanced with property acquisitions and project approval from the City's Planning and Zoning Boards. This project will add a new forty (40) unit senior housing complex and twenty (20) units of residential housing for low to moderate income individuals at three sites within the City.
- Community Development Block Grant (CDBG) totaling \$600,000 was awarded for relining of the City's main water transmission line between the reservoir and the water plant.
- Otsego County Industrial Development Agency (IDA) was awarded grants for projects within the City, including redevelopment of the rail yards and planning for redevelopment of Market Street, including an agricultural food hub.

#### Additional Accomplishments

- Oneonta Public Transit (OPT) achieved a record ridership with over 740,000 transit rides.
- Additional advertising revenues for OPT.
- Global Positioning System (GPS) units were installed on OPT buses serving college and Southside routes. In addition, an "app" was designed which can be downloaded to smart phones allowing riders to track the buses' location and for dispatchers to monitor bus routes.
- New health insurance plans for active and pre-65 retirees saving the City over \$125,000.
- Collective bargaining agreement with the Oneonta PBA and Sergeant's unions were finalized.
- Franchise agreement with Time Warner was amended to expand the definition of revenues on which gross receipts tax is paid.
- Code Enforcement implemented newly adopted vacant property registration legislation.

### Financial Condition

In 2013, the New York State Comptroller's Office implemented a system designed to monitor the financial condition of local governments based on both financial information and the external environment. Financial information considered includes year-end fund balances, operating surpluses/deficits, and fixed costs. External factors reviewed include population property values, employment, and sales tax revenue. In September 2015, the Comptroller's Office issued its most recent scoring with the City of Oneonta maintaining a "no-designation" classification. The City has avoided a fiscal stress designation through pro-active financial management and multi-year planning. The areas where the City was noted as having some level of fiscal stress were fund balance and operating deficits. Over the last five years, the City has focused on increasing revenues where possible, and controlling expenditures, as well as reducing the City's reliance on fund balance as a means of financing current operations.

### Requests for Information

This financial report is designed to provide a general overview of the City of Oneonta, New York's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Director of Finance, 258 Main Street, Oneonta, New York 13820.

**City of Oneonta, New York**

**Balance Sheet - All Funds and Account Groups - Regulatory Basis**

	December 31, 2015											
	Governmental Fund Types					Proprietary Fund Types		Fiduciary Fund Type		Account Groups		Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service	Permanent	Public Transportation	Internal Service Central Garage	Agency Funds	Non-current Governmental Asset	Non-current Governmental Liability		
<b>ASSETS, DEFERRED OUTFLOWS OF RESOURCES, AND OTHER DEBITS</b>												
<b>ASSETS</b>												
Cash and cash equivalents	\$ 5,611,814	\$ 1,048,184	\$ -	\$ -	\$ -	\$ 175,646	\$ -	\$ -	\$ -	\$ -	\$ 6,835,644	
Cash and cash equivalents, restricted	2,376,293	1,666,764	3,010,547	20,623	1,498,742	40,410	-	65,822	-	-	8,679,201	
Taxes receivable and tax sale certificates	6,519	-	-	-	-	-	-	-	-	-	6,519	
Loans receivable, less allowance for uncollectible	-	636,912	-	-	-	-	-	-	-	-	636,912	
Other receivables, less allowance for uncollectible	329,939	340,055	-	-	-	24,124	-	-	-	-	694,118	
Due from other governments	733,201	403,780	754,859	-	-	1,767	-	317	-	-	1,893,924	
Due from other funds	2,099,236	25,349	-	-	-	-	-	-	-	-	2,124,585	
Inventory	22,645	-	-	-	-	-	304,884	-	-	-	327,529	
Prepaid expenses	205,644	82,941	-	-	-	4,757	6,575	-	-	-	299,917	
Other assets	-	394,100	-	-	-	-	-	-	-	-	394,100	
Capital assets, net of accumulated depreciation	-	-	-	-	-	762,775	101,346	-	46,744,041	-	47,608,162	
<b>Total assets</b>	<b>11,385,291</b>	<b>4,598,085</b>	<b>3,765,406</b>	<b>20,623</b>	<b>1,498,742</b>	<b>1,009,479</b>	<b>412,805</b>	<b>66,139</b>	<b>46,744,041</b>	<b>-</b>	<b>69,500,611</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,345</b>	<b>21,423</b>	<b>-</b>	<b>1,390,236</b>	<b>-</b>	<b>1,463,004</b>	
<b>OTHER DEBITS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30,781,074</b>	<b>30,781,074</b>	
Amounts to be provided for retirement of long-term liabilities	-	-	-	-	-	-	-	-	-	30,781,074	30,781,074	
<b>Total assets, deferred outflows of resources, and other debits</b>	<b>\$ 11,385,291</b>	<b>\$ 4,598,085</b>	<b>\$ 3,765,406</b>	<b>\$ 20,623</b>	<b>\$ 1,498,742</b>	<b>\$ 1,060,824</b>	<b>\$ 434,228</b>	<b>\$ 66,139</b>	<b>\$ 48,134,277</b>	<b>\$ 30,781,074</b>	<b>\$ 101,744,689</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, OTHER CREDITS, FUND BALANCE, AND NET POSITION</b>												
<b>LIABILITIES</b>												
Accounts payable	\$ 335,527	\$ 270,252	\$ 604,972	\$ -	\$ -	\$ 25,788	\$ 20,690	\$ -	\$ -	\$ -	\$ 1,257,229	
Accrued liabilities	156,978	14,814	-	-	-	7,493	4,339	13,177	-	-	196,801	
Customer deposits	2,200	-	-	-	-	-	-	300	-	-	2,500	
Due to other funds	25,349	75,000	1,909,369	-	-	-	114,867	-	-	-	2,124,585	
Due to other governments	1,008	-	36,313	-	-	-	-	47,323	-	-	84,644	
Net pension liability	-	-	-	-	-	37,310	15,568	-	-	766,055	818,933	
Other payables	-	212	-	-	-	-	-	5,339	-	-	5,551	
Accrued compensated absences	-	-	-	-	-	20,252	16,911	-	-	513,526	550,689	
Judgments and claims payable	-	-	-	-	-	-	-	-	-	80,000	80,000	
Installment purchase debt	-	-	-	-	-	39,073	30,700	-	-	2,842,650	2,912,423	
Bonds payable	-	-	-	-	-	-	-	-	-	11,255,000	11,255,000	
Other postemployment benefits	-	-	-	-	-	-	-	-	-	15,044,250	15,044,250	
<b>Total liabilities</b>	<b>521,062</b>	<b>360,278</b>	<b>2,550,654</b>	<b>-</b>	<b>-</b>	<b>129,916</b>	<b>203,075</b>	<b>66,139</b>	<b>-</b>	<b>30,501,481</b>	<b>34,332,605</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>197,213</b>	<b>1,031,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,724</b>	<b>-</b>	<b>-</b>	<b>1,390,236</b>	<b>279,593</b>	<b>2,910,778</b>	
<b>OTHER CREDITS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,744,041</b>	<b>-</b>	<b>46,744,041</b>	
Investment in governmental capital assets	-	-	-	-	-	-	-	-	46,744,041	-	46,744,041	
<b>COMMITMENTS AND CONTINGENCIES</b>												
Fund balance and net position												
Net position												
Invested in capital assets, net of related debt	-	-	-	-	-	757,184	70,645	-	-	-	827,829	
Restricted	-	-	-	-	-	6,929	-	-	-	-	6,929	
Unrestricted	-	-	-	-	-	154,071	160,508	-	-	-	314,579	
Fund balance												
Nonspendable	228,290	82,941	-	-	1,498,742	-	-	-	-	-	1,809,973	
Restricted	2,723,878	1,969,017	1,701,458	20,623	-	-	-	-	-	-	6,414,976	
Committed	-	49,996	1,064,808	-	-	-	-	-	-	-	1,114,804	
Assigned	187,178	1,104,841	-	-	-	-	-	-	-	-	1,292,019	
Unassigned	7,527,670	-	(1,551,514)	-	-	-	-	-	-	-	5,976,156	
<b>Total fund balance</b>	<b>10,667,016</b>	<b>3,206,795</b>	<b>1,214,752</b>	<b>20,623</b>	<b>1,498,742</b>	<b>918,184</b>	<b>231,153</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,757,265</b>	
<b>Total liabilities, deferred inflows of resources, other credits, fund balance, and net position</b>	<b>\$ 11,385,291</b>	<b>\$ 4,598,085</b>	<b>\$ 3,765,406</b>	<b>\$ 20,623</b>	<b>\$ 1,498,742</b>	<b>\$ 1,060,824</b>	<b>\$ 434,228</b>	<b>\$ 66,139</b>	<b>\$ 48,134,277</b>	<b>\$ 30,781,074</b>	<b>\$ 101,744,689</b>	

# City of Oneonta, New York

## Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds - Regulatory Basis

	Year Ended December 31, 2015				Total (Memorandum Only)
	Governmental Fund Types			Debt Service	
	General	Special Revenue	Capital Projects		
<b>REVENUES</b>					
Real property taxes	\$ 4,563,588	\$ 414,555	\$ -	\$ -	\$ 4,978,143
Real property tax items	129,750	-	-	-	129,750
Non-property tax items	4,488,462	-	-	-	4,488,462
Departmental income	1,496,531	3,933,727	-	-	5,430,258
Intergovernmental charges	964,888	433,032	-	-	1,397,920
Use of money and property	38,354	8,327	3,227	-	49,908
Licenses and permits	64,849	-	-	-	64,849
Fines and forfeitures	256,190	-	-	-	256,190
Sale of property and compensation for loss	51,685	145,435	-	-	197,120
Miscellaneous local sources	102,971	299,370	244,000	-	646,341
State aid	2,662,750	111,051	797,516	-	3,571,317
Federal aid	33,195	408,070	342,528	-	783,793
Interfund revenues	347,000	-	-	-	347,000
Total revenues	<u>15,200,213</u>	<u>5,753,567</u>	<u>1,387,271</u>	<u>-</u>	<u>22,341,051</u>
<b>EXPENDITURES</b>					
General government support	2,746,364	135,665	208,848	-	3,090,877
Public safety	6,545,741	-	1,204,286	-	7,750,027
Health	2,500	-	-	-	2,500
Transportation	1,614,041	-	2,128,312	-	3,742,353
Economic assistance and opportunity	16,174	-	-	-	16,174
Culture and recreation	587,243	769,350	551,722	-	1,908,315
Home and community services	239,826	3,181,324	558,410	-	3,979,560
Benefits	1,102,349	168,361	-	-	1,270,710
Debt service, principal	428,994	453,928	-	-	882,922
Debt service, interest	213,242	229,160	-	-	442,402
Total expenditures	<u>13,496,474</u>	<u>4,937,788</u>	<u>4,651,578</u>	<u>-</u>	<u>23,085,840</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u><b>1,703,739</b></u>	<u><b>815,779</b></u>	<u><b>(3,264,307)</b></u>	<u><b>-</b></u>	<u><b>(744,789)</b></u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	199,916	382,780	2,212,772	-	2,795,468
Operating transfers out	(1,416,835)	(1,057,099)	(311,713)	(20,983)	(2,806,630)
Total other financing sources (uses)	<u>(1,216,919)</u>	<u>(674,319)</u>	<u>1,901,059</u>	<u>(20,983)</u>	<u>(11,162)</u>
<b>Net change in fund balance</b>	<u><b>486,820</b></u>	<u><b>141,460</b></u>	<u><b>(1,363,248)</b></u>	<u><b>(20,983)</b></u>	<u><b>(755,951)</b></u>
<b>FUND BALANCE, beginning of year</b>	<u>10,180,196</u>	<u>3,065,335</u>	<u>2,578,000</u>	<u>41,606</u>	<u>15,865,137</u>
<b>FUND BALANCE, end of year</b>	<u><b>\$ 10,667,016</b></u>	<u><b>\$ 3,206,795</b></u>	<u><b>\$ 1,214,752</b></u>	<u><b>\$ 20,623</b></u>	<u><b>\$ 15,109,186</b></u>

See accompanying Notes to Regulatory Financial Statements.



# City of Oneonta, New York

## Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds - Regulatory Basis

	Year Ended December 31, 2015		
	Public Transportation	Internal Service Central Garage	Total (Memorandum Only)
<b>OPERATING REVENUES</b>			
Charges for services	\$ 770,527	\$ 582,097	\$ 1,352,624
Other departmental income	1,768	-	1,768
State aid	881,143	-	881,143
Federal aid	1,719	-	1,719
Total operating revenues	1,655,157	582,097	2,237,254
<b>OPERATING EXPENSES</b>			
Personal services	628,938	262,423	891,361
Contractual expenses	795,356	135,410	930,766
Employee benefits	90,284	125,346	215,630
Depreciation	405,814	33,358	439,172
Total operating expenses	1,920,392	556,537	2,476,929
<b>Operating income (loss)</b>	<b>(265,235)</b>	<b>25,560</b>	<b>(239,675)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Refund of prior year expenditures	1,610	1,836	3,446
Interfund revenues	15,000	-	15,000
Sale of scrap and excess materials	-	327	327
Gain on sale/disposition of assets	-	1,400	1,400
Insurance recoveries	6,198	-	6,198
Loss on sale of assets	-	(1,154)	(1,154)
Interest expense	(1,642)	(1,290)	(2,932)
Total non-operating revenues (expenses)	21,166	1,119	22,285
<b>Income (loss) before transfers</b>	<b>(244,069)</b>	<b>26,679</b>	<b>(217,390)</b>
<b>TRANSFERS</b>			
Operating transfers in	11,162	-	11,162
<b>Change in net position</b>	<b>(232,907)</b>	<b>26,679</b>	<b>(206,228)</b>
<b>NET POSITION, <i>beginning of year as previously stated</i></b>	1,200,999	225,298	1,426,297
Effect of adoption of GASB No. 68 and No. 71	(49,908)	(20,824)	(70,732)
<b>NET POSITION, <i>beginning of year as restated</i></b>	1,151,091	204,474	1,355,565
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 918,184</b>	<b>\$ 231,153</b>	<b>\$ 1,149,337</b>

See accompanying Notes to Regulatory Financial Statements.

# City of Oneonta, New York

## Statement of Cash Flows - Proprietary Funds - Regulatory Basis

	Year Ended December 31, 2015		
	Public Transportation	Internal Service Central Garage	Total (Memorandum Only)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Cash received from providing services	\$ 811,941	\$ 582,097	\$ 1,394,038
Cash paid for contractual expenses	(793,337)	(183,874)	(977,211)
Cash paid for personal services and employee benefits	(802,152)	(427,571)	(1,229,723)
Cash received from other operating sources	1,052,745	-	1,052,745
	<b>269,197</b>	<b>(29,348)</b>	<b>239,849</b>
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES</b>			
Repayment of advances from other funds, net	(411,832)	46,632	(365,200)
Receipt of transfers from other funds	11,162	-	11,162
Receipts from other sources	22,808	2,163	24,971
	<b>(377,862)</b>	<b>48,795</b>	<b>(329,067)</b>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Increase in restricted cash	4,055	-	4,055
Purchase of fixed assets	-	(4,840)	(4,840)
Payments of debt	(18,730)	(14,717)	(33,447)
Capital grants received from other governments	300,548	-	300,548
Proceeds from sale of assets	-	1,400	1,400
Interest expense	(1,642)	(1,290)	(2,932)
	<b>284,231</b>	<b>(19,447)</b>	<b>264,784</b>
<b>Net increase in cash and cash equivalents</b>	<b>175,566</b>	<b>-</b>	<b>175,566</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>80</b>	<b>-</b>	<b>80</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 175,646</b>	<b>\$ -</b>	<b>\$ 175,646</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (265,235)	\$ 25,560	\$ (239,675)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	405,814	33,358	439,172
(Increase) decrease in			
Accounts receivable	23,753	284	24,037
Due from other governments	9,188	-	9,188
Federal and state receivables	169,883	-	169,883
Deferred outflows	(51,345)	(21,423)	(72,768)
Inventory	-	6,190	6,190
Prepaid expenses	1,213	861	2,074
Increase (decrease) in			
Accounts payable and accrued liabilities	(16,559)	(64,028)	(80,587)
Deferred inflows	(5,892)	(5,256)	(11,148)
Accrued compensated absences	(1,623)	(4,894)	(6,517)
	<b>\$ 269,197</b>	<b>\$ (29,348)</b>	<b>\$ 239,849</b>

See accompanying Notes to Regulatory Financial Statements.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies

#### *a. Organization*

The City of Oneonta, New York (City) was incorporated during 1908 in the County of Otsego. The City is governed by an elected Mayor and Common Council. During 2012, the City established the position of City Manager, who is responsible for the daily administration of the City. The City provides general government support, water and sewer services, police and fire protection, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services.

All governmental activities and functions performed for the City are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity with the exception of the Huntington Memorial Library as discussed below.

#### *b. Basis of Presentation*

The City has elected to prepare its financial statements on the regulatory basis permitted by the New York State Office of the State Comptroller (OSC) for annual reports submitted to that office. This regulatory basis varies from U.S. GAAP primarily in that under U.S. GAAP:

- Financial statements include two additional statements, the statement of net position and the statement of activities, collectively referred to as the “government-wide” financial statements which are presented on the accrual basis of accounting.
- Fund-based financial statements must be reconciled to the “government-wide” financial statements.
- Capital assets, other than land, are depreciated and reported on the “government-wide” statement of net position at net book value, and depreciation expense is allocated to the major functions on the statement of activities based on the use of the underlying assets.

#### *c. Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows at the date of the financial statements and the reported amounts of revenues, expenditures, and other financing sources (uses) during the reporting year. Actual results could differ from those estimates.

#### *d. Financial Reporting Entity*

The financial reporting entity consists of: (a) the primary government which is the City of Oneonta, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete as set forth by the Governmental Accounting Standards Board (GASB).

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *d. Financial Reporting Entity - Continued*

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in U.S. GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity is conducted within the geographic boundaries of the City and is generally available to its citizens. A third criterion used in evaluating potential component units is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities.

Based upon the application of these criteria, the Huntington Memorial Library (Library) has been included within the reporting entity as a Special Revenue Fund. This Special Revenue Fund accounts for the revenue and expenditures recognized in the operation of the Library. The Library was originally established in 1893 as the Oneonta Public Library and granted a charter by the State Board of Regents as provided in Article 5 of Education Law. The affairs of the Library were included in the legislation in 1908 that incorporated the City. Actions by the Regents of the State in 1921 and by the Legislature of the State in 1922 changed the name of the Library to the Huntington Memorial Library. The City appoints trustees; levies and collects the taxes for Library purposes; has title to the real property used by the Library; and issues all Library indebtedness which is supported by the full faith and credit of the City.

The following organizations are not part of the City and are thus excluded from the City's financial reporting entity:

#### *i. City School District of the City of Oneonta*

The School District was established by an act of the State Legislature which designated a School Board as the governing authority. Members of the School Board are elected directly by the qualified voters of the district. The School Board has responsibility for adopting budgets, levying property taxes, and hiring and firing employees. The operating, debt service, and capital expenditure budgets are financed from taxes levied by the School Board. The School District also receives substantial funds from the state and federal governments and other revenue sources.

#### *ii. The Oneonta Housing Authority*

The Oneonta Housing Authority (Authority) was created during 1967 pursuant to an act of the State Legislature, Public Housing Law, Article 13, Title 19. This act provides for the following:

- 1) The purpose of the Authority shall be to implement federal and state housing programs and to provide decent sanitary housing for families of low income.
- 2) The Authority shall be perpetual in duration, and its governing Board shall consist of seven members, five of whom are appointed for staggered five-year terms by the Mayor and two of whom are elected by the residents of the Authority's housing projects for terms of two years.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *d. Financial Reporting Entity - Continued*

##### *ii. The Oneonta Housing Authority - Continued*

Specific reasons for excluding the Authority from the City's financial reporting entity are as follows: the Authority controls employment of its personnel; the City has no influence over operations; the City has no budgetary authority; the City has no responsibility for the Authority's debt; the Authority controls fiscal management; and no part of the Authority's financing is provided by the City.

#### *e. Fund Accounting*

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Fund financial statements are subdivided into three separate categories: governmental, proprietary, and fiduciary funds. Each category, in turn, is divided into separate "fund types." Governmental funds are used primarily to account for a government's tax-supported (governmental) activities. Proprietary funds are used in connection with a government's business-type (fee-supported) activities. The first proprietary fund is the Public Transportation Fund which is an enterprise fund that the City uses to account for its public transit operations. The second proprietary fund is the Internal Service Fund which is designed to serve as a cost-allocation device. It is the role of the Internal Service Fund to accumulate the costs associated with providing a particular service (vehicle maintenance) and then to charge the various departments for the cost of those services. Fiduciary funds are used to account for government-held resources that are not available to support the government's own programs, such as employee payroll deductions.

The City accounts for the Water and Sewer operations as governmental funds, even though these funds are financed principally through user fees. This is done for budget, purchase order encumbrance, and debt service payment control purposes.

The non-current governmental assets, consisting of capital assets and deferred outflows of resources for pensions, and the non-current governmental liabilities, consisting of long-term debt and deferred inflows of resources for pensions, for the governmental funds are accounted for in two separate account groups. This is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

#### *f. Basis of Accounting and Measurement Focus*

Basis of accounting refers to when revenues, other financing sources, expenditures/expenses, and other financing uses, and the related assets, deferred outflows, liabilities, and deferred inflows are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, e.g., expenditures or expenses. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *f. Basis of Accounting and Measurement Focus - Continued*

Governmental funds are reported using a *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined. 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 City considers revenues to be available if they are collected within 120 days of the end of the current fiscal period, except for those revenues described below. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales tax, franchise taxes, grants, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. With this measurement focus, all assets and all liabilities are included on the balance sheet. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The City reports the following governmental funds:

General Fund - is the principal operating fund and includes all operations not required to be recorded in other funds.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes and the specific revenue sources continue to make up a substantial portion of the inflows reported in the fund. Also, there must be an understanding that money collected will be used for the fund's operations as stated in the charter, local law, or other document. The City's Special Revenue Funds are the:

Community Development Fund - is used to account for Community Development grants, local programs, and related activities.

Water Fund - is used to account for the provision of water services to the citizenry, funded by user fees based on water rates approved by the Common Council.

Sewer Fund - is used to account for the provision of sewer services to the citizenry, funded by user fees based on sewer rates approved by the Common Council.

Library Fund - is used to account for the operation of the public library.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### f. *Basis of Accounting, Measurement Focus* - Continued

##### Special Revenue Funds - Continued

Miscellaneous Special Revenue Fund - is used to account for restricted donations, or assigned funds authorized by Council, which benefit the government or its citizenry.

Capital Projects Fund - is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of major capital facilities/assets other than those financed by the Enterprise or Internal Service Funds.

Debt Service Fund - is used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest on general obligation long-term debt. Debt Service Funds are used when legally mandated and for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

Permanent Fund - is used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that benefit the government or its citizenry.

The City reports the following proprietary funds:

Enterprise Fund - Public Transportation - is used to account for the operation of the public transit system. The public transit system is primarily financed through state and federal aid. This would normally classify the public transit fund as a governmental fund. Since depreciation expense is an eligible cost for receiving the state and federal aid and fees are collected for use of the transit system, the City chooses to report the public transit fund as a proprietary fund.

Internal Service Fund - Central Garage - is used to account for the vehicle/equipment maintenance and repairs provided by the Central Garage to other departments. This fund is designed to serve as a cost-allocation device. The role of the Internal Service Fund is to accumulate the costs associated with providing vehicle/equipment maintenance and then charge those departments for the service of maintaining the vehicles/equipment associated with that department.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise and Internal Service Funds are charges to customers for sales and services. Operating expenses for the Enterprise and Internal Service Funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the City reports the following fund types and account groups:

Agency Fund - is a fiduciary fund used to account for money (and/or property) received and held in the capacity of trustee, custodian, or agent.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*f. Basis of Accounting, Measurement Focus - Continued*

Non-Current Governmental Asset Account Group - is used to establish accounting control for the City's capital assets (land, buildings, improvements, machinery, and equipment) used in governmental fund type operations. No depreciation is expended in the governmental funds for governmental capital assets. This fund also accounts for the deferred outflows of resources related to pensions as required by GASB 68.

Non-Current Governmental Liability Account Group - is used to establish accounting control for the City's long-term obligations payable from governmental funds which will not be liquidated from current resources. Such obligations include long-term debt, compensated absences, deferred inflows of resources related to pensions, long-term judgments and claims payable, and other postemployment benefits.

*g. Cash, Cash Equivalents, and Investments*

Cash resources of the individual funds are combined in a non-interest bearing checking account and various interest bearing demand, time deposits, and cash equivalents which are managed by the Director of Finance. Interest earned on deposits is allocated to the participating funds based on the average monthly balance in the account. Cash and cash equivalents includes amounts in demand deposits as well as short-term investments with original maturities of three months or less when purchased by the City. New York State statutes require the City to collateralize its cash deposits in excess of the Federal Deposit Insurance Corporation limits. This collateral is to be in the form of state and local government securities held in trust for and pledged to secure the City's deposits.

*h. Due to/from Other Funds and Receivables*

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds" (i.e., interfund loans).

All receivables are reported net of an allowance for uncollectibles as described in Note 4.

*i. Inventories and Prepaid Items*

Inventories are principally valued at cost using both the first-in/first-out (FIFO) and average inventory value methods.

Within the Internal Service Fund, inventories consist of material and supplies and auto accessories. The initial purchases of inventory items are recorded as assets and are charged to operating funds on an "as used" basis. Expenses are recorded in the operating fund being charged, and inventory (asset) reductions are recorded in the Internal Service Fund.

Within the governmental funds, inventories are recorded as expenditures when they are purchased rather than when consumed, except for jet and aviation fuel. The fuel inventory initial purchases are recorded as inventory and the sales margin revenue, based on average inventory, is recorded at the time of sale.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental and proprietary funds, except for items such as insurances, maintenance agreements, dues, and subscriptions.



# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *j. Restricted Cash*

Certain cash balances are restricted because their use is limited. The restricted cash is as follows:

General Fund capital reserve	\$ 1,365,056
General Fund employee benefit reserve	376,639
General Fund repair reserve	291,397
General Fund crime proceeds reserve	23,840
General Fund handicap awareness program	14,211
General Fund EMS training	16,650
General Fund restricted gift	288,500
Community development	437,602
Miscellaneous special revenue	121,636
Water Fund capital equipment reserve	128,445
Water Fund employee benefit reserve	30,896
Sewer Fund	504,495
Sewer Fund capital equipment reserve	303,781
Sewer Fund employee benefit reserve	32,040
Library Fund restricted gifts	107,869
Capital projects	3,010,547
Debt Service	20,623
Permanent	1,498,742
Public Transit Fund capital reserve	40,410
Trust and Agency	65,822
	<hr/>
Total restricted cash	<u>\$ 8,679,201</u>

#### *k. Capital Assets*

Capital assets are reported only in the proprietary funds. In the governmental funds, capital acquisition and construction costs are reflected as expenditures, and the related assets are reported in the non-current governmental asset account group. Capital assets, which include property, buildings, improvement other than buildings, machinery, and equipment are defined by the City as assets with an initial cost of \$1,000 or more. Such assets are valued at historical cost or at an estimated historical cost where no historical records exist. Donated capital assets are valued at the estimated fair value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

Public domain general fixed assets (infrastructure) consist of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, and are not capitalized, as these assets are immovable and of value only to the government.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *k. Capital Assets - Continued*

Assets in the non-current governmental asset account group are not depreciated. Depreciation of capital assets within the proprietary funds is computed using the straight-line method of depreciation during the useful lives of the related assets, as the following schedule indicates:

<u>Class</u>	<u>Life in Years</u>
Buildings	10-40
Improvements other than buildings	10-20
Machinery and equipment	3-30

Long-lived assets to be held and used are tested for recoverability whenever events of changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. There were no impairments of long-lived assets as of December 31, 2015.

#### *l. Compensated Absences*

Vesting of accumulated leave time is governed by agreements with various employee groups. For governmental funds, the current portion of leave time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the governmental fund that will pay it. The long-term portion of leave time is accrued in the non-current governmental liability account group as a non-current liability. For proprietary funds, the full liability is recognized within the fund. No liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

#### *m. Deferred Outflows/Inflows of Resources*

A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

Deferred inflows arise when resources are received by the City before it has legal claim to them, as with property taxes received in advance and when grant monies are received prior to the incurring of qualifying expenditures. In subsequent periods, when the City has a legal claim to the resources, the deferred inflow is removed from the balance sheet and revenue is recognized.

Deferred inflows in the Special Revenue Fund represent amounts to be received in future periods as principal repayment of loans to various private companies and individuals. The original sources for these loans were obtained by the City through Community Development Block Grants, the HOME Program, or local programs authorized by the Common Council. The original proceeds of the grants were recorded as revenues. Repayments of the loan principal by private companies and individuals are considered departmental income during the period received which reduces the deferred inflows.

#### *n. Long-Term Liabilities*

Long-term debt and other long-term obligations, if any, are reported as liabilities in the proprietary fund financial statements. Excess bond premiums, if any, are deposited in the Debt Service Fund and used to retire debt in the respective funds. Bond issuance costs are reported as an operating expense within the fund that incurred the bondable expense.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *n. Long-Term Liabilities - Continued*

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. The current year's debt principal and interest payments are recognized as expenditures.

#### *o. Pensions*

The City is a participating employer in both the New York State and Local Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (collectively the "System"). Employees in permanent positions are required to enroll in the System, while employees in part-time or seasonal positions have the option of enrolling. The System is a cost sharing, multiple employer, public employee defined benefit retirement system. The impact on the City's financial position and results of operations due to its participation in the System is more fully disclosed in Note 7.

#### *p. Fund Balance/Net Position*

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

*Nonspendable* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

*Restricted* - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.

*Assigned* - Amounts that are constrained only by the government's *intent* to be used for a specified purpose, as established by the Common Council, or by a designated body or official, but are not restricted or committed in any manner.

*Unassigned* - The residual amount in the General Fund after all of the other classifications have been established. In a Special Revenue Fund and Capital Projects Fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Common Council, as the highest level of decision-making authority, must take formal action, through a motion or resolution adopted at an official meeting and recorded in the minutes, to authorize or accept any nonspendable, restriction, or commitments of fund balance. In addition, New York State regulations/laws may dictate the accounting for some portion of fund balance, such as Sewer Funds, and certain restricted revenues (DARE, Crime Proceeds, EMS training, etc.). Portions of fund balance reported in the assigned category may be established either by Council approval or through the City's purchasing process. Formal actions taken by the Common Council, such as adoption of the budgets, or approval of motions/resolutions, will require the assignment of fund balance. Also, the City Charter and the City's Purchasing Policy authorize the Director of Finance to assign available funds to specific purposes as appropriate, in conformance with a uniform system of accounts formulated and prescribed by the State Comptroller.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*p. Fund Balance/Net Position - Continued*

In order to calculate the amounts to report as restricted and unrestricted 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. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: committed, assigned, and unassigned.

See Note 11 for a summary of the City's fund balance as of December 31, 2015.

The following categories are used for net position of the proprietary funds:

*Invested in Capital Assets, Net of Related Debt* - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt, including bonds and bond anticipation notes, which are attributable to the acquisition, construction, or improvement of these assets, reduce the balance in this category.

*Restricted Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of the City or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* - This category represents net position of the City not restricted for any project or other purpose.

*q. Encumbrances*

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities. Expenditures of such commitments are recorded in the period in which the liability is incurred.

The following encumbrances were included in fund balance as of December 31, 2015:

	General Fund	Capital Project Fund	Water Fund	Sewer Fund	Community Development	Miscellaneous Special Revenue	Total
<b>Assigned</b>							
General Government Support	\$ 66,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,807
Public Safety	95,727	-	-	-	-	-	95,727
Transportation	21,439	-	-	-	-	-	21,439
Culture and Recreation	2,760	-	-	-	-	100	2,860
Home and Community Services	445	-	15,475	-	119,994	-	135,914
	<u>187,178</u>	<u>-</u>	<u>15,475</u>	<u>-</u>	<u>119,994</u>	<u>100</u>	<u>322,747</u>
<b>Sewer Restricted</b>							
Home and Community Services	-	-	-	90,485	-	-	90,485
<b>Capital Projects Restricted</b>							
Airport Taxiway and Apron	-	925,076	-	-	-	-	925,076
Airport Master Plan Update	-	236,684	-	-	-	-	236,684
	<u>-</u>	<u>1,161,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,161,760</u>

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*q. Encumbrances - Continued*

	General Fund	Capital Project Fund	Water Fund	Sewer Fund	Community Development	Miscellaneous Special Revenue	Total
Capital Projects Committed							
Street Projects	-	11,400	-	-	-	-	11,400
Neahwa Park Entryway	-	96,177	-	-	-	-	96,177
Greenway Project	-	43,855	-	-	-	-	43,855
	-	151,432	-	-	-	-	151,432
Capital Projects Unassigned (Deficit)							
Street Reconstruction	-	110,708	-	-	-	-	110,708
Real Property Reassessment	-	56,981	-	-	-	-	56,981
	-	167,689	-	-	-	-	167,689
	<u>\$ 187,178</u>	<u>\$ 1,480,881</u>	<u>\$ 15,475</u>	<u>\$ 90,485</u>	<u>\$ 119,994</u>	<u>\$ 100</u>	<u>\$ 1,894,113</u>

*r. Postemployment Benefits*

In addition to providing pension benefits, the City provides health insurance coverage for retired employees and their survivors. Substantially all of the City's full-time employees may become eligible for these benefits if they retire while working for the City. Healthcare benefits are provided through an insurance company whose premiums are based on the benefits provided. The City recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the year ended December 31, 2015, \$1,318,795, including amounts contributed by participating retirees, was paid on behalf of 113 retirees and recorded as an expenditure in various funds of the City. The postemployment fringe benefit costs, including unemployment and any prior year expense, are reported as "Benefits" on the governmental funds' statement of revenues, expenditures, and changes in fund balance. The current year's fringe benefit expenses for active employees are accounted for within each department and, therefore, reported within each activity in the financial statements. Other postemployment benefits are reported in the non-current government liability account group. See Note 8 for additional disclosures required for retiree postemployment benefits other than pensions.

*s. Total Column (Memorandum Only)*

The columns on the financial statements captioned "memorandum only" indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with regulatory basis accounting practices required by the New York State Office of the State Comptroller (OSC) for annual reports submitted to that office. Such data is not comparable to a consolidation, and interfund eliminations have not been made in aggregation of this data.

*t. Adoption of New Accounting Standards*

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers regarding financial support for pensions that is provided by other entities. This statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*t. Adoption of New Accounting Standards - Continued*

GASB Statement No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68. This statement addresses an issue regarding the application of the transition provisions of Statement No. 68, *Accounting and Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

The City adopted these accounting standards as supplemented by OSC's May 2015 Accounting Bulletin *Accounting and Financial Reporting for Pensions as Required by GASB 68*, effective January 1, 2015. OSC's accounting bulletin addresses certain financial reporting requirements for those governmental organizations that report on the regulatory basis of accounting.

As a result of adopting these accounting standards and guidance, the City now reports its proportionate share of the net pension liability as determined by the State and Local Employees' Retirement System. This liability, along with deferred outflows of resources, deferred inflows of resources, and pension expense have been allocated between the governmental funds and proprietary funds using covered payroll. The adoption of GASB 68 is retroactive. Accordingly, opening net position of the proprietary funds have been restated as follows:

	Net Position December 31, 2014	Adoption of GASB 68 and 71	Restated Net Position December 31, 2014
Proprietary Funds			
Enterprise Fund	\$ 1,200,999	\$ (49,908)	\$ 1,151,091
Internal Service Fund	225,298	(20,824)	204,474
Total Proprietary Funds	\$ 1,426,297	\$ (70,732)	\$ 1,355,565

### Note 2 - Legal Compliance, Budgets

*a. Budgets*

Budgets are adopted on a basis consistent with the regulatory basis of accounting required by the New York State Office of the State Comptroller for annual reports submitted to that office. Annual appropriated budgets are adopted for the General, Special Revenue, and Debt Service Funds. Formal budgetary policies are employed for the Special Grant - Special Revenue Fund Types on a project-by-project and grant-by-grant basis, rather than an annual basis. For this reason, no budgetary comparison has been provided. A reconciliation of actual results for the Special Revenue Fund is as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance, End of Year
Total funds included in comparison	\$ 5,180,343	\$ 5,147,053	\$ 2,845,253
Funds not included in budget comparison	956,004	847,834	361,542
	\$ 6,136,347	\$ 5,994,887	\$ 3,206,795

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 2 - Legal Compliance, Budgets - Continued

#### a. Budgets - Continued

All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for all Capital Projects Funds.

The City employs the following budgetary procedures:

- i. No later than one week prior to the second regular meeting of the Common Council in November, the City Manager submits a tentative budget to the Common Council for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all governmental funds of the City except for the Special Grant Fund and Capital Projects Fund. The tentative budget also includes a five-year capital plan.
- ii. All revisions that alter the tentative budget must be approved by two-thirds vote of the Common Council.
- iii. At least one week before its first regular meeting in December, a public hearing is conducted to obtain taxpayer comments. The Common Council adopts the City budget at its first regular meeting in December by an affirmative majority vote.
- iv. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects which remain in effect for the life of the projects.
- v. Budgets are prepared for Proprietary Funds primarily to establish the estimated contributions required from other funds.
- vi. Budgeted amounts shown are as originally adopted, or as amended by the Common Council and/or the December 31, 2014 outstanding purchase orders. The 2014 outstanding purchase orders modified the 2015 adopted budget by \$83,820 for the General Fund, \$6,405 for the Water Fund, and \$19,320 for the Sewer Fund. Individual amendments were not significant in relation to the original budget except for the following amendments:

General Fund: \$342,519 contribution for the Mid-Mount Fire Truck capital project, \$89,000 for the purchase of a paver, \$50,000 for the Wilber Park Bathhouse capital project, \$73,185 for Airport capital projects, \$23,737 to use at the airport, \$9,050 for restricted donations, and \$14,000 for Street capital projects.

Water Fund: \$28,700 contribution to the Catella Well capital project, \$22,000 contribution for street projects, \$33,000 contribution to the water treatment plant improvement capital project, \$61,500 for the Water Distribution Study, \$17,000 for water tank work, \$40,000 for water main breaks, \$23,000 to replace a service pump, and \$10,800 for inspection and maintenance plans

Sewer Fund: \$300,000 for the Mill Race capital project, \$42,000 for influent gate controller replacement, \$39,500 for the Quantification & Removals study, \$15,835 for purchase of a loader, and \$15,000 for maintenance and repairs of the wastewater treatment plant.

Expenditures may not legally exceed budgeted appropriations at the activity level.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 2 - Legal Compliance, Budgets - Continued

*b. Tax Margin*

The City is legally restricted to a tax limit of 2% of the five-year average of the full taxable value of all properties within the City. As of December 31, 2015, the City had a constitutional tax margin of \$4,920,197, or 55.99% of its taxing power.

*c. Deficit Fund Balances*

Within the Capital Projects Fund, there are four projects that have a deficit fund balance as of December 31, 2015. These projects will be financed with future bonds, grant proceeds, or contributions from the General Fund.

### Note 3 - Cash and Cash Equivalents and Restricted Cash and Cash Equivalents

It is the City's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of Federal Deposit Insurance Corporation insurance. The City's pooled and non-pooled deposits are categorized to give an indication of the level of risk assumed by the City at fiscal year-end. The categories are described as follows:

Category 1 Insured or collateralized with securities held by the City or by its agent in the City's name.

Category 2 Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

Category 3 Uncollateralized.

	Bank Balance	Category			Carrying Amount
		1	2	3	
<u>Pooled Deposits</u>					
Pooled Cash and Cash Equivalents	\$ 10,638,102	\$ -	\$ 10,638,102	\$ -	\$ 10,587,052
<u>Non-Pooled Deposits</u>					
Non-pooled Cash and Cash Equivalents					
General	4,486,631	-	4,486,631	-	4,486,631
Special Revenue	437,445	-	437,445	-	437,602
Trust and Agency	10,680	-	10,680	-	-
<u>Petty Cash on Hand</u>					
General	3,400	-	3,400	-	3,400
Special Revenue	80	-	80	-	80
Enterprise	80	-	80	-	80
<b>Total cash</b>	<b>\$ 15,576,418</b>	<b>\$ -</b>	<b>\$ 15,576,418</b>	<b>\$ -</b>	<b>\$ 15,514,845</b>



# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 4 - Receivables

#### a. Due from Other Governments

*General Fund:* The General Fund receivable consists primarily of \$693,296 representing November and December 2015 sales tax distributions due from the County of Otsego.

*Special Revenue Fund:* The Special Revenue Fund receivable consists primarily of \$388,032 due from the Town of Oneonta for 2015 sewer services.

*Capital Project Fund:* The Capital Project Fund receivable consists of \$754,859 due under various grants, consisting primarily of \$237,495 for FAA airport grants, and \$500,000 due for the Dormitory Authority of the State of New York grants for the purchase of the Mid-Mount Fire Truck.

#### b. Loans Receivable, Community Development

The City has loaned monies to various companies and individuals under the United States Department of Housing and Urban Development programs, New York State Housing programs, the New York State Small Cities Community Development Block Grant programs (CDBG), and local community development projects approved by the Common Council.

A summary of loans receivable is as follows:

	December 31, 2015
Community Development Block Grants	\$ 148,587
CDBG - First Time Home Owners	278,240
NYS Housing Trust Fund - Home Program	5,946
NYS Small Cities CDBG - First Time Home Owners	365,293
Housing Visions	220,000
City Recaptured Properties	18,846
	<u>1,036,912</u>
Less allowances	<u>(400,000)</u>
	<u>\$ 636,912</u>

#### c. Other Receivables

*General Fund:* The City fire department provides ambulance service and bills based on service provided. During 2015, the City billed 2,225 calls. The balance of unpaid ambulance bills as of December 31, 2015 equaled \$311,023 and was offset by an allowance for uncollectible accounts of \$122,000. Other receivables also include franchise fees, code enforcement fees, and other miscellaneous receivables considered fully collectible at December 31, 2015, unless otherwise deferred.

*Water Fund:* The Water Fund receivable consists primarily of \$177,398 for billed water usage. This balance was offset by an allowance for uncollectible accounts of \$15,000.

*Sewer Fund:* The Sewer Fund receivable consists primarily of \$127,415 for billed sewer rents considered fully collectible at December 31, 2015.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 4 - Receivables - Continued

*c. Other Receivables - Continued*

*Proprietary Fund:* The Proprietary Fund receivable consists primarily of \$24,124 due from various clients for bus services provided through Oneonta Public Transit.

*Library Fund:* The Library Fund receivable consists of \$42,453 for an interest distribution from an endowment held at a local bank.

### Note 5 - Interfund Transactions

A summary of interfund receivables and payables reported on the governmental fund financial statements is as follows:

Fund	December 31, 2015	
	Due From Other Funds	Due To Other Funds
General	\$ 2,099,236	\$ 25,349
Special Revenue	25,349	75,000
Internal Service	-	114,867
Capital Projects	-	1,909,369
	\$ 2,124,585	\$ 2,124,585

### Note 6 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance, January 1, 2015	Additions	Retirements	Balance, December 31, 2015
Land	\$ 1,686,903	\$ -	\$ -	\$ 1,686,903
Buildings	26,094,000	575,639	-	26,669,639
Improvements	8,299,397	247,943	-	8,547,340
Machinery and equipment	15,069,315	1,655,811	(619,610)	16,105,516
Construction in progress	193,905	231,487	(58,142)	367,250
	51,343,520	2,710,880	(677,752)	53,376,648
Less accumulated depreciation	(5,354,895)	(439,171)	25,580	(5,768,486)
	\$ 45,988,625	\$ 2,271,709	\$ (652,172)	\$ 47,608,162

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 6 - Capital Assets - Continued

A summary of capital assets by reporting unit is as follows:

	Governmental	Public Transportation	Internal Service	Total
Land	\$ 1,675,653	\$ 5,963	\$ 5,287	\$ 1,686,903
Buildings	24,715,672	1,750,035	203,932	26,669,639
Improvements	8,347,125	128,669	71,546	8,547,340
Machinery and equipment	11,638,341	4,162,825	304,350	16,105,516
Construction in progress	367,250	-	-	367,250
	<u>46,744,041</u>	<u>6,047,492</u>	<u>585,115</u>	<u>53,376,648</u>
Less accumulated depreciation				
Building	-	(1,499,725)	(175,077)	(1,674,802)
Improvements	-	(101,352)	(50,082)	(151,434)
Machinery and equipment	-	(3,683,640)	(258,610)	(3,942,250)
	<u>-</u>	<u>(5,284,717)</u>	<u>(483,769)</u>	<u>(5,768,486)</u>
	<u>\$ 46,744,041</u>	<u>\$ 762,775</u>	<u>\$ 101,346</u>	<u>\$ 47,608,162</u>

### Note 7 - Retirement Systems

The City participates in the New York State and Local Employee's Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The net position of the System is held in the New York State Common Retirement Fund (Fund), which was established to hold all net 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. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The City also participates in the Public Employees' Group Life Insurance Plan (GLIP) which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### *Benefits Provided*

The System provides retirement benefits as well as death and disability benefits. Benefits are pursuant to the membership Plan; Tier 1 through 6 and Special Plans. The System also provides Ordinary Disability Benefits, Accidental Disability Benefits, Ordinary Death Benefits, and Post-Retirement Benefit Increases. Detail of eligibility and benefit calculation may be found at [www.osc.state.ny.us](http://www.osc.state.ny.us).

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 7 - Retirement Systems - Continued

#### *Contributions*

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. The average contribution rate for ERS and PFRS for the fiscal year ended March 31, 2015 was approximately 20.1% and 27.6% of payroll, respectively. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	<u>ERS</u>	<u>PFRS</u>
2015	\$ 596,230	\$ 844,508
2014	679,199	873,268
2013	663,577	956,054

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

At December 31, 2015, the City reported a liability of \$766,055 in the Non-current Governmental Account Group, \$37,310 in the Enterprise Fund, and \$15,568 in the Internal Service Fund for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2015, the City's proportion was .0127349% in the Employee Retirement System and .1223603% in the Police and Fire Retirement System. The Huntington Memorial Library proportion was .0015365% in the Employee Retirement System.

For the year ended December 31, 2015, the City recognized pension expense of \$1,385,132 in the governmental funds and \$7,329 in the proprietary funds. The City recognizes pension expense, per fund/department/employee, on a biweekly process via the payroll system. The total year-end expense is adjusted for prior year adjustments presented on the annual billing received from the System. At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 7 - Retirement Systems - Continued

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued*

	Governmental Funds	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 54,358	\$ -
Net differences between projected and actual investment earnings on pension plan investments	187,633	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	14,055	279,593
City contributions subsequent to the measurement date	1,134,190	-
Total	\$ 1,390,236	\$ 279,593
	Proprietary Funds	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,693	\$ -
Net differences between projected and actual investment earnings on pension plan investments	9,184	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,970	-
City contributions subsequent to the measurement date	59,921	-
Total	\$ 72,768	\$ -

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

	Governmental Funds	Proprietary Funds	Total
Year ending December 31,			
2016	\$ 4,497	\$ 3,212	\$ 7,709
2017	4,497	3,212	7,709
2018	4,497	3,212	7,709
2019	4,497	3,211	7,708
2020	(41,535)	-	(41,535)
Total	\$ (23,547)	\$ 12,847	\$ (10,700)

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 7 - Retirement Systems - Continued

#### *Actuarial Assumptions*

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. Significant actuarial assumptions used in the valuation were as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.7 percent
Salary Scale	
ERS	4.9 percent, indexed by service
PFRS	6.0 percent, indexed by service
Investment rate of return, including inflation	7.5 percent compounded annually, net of expenses
Decrement	Developed from the Plan's 2010 experience study of the period April 1, 2005 through March 31, 2010
Mortality improvement	Society of Actuaries Scale MP-2014

Annuitant mortality rates are based on April 1, 2005 to March 31, 2011 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015, valuation are based on the results of an actuarial experience study for the period April 1, 2005 to March 31, 2010.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected 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 the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015 are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	38.00%	7.30%
International equity	13.00%	8.55%
Private equity	10.00%	11.00%
Real estate	8.00%	8.25%
Absolute return strategies	3.00%	6.75%
Opportunistic portfolio	3.00%	8.60%
Real assets	3.00%	8.65%
Bonds and mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation-Indexed bonds	2.00%	4.00%
	<u>100.00%</u>	

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 7 - Retirement Systems - Continued

#### *Discount Rate*

The discount rate used to calculate the total pension liability 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 following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

ERS	1% Decrease (6.5%)	Current Discount (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability (asset)	<u>\$ 3,213,572</u>	<u>\$ 482,125</u>	<u>\$ (1,823,893)</u>
Governmental Funds	\$ 2,861,117	\$ 429,247	\$ (1,623,854)
Proprietary Funds	<u>352,455</u>	<u>52,878</u>	<u>(200,039)</u>
Total City's proportionate share	<u>\$ 3,213,572</u>	<u>\$ 482,125</u>	<u>\$ (1,823,893)</u>
PFRS	1% Increase (8.5%)	Current Discount (7.5%)	1% Increase (8.5%)
City's proportionate share of the net pension liability			
Governmental Funds	<u>\$ 4,484,427</u>	<u>\$ 336,808</u>	<u>\$ (3,139,146)</u>

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 7 - Retirement Systems - Continued

#### *Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the employers as of March 31, 2015 were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 164,591,504	\$ 28,474,417	\$ 193,065,921
Plan net position	(161,213,259)	(28,199,157)	(189,412,416)
Employers' net pension liability	\$ 3,378,245	\$ 275,260	\$ 3,653,505
Ratio of plan net position to the employers' total pension liability	97.9%	99.0%	98.1%

### Note 8 - Postemployment Benefits Other Than Pensions

*Plan Description* - The City administers a single-employer defined benefit healthcare plan (the Plan). The Plan provides for continuation of medical insurance benefits for certain retirees and their families and can be amended by action of the City subject to applicable collective bargaining and employment agreements. Employees covered include the employees of the Civil Service Employees Association, Police Benevolent Association, Firefighters, Sergeant's Association, non-union administration, and non-represented employees. The Plan is open to new entrants. The Plan is subject to good faith collective bargaining between the City and these covered employees. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

*Funding Policy* - The obligations of the Plan members, employers, and other entities are established by action of the City pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. The employer currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the City. For the year ended December 31, 2015, the City's expected contribution to the Plan was \$1,681,834. Some Plan members receiving benefits contribute a percent of their premium costs. Total member contributions were \$191,960 for the year ended December 31, 2015.

*Annual OPEB Cost and Net OPEB Obligation* - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount expected to be contributed to the Plan, and changes in the City's net OPEB obligation to the Plan:

Annual required contribution and OPEB expense	\$ 4,030,814
Contributions made (estimated) (actual was \$1,318,795)	(1,681,834)
Increase in net OPEB obligation	2,348,980
Net OPEB obligation, <i>beginning of year</i>	12,695,270
Net OPEB obligation, <i>end of year</i>	\$ 15,044,250



# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 8 - Postemployment Benefits Other Than Pensions - Continued

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years ended December 31, 2015, 2014, and 2013, was as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2105	\$ 4,030,814	41.72%	\$ 15,044,250
12/31/2014	3,425,337	48.90%	12,695,270
12/31/2013	3,401,314	39.90%	10,944,933

*Funded Status and Funding Progress.* As of December 31, 2015, the actuarial accrued liability for benefits was \$49,896,532, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$7,116,133, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 701.17%.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as supplementary information at the end of this footnote, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

The following simplifying assumptions were made:

*Retirement Age for Active Employees* - Based on the historical average retirement age for the covered group according to the New York State Retirement System schedule, active CSEA and Administration plan members were assumed to retire from age fifty-five to seventy. PBA, Sergeants, and Firefighter plan members are assumed to retire with a range of twenty to forty nine years of service.

*Marital Status* - 80% of employees were assumed married. Females are assumed to be three years younger than males. Actual spouse coverage information was used for retirees where available.

*Mortality* - The sex-distinct RP-2014 Mortality Table for employees and healthy annuitants, adjusted backwards to 2006 with Scale MP-2014, and then adjusted for mortality improvements with Scale MP-2015 mortality improvement scale on a generational basis. The mortality assumption has been revised as of January 1, 2015 in order to reflect the continued improvement in mortality rates. The revised assumption resulted in an increase in liabilities.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 8 - Postemployment Benefits Other Than Pensions - Continued

*Turnover* - Employees are assumed to withdraw in accordance with the rates based on the 2010 New York State pension valuation. The City's experience is not expected to deviate significantly from this experience.

*Election Percentage* - It is assumed that all active employees will elect medical and prescription coverage upon retirement, if eligible. Actual elections for current retirees are used.

*Healthcare Cost Trend Rate* - The expected rate of increase in healthcare insurance premiums is assumed as follows::

<u>Year</u>	<u>Pre-65 Medical</u>	<u>Post-65 Medical</u>	<u>Prescription Drug</u>
2015	8.000%	7.000%	9.000%
2016	7.750%	6.750%	8.500%
2017	7.500%	6.500%	8.000%
2018	7.250%	6.250%	7.500%
2019	7.000%	6.000%	7.000%
2020	6.723%	5.890%	6.723%
2021	6.447%	5.780%	6.447%
2022	6.170%	5.670%	6.170%
2023	5.894%	5.560%	5.894%
2024	5.617%	5.450%	5.617%
2025	5.340%	5.340%	5.340%
2035	5.340%	5.340%	5.340%
2045	4.923%	4.923%	4.923%
2055	4.717%	4.717%	4.717%
2065	4.579%	4.579%	4.579%
2075+	3.886%	3.886%	3.886%

The annual rate of increase in health care costs was revised to better reflect future expectations, including updating long-term rates based on the Society of Actuaries Long-Term Healthcare Cost Trends Model (the Getzen Model). A review of published National trend survey data in relation to retire health plan offerings was the basis for this change. The assumption was revised as of January 1, 2015, and it resulted in an increase liabilities.

*Annual Rate of Increase in the Consumer Price Index (CPI)*: CPI of 2.25% was assumed for purposes of determining future increases in limits corresponding to the excise tax of the Affordable Care Act on high cost employer-sponsored health plans. This assumption is consistent with historical CPI data as well as future expectations.

*Health Insurance Premiums* - 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Payroll Growth Rate* - No salary increases were assumed since benefits are not based on compensation.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 8 - Postemployment Benefits Other Than Pensions - Continued

#### Payroll Growth Rate - Continued

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 4% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over a thirty-year period.

#### Schedule of Funding Progress for the Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)	Unfunded AAL (UAAL) (b/a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b/a)/c)
12/31/2015	\$ -	\$ 49,896,532	\$ 49,896,532	0.00%	\$ 7,116,133	701.17%
12/31/2014	-	42,402,728	42,402,728	0.00%	6,754,195	627.80%
12/31/2013	-	39,847,906	39,847,906	0.00%	6,687,511	595.86%

### Note 9 - Indebtedness

A summary of the changes in the City's indebtedness is as follows:

	Year Ended December 31, 2015				
	Bonds	Installment Purchase Debt	Compensated Absences	Judgments and Claims Payable	Total
Payable, <i>beginning of year</i>	\$ 11,970,000	\$ 3,113,791	\$ 578,115	\$ 100,000	\$ 15,761,906
Additions	-	-	-	-	-
Retirements	(715,000)	(201,368)	(27,426)	(20,000)	(963,794)
Payable, <i>end of year</i>	<u>\$ 11,255,000</u>	<u>\$ 2,912,423</u>	<u>\$ 550,689</u>	<u>\$ 80,000</u>	<u>\$ 14,798,112</u>

A summary of the City's indebtedness under bonds payable, by fund, is as follows:

Description	Issue Date	Original Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2015
<b>General Fund</b>					
Streets/Parking Garage	Mar-05	\$ 2,410,000	4-4.125%	Mar-22	\$ 1,200,000
Recreation/Equipment/Street	May-08	1,271,000	4-4.125%	May-28	937,000
Streets/Equipment	May-10	1,080,000	3.75-4.0%	May-30	902,000
Streets/Parking Lot/Garage	Feb-13	2,370,284	2.125-3.0%	Feb-32	<u>2,190,000</u>
Total General Fund					<u>5,229,000</u>

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 9 - Indebtedness - Continued

Description	Issue Date	Original Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2015
<u>Water Fund</u>					
Water Distribution/Plant	May-08	495,000	4-4.125%	May-28	366,000
Water Distribution	May-10	100,000	3.75-4.0%	May-30	83,500
Water Distribution/Mixers/MIOX	Feb-13	1,546,530	2.125-3.0%	Feb-32	1,433,000
Water Distribution	Jul-13	480,000	3.34-4.45%	Jan-22	385,000
Total Water Fund					2,267,500
<u>Sewer Fund</u>					
Sanitary Sewers	May-08	220,000	4-4.125%	May-28	162,000
Wastewater Treatment/ Sanitary Sewers	May-10	1,425,000	3.75-4.0%	May-30	1,189,500
Wastewater Treatment	Nov-12	1,145,000	5.37-6.18%	May-24	900,000
Sanitary/Barscreen/Digester	Feb-13	1,628,186	2.125-3.0%	Feb-32	1,507,000
Total Sewer Fund					3,758,500
Total Governmental Funds					\$ 11,255,000

Aggregate annual debt service of bonds payable is as follows:

<u>Governmental Funds</u>	<u>Principal</u>	<u>Interest</u>
For the year ending December 31,		
2016	\$ 725,000	\$ 335,181
2017	750,000	312,228
2018	780,000	288,294
2019	805,000	263,790
2020	835,000	237,887
2021 through 2025	3,685,000	831,320
2026 through 2030	2,950,000	347,425
2031 through 2032	725,000	21,825
	\$ 11,255,000	\$ 2,637,950

The following bond issues were authorized by the Common Council but unissued as of December 31, 2015:

<u>Resolution Date</u>	<u>Amount Authorized</u>	<u>Purpose</u>
March 18, 2014	\$ 225,000	Wilber Park Lower Pedestrian Bridge
March 18, 2014	675,000	Street Reconstruction
July 15, 2014	500,000	Street Reconstruction
August 4, 2015	700,000	Street Reconstruction

At December 31, 2015, the legal debt limit for the City was \$30,755,830, and the debt margin was \$22,668,330.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 9 - Indebtedness - Continued

All significant bond covenants have been complied with.

During 2012, the City entered into a long-term installment purchase contract for \$3,500,000 to fund various energy performance improvements. A summary of the City's indebtedness under installment purchase debt payable, by fund, is as follows:

Description	Issue Date	Original Amount	Interest Rate	Final Maturity Date	Principal Balance December 31, 2015
<u>General Fund</u>					
Weatherization and energy efficiency improvements	Jul-12	\$ 1,249,150	2.84%	Jul-27	\$ 1,012,818
<u>Water Fund</u>					
Weatherization and energy efficiency improvements	Jul-12	1,842,378	2.84%	Jul-27	1,624,904
<u>Sewer Fund</u>					
Weatherization and energy efficiency improvements	Jul-12	<u>241,102</u>	2.84%	Jul-27	<u>204,928</u>
Total Governmental Funds		<u>\$ 3,332,630</u>			<u>\$ 2,842,650</u>
<u>Public Transportation</u>					
Weatherization and energy efficiency improvements	Jul-12	\$ 93,727	2.84%	Jul-27	\$ 39,073
<u>Internal Service Central Garage</u>					
Weatherization and energy efficiency improvements	Jul-12	<u>73,643</u>	2.84%	Jul-27	<u>30,700</u>
Total Proprietary Funds		<u>\$ 167,370</u>			<u>\$ 69,773</u>

Aggregate annual debt service of installment purchase debt payable is as follows:

	Principal	Interest
For the year ending December 31,		
2016	\$ 207,088	\$ 82,713
2017	212,973	76,828
2018	219,017	70,783
2019	225,237	64,563
2020	231,634	58,166
2021 through 2025	1,260,662	188,341
2026 through 2027	<u>555,812</u>	<u>23,789</u>
	<u>\$ 2,912,423</u>	<u>\$ 565,183</u>

### Note 10 - Deferred Compensation Plan

The employees of the City may elect to participate in the New York State Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 11 - Fund Balance

A summary of the City's fund balance as of December 31, 2015, is as follows:

	General Fund	Capital Projects	Water Fund	Sewer Fund	Library Fund	Community Development Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Permanent Fund	Total (Memorandum Only)
<b>Nonspendable</b>										
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,498,742	\$ 1,498,742
Inventory	22,645	-	-	-	-	-	-	-	-	22,645
Prepaid expenses	205,645	-	59,097	4,933	18,911	-	-	-	-	288,586
Total nonspendable fund balance	<u>228,290</u>	<u>-</u>	<u>59,097</u>	<u>4,933</u>	<u>18,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,498,742</u>	<u>1,809,973</u>
<b>Restricted</b>										
Bonded debt	-	-	-	-	-	-	-	20,623	-	20,623
Capital	1,365,055	60,478	128,445	303,781	-	-	-	-	-	1,857,759
Capital, library	-	1,640,980	-	-	-	-	-	-	-	1,640,980
Crime proceeds	23,840	-	-	-	-	-	-	-	-	23,840
DBL awareness	14,211	-	-	-	-	-	-	-	-	14,211
Employee benefits	376,639	-	30,896	32,040	-	-	-	-	-	439,575
EMS education	16,650	-	-	-	-	-	-	-	-	16,650
Grant programs	-	-	-	-	-	311,546	-	-	-	311,546
Repairs	291,398	-	-	-	-	-	-	-	-	291,398
Restricted gifts	288,500	-	-	-	107,869	-	121,326	-	-	517,695
Sewer Fund	-	-	-	933,114	-	-	-	-	-	933,114
Special recreation facility	347,585	-	-	-	-	-	-	-	-	347,585
Total restricted fund balance	<u>2,723,878</u>	<u>1,701,458</u>	<u>159,341</u>	<u>1,268,935</u>	<u>107,869</u>	<u>311,546</u>	<u>121,326</u>	<u>20,623</u>	<u>-</u>	<u>6,414,976</u>
<b>Committed</b>										
Capital projects	-	576,242	-	-	-	-	-	-	-	576,242
Capital project, library	-	488,566	-	-	-	-	-	-	-	488,566
Local grant program	-	-	-	-	-	49,996	-	-	-	49,996
Total committed fund balance	<u>-</u>	<u>1,064,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,114,804</u>
<b>Assigned</b>										
Appropriated assigned	-	-	-	-	104,380	-	40,020	-	-	144,400
Community landscaping program	-	-	-	-	-	-	129,500	-	-	129,500
Encumbrances	187,178	-	-	-	-	-	-	-	-	187,178
Greenway project	-	-	-	-	-	-	18,645	-	-	18,645
Unappropriated	-	-	568,156	-	244,140	-	-	-	-	812,296
Total assigned fund balance	<u>187,178</u>	<u>-</u>	<u>568,156</u>	<u>-</u>	<u>348,520</u>	<u>-</u>	<u>188,165</u>	<u>-</u>	<u>-</u>	<u>1,292,019</u>
<b>Unassigned</b>										
Capital projects	-	(1,551,514)	-	-	-	-	-	-	-	(1,551,514)
Unrestricted fund balance	7,527,670	-	-	-	-	-	-	-	-	7,527,670
Total unrestricted fund balance	<u>7,527,670</u>	<u>(1,551,514)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,976,156</u>
Total fund balance	<u>\$ 10,667,016</u>	<u>\$ 1,214,752</u>	<u>\$ 786,594</u>	<u>\$ 1,273,868</u>	<u>\$ 475,300</u>	<u>\$ 361,542</u>	<u>\$ 309,491</u>	<u>\$ 20,623</u>	<u>\$ 1,498,742</u>	<u>\$ 16,607,928</u>

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 12 - Property Taxes

The City's property taxes are levied annually on or before December 31 of each year for the ensuing calendar year commencing on January 1. Real property values upon which taxes are levied are established as of July 1 of each year. Taxes for City and Library purposes are levied with the County of Otsego taxes as a single tax bill that is due and payable on January 1 and becomes delinquent on February 1. Pursuant to an intermunicipal agreement with the County of Otsego, the City collects taxes during the four-month collection period from January 1 through April 30. The first monies received are used to satisfy the total tax levies of the City and the Library; moneys received in excess to satisfy these levies are remitted to the County. In the event insufficient moneys are received to satisfy the City and Library levies, the County pays the City and Library an amount necessary to satisfy the balance of their levies. At the end of the four-month collection period, all unpaid taxes are returned to the County of Otsego for enforcement.

For the year ended December 31, 2015, the tax rates were as follows:

City	\$ 14.5019 per thousand of assessed value
Library	\$ 1.2914 per thousand of assessed value

### Note 13 - Commitments and Contingencies

#### *a. Leases*

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the City's account groups. Currently, the City is not obligated under any lease agreement with a term extending beyond December 31, 2015, except for the lease agreement for rental of a tractor for the Oneonta Airport totaling \$46,004 through May 2018 and the lease agreement for rental of real property for Oneonta Public Transit totaling \$54,756 through the year 2017.

Total rent expenditures for all operating leases, except those with terms of a month or less, were \$76,035 for the year ended December 31, 2015. Total rent expenditures, including those with terms of a month or less (primarily short-term rental of public works equipment) were \$125,055 for the year ended December 31, 2015.

#### *b. Grants*

Grants received by the City are subject to audit by certain agencies of New York State and the federal government. Such audits could possibly result in disallowances and a request for return of funds. The City's administration believes disallowances, if any, will be immaterial.

#### *c. Litigation*

There is a pending action in New York State Supreme Court against the City alleging the violation of the constitutional rights of an individual. The City believes that there is no merit to this action, and it is being vigorously defended by the City through its insurance carrier. However remote, if any damages were ultimately awarded to the plaintiffs that are attributed to the City and arising from the portion of this lawsuit alleging the violation of constitutional rights, those damages would not be covered by the City's insurance policy and would have to be paid from general funds.

There are no other pending claims which would have any significant financial impact on the City.

# City of Oneonta, New York

## Notes to Regulatory Financial Statements December 31, 2015

### Note 14 - Subsequent Events

The City has evaluated subsequent events for potential recognition or disclosure through August 29, 2016, the date the financial statements were available to be issued.

On February 2, 2016, the City authorized a \$1,400,000 bond resolution to fund the replacement of the water supply line in and for the City of Oneonta.

On February 2, 2016, the City authorized an agreement to provide fire protection services to the Town of Oneonta Fire District for the period of January 1, 2016 through December 31, 2018. Annual payments of \$1,030,000, \$1,050,000, and \$1,100,000, respectively, will be made to the City by the Town.

On June 7, 2016, the City authorized an agreement with the State of New York which provides grant funds of \$3,623,873 for capital equipment purchases for the Oneonta Transit System. The purchases may include buses, support vehicles, mobile fare collection equipment, passenger shelters, surveillance/security equipment, and shop equipment. The estimated local share of \$402,652 is committed from the general fund.

On July 19, 2016, the City was notified that it was selected by the State of New York to receive a \$10 million award for the Downtown Revitalization Initiative (DRI). The notification stated, "Governor Cuomo established the DRI to transform neighborhoods across the state into vibrant communities where the next generation of New Yorkers will want to live and work." The first phase of the DRI involves drafting of a Strategic Investment Plan that will expand upon the City's proposal to build the community's vision for revitalization and identify specific projects to be funded from the \$10 million award. Details of the City's DRI application can be found at:

[www.oneonta.ny.us/city/government/authentically-oneonta/](http://www.oneonta.ny.us/city/government/authentically-oneonta/)

### Note 15 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72). GASB 72 defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information should be disclosed in the notes to the financial statements. The provisions of GASB 72 are effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. GASB 75 establishes financial reporting standards for other postemployment benefits ("OPEB") plans for state and local governments. This standard replaces the requirements of GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended. The statement establishes standards for recognizing and measuring liabilities, deferred inflows and outflows of resources, and expense/expenditures, as well as identifying the methods and assumptions required to project benefit payments, discount projected benefit payments, to their actuarial present value, and attribute that present value to periods of employee service. Additionally, GASB 75 lays out requirements for additional note disclosures and required supplementary information. These requirements are effective for fiscal years beginning after June 15, 2017.

Management has not estimated the extent of potential impact of these statements on the City's financial statements.



## City of Oneonta, New York

### Supplementary Information - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund - Regulatory Basis

	Year Ended December 31, 2015					
	2015 Adopted Budget	2015 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2015 Actual	Variance With Actual vs. Modified Positive (Negative)	2016 Adopted Budget
<b>REVENUES</b>						
Real property taxes	\$ 4,563,588	\$ 4,563,588	\$ -	\$ 4,563,588	\$ -	\$ 4,595,050
Real property tax items	124,925	124,925	-	129,750	4,825	127,590
Non-property tax items	4,537,750	4,537,750	-	4,488,462	(49,288)	4,533,313
Departmental income	1,306,550	1,354,800	48,250	1,496,531	141,731	1,359,000
Intergovernmental charges	1,001,000	1,001,000	-	964,888	(36,112)	1,221,000
Use of money and property	35,200	35,200	-	38,354	3,154	32,200
Licenses and permits	59,400	59,400	-	64,849	5,449	52,800
Fines and forfeitures	250,000	250,000	-	256,190	6,190	270,000
Sale of property and compensation for loss	16,500	16,500	-	51,685	35,185	16,500
Miscellaneous local sources	32,000	32,000	-	102,971	70,971	72,500
Interfund revenues	361,500	361,500	-	347,000	(14,500)	361,500
State aid	2,429,097	2,679,097	250,000	2,662,750	(16,347)	2,384,597
Federal aid	-	100,000	100,000	33,195	(66,805)	-
Interfund transfers	-	-	-	199,916	199,916	-
Total revenues	<u>14,717,510</u>	<u>15,115,760</u>	<u>398,250</u>	<u>15,400,129</u>	<u>284,369</u>	<u>15,026,050</u>
<b>EXPENDITURES</b>						
General government support	2,899,362	2,939,710	(40,348)	2,746,364	193,346	2,865,825
Public safety	6,741,720	6,936,301	(194,581)	6,545,741	390,560	7,577,380
Public health	2,750	2,750	-	2,500	250	2,750
Transportation	1,888,475	1,791,335	97,140	1,614,041	177,294	1,605,717
Economic assistance and opportunity	4,150	23,475	(19,325)	16,174	7,301	3,750
Culture and recreation	733,835	736,451	(2,616)	587,243	149,208	596,215
Home and community services	306,900	308,875	(1,975)	239,826	69,049	331,775
Benefits	1,197,500	1,116,652	80,848	1,102,349	14,303	1,204,500
Debt service, principal	429,000	429,000	-	428,994	6	439,300
Debt service, interest	213,300	213,300	-	213,242	58	199,000
Interfund transfers	638,972	1,641,676	(1,002,704)	1,416,835	224,841	594,838
Total expenditures	<u>15,055,964</u>	<u>16,139,525</u>	<u>(1,083,561)</u>	<u>14,913,309</u>	<u>1,226,216</u>	<u>15,421,050</u>
Excess (deficiency) of revenues over expenditures	<b>(338,454)</b>	<b>(1,023,765)</b>	<b>(685,311)</b>	<b>486,820</b>	<b>1,510,585</b>	<b>(395,000)</b>
<b>FUND BALANCE, beginning of year</b>	<u>10,180,196</u>	<u>10,180,196</u>	<u>-</u>	<u>10,180,196</u>	<u>-</u>	<u>10,667,016</u>
<b>FUND BALANCE, end of year</b>	<u><b>\$ 9,841,742</b></u>	<u><b>\$ 9,156,431</b></u>	<u><b>\$ (685,311)</b></u>	<u><b>\$ 10,667,016</b></u>	<u><b>\$ 1,510,585</b></u>	<u><b>\$ 9,193,827</b></u>

See Independent Auditor's Report.

## City of Oneonta, New York

### Supplementary Information - Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Combined Special Revenue Funds - Regulatory Basis

Combined Special Revenue Fund Types (Excluding Community Development Fund - Note 2)	Year Ended December 31, 2015					
	2015	2015	Difference	Variance With		2016
	Adopted Budget	Modified Budget	vs. Modified Positive (Negative)	2015 Actual	vs. Modified Positive (Negative)	Adopted Budget
<b>REVENUES</b>						
Real property taxes	\$ 414,555	\$ 414,555	\$ -	\$ 414,555	\$ -	\$ 417,581
Departmental income	3,560,500	3,560,500	-	3,836,020	275,520	3,875,325
Intergovernmental charges	297,000	297,000	-	433,032	136,032	300,000
Use of money and property	5,725	5,725	-	8,308	2,583	6,200
Sale of property and compensation for loss	113,000	113,000	-	145,435	32,435	113,000
Miscellaneous local sources	166,825	190,339	23,514	299,370	109,031	199,070
State aid	4,000	4,000	-	4,843	843	4,500
Interfund transfers	-	-	-	38,780	38,780	-
<b>Total revenues</b>	<b>4,561,605</b>	<b>4,585,119</b>	<b>23,514</b>	<b>5,180,343</b>	<b>595,224</b>	<b>4,915,676</b>
<b>EXPENDITURES</b>						
General government support	190,000	139,842	50,158	135,665	4,177	257,650
Culture and recreation	784,220	831,734	(47,514)	769,350	62,384	800,851
Home and community services	2,592,713	3,114,769	(522,056)	2,891,560	223,209	2,852,417
Benefits	184,300	177,262	7,038	168,361	8,901	205,500
Debt service, principal	453,940	453,940	-	453,928	12	458,500
Debt service, interest	229,275	229,275	-	229,160	115	217,200
Interfund transfers	300,772	527,472	(226,700)	499,029	28,443	277,508
<b>Total expenditures</b>	<b>4,735,220</b>	<b>5,474,294</b>	<b>(739,074)</b>	<b>5,147,053</b>	<b>327,241</b>	<b>5,069,626</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(173,615)</b>	<b>(889,175)</b>	<b>(715,560)</b>	<b>33,290</b>	<b>922,465</b>	<b>(153,950)</b>
<b>FUND BALANCE, beginning of year</b>	<b>2,811,963</b>	<b>2,811,963</b>	<b>-</b>	<b>2,811,963</b>	<b>-</b>	<b>2,845,253</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 2,638,348</b>	<b>\$ 1,922,788</b>	<b>\$ (715,560)</b>	<b>\$ 2,845,253</b>	<b>\$ 922,465</b>	<b>\$ 2,691,303</b>

See Independent Auditor's Report.

## City of Oneonta, New York

### Supplementary Information - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Miscellaneous Special Revenue Fund - Regulatory Basis

	Year Ended December 31, 2015					2016 Adopted Budget
	2015 Adopted Budget	2015 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2015 Actual	Variance With Actual vs. Modified Positive (Negative)	
<b>REVENUES</b>						
Use of money and property	\$ 1,525	\$ 1,525	\$ -	\$ 2,436	\$ 911	\$ 2,200
Sale of property and compensation for loss	-	-	-	33,142	33,142	-
Miscellaneous local sources	9,325	9,325	-	17,478	8,153	11,500
Total revenues	10,850	10,850	-	53,056	42,206	13,700
<b>EXPENDITURES</b>						
Culture and recreation	22,620	22,620	-	16,067	6,553	23,270
Home and community services	40,000	57,500	(17,500)	63,782	(6,282)	40,000
Total expenditures	62,620	80,120	(17,500)	79,849	271	63,270
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(51,770)</b>	<b>(69,270)</b>	<b>(17,500)</b>	<b>(26,793)</b>	<b>42,477</b>	<b>(49,570)</b>
<b>FUND BALANCE, beginning of year</b>	336,284	336,284	-	336,284	-	309,491
<b>FUND BALANCE, end of year</b>	<b>\$ 284,514</b>	<b>\$ 267,014</b>	<b>\$ (17,500)</b>	<b>\$ 309,491</b>	<b>\$ 42,477</b>	<b>\$ 259,921</b>

## City of Oneonta, New York

### Supplementary Information - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund - Regulatory Basis

	Year Ended December 31, 2015					
	2015 Adopted Budget	2015 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2015 Actual	Variance With Actual vs. Modified Positive (Negative)	
<b>REVENUES</b>						
Departmental income	\$ 1,884,500	\$ 1,884,500	\$ -	\$ 2,030,167	\$ 145,667	\$ 2,093,275
Use of money and property	500	500	-	790	290	500
Sale of property and compensation for loss	-	-	-	1,724	1,724	-
Miscellaneous local sources	-	-	-	2,123	2,123	-
Interfund transfers	-	-	-	21,597	21,597	-
Total revenues	<u>1,885,000</u>	<u>1,885,000</u>	<u>-</u>	<u>2,056,401</u>	<u>171,401</u>	<u>2,093,775</u>
<b>EXPENDITURES</b>						
General government support	121,000	95,842	25,158	95,166	676	138,000
Water administration	278,400	340,458	(62,058)	315,332	25,126	248,500
Source of supply, wells	19,500	16,125	3,375	16,117	8	14,000
Source of supply, dams	1,300	14,280	(12,980)	11,355	2,925	800
Purification	640,725	689,450	(48,725)	673,793	15,657	749,100
Laboratory	55,500	37,500	18,000	31,840	5,660	56,300
Transmission and distribution	267,150	389,463	(122,313)	373,265	16,198	361,475
Benefits	77,800	74,962	2,838	72,961	2,001	96,000
Debt service, principal	217,540	217,540	-	217,531	9	219,700
Debt service, interest	110,575	110,575	-	110,502	73	104,900
Interfund transfers	95,510	141,210	(45,700)	140,915	295	105,000
Total expenditures	<u>1,885,000</u>	<u>2,127,405</u>	<u>(242,405)</u>	<u>2,058,777</u>	<u>68,628</u>	<u>2,093,775</u>
Excess (deficiency) of revenues over expenditures	-	(242,405)	(242,405)	(2,376)	240,029	-
<b>FUND BALANCE, beginning of year</b>	<u>788,970</u>	<u>788,970</u>	<u>-</u>	<u>788,970</u>	<u>-</u>	<u>786,594</u>
<b>FUND BALANCE, end of year</b>	<u><b>\$ 788,970</b></u>	<u><b>\$ 546,565</b></u>	<u><b>\$ (242,405)</b></u>	<u><b>\$ 786,594</b></u>	<u><b>\$ 240,029</b></u>	<u><b>\$ 786,594</b></u>

See Independent Auditor's Report.

## City of Oneonta, New York

### Supplementary Information - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Fund - Regulatory Basis

	Year Ended December 31, 2015					2016 Adopted Budget
	2015 Adopted Budget	2015 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2015 Actual	Variance With Actual vs. Modified Positive (Negative)	
<b>REVENUES</b>						
Departmental income	\$ 1,660,500	\$ 1,660,500	\$ -	\$ 1,791,256	\$ 130,756	\$ 1,770,000
Intergovernmental charges	255,000	255,000	-	388,032	133,032	255,000
Use of money and property	500	500	-	979	479	-
Sale of property and compensation for loss	110,000	110,000	-	107,401	(2,599)	110,000
Miscellaneous local sources	-	-	-	1,505	1,505	-
Interfund transfers	-	-	-	17,183	17,183	-
Total revenues	<u>2,026,000</u>	<u>2,026,000</u>	<u>-</u>	<u>2,306,356</u>	<u>280,356</u>	<u>2,135,000</u>
<b>EXPENDITURES</b>						
General government support	69,000	44,000	25,000	40,499	3,501	119,650
Sewer administration	274,670	319,638	(44,968)	283,716	35,922	267,587
Sanitary sewers	58,775	64,807	(6,032)	58,133	6,674	88,400
Wastewater treatment	956,693	1,185,548	(228,855)	1,064,227	121,321	1,026,255
Benefits	106,500	102,300	4,200	95,400	6,900	109,500
Debt service, principal	236,400	236,400	-	236,397	3	238,800
Debt service, interest	118,700	118,700	-	118,658	42	112,300
Interfund transfers	205,262	386,262	(181,000)	358,114	28,148	172,508
Total expenditures	<u>2,026,000</u>	<u>2,457,655</u>	<u>(431,655)</u>	<u>2,255,144</u>	<u>202,511</u>	<u>2,135,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	-	<b>(431,655)</b>	<b>(431,655)</b>	<b>51,212</b>	<b>482,867</b>	-
<b>FUND BALANCE, beginning of year</b>	<u>1,222,656</u>	<u>1,222,656</u>	<u>-</u>	<u>1,222,656</u>	<u>-</u>	<u>1,273,868</u>
<b>FUND BALANCE, end of year</b>	<u><b>\$ 1,222,656</b></u>	<u><b>\$ 791,001</b></u>	<u><b>\$ (431,655)</b></u>	<u><b>\$ 1,273,868</b></u>	<u><b>\$ 482,867</b></u>	<u><b>\$ 1,273,868</b></u>

See Independent Auditor's Report.

## City of Oneonta, New York

### Supplementary Information - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Library Fund - Regulatory Basis

	Year Ended December 31, 2015					
	2015 Adopted Budget	2015 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2015 Actual	Variance With Actual vs. Modified Positive (Negative)	2016 Adopted Budget
<b>REVENUES</b>						
Real property taxes	\$ 414,555	\$ 414,555	\$ -	\$ 414,555	\$ -	\$ 417,581
Departmental income	15,500	15,500	-	14,597	(903)	12,050
Intergovernmental charges	42,000	42,000	-	45,000	3,000	45,000
Use of money and property	3,200	3,200	-	4,103	903	3,500
Sale of property and compensation for loss	3,000	3,000	-	3,168	168	3,000
Miscellaneous local sources	157,500	181,014	23,514	278,264	97,250	187,570
State aid	4,000	4,000	-	4,843	843	4,500
Total revenues	<u>639,755</u>	<u>663,269</u>	<u>23,514</u>	<u>764,530</u>	<u>101,261</u>	<u>673,201</u>
<b>EXPENDITURES</b>						
Culture and recreation	<u>761,600</u>	<u>809,114</u>	<u>(47,514)</u>	<u>753,283</u>	<u>55,831</u>	<u>777,581</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(121,845)</b>	<b>(145,845)</b>	<b>(24,000)</b>	<b>11,247</b>	<b>157,092</b>	<b>(104,380)</b>
<b>FUND BALANCE, beginning of year</b>	<u>464,053</u>	<u>464,053</u>	<u>-</u>	<u>464,053</u>	<u>-</u>	<u>475,300</u>
<b>FUND BALANCE, end of year</b>	<u><b>\$ 342,208</b></u>	<u><b>\$ 318,208</b></u>	<u><b>\$ (24,000)</b></u>	<u><b>\$ 475,300</b></u>	<u><b>\$ 157,092</b></u>	<u><b>\$ 370,920</b></u>

See Independent Auditor's Report.

# City of Oneonta, New York

## Supplementary Information - Combining Balance Sheet - Special Revenue Funds - Regulatory Basis

	December 31, 2015					
	Miscellaneous Special Revenue	Community Development	Water	Sewer	Public Library	Total 2015
<b>ASSETS</b>						
Cash and cash equivalents	\$ 229,230	\$ -	\$ 488,930	\$ -	\$ 330,024	\$ 1,048,184
Cash and cash equivalents, restricted	121,636	437,602	159,341	840,316	107,869	1,666,764
Loans receivable, net of allowance	-	636,912	-	-	-	636,912
Other receivables, net of allowance	-	-	162,877	134,725	42,453	340,055
Due from other governments	-	15,748	-	388,032	-	403,780
Due from other funds	-	25,349	-	-	-	25,349
Prepaid expenses	-	-	59,097	4,933	18,911	82,941
Other assets	-	394,100	-	-	-	394,100
<b>Total assets</b>	<b>\$ 350,866</b>	<b>\$ 1,509,711</b>	<b>\$ 870,245</b>	<b>\$ 1,368,006</b>	<b>\$ 499,257</b>	<b>\$ 4,598,085</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 41,375	\$ 42,157	\$ 78,349	\$ 89,664	\$ 18,707	\$ 270,252
Accrued liabilities	-	-	5,090	4,474	5,250	14,814
Retained percentages	-	-	-	-	-	-
Due to other funds	-	75,000	-	-	-	75,000
Other payables	-	-	212	-	-	212
Total liabilities	41,375	117,157	83,651	94,138	23,957	360,278
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>1,031,012</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,031,012</b>
<b>FUND BALANCE</b>						
Nonspendable	-	-	59,097	4,933	18,911	82,941
Restricted for						
Capital reserves	-	-	128,445	303,781	-	432,226
Employee benefits	-	-	30,896	32,040	-	62,936
Restricted donations	121,326	-	-	-	107,869	229,195
Grant program	-	311,546	-	-	-	311,546
Sewer Fund	-	-	-	933,114	-	933,114
Committed	-	49,996	-	-	-	49,996
Assigned						
Appropriated	40,020	-	-	-	104,380	144,400
Unappropriated	148,145	-	568,156	-	244,140	960,441
Total fund balance	309,491	361,542	786,594	1,273,868	475,300	3,206,795
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$ 350,866</b>	<b>\$ 1,509,711</b>	<b>\$ 870,245</b>	<b>\$ 1,368,006</b>	<b>\$ 499,257</b>	<b>\$ 4,598,085</b>

See Independent Auditor's Report.

## City of Oneonta, New York

### Supplementary Information - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds - Regulatory Basis

	Year Ended December 31, 2015					
	Miscellaneous Special Revenue	Community Development	Water	Sewer	Public Library	Total
<b>REVENUES</b>						
Real property taxes	\$ -	\$ -	\$ -	\$ -	\$ 414,555	\$ 414,555
Departmental income	-	97,707	2,030,167	1,791,256	14,597	3,933,727
Intergovernmental charges	-	-	-	388,032	45,000	433,032
Use of money and property	2,436	19	790	979	4,103	8,327
Sale of property and compensation for loss	33,142	-	1,724	107,401	3,168	145,435
Miscellaneous local sources	17,478	-	2,123	1,505	278,264	299,370
State aid	-	106,208	-	-	4,843	111,051
Federal aid	-	408,070	-	-	-	408,070
Total revenues	<u>53,056</u>	<u>612,004</u>	<u>2,034,804</u>	<u>2,289,173</u>	<u>764,530</u>	<u>5,753,567</u>
<b>EXPENDITURES</b>						
General government support	-	-	95,166	40,499	-	135,665
Culture and recreation	16,067	-	-	-	753,283	769,350
Home and community services	63,782	289,764	1,421,702	1,406,076	-	3,181,324
Employee benefits	-	-	72,961	95,400	-	168,361
Debt service, principal	-	-	217,531	236,397	-	453,928
Debt service, interest	-	-	110,502	118,658	-	229,160
Total expenditures	<u>79,849</u>	<u>289,764</u>	<u>1,917,862</u>	<u>1,897,030</u>	<u>753,283</u>	<u>4,937,788</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<b><u>(26,793)</u></b>	<b><u>322,240</u></b>	<b><u>116,942</u></b>	<b><u>392,143</u></b>	<b><u>11,247</u></b>	<b><u>815,779</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	344,000	21,597	17,183	-	382,780
Operating transfers out	-	(558,070)	(140,915)	(358,114)	-	(1,057,099)
Total other financing sources (uses)	<u>-</u>	<u>(214,070)</u>	<u>(119,318)</u>	<u>(340,931)</u>	<u>-</u>	<u>(674,319)</u>
<b>Net change in fund balance</b>	<b><u>(26,793)</u></b>	<b><u>108,170</u></b>	<b><u>(2,376)</u></b>	<b><u>51,212</u></b>	<b><u>11,247</u></b>	<b><u>141,460</u></b>
<b>FUND BALANCE, <i>beginning of year</i></b>	<u>336,284</u>	<u>253,372</u>	<u>788,970</u>	<u>1,222,656</u>	<u>464,053</u>	<u>3,065,335</u>
<b>FUND BALANCE, <i>end of year</i></b>	<b><u>\$ 309,491</u></b>	<b><u>\$ 361,542</u></b>	<b><u>\$ 786,594</u></b>	<b><u>\$ 1,273,868</u></b>	<b><u>\$ 475,300</u></b>	<b><u>\$ 3,206,795</u></b>

See Independent Auditor's Report.