

City of Oneonta, New York

Financial Report

December 31, 2017

City of Oneonta, New York

Financial Report

December 31, 2017

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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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oneonta, New York (City) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary 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 supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2018, 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 solely 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 the effectiveness of the City's 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
September 21, 2018



City of Oneonta, New York

Management's Discussion and Analysis December 31, 2017

This section of the City of Oneonta, New York's (City) annual financial report presents its discussion and analysis of the City's financial performance during the year ended December 31, 2017. Please read it in conjunction with the City's financial statements, which immediately follow this section.

Summary

For the year ended December 31, 2017, the City continued to maintain a healthy and stable financial position. Despite challenges such as slow tax base growth and state mandates (i.e., the property tax cap), the City continues to remain fiscally diligent by closely monitoring revenues, controlling expenses, committing funds to capital reserves for future capital investment, and utilizing fund balance for one-time type expenditures.

In reviewing the attached financial statements, it is important to recognize critical steps the City has taken in recent years to improve its financial stability. These efforts have assisted in maintaining long-term financial solvency, while building fund balance and investing in capital equipment, facilities, and infrastructure. These points include:

- The utilization of a multi-year planning tool to forecast financial trends.
- Continued strength in unassigned fund balance and healthy operations in the general, water, and sewer funds.
- The commitment of surplus to reserve funds for one-time equipment purchases and infrastructure and facility improvements.
- The formal adoption of financial policies including a Fund Balance Policy, Investment Policy, and Debt Management Policy.

Financial Highlights

- As of the close of the current year, the City's governmental funds reported a combined ending fund balance of \$22,414,853, an increase of \$5,037,270 in comparison with the prior year. The General Fund increased \$937,740, Special Revenue Funds increased \$229,756, the Capital Projects Fund increased \$3,843,409 and the Debt Service Fund increased \$26,365.
- Once again, the City maintained compliance with the New York State Tax Cap provisions. The City's 2017 tax levy was \$4,591,764, a decrease of \$3,286 (-.07%), and the Library's 2017 tax levy was \$421,093, an increase of \$3,512 (.84%). Refer to Note 11 for further information regarding property taxes.
- The City's total bonds payable increased by \$3,450,000 during the current year. On May 18, 2017, the City issued \$4,200,000 in serial bonds, with interest ranging from 2.0%-3.0%, to fund the following:

• Bridge	\$ 200,000
• Street Projects	2,275,000
• Water Supply Line Replacement	200,000
• Main Street Water Main, Mill & Pave	1,525,000

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2017

Financial Highlights - Continued

- Following are the highlights for the total 2017 Capital Projects expenditures of \$3,803,768:
- Street projects \$ 783,219
 - Electronic records management system implementation 33,164
 - Installation of Kalwall Panels at the Public Safety Building 214,771
 - Water main project from Main Street to East End Avenue 115,665
 - Raw water transmission main improvement project 1,957,836
 - Market Street storm sewer separation project 652,147
- Funding of over \$1.3 million in federal and state grants was realized for various capital projects, including those indicated above.
- Community Development Grants: More than \$1.7 million was received in grants with approximately \$1.2 million being invested into public facilities capital projects and over \$596,000 being granted or loaned to home and business owners within the City.
- Capital Reserve Fund additions:
- General Fund:
- Public Safety \$ 225,000
 - Streets and Sidewalks 343,000
- Capital Reserve Fund expenditures:
- Highway Equipment - General Fund 101,085
 - Streets and Sidewalks - General Fund 34,948
 - Equipment - Water Fund 55,349
 - Equipment - Sewer Fund 15,349
- In 2017, the City received two payments from New York State for SUNY Impact Aid; funded via the state year 2016-17 (\$200,000) and 2017-18 (\$194,500). This aid is to assist in the cost of public safety services in recognition of additional costs for such services for communities hosting a State University of New York College. Due to the different years between the State and the City, both payments were received during 2017; however, the Council authorized the second payment in the amount of \$194,500 to be reserved for 2018.
- For 2017, the City has presented its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis - For State and Local Governments*. In accordance with GASB 34, the City now presents 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. In addition, reconciliations of fund-based financial statements to the government-wide statements are included.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2017

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and the required supplementary information. The basic financial statements include two statements that present different views of the City:

- The first two statements are government-wide financial statements that provide information about the City as a whole and present a longer-term view of the City's overall finances.
- The remaining statements are fund financial statements that focus on individual parts of the City, reporting the City's operations in more detail than the government-wide statements. The governmental fund statements tell how basic services were financed in the short term as well as what remains for future spending. The proprietary fund statements report the operations of those activities for which the City charges customers for the service it provides.
- Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements present the financial position of the City from the economic resources measurement focus using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These statements also include all assets and liabilities of the City (including infrastructure and long-term debt).

All of the City's activities which are governmental in nature are reported in one column, including public safety, transportation, home and community services, culture and recreation, and general administration. Property and sales taxes, and state and federal grants finance many of these activities.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, and home and community services. The business-type activity of the City is the public transit system.

The two government-wide statements report the City's net position and how it has changed. Net position - the difference between the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are an indicator of whether its financial position is improving or deteriorating, respectively.

To assess the City's overall health, one needs to consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's infrastructure and other facilities.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2017

Fund Financial Statements

The fund financial statements provide more detailed information about the City's funds, focusing on its most significant or "major" funds - not the City as a whole. Some funds are required to be established by State law, while management establishes many other funds to help it control and manage money for a particular purpose. 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 services or activities that are provided by the City and 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.

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. The City utilizes an Agency Fund, which is a fiduciary fund, to account for money (and/or property) received and held in the capacity of trustee, custodian, or agent.

Financial Analysis of the City as a Whole

In recent years the City has focused its efforts on proactive financial management and multi-year planning. Through these efforts, the City has committed to long-term financial stability and investments.

- **Annual Budget & Multi-Year Planning:** Through the utilization of multi-year planning, the City has maintained a responsible tax rate, achieving compliance with the NYS Tax Cap since its inception. The City continues to closely monitor expenditures and conservatively budget revenues. Identified surpluses are utilized to increase reserve fund balances for future investment in equipment and facility and infrastructure improvements.

The City's principal operating budgets, including general, water, and sewer, increased by \$1,140,163, or 5.6%, during the year. The appropriations' increases were made to appropriate monies to finance the items described in the financial statement Note 2.a.vii. Comparisons of the amended budget with actual revenues and expenditures for the general fund can be found on page 17 of the basic financial statements and for other various funds in the supplementary information section of this report.

- **Net Position:** Net position of the City as a whole decreased \$94,082 from \$30,957,385 to \$30,863,303 for the year ended December 31, 2017. Governmental activities experienced a decrease in net position of \$148,863, while business-type activities experienced an increase in net position of \$54,781.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2017

Financial Analysis of the City as a Whole - Continued

- **State Comptroller's Fiscal Stress Initiative:** 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 2017, the Comptroller's Office issued its most recent scoring with the City of Oneonta maintaining a "no-designation" classification. The classification substantiates the City's planning, budgeting, and fiscal management decisions.
- **Capital Assets:** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2017 amounted to \$46,661,826 (net of depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure and construction in progress. See financial statement Note 6 for a summary of the City's capital assets.
- **Long-Term Debt:** 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 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's outstanding debt, including bonds and notes at December 31, 2017, was \$13,980,000, an increase of \$3,450,000 over the prior year. This increase is due to the City issuing \$4,200,000 in serial bonds on May 18, 2017, with interest ranging from 2.0% - 3.0% to fund the following; bridge \$200,000, street projects \$2,275,000, water supply line replacement \$200,000 and Main Street water main and mill and pave \$1,525,000.

With this issue, S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") upgraded the City's municipal bond rating of "A+" to "AA-," with a stable outlook.

- **Statutory Limits on 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 year ended December 31, 2017, the City had a legal margin of approximately \$5,659,508, or 61.04% 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, 2017, the City had a debt margin of approximately \$23,492,478, or 72.39% of its borrowing power remaining.

Financial Analysis of the Governmental Funds

The year ended December 31, 2017 concluded with an unassigned fund balance of \$6,847,135 after restrictions and assignments for encumbrances, reserves, and other fund balance commitments.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2017

Financial Analysis of the Governmental Funds - Continued

As further detailed in Notes 1p and 12, governmental fund balances are reported based upon the extent to which the City is bound to observe constraints imposed upon the use of the resources. Total governmental fund balances with constraints are as follows:

Nonspendable	\$ 1,744,222
Restricted	11,267,115
Committed	1,361,441
Assigned	1,194,940

General Fund: The General Fund is the principal operating fund of the City. As of December 31, 2017, the unassigned fund balance of the General Fund was \$6,847,135, an increase of \$286,711 (4.37%) from the previous year, while the total fund balance was \$12,644,457, an increase of \$937,740 (8.01%) 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 46.39% of that amount. The City utilizes a conservative budgeting approach to revenues and expenditures, and practices consistent expenditure controls.

Capital Projects Fund: The Capital Projects Fund accounts for the construction and reconstruction of public improvements. At the end of the current year, the fund balance was \$4,921,287; this is comprised of \$2,180,463 reserved for a library building project, and a fund balance for all other projects equaling a net of \$2,740,824, consisting primarily of various City property/buildings, street, and park projects, with over \$1.4 million being for the water main from Main Street to East End Avenue project.

Permanent Fund: The Permanent Fund is the 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 year, the undesignated fund balance was \$570,242 with the total fund balance being \$855,891, a decrease of \$16,598 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 year, the restricted fund balance was \$816,313, with the total fund balance being \$1,475,594, an increase of \$326,406.

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 year, the fund balance was \$399,350.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2017

Financial Analysis of the Governmental 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 year, the fund balance consists of the following designations:

- Swart Wilcox - \$71,798
- Parks - \$7,318
- Susquehanna Greenway - \$88,191
- Park Roads - \$6,150
- Community Landscaping - \$84,952
- Youth Programs - \$17,430
- Korean War Memorial - \$3,968
- Animal Shelter - \$9,610
- Trainman Veteran Monument - \$1,508
- Allison Building - \$2,463

Library Fund: As detailed in Note 1b, 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 year, the undesignated fund balance was \$215,459, with the total fund balance being \$292,608, a decrease of \$9,245.

Proprietary Funds: The net position of the proprietary funds at the end of the current year totaled \$1,050,843, an increase from the previous year of \$54,314.

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 addition financial information should be addressed to: Director of Finance, 258 Main Street, Oneonta, New York 13820.

City of Oneonta, New York

Government-Wide Financial Statements Statement of Net Position

	December 31, 2017		
	Governmental Activities	Business-type Activities	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 7,999,710	\$ 426,218	\$ 8,425,928
Cash and cash equivalents, restricted	13,484,769	34,900	13,519,669
Loans receivable, less allowance for uncollectible	1,162,282	-	1,162,282
Other receivables, less allowance for uncollectible	704,619	43,671	748,290
Due from other governments	2,520,018	42,270	2,562,288
Inventory	133,433	129,049	262,482
Prepaid expenses	241,307	3,272	244,579
Other assets	370,100	-	370,100
Total current assets	26,616,238	679,380	27,295,618
NONCURRENT ASSETS			
Capital assets, net of accumulated depreciation	46,049,566	612,260	46,661,826
Total assets	72,665,804	1,291,640	73,957,444
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	3,371,997	207,580	3,579,577
Total assets and deferred outflows of resources	76,037,801	1,499,220	77,537,021
LIABILITIES			
Accounts payable	1,648,246	86,430	1,734,676
Accrued liabilities	458,634	12,909	471,543
Customer deposits	925	-	925
Due to other governments	1,312	222,402	223,714
Other payables	954	-	954
Current maturities on long-term liabilities	1,169,017	-	1,169,017
Total current liabilities	3,279,088	321,741	3,600,829
NONCURRENT LIABILITIES			
Bonds payable	13,030,000	-	13,030,000
Installment purchase debt	2,273,344	-	2,273,344
Net pension liability	3,389,411	166,727	3,556,138
Accrued compensated absences	520,837	20,408	541,245
Other postemployment benefits	20,394,722	-	20,394,722
Judgments and claims payable	40,000	-	40,000
Total liabilities	42,927,402	508,876	43,436,278
DEFERRED INFLOWS OF RESOURCES			
Unavailable tax resources	597,642	-	597,642
Other unavailable resources	1,605,701	3,697	1,609,398
Pension related	993,201	37,199	1,030,400
Total liabilities and deferred inflows of resources	46,123,946	549,772	46,673,718
NET POSITION			
Net investment in capital assets	29,577,204	612,260	30,189,464
Restricted for			
Bonded debt	33,536	-	33,536
Capital	6,350,858	34,900	6,385,758
Capital, library	1,691,897	-	1,691,897
Crime proceeds	36,695	-	36,695
DBL awareness	14,886	-	14,886
Employee benefits	441,379	-	441,379
EMS education	13,167	-	13,167
Grant programs	329,664	-	329,664
Repairs	362,777	-	362,777
Restricted gifts	553,831	-	553,831
Sewer operations	816,313	-	816,313
Parks and recreation	414,678	-	414,678
Special event	12,934	-	12,934
NYS aid	194,500	-	194,500
Internal service central garage	101,395	-	101,395
Unrestricted	(11,031,859)	302,288	(10,729,571)
Total net position	\$ 29,913,855	\$ 949,448	\$ 30,863,303

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Government-Wide Financial Statements Statement of Activities

Functions/Programs	Year Ended December 31, 2017						
	Expenses	Program Revenue			Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GOVERNMENTAL ACTIVITIES							
General governmental support	\$ 3,898,391	\$ 692,899	\$ 2,500	\$ -	\$ (3,202,992)	\$ -	\$ (3,202,992)
Public safety	9,386,614	2,467,942	454,789	-	(6,463,883)	-	(6,463,883)
Health	1,022	-	-	-	(1,022)	-	(1,022)
Transportation	2,118,442	73,447	80,110	141,929	(1,822,956)	-	(1,822,956)
Economic opportunity and development	22,703	13,750	-	-	(8,953)	-	(8,953)
Culture and recreation	2,010,800	98,534	13,422	43,242	(1,855,602)	-	(1,855,602)
Home and community services	6,476,000	4,273,643	-	2,960,454	758,097	-	758,097
Interest on long-term debt	398,157	-	-	-	(398,157)	-	(398,157)
Total governmental activities	<u>24,312,129</u>	<u>7,620,215</u>	<u>550,821</u>	<u>3,145,625</u>	<u>(12,995,468)</u>	<u>-</u>	<u>(12,995,468)</u>
BUSINESS-TYPE ACTIVITIES							
Public transportation	<u>2,009,980</u>	<u>770,979</u>	<u>1,016,489</u>	<u>14,634</u>	<u>-</u>	<u>(207,878)</u>	<u>(207,878)</u>
Total government	<u>\$ 26,322,109</u>	<u>\$ 8,391,194</u>	<u>\$ 1,567,310</u>	<u>\$ 3,160,259</u>	<u>\$ (12,995,468)</u>	<u>\$ (207,878)</u>	<u>\$ (13,203,346)</u>
GENERAL REVENUES							
Real property tax and related tax items					\$ 5,183,675	\$ -	\$ 5,183,675
Sales tax					4,429,399	-	4,429,399
Interest earnings					75,336	-	75,336
Miscellaneous					774,032	252,577	1,026,609
State revenue sharing					2,231,855	-	2,231,855
Mortgage tax					162,390	-	162,390
Total general revenues					<u>12,856,687</u>	<u>252,577</u>	<u>13,109,264</u>
TRANSFERS							
Transfer from governmental to business-type activities					(10,082)	10,082	-
Total general revenues and transfers					<u>12,846,605</u>	<u>262,659</u>	<u>13,109,264</u>
CHANGE IN NET POSITION					(148,863)	54,781	(94,082)
NET POSITION, beginning of year					<u>30,062,718</u>	<u>894,667</u>	<u>30,957,385</u>
NET POSITION, end of year					<u>\$ 29,913,855</u>	<u>\$ 949,448</u>	<u>\$ 30,863,303</u>

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Balance Sheet - Governmental Funds

	December 31, 2017				
	Major Funds			Other	Total
	General	Capital Projects	Community Development	Governmental Funds	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,123,250	\$ -	\$ -	\$ 876,460	\$ 7,999,710
Cash and cash equivalents, restricted	5,379,552	4,649,657	401,896	3,053,664	13,484,769
Loans receivable, less allowance for uncollectible	-	-	1,162,282	-	1,162,282
Other receivables, less allowance for uncollectible	274,820	53,343	88	374,401	702,652
Due from other governments	734,654	831,784	671,517	282,063	2,520,018
Due from other funds	98,713	600,000	-	-	698,713
Inventory	10,097	-	-	-	10,097
Prepaid expenses	208,200	-	-	27,183	235,383
Other assets	-	-	370,100	-	370,100
	\$ 13,829,286	\$ 6,134,784	\$ 2,605,883	\$ 4,613,771	\$ 27,183,724
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 216,976	\$ 1,188,534	\$ 74,151	\$ 142,549	\$ 1,622,210
Accrued liabilities	318,876	-	-	21,251	340,127
Customer deposits	925	-	-	-	925
Due to other funds	-	-	600,000	-	600,000
Due to other governments	1,312	-	-	-	1,312
Other payables	742	-	-	212	954
	538,831	1,188,534	674,151	164,012	2,565,528
Deferred inflows of resources					
Unavailable tax resources	597,642	-	-	-	597,642
Other unavailable resources	48,356	24,963	1,532,382	-	1,605,701
	645,998	24,963	1,532,382	-	2,203,343
Total liabilities and deferred inflows of resources	1,184,829	1,213,497	2,206,533	164,012	4,768,871
Fund balances					
Nonspendable	218,297	-	-	1,525,925	1,744,222
Restricted	5,379,882	3,629,532	329,664	1,928,037	11,267,115
Committed	-	1,291,755	69,686	-	1,361,441
Assigned	199,143	-	-	995,797	1,194,940
Unassigned	6,847,135	-	-	-	6,847,135
Total fund balances	12,644,457	4,921,287	399,350	4,449,759	22,414,853
Total liabilities and fund balances	\$ 13,829,286	\$ 6,134,784	\$ 2,605,883	\$ 4,613,771	\$ 27,183,724

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements - Reconciliation of the Total Fund Balances Shown in the Governmental Funds to the Statement of Net Position

	December 31, 2017
Total fund balances in the fund financial statements for the governmental funds.	\$ 22,414,853
This amount differs from amounts reported for governmental activities due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	45,923,434
Deferred outflows and inflows for pensions are included in the government-wide statements and are added.	
Deferred outflows - pension contributions subsequent to measurement date	976,678
Deferred outflows - pension resources	2,329,291
Deferred inflows - pension resources	(981,368)
Long-term liabilities for bonded debt are included as liabilities in the government-wide statements and are deducted.	(13,980,000)
Long-term liabilities for the installment purchase debt by the City are included as liabilities in the government-wide statements and are deducted.	(2,492,361)
Long-term liabilities for other post-employment benefit obligations of the City are included as liabilities in the government-wide statements and are deducted.	(20,394,722)
Long-term liabilities for pension obligations by the City are included as liabilities in the government-wide statements and are deducted.	(3,328,812)
Long-term liabilities for judgments and claims payable by the City are included as liabilities in the government-wide statements and are deducted.	(40,000)
Other current liabilities for compensated absences are included in the government-wide statements as liabilities and are deducted.	(501,454)
The internal service fund is used by management to account for a central vehicle/equipment maintenance operation and a central supplies operation. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	101,395
Current liabilities for interest payable on long-term debt are included in the government-wide statements as liabilities and are deducted.	(113,079)
Net position of governmental activities	<u>\$ 29,913,855</u>

City of Oneonta, New York

Fund Financial Statements - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2017				
	Major Funds			Other	Total
	General	Capital Projects	Community Development	Governmental Funds	Governmental Funds
REVENUES					
Real property taxes	\$ 4,591,764	\$ -	\$ -	\$ 421,093	\$ 5,012,857
Real property tax items	170,818	-	-	-	170,818
Non-property tax items	4,644,317	-	-	-	4,644,317
Departmental income	1,367,107	-	117,293	3,889,340	5,373,740
Intergovernmental charges	1,051,235	-	-	329,063	1,380,298
Use of money and property	55,450	5,570	24	14,292	75,336
Licenses and permits	82,373	-	-	-	82,373
Fines and forfeitures	202,770	-	-	-	202,770
Sale of property and compensation for loss	124,721	-	-	159,487	284,208
Miscellaneous local sources	89,596	53,189	-	347,037	489,822
State aid	2,867,476	1,381,386	44,000	8,072	4,300,934
Federal aid	69,520	3,785	1,716,454	-	1,789,759
Interfund revenues	366,580	-	-	-	366,580
Total revenues	<u>15,683,727</u>	<u>1,443,930</u>	<u>1,877,771</u>	<u>5,168,384</u>	<u>24,173,812</u>
EXPENDITURES					
General government support	2,659,961	247,935	-	149,664	3,057,560
Public safety	6,878,248	-	-	-	6,878,248
Public health	833	-	-	-	833
Transportation	1,783,918	823,164	-	-	2,607,082
Economic opportunity and development	18,497	-	-	-	18,497
Culture and recreation	637,170	1,030	-	818,020	1,456,220
Home and community services	268,415	2,731,639	737,285	2,903,374	6,640,713
Benefits	1,166,791	-	-	184,868	1,351,659
Debt service, principal	453,161	-	-	474,436	927,597
Debt service, interest	184,138	-	-	203,914	388,052
Total expenditures	<u>14,051,132</u>	<u>3,803,768</u>	<u>737,285</u>	<u>4,734,276</u>	<u>23,326,461</u>
Excess (deficiency) of revenues over expenditures	<u>1,632,595</u>	<u>(2,359,838)</u>	<u>1,140,486</u>	<u>434,108</u>	<u>847,351</u>
OTHER FINANCING SOURCES (USES)					
Serial bonds issued	-	4,200,000	-	-	4,200,000
Operating transfers in	14,477	2,110,942	-	100,390	2,225,809
Operating transfers out	(709,332)	(107,695)	(1,200,000)	(218,863)	(2,235,890)
Total other financing sources (uses)	<u>(694,855)</u>	<u>6,203,247</u>	<u>(1,200,000)</u>	<u>(118,473)</u>	<u>4,189,919</u>
NET CHANGE IN FUND BALANCE	937,740	3,843,409	(59,514)	315,635	5,037,270
FUND BALANCE, <i>beginning of year</i>	<u>11,706,717</u>	<u>1,077,878</u>	<u>458,864</u>	<u>4,134,124</u>	<u>17,377,583</u>
FUND BALANCE, <i>end of year</i>	<u>\$ 12,644,457</u>	<u>\$ 4,921,287</u>	<u>\$ 399,350</u>	<u>\$ 4,449,759</u>	<u>\$ 22,414,853</u>

City of Oneonta, New York

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Change in Net Position Shown in the Statement of Activities

		<u>Year Ended December 31, 2017</u>
Net change in fund balances shown for total governmental funds	\$	5,037,270
This amount differs from the change in net position shown in the statement of activities because of the following:		
Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which expenditures for acquisition of capital assets exceeded depreciation expense for the period.		
Capital expenditures	4,297,815	
Depreciation expense	<u>(2,875,294)</u>	1,422,521
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of proceeds and repayments:		
Repayment of principal	750,000	
Long-term debt proceeds	<u>(4,200,000)</u>	(3,450,000)
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Pension related deferred outflows and inflows represent long-term activity and are not reported in the funds.		
Net pension liability		2,089,734
Deferred outflows of resources - pension related		(2,807,616)
Deferred inflows of resources - pension related		110,348
Compensated absences		(8,422)
Installment purchase debt		177,597
Accrued interest		(10,103)
Judgments and claims payable		20,000
Other postemployment benefits		(2,729,725)
The internal service fund is used by management to account for a central vehicle/equipment maintenance operation and a central supplies operation. The net revenue of certain activities of the internal service fund is reported with governmental activities.		<u>(467)</u>
Change in net position of governmental activities	\$	<u>(148,863)</u>

City of Oneonta, New York

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund

	Year Ended December 31, 2017					
	2017 Adopted Budget	2017 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2017 Actual	Variance With Actual vs. Modified Positive (Negative)	2018 Adopted Budget
REVENUES						
Real property taxes	\$ 4,591,764	\$ 4,591,764	\$ -	\$ 4,591,764	\$ -	\$ 4,676,252
Real property tax items	170,800	170,800	-	170,818	18	169,000
Non-property tax items	4,569,750	4,569,750	-	4,644,317	74,567	4,608,148
Departmental income	1,366,600	1,376,600	10,000	1,367,107	(9,493)	1,381,500
Intergovernmental charges	1,074,500	1,074,500	-	1,051,235	(23,265)	1,125,500
Use of money and property	32,200	32,200	-	55,450	23,250	39,200
Licenses and permits	59,600	59,600	-	82,373	22,773	66,600
Fines and forfeitures	230,000	230,000	-	202,770	(27,230)	225,000
Sale of property and compensation for loss	26,500	66,299	39,799	124,721	58,422	16,500
Miscellaneous local sources	65,500	65,500	-	89,596	24,096	10,500
Interfund revenues	361,500	361,500	-	366,580	5,080	373,500
State aid	2,605,597	2,621,121	15,524	2,867,476	246,355	2,489,577
Federal aid	2,100	2,100	-	69,520	67,420	2,575
Interfund transfers	-	-	-	14,477	14,477	-
Total revenues	<u>15,156,411</u>	<u>15,221,734</u>	<u>65,323</u>	<u>15,698,204</u>	<u>476,470</u>	<u>15,183,852</u>
EXPENDITURES						
General government support	3,085,581	2,938,774	146,807	2,659,961	278,813	3,043,855
Public safety	7,537,864	7,852,124	(314,260)	6,878,248	973,876	7,119,324
Public health	2,750	2,750	-	833	1,917	2,750
Transportation	1,622,973	1,904,228	(281,255)	1,783,918	120,310	1,594,505
Economic opportunity and development	18,750	19,317	(567)	18,497	820	19,750
Culture and recreation	644,310	685,319	(41,009)	637,170	48,149	659,445
Home and community services	235,450	279,469	(44,019)	268,415	11,054	313,723
Benefits	1,225,000	1,183,001	41,999	1,166,791	16,210	1,233,000
Debt service, principal	453,200	453,200	-	453,161	39	536,800
Debt service, interest	184,200	184,200	-	184,138	62	239,100
Interfund transfers	720,500	1,052,582	(332,082)	709,332	343,250	735,000
Total expenditures	<u>15,730,578</u>	<u>16,554,964</u>	<u>(824,386)</u>	<u>14,760,464</u>	<u>1,794,500</u>	<u>15,497,252</u>
Excess (deficiency) of revenues over expenditures	(574,167)	(1,333,230)	(759,063)	937,740	2,270,970	(313,400)
FUND BALANCE, beginning of year	<u>11,706,717</u>	<u>11,706,717</u>	<u>-</u>	<u>11,706,717</u>	<u>-</u>	<u>12,644,457</u>
FUND BALANCE, end of year	<u>\$ 11,132,550</u>	<u>\$ 10,373,487</u>	<u>\$ (759,063)</u>	<u>\$ 12,644,457</u>	<u>\$ 2,270,970</u>	<u>\$ 12,331,057</u>

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Net Position - Proprietary Funds

	December 31, 2017	
	Business-type Activities	Governmental Activities
	Public Transportation Enterprise Fund	Internal Service Central Garage
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 426,218	\$ -
Cash and cash equivalents, restricted	34,900	-
Other receivables, less allowance for uncollectible	43,671	1,967
Inventory	-	252,385
Due from other governments	42,270	-
Prepaid expenses	3,272	5,924
	550,331	260,276
NONCURRENT ASSETS		
Capital assets, net of accumulated depreciation	612,260	126,132
Total assets	1,162,591	386,408
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	207,580	66,028
	207,580	66,028
Total assets and deferred outflows of resources	1,370,171	452,436
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	86,430	26,036
Accrued liabilities	12,909	5,428
Due to other funds	-	98,713
Due to other governments	222,402	-
Total current liabilities	321,741	130,177
NONCURRENT LIABILITIES		
Net pension liability	166,727	60,599
Accrued compensated absences	20,408	19,383
Total liabilities	508,876	210,159
DEFERRED INFLOWS OF RESOURCES		
Pension related and other	40,896	11,833
	40,896	11,833
Total liabilities and deferred inflows of resources	549,772	221,992
NET POSITION		
Net investment in capital assets	612,260	126,131
Restricted	34,900	-
Unrestricted	173,239	104,313
	820,399	230,444
Total net position	820,399	\$ 230,444
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	129,049	
	129,049	
Net position of business-type activities	\$ 949,448	

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds

	Year Ended December 31, 2017	
	Business-type Activities	Governmental Activities
	Public Transportation Enterprise Fund	Internal Service Central Garage
OPERATING REVENUES		
Charges for services	\$ 770,979	\$ 517,316
State aid	1,016,489	-
Federal aid	14,634	-
Total operating revenues	1,802,102	517,316
OPERATING EXPENSES		
Personal service	748,172	237,985
Benefits	228,985	144,593
Contractual expense	794,952	107,833
Depreciation	236,715	28,229
Total operating expenses	2,008,824	518,640
Operating loss	(206,722)	(1,324)
NONOPERATING REVENUES (EXPENSES)		
Other revenue	252,577	704
Interest expense	(562)	(441)
Total nonoperating revenues (expenses)	252,015	263
Income (loss) before transfer	45,293	(1,061)
Transfer from governmental funds	10,082	-
CHANGE IN NET POSITION	55,375	(1,061)
NET POSITION, <i>beginning of year</i>	765,024	231,505
NET POSITION, <i>end of year</i>	\$ 820,399	\$ 230,444
CHANGE IN NET POSITION	\$ 55,375	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(594)	
CHANGE IN NET POSITION, business-type activities	\$ 54,781	

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2017	
	Business-type Activities	Governmental Activities
	Public	
	Transportation Enterprise Fund	Internal Service Central Garage
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from providing services	\$ 776,675	\$ 517,316
Cash paid for contractual expenses	(757,996)	(68,195)
Cash paid for personal services and employee benefits	(958,512)	(365,406)
Cash received from other operating sources	1,076,178	-
	136,345	83,715
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		
Repayment of advances from other funds, net	-	4,098
Receipt of transfers from other funds	10,082	-
Receipts from other sources	23,786	604
	33,868	4,702
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Increase in restricted cash	3,845	-
Purchase of fixed assets	(235,565)	(72,510)
Payments of debt	(19,810)	(15,566)
Capital contributed by other sources	7,680	-
Capital grants received from other governments	246,671	-
Proceeds from sale of assets	10,299	100
Interest expense	(562)	(441)
	12,558	(88,417)
Net increase in cash and cash equivalents	182,771	-
CASH AND CASH EQUIVALENTS, beginning of year	243,447	-
CASH AND CASH EQUIVALENTS, end of year	\$ 426,218	\$ -
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating loss	\$ (206,722)	\$ (1,324)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities		
Depreciation	236,715	28,229
(Increase) decrease in		
Other receivables	9,363	(1,774)
Federal and state receivables	(5,845)	-
Deferred outflows	206,651	71,023
Inventory	-	19,323
Prepaid expenses	687	287
Increase (decrease) in		
Accounts payable and accrued liabilities	37,043	20,714
Due to other governments	50,900	-
Other payables	(24)	-
Net pension liability	(173,214)	(55,097)
Deferred inflows	(8,585)	(3,315)
Deferred revenues	(3,667)	-
Accrued compensated absences	(6,957)	5,649
	\$ 136,345	\$ 83,715

See accompanying Notes to Financial Statements.

City of Oneonta, New York

Fund Financial Statements Statement of Fiduciary Net Position - Fiduciary Funds

	December 31, 2017
	Agency Fund
ASSETS	
Cash and equivalents, restricted	<u>\$ 21,545</u>
LIABILITIES	
Accrued liabilities	1,078
Customer deposits	600
Due to other governments	12,781
Other payables	<u>7,086</u>
Total liabilities	<u>\$ 21,545</u>

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 1 - Organization and Summary of Significant Accounting Policies

The financial statements of the City of Oneonta, New York (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

a. Organization

The City was incorporated during 1908 in the County of Otsego. The City is governed by an elected Mayor and Common Council. In addition, the City employs a 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. 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 GASB.

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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

b. Financial Reporting Entity - Continued

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.

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.

A summary of the City's significant accounting policies is as follows:

c. Government-Wide and Fund Financial Statements

The governmental reporting model has the following sections: Management's Discussion and Analysis, Government-Wide Financial Statements, and Fund Financial Statements.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the City as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

c. Government-Wide and Fund Financial Statements - Continued

The statement of net position presents the financial condition of the City's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

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

A fund is a separate accounting entity with a self-balancing set of accounts.

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and applicable fiduciary fund financial statements. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the 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. This measurement focus and basis of accounting are similar to private sector reporting.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current position.

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual, which is when they become both measurable and available. "Measurable" means the amount of the transaction can be reasonably determined, and "available" means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay current liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected generally within 120 days. 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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

d. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

Property taxes, sales taxes, and certain intergovernmental revenues are considered to be susceptible to accrual and so have been recognized in the fund financial statements as revenues of the current year. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available generally when the City receives cash for these revenues, such as fines, permits, and other miscellaneous collections.

The City reports deferred outflows and inflows of resources for items related to the net pension liability and deferred inflows of resources for certain revenues other than property taxes.

Governmental fund expenditures are recorded when the fund liability is incurred except that:

- Principal and interest on indebtedness as well as expenditures related to compensated absences and claims and judgments are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

e. Fund Accounting

The City's fund types are as follows:

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The City's governmental funds are as follows:

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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

e. Fund Accounting - Continued

Special Revenue Funds - Continued

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

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.

Proprietary Funds represent the City's business-type activities and include enterprise funds and internal service funds. Enterprise funds are used to report activities for which fees are charged to external customers for goods and services provided. Enterprise 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 the fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses 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.

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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

e. Fund Accounting - Continued

Fiduciary Funds are used to report resources that are held by the City in a trustee or agency capacity for others and cannot be used to support the City's own programs. The City maintains agency funds to account for assets that the City holds on behalf of others as their agent.

The City reports the following fiduciary fund:

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.

f. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows and disclosure of contingent assets and liabilities 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.

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 include amounts in demand deposits as well as short-term investments with maturities of 90 days 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. Restricted Cash

Certain cash balances are restricted because their use is limited. The City had restricted cash and cash equivalents related to governmental activities, comprised of the following:

General Fund capital reserve	\$ 3,540,641
General Fund employee benefit reserve	378,152
General Fund repair reserve	362,745
General Fund crime proceeds reserve	36,695
General Fund handicap awareness program	14,886
General Fund EMS training	13,167
General Fund restricted gift	411,154
General Fund parks and recreation	414,678
General Fund special event	12,934
General Fund NYS aid	194,500
Community development	401,896
Miscellaneous special revenue	119,654
Water Fund capital equipment reserve	249,001
Water Fund employee benefit reserve	31,020
Sewer Fund	443,872
Sewer Fund capital equipment reserve	623,238
Sewer Fund employee benefit reserve	32,169
Library Fund restricted gifts	22,432
Capital projects	4,649,657
Debt Service	33,536
Permanent	1,498,742
Total restricted cash	<u>\$ 13,484,769</u>

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

h. Restricted Cash - Continued

In addition, the City had restricted cash and cash equivalents related to business-type activities and fiduciary activities of \$34,900 and \$21,545 for the public transit capital reserve and trust and agency, respectively.

i. Due to/from Other Funds and Receivables

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

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

j. Inventories and Prepaid Items

Inventories are principally valued at cost using average inventory value methods.

Within the Internal Service Fund, inventory consists of 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.

k. Capital Assets

Capital assets, which include property, buildings, improvements, machinery and equipment and infrastructure are defined by the City as assets with an initial cost of \$1,000 or more. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

k. Capital Assets - Continued

All capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Class</u>	<u>Life in Years</u>
Buildings	10-50
Improvements	10-30
Machinery and equipment	3-30
Infrastructure	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 its fair value. There were no impairments of long-lived assets as of December 31, 2017.

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 government-wide financial statements. 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, New York State Housing programs, 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.

Pension related deferred outflows of resources and deferred inflows of resources are reported in the governmental and business-type government-wide activities, and the respective enterprise funds. Further detail of pension related deferred outflows and deferred inflows of resources are disclosed in Note 7.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

n. Long-Term Liabilities

The City incurs long-term debt in order to fund major acquisitions and/or capital projects. This enables the cost to be borne by the present and future taxpayers receiving the benefit of the capital assets.

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statements of net position. Bonds payable are reported net of applicable bond premium or discount, if any.

In the fund financial statements, governmental fund types 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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Excess bond premiums, if any, are deposited in the Debt Service Fund and used to retire debt in the respective funds. Issuance costs, whether not withheld from the actual debt proceeds received, are reported as debt service expenditures. 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 ERS and PFRS permanent positions are required to enroll in the System, while employees in ERS 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, and require the same level of formal action to remove the constraint.

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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

p. Fund Balance/Net Position - Continued

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 (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.

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 12 for a summary of the City's fund balance as of December 31, 2017.

The following categories are used for net position of the government-wide and proprietary funds financial statements:

Net Investment in Capital Assets - 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

In governmental funds, 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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

q. Encumbrances - Continued

The following encumbrances were included in fund balance:

	General Fund	Miscellaneous Special Rev Fund	Capital Project Fund	Water Fund	Sewer Fund	Total
Assigned						
General Government Support	\$ 33,118	\$ -	\$ -	\$ -	\$ -	\$ 33,118
Public Safety	51,212	-	-	-	-	51,212
Transportation	40,024	-	-	-	-	40,024
Culture and Recreation	1,789	-	-	-	-	1,789
Home and Community Services	-	9,450	-	49,615	-	59,065
	<u>126,143</u>	<u>9,450</u>	<u>-</u>	<u>49,615</u>	<u>-</u>	<u>185,208</u>
Sewer Restricted						
Home and Community Services	-	-	-	-	90,277	90,277
Capital Projects Restricted						
Airport Master Plan Update	-	-	120,503	-	-	120,503
Street Projects	-	-	23,989	-	-	23,989
	<u>-</u>	<u>-</u>	<u>144,492</u>	<u>-</u>	<u>-</u>	<u>144,492</u>
Capital Projects Committed						
Public Safety Building	-	-	100,410	-	-	100,410
Records Management	-	-	49,926	-	-	49,926
Raw Water Transmission Main	-	-	16,062	-	-	16,062
	<u>-</u>	<u>-</u>	<u>166,398</u>	<u>-</u>	<u>-</u>	<u>166,398</u>
	<u>\$ 126,143</u>	<u>\$ 9,450</u>	<u>\$ 310,890</u>	<u>\$ 49,615</u>	<u>\$ 90,277</u>	<u>\$ 586,375</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, 2017, \$1,430,776, including amounts contributed by participating retirees, was paid on behalf of 116 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 balances. 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. See Note 8 for additional disclosures required for retiree postemployment benefits other than pensions.

s. Adoption of New Accounting Standards

GASB Statement No. 80, *Blending Requirements for Certain Component Units* (GASB No. 80). GASB No. 80 provides clarity on how certain component units incorporated as not-for-profit corporations should be presented in the financial statements of the primary state or local government. The adoption of this accounting standard did not impact the City's financial statements.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 2 - Legal Compliance, Budgets

a. Budgets

Annual appropriated budgets are adopted for the General and Special Revenue 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. All annual appropriations lapse at 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 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 various Grant Funds 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. In the event that the Common Council fails to adopt a budget by December 10, the budget for the current year becomes the budget for the ensuing year, modified only to add any increased expenditures resulting from previously approved contracts or other obligations of the City.
- v. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects which remain in effect for the life of the projects.
- vi. Budgets are prepared for Proprietary Funds primarily to establish the estimated contributions required from other funds.
- vii. Budgeted amounts shown are as originally adopted, or as amended by the Common Council and/or the December 31, 2016 outstanding purchase orders. The 2016 outstanding purchase orders modified the 2017 adopted budget by \$270,539 for the General Fund, \$82,233 for the Water Fund, and \$14,518 for the Sewer Fund. The following are the amendments to the original budget approved during the year:

General Fund: \$125,000 for expenditures relating to the March 2017 Storm Stella, \$322,000 for a contribution to the Public Safety Building Kalwall Panel capital project, \$15,175 from the Highway Equipment Reserve for the purchase of a GPS system, \$15,524 for police equipment funded by a grant, \$26,666 for the (1/3) purchase of a truck with \$15,348 being funded by the Highway Equipment Reserve, \$10,000 for towing expenses funded by towing fees, \$28,481 for a police vehicle funded by insurance recoveries, and \$11,000 for use of Crime Proceeds for the Police department.

Water Fund: \$165,692 for the contribution to the Raw Water Transmission Main capital project and \$26,667 for the (1/3) purchase of a truck.

Sewer Fund: \$26,667 for the (1/3) purchase of a truck.

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

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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, 2017, the City had a constitutional tax margin of \$5,659,508, or 61.04% of its taxing power.

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 fair value 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 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	\$ 18,022,426	\$ -	\$ 18,022,426	\$ -	\$ 18,320,519
<u>Non-Pooled Deposits</u>					
Non-pooled Cash and Cash Equivalents					
General	1,761,175	-	1,761,175	-	1,761,175
Special Revenue	422,367	-	422,367	-	401,896
Permanent	1,478,742	-	1,478,742	-	1,478,742
Trust and Agency	19,683	-	19,683	-	-
<u>Petty Cash on Hand</u>					
General	3,400	-	3,400	-	3,400
Special Revenue	105	-	105	-	105
Enterprise	1,305	-	1,305	-	1,305
Total cash	<u>\$ 21,709,203</u>	<u>\$ -</u>	<u>\$ 21,709,203</u>	<u>\$ -</u>	<u>\$ 21,967,142</u>

Note 4 - Receivables

a. Due from Other Governments

General Fund: The General Fund receivable consists primarily of \$625,591 representing November and December 2017 sales tax distributions due from the County of Otsego, \$67,370 from FEMA aid for the March 2017 Storm Stella, and \$38,949 for various grants.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 4 - Receivables - Continued

Special Revenue Funds: Receivables consist of \$282,063 due from the Town of Oneonta for 2017 sewer services, and \$671,517 due from various community development grants.

Capital Project Fund: The Capital Project Fund receivable consists primarily of \$19,492 due for FAA airport grants, and \$812,292 for a NYS Environmental Facilities Corporation grant.

Enterprise Fund: The Enterprise Fund receivable consists of \$42,270 due under various NYS Department of Transportation Grants.

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:

Community Development Block Grants	\$ 101,672
CDBG - First Time Home Owners	231,233
NYS Housing Trust Fund - Home Program	3,569
NYS Small Cities CDBG - First Time Home Owners	316,529
Housing Visions	220,000
NYS Affordable Housing Corp	208,984
NYS CDBG - Multi-Unit Housing Rehabilitation	409,295
	<u>1,491,282</u>
Less allowances	<u>(329,000)</u>
	<u><u>\$ 1,162,282</u></u>

c. Other Receivables

General Fund: The City fire department provides ambulance service and bills based on service provided. During 2017, the City billed 2,244 calls. The balance of unpaid ambulance bills as of December 31, 2017 equaled \$281,109 and was offset by an allowance for uncollectible accounts of \$115,000. Other receivables also include franchise fees, code enforcement fees, and other miscellaneous receivables considered fully collectible at December 31, 2017, unless otherwise deferred.

Water Fund: The Water Fund receivable consists primarily of \$189,835 for billed water usage. This balance was offset by an allowance for uncollectible accounts of \$13,000.

Sewer Fund: The Sewer Fund receivable consists primarily of \$120,150 for billed sewer rents considered fully collectible at December 31, 2017.

Proprietary Fund: The Proprietary Fund receivable consists of \$43,671 due from various clients for bus services provided through Oneonta Public Transit considered fully collectible at December 31, 2017.

Library Fund: The Library Fund receivable consists of \$64,182 for an interest distribution from an endowment held at a local bank.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 5 - Interfund Transactions

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

Fund	Due From Other Funds	Due To Other Funds
General	\$ 98,713	\$ -
Special Revenue	-	600,000
Internal Service	-	98,713
Capital Projects	600,000	-
	\$ 698,713	\$ 698,713

Note 6 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance, January 1, 2017	Additions	Retirements	Balance, December 31, 2017
Land	\$ 1,677,421	\$ -	\$ (53)	\$ 1,677,368
Buildings	24,689,205	214,771	(2,795)	24,901,181
Improvements	11,973,845	2,424	-	11,976,269
Machinery and equipment	16,273,977	1,105,892	(603,587)	16,776,282
Infrastructure	41,778,666	3,249,639	-	45,028,305
Construction in progress	-	33,164	-	33,164
	96,393,114	4,605,890	(606,435)	100,392,569
Less accumulated depreciation	(50,811,855)	(3,138,418)	219,530	(53,730,743)
	\$ 45,581,259	\$ 1,467,472	\$ (386,905)	\$ 46,661,826

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

	Governmental	Public Transportation	Total
Land	\$ 1,671,405	\$ 5,963	\$ 1,677,368
Buildings	23,153,941	1,747,240	24,901,181
Improvements	11,847,600	128,669	11,976,269
Machinery and equipment	12,580,321	4,195,961	16,776,282
Infrastructure	45,028,305	-	45,028,305
Construction in progress	33,164	-	33,164
	94,314,736	6,077,833	100,392,569
Less accumulated depreciation			
Buildings	(13,964,143)	(1,655,866)	(15,620,009)
Improvements	(3,902,721)	(128,669)	(4,031,390)
Machinery and equipment	(8,002,602)	(3,681,038)	(11,683,640)
Infrastructure	(22,395,704)	-	(22,395,704)
	(48,265,170)	(5,465,573)	(53,730,743)
	\$ 46,049,566	\$ 612,260	\$ 46,661,826

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 6 - Capital Assets

Depreciation expense for 2017 was charged to functions of the primary government as follows:

General governmental support	\$ 481,775
Public safety	1,168,630
Transportation	229,414
Culture and recreation	250,905
Home and community services	744,570
	<u>744,570</u>
	<u>\$ 2,875,294</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 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.

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 2017 was approximately 14.2% and 23.5% 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' 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:

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 7 - Retirement Systems - Continued

Contributions - Continued

	ERS	PFRS
2017	\$ 509,668	\$ 807,516
2016	525,036	789,155
2015	596,230	844,508

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

At December 31, 2017, the City reported a liability of \$3,389,411 in the governmental activities statement of net position and \$166,727 in the business-type activities statement of net position for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2017, 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, 2017, the City's proportion was .0121677% in the Employee Retirement System and .1100060% in the Police and Fire Retirement System. The Huntington Memorial Library proportion was .0014132% in the Employee Retirement System.

For the year ended December 31, 2017, the City recognized pension expense of \$1,256,439 in the governmental funds and \$124,921 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, and any adjustments recorded in compliance with GASB. At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Funds	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 325,547	\$ 554,188
Changes of assumptions	1,483,796	-
Net differences between projected and actual investment earnings on pension plan investments	551,299	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,101	439,013
City contributions subsequent to the measurement date	1,002,254	-
Total	\$ 3,371,997	\$ 993,201

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 7 - Retirement Systems - Continued

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

	Proprietary Funds	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,533	\$ 33,535
Changes of assumptions	75,445	-
Net differences between projected and actual investment earnings on pension plan investments	44,110	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,085	3,664
City contributions subsequent to the measurement date	80,407	-
Total	\$ 207,580	\$ 37,199

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other 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,			
2018	\$ 535,961	\$ 41,734	\$ 577,695
2019	535,961	41,734	577,695
2020	495,626	36,877	532,503
2021	(216,263)	(30,371)	(246,634)
2022	25,257	-	25,257
Total	\$ 1,376,542	\$ 89,974	\$ 1,466,516

Actuarial Assumptions

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. Significant actuarial assumptions used in the valuation were as follows:

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 7 - Retirement Systems - Continued

Actuarial Assumptions - Continued

Actuarial Cost Method	Entry age normal
Inflation Rate	2.5 percent
Salary Scale	
ERS	3.8 percent, indexed by service
PFRS	4.5 percent, indexed by service
Investment rate of return, including inflation	7.0 percent, compounded annually, net of expenses
Cost of living adjustments	1.3 percent
Decrement	Based on FY 2011 - 2015 experience
Mortality improvement	Society of Actuaries Scale MP-2014

Annuitant mortality rates are based on April 1, 2010 to March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015.

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, 2017 are summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.75%
Real estate	10.00%	5.80%
Bonds and mortgages	17.00%	1.31%
Other	13.00%	(0.25)% - 5.89%
	100.00%	

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 7 - Retirement Systems - Continued

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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 7.0%, 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 (6.0%) or 1 percentage point higher (8.0%) than the current rate:

ERS	1% Decrease (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Governmental Funds	\$ 3,543,208	\$ 1,109,368	\$ (948,378)
Proprietary Funds	532,387	166,727	(142,499)
	\$ 4,075,595	\$ 1,276,095	\$ (1,090,877)
PFRS	1% Increase (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
Governmental Funds	\$ 6,463,788	\$ 2,280,043	\$ (1,229,096)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2017 were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 177,400,586	\$ 31,670,483	\$ 209,071,069
Plan net position	(168,004,363)	(29,597,830)	(197,602,193)
Employers' net pension liability	\$ 9,396,223	\$ 2,072,653	\$ 11,468,876
Ratio of plan net position to the employers' total pension liability	94.7%	93.5%	94.5%

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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, 2017, the City's expected contribution to the Plan was \$1,604,158. Some Plan members receiving benefits contribute a percent of their premium costs. Total member contributions were \$248,605 for the year ended December 31, 2017.

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	\$ 4,333,883
Contributions made (estimated) (actual was \$1,430,776)	(1,604,158)
Increase in net OPEB obligation	<u>2,729,725</u>
Net OPEB obligation, <i>beginning of year</i>	<u>17,664,997</u>
Net OPEB obligation, <i>end of year</i>	<u><u>\$ 20,394,722</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for years ended December 31, 2017, 2016, and 2015, was as follows:

Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2017	\$ 4,333,883	37.01%	\$ 20,394,722
12/31/2016	4,203,120	37.65%	17,664,997
12/31/2015	4,030,814	41.72%	15,044,250

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 8 - Postemployment Benefits Other Than Pensions - Continued

Funded Status and Funding Progress. As of December 31, 2017, the actuarial accrued liability for benefits was \$53,875,040, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$6,938,372, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 776.48%.

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 Employees' Retirement System and the New York State Police and Fire Retirement System.

Marital Status - 70% 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-2016 mortality improvement scale on a generational basis. The mortality assumption has been revised as of January 1, 2016 in order to reflect the continued improvement in mortality rates. The revised assumption resulted in an increase in liabilities.

Turnover - Employees are assumed to withdraw in accordance with the rates based on the April 1, 2010 to March 31, 2015, New York State Employee's Retirement System. 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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 8 - Postemployment Benefits Other Than Pensions - Continued

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>
2018	7.250%	5.700%	10.500%
2019	7.000%	5.600%	10.250%
2020	6.750%	5.500%	10.250%
2021	6.500%	5.400%	10.000%
2022	6.307%	5.390%	9.223%
2023	6.113%	5.380%	8.447%
2024	5.920%	5.370%	7.670%
2034	5.340%	5.340%	5.340%
2044	4.951%	4.951%	4.951%
2054	4.733%	4.733%	4.733%
2064	4.591%	4.591%	4.591%
2074	3.949%	3.949%	3.949%
2075+	3.886%	3.886%	3.886%

The annual rate of increase in healthcare costs was based on review of published National trend survey data, including long-term rates based on the Society of Actuaries Long-Term Healthcare Cost Trends Model (the Getzen Model).

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 - 2017 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.

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.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 9 - Indebtedness

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

	Bonds	Installment Purchase Debt	Compensated Absences	Judgments and Claims Payable	Total
Payable, <i>beginning of year</i>	\$ 10,530,000	\$ 2,705,335	\$ 555,164	\$ 60,000	\$ 13,850,499
Additions	4,200,000	-	-	-	4,200,000
Retirements	(750,000)	(212,974)	(13,919)	(20,000)	(996,893)
Payable, <i>end of year</i>	<u>\$ 13,980,000</u>	<u>\$ 2,492,361</u>	<u>\$ 541,245</u>	<u>\$ 40,000</u>	<u>\$ 17,053,606</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, 2017
<u>General Fund</u>					
Streets/Parking Garage	Mar-05	\$ 2,410,000	4.000% - 4.125%	Mar-22	\$ 895,000
Recreation/Equipment/Street	May-08	1,271,000	4.000% - 4.125%	May-28	825,000
Streets/Equipment	May-10	1,080,000	3.750% - 4.000%	May-30	812,500
Streets/Parking Lot/Garage	Feb-13	2,370,284	2.125% - 3.000%	Feb-32	1,973,000
Streets/Bridge	May-17	1,859,726	2.000% - 3.000%	May-33	1,859,726
Total General Fund					<u>6,365,226</u>
<u>Water Fund</u>					
Water Distribution/Plant	May-08	495,000	4.000% - 4.125%	May-28	322,500
Water Distribution	May-10	100,000	3.750% - 4.000%	May-30	75,500
Water Distribution/Mixers/MIOX	Feb-13	1,546,530	2.125% - 3.000%	Feb-32	1,294,000
Water Distribution	Jul-13	480,000	3.340% - 4.450%	Jun-22	285,000
Water Distribution	May-17	2,318,598	2.000% - 3.000%	May-33	2,318,598
Total Water Fund					<u>4,295,598</u>
<u>Sewer Fund</u>					
Sanitary Sewers	May-08	220,000	4.000% - 4.125%	May-28	142,500
Wastewater Treatment/ Sanitary Sewers	May-10	1,425,000	3.750% - 4.000%	May-30	1,072,000
Wastewater Treatment	Nov-12	1,145,000	5.370% - 6.180%	May-24	725,000
Sanitary/Bar screen/Digester	Feb-13	1,628,186	2.125% - 3.000%	Feb-32	1,358,000
Sanitary Sewers	May-17	21,676	2.000% - 3.000%	May-33	21,676
Total Sewer Fund					<u>3,319,176</u>
Total Governmental Funds					<u>\$ 13,980,000</u>

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 9 - Indebtedness - Continued

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,		
2018	\$ 950,000	\$ 446,948
2019	1,030,000	365,640
2020	1,065,000	335,187
2021	1,095,000	304,507
2022	1,135,000	269,163
2023 through 2027	4,450,000	996,922
2028 through 2032	3,930,000	332,803
2033	325,000	4,875
	<u>\$ 13,980,000</u>	<u>\$ 3,056,045</u>

Subsequent to December 31, 2017, the City issued \$2,890,000 of Public Improvement Refunding (Serial) Bonds for the purpose of refunding the 2008 and 2010 Serial Bonds (Note 14).

The following bond issues were authorized by the Common Council but unissued as of December 31, 2017:

<u>Resolution Date</u>	<u>Amount Authorized</u>	<u>Purpose</u>
June 20, 2017	\$ 8,700,000	Wastewater Treatment Plant Upgrade
January 16, 2018	300,000	Water Plant SCADA System

At December 31, 2017, the legal debt limit for the City was \$32,451,880, the debt margin was \$23,492,478 and 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 within several City departments. The installment purchase contract requires annual payments of \$289,800 including interest at 2.84% with a final maturity in July 2027. A summary of the changes in the City's indebtedness under the installment purchase debt, by fund, is as follows:

	<u>Principal Balance December 31, 2016</u>	<u>Retirements</u>	<u>Principal Balance December 31, 2017</u>
General Fund	\$ 929,524	\$ (85,661)	\$ 843,863
Water Fund	1,548,257	(78,825)	1,469,432
Sewer Fund	192,178	(13,112)	179,066
Public Transportation	19,810	(19,810)	-
Internal Service Central Garage	15,566	(15,566)	-
	<u>\$ 2,705,335</u>	<u>\$ (212,974)</u>	<u>\$ 2,492,361</u>

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 9 - Indebtedness - Continued

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

	<u>Principal</u>	<u>Interest</u>
For the year ending December 31,		
2018	\$ 219,017	\$ 70,783
2019	225,238	64,563
2020	231,634	58,166
2021	238,213	51,588
2022	244,978	44,823
2023 through 2027	<u>1,333,281</u>	<u>115,716</u>
	<u>\$ 2,492,361</u>	<u>\$ 405,639</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.

Note 11 - 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, 2017, the tax rates were as follows:

City	\$ 3.2935 per thousand of assessed value
Library	\$.8398 per thousand of assessed value

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 12 - Fund Balance

A summary of the City's governmental fund balance as of December 31, 2017 is as follows:

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General	Capital Projects	Community Development		
Nonspendable					
Permanent fund principal	\$ -	\$ -	\$ -	\$ 1,498,742	\$ 1,498,742
Inventory	10,097	-	-	-	10,097
Prepaid expenses	208,200	-	-	27,183	235,383
Total nonspendable fund balance	<u>218,297</u>	<u>-</u>	<u>-</u>	<u>1,525,925</u>	<u>1,744,222</u>
Restricted					
Bonded debt	-	-	-	33,536	33,536
Capital	3,540,906	1,937,635	-	872,317	6,350,858
Capital, library	-	1,691,897	-	-	1,691,897
Crime proceeds	36,695	-	-	-	36,695
DBL awareness	14,886	-	-	-	14,886
Employee benefits	378,185	-	-	63,194	441,379
EMS education	13,167	-	-	-	13,167
Grant programs	-	-	329,664	-	329,664
Repairs	362,777	-	-	-	362,777
Restricted gifts	411,154	-	-	142,677	553,831
Sewer Fund	-	-	-	816,313	816,313
Parks and recreation	414,678	-	-	-	414,678
Special event	12,934	-	-	-	12,934
NYS aid	194,500	-	-	-	194,500
Total restricted fund balance	<u>5,379,882</u>	<u>3,629,532</u>	<u>329,664</u>	<u>1,928,037</u>	<u>11,267,115</u>
Committed					
Capital projects	-	803,189	-	-	803,189
Capital project, library	-	488,566	-	-	488,566
Local grant program	-	-	69,686	-	69,686
Total committed fund balance	<u>-</u>	<u>1,291,755</u>	<u>69,686</u>	<u>-</u>	<u>1,361,441</u>
Assigned					
Appropriated assigned	73,000	-	-	97,453	170,453
Community landscaping program	-	-	-	24,952	24,952
Encumbrances	126,143	-	-	-	126,143
Greenway project	-	-	-	87,691	87,691
Unappropriated	-	-	-	785,701	785,701
Total assigned fund balance	<u>199,143</u>	<u>-</u>	<u>-</u>	<u>995,797</u>	<u>1,194,940</u>
Unassigned					
Unrestricted fund balance	<u>6,847,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,847,135</u>
Total fund balance	<u>\$ 12,644,457</u>	<u>\$ 4,921,287</u>	<u>\$ 399,350</u>	<u>\$ 4,449,759</u>	<u>\$ 22,414,853</u>

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, 2017, except for the lease agreement for rental of real property for Oneonta Public Transit totaling \$56,751 for the year 2018 through the year 2020.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 13 - Commitments and Contingencies - Continued

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

The City is currently defending fewer than five (5) miscellaneous matters in litigation through its insurance carrier. The City believes none of these claims approach the limits of coverage of the insurance maintained by the City. In addition, there are other claims and tax assessment cases pending against the City arising out of the normal course of business, which are not covered by insurance. These claims are being defended, and some amounts may be due said claimants for tax rebates, services performed or items provided to the City. Even if successful on all claims, however, payment of the amounts in the controversy would not have a significant impact on the City's financial condition.

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

d. Tax Abatements

A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City has Payment In lieu of Taxes (PILOT) agreements with several organizations throughout the City for the purpose of encouraging economic development, affordable housing and not-for-profit activities.

The City has not made any commitments as part of the agreements other than to reduce taxes. The City is also subject to tax abatement agreements entered into by the Otsego County Industrial Development Agency.

Copies of agreements may be obtained from Meg Hungerford, Director of Finance, 258 Main Street, Oneonta, NY 13820, mhungerford@oneonta.ny.us.

The information relevant to the City's agreements for 2017 is as follows:

Real Property Tax Law Section	Tax Abatement	Agreement with	Amount of Taxes Abated
412-a	Municipal Industrial Development Agency (IDA)	Otsego County IDA	\$ 152,160
420-b	Private Community Service & Social Organization	City of Oneonta	28,497
422	Not-for-Profit Housing Companies	City of Oneonta	17,909
	Total		<u>\$ 198,566</u>

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 14 - Subsequent Events

On December 5, 2017, the City approved an approximate 5% increase in the water and sewer rates to be effective January 1, 2018.

In May 2018, the City issued \$2,890,000 of Public Improvement Refunding (Serial) Bonds for the purpose of refunding the 2008 and 2010 Serial Bonds for a net present value savings of \$233,229.

The following Grants/Projects were awarded and/or approved since December 31, 2017:

- NYS Water Infrastructure Improvement Act (WWIA) - \$2,121,758 for the improvements to the City's Wastewater Treatment Plant.
- RESTORE NY - \$750,000 for the Stevens Hardware Building Restorations project which is to include commercial/retail space on the first floor and five (5) apartments on the upper floors.

In addition to the above grants, the following grants were awarded, and the City expects to begin work in 2018:

- NYS Affordable Housing Corporation Home Improvement Program - \$400,000 for rehabilitation of ten (10) single-family, owner-occupied homes, low-moderate income owners.
- NYS HOME Local Program - \$414,700 for rehabilitation of single-family, owner-occupied homes, low-moderate income owners.
- RESTORE NY Communities Initiative Municipal Grant Program - \$477,915 for demolition purposes.
- NYS CDBG Economic Development Grant - \$410,000 for establishing Bombers Burrito.
- NYS and Municipal Facilities Program - \$1,000,000 to demolish Damaschke field grandstand and rehabilitate the space to provide a safe, family recreational area.
- Downtown Revitalization Initiative (DRI) Projects (\$10 million grant):
 - Westcott Lot Mixed Use development - \$1,470,000
 - Downtown Improvement Fund - \$2,660,000
 - New Transit Hub and Parking Garage Renovation - \$2,500,000
 - Muller Plaza Passage - \$250,000
 - Water Street Boardwalk - \$500,000
 - Market Street and South Main Street Improvements - \$1,750,000
 - Branding and Marketing and Downtown Wayfinding - \$570,000

As indicated in Note 9, on January 16, 2018, the City approved a bond resolution authorizing the issuance of \$300,000 serial bonds to fund the cost of the upgrade/replacement of the SCADA system at the Water Treatment Plant.

On January 16, 2018, the City established an Insurance Reserve Fund to finance the cost of uninsured losses with an initial deposit of \$20,000 from the General Fund.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

Note 15 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes financial reporting standards for other postemployment benefits (OPEB) plans for state and local governments. This statement replaces the requirements of GASB Statement No. 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, this statement identifies requirements for additional note disclosures and required supplementary information. These requirements are effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this statement is to address certain issues that have been raised with respect to GASB Statements No. 67, *Financial Reporting for Pension Plan*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for reporting periods beginning after June 15, 2016, except for requirements of this statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end, which are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This statement establishes criteria for determining the timing and pattern of recognition for a liability and corresponding deferred outflow of resources for asset retirement obligations. This statement required that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities*. This statement provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement 85, *Omnibus 2017*. This statement addresses practice issues identified during the implementation and application of certain GASB statements and is effective for reporting periods beginning after June 15, 2017.

Statement 86, *Certain Debt Extinguishments*. This statement requires that debt be considered defeased in substance when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. The statement is effective for reporting periods beginning after June 15, 2017.

City of Oneonta, New York

Notes to Financial Statements December 31, 2017

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

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effect for reporting periods beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

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

City of Oneonta, New York

Required Supplementary Information - Schedule of Funding Progress - Other Postemployment Benefits December 31, 2017

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)
12/31/2017	\$ -	\$ 53,875,040	\$ 53,875,040	0.00%	\$ 6,938,372	776.48%
12/31/2016	-	51,785,775	51,785,775	0.00%	6,849,099	756.10%
12/31/2015	-	49,896,532	49,896,532	0.00%	7,116,133	701.17%

City of Oneonta, New York

Required Supplementary Information - Schedule of Proportionate Share of the Net Pension Liability

	2017	2016	2015
ERS (City and Huntington Memorial Library)			
City's proportion of the net pension liability	0.0135809%	0.0142715%	0.0142714%
City's proportionate share of the net pension liability	\$ 1,276,095	\$ 2,290,603	\$ 482,125
City's covered-employee payroll	\$ 3,596,975	\$ 3,566,549	\$ 3,511,316
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	35.48%	64.22%	13.73%
Plan fiduciary net position as a percentage of the total pension liability	94.70%	90.68%	97.95%
	2017	2016	2015
PFRS			
City's proportion of the net pension liability	0.1100060%	0.1210347%	0.1223603%
City's proportionate share of the net pension liability	\$ 2,280,043	\$ 3,583,580	\$ 336,808
City's covered-employee payroll	\$ 3,439,962	\$ 3,409,696	\$ 3,418,991
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	66.28%	105.10%	9.85%
Plan fiduciary net position as a percentage of the			

Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

City of Oneonta, New York

Required Supplementary Information - Schedule of Pension Contributions

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
ERS (City and Huntington Memorial Library)										
Contractually required contribution	\$ 509,668	\$ 525,036	\$ 596,230	\$ 679,199	\$ 663,577	\$ 679,793	\$ 472,316	\$ 391,660	\$ 237,786	\$ 215,182
Contributions in relation to the contractually required contribution	\$ 509,668	\$ 525,036	\$ 596,230	\$ 679,199	\$ 663,577	\$ 679,793	\$ 472,316	\$ 391,660	\$ 237,786	\$ 215,182
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered-employee payroll	\$ 3,596,975	\$ 3,566,549	\$ 3,511,316	3,629,516	3,388,799	3,514,879	3,246,321	3,435,131	3,223,227	2,952,623
Contributions as a percentage of covered-employee payroll	14.17%	14.72%	16.98%	18.71%	19.58%	19.34%	14.55%	11.40%	7.38%	7.29%
PFRS										
Contractually required contribution	\$ 807,516	\$ 789,155	\$ 844,508	\$ 873,268	\$ 956,054	\$ 852,864	\$ 755,967	\$ 500,142	\$ 531,724	\$ 425,597
Contributions in relation to the contractually required contribution	\$ 807,516	\$ 789,155	\$ 844,508	\$ 873,268	\$ 956,054	\$ 852,864	\$ 755,967	\$ 500,142	\$ 531,724	\$ 425,597
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
City's covered-employee payroll	\$ 3,439,962	\$ 3,409,696	\$ 3,418,991	3,348,522	3,388,922	3,357,839	3,326,544	2,897,448	3,153,102	2,770,786
Contributions as a percentage of covered-employee payroll	23.47%	23.14%	24.70%	26.08%	28.21%	25.40%	22.73%	17.26%	16.86%	15.36%

City of Oneonta, New York

Supplementary Information - Combining Balance Sheet - Non-Major Governmental Funds

	December 31, 2017						
	Water	Sewer	Miscellaneous Special Revenue	Debt Service	Permanent	Public Library	Total
ASSETS							
Cash and cash equivalents	\$ 501,837	\$ -	\$ 173,218	\$ -	\$ -	\$ 201,405	\$ 876,460
Cash and cash equivalents, restricted	280,021	1,099,279	119,654	33,536	1,498,742	22,432	3,053,664
Other receivables, less allowance for uncollectible	180,660	128,616	943	-	-	64,182	374,401
Due from other governments	-	282,063	-	-	-	-	282,063
Prepaid expenses	5,603	3,816	-	-	-	17,764	27,183
Total assets	<u>\$ 968,121</u>	<u>\$ 1,513,774</u>	<u>\$ 293,815</u>	<u>\$ 33,536</u>	<u>\$ 1,498,742</u>	<u>\$ 305,783</u>	<u>\$ 4,613,771</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 104,311	\$ 31,817	\$ 427	\$ -	\$ -	\$ 5,994	142,549
Accrued liabilities	7,707	6,363	-	-	-	7,181	21,251
Other payables	212	-	-	-	-	-	212
Total liabilities	<u>112,230</u>	<u>38,180</u>	<u>427</u>	<u>-</u>	<u>-</u>	<u>13,175</u>	<u>164,012</u>
FUND BALANCES							
Nonspendable	5,603	3,816	-	-	1,498,742	17,764	1,525,925
Restricted for							
Debt service	-	-	-	33,536	-	-	33,536
Capital reserves	249,023	623,294	-	-	-	-	872,317
Employee benefits	31,023	32,171	-	-	-	-	63,194
Restricted donations	-	-	120,245	-	-	22,432	142,677
Sewer operations	-	816,313	-	-	-	-	816,313
Assigned							
Appropriated	-	-	60,500	-	-	36,953	97,453
Unappropriated	570,242	-	112,643	-	-	215,459	898,344
Total fund balances	<u>855,891</u>	<u>1,475,594</u>	<u>293,388</u>	<u>33,536</u>	<u>1,498,742</u>	<u>292,608</u>	<u>4,449,759</u>
Total liabilities and fund balances	<u>\$ 968,121</u>	<u>\$ 1,513,774</u>	<u>\$ 293,815</u>	<u>\$ 33,536</u>	<u>\$ 1,498,742</u>	<u>\$ 305,783</u>	<u>\$ 4,613,771</u>

City of Oneonta, New York

Supplementary Information - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

Year Ended December 31, 2017

			Miscellaneous Special Revenue	Debt Service	Permanent	Public Library	Total
	Water	Sewer					
REVENUES							
Real property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 421,093	\$ 421,093
Departmental income	2,190,941	1,683,346	-	-	-	15,053	3,889,340
Intergovernmental charges	-	282,063	-	-	-	47,000	329,063
Use of money and property	2,052	2,093	4,644	-	-	5,503	14,292
Sale of property and compensation for loss	19,202	137,202	-	-	-	3,083	159,487
Miscellaneous local sources	-	-	18,700	29,317	-	299,020	347,037
State aid	-	-	-	-	-	8,072	8,072
Total revenues	2,212,195	2,104,704	23,344	29,317	-	798,824	5,168,384
EXPENDITURES							
General government support	101,212	48,452	-	-	-	-	149,664
Culture and recreation	-	-	9,951	-	-	808,069	818,020
Home and community services	1,591,278	1,287,410	24,686	-	-	-	2,903,374
Benefits	95,683	89,185	-	-	-	-	184,868
Debt service, principal	226,324	248,112	-	-	-	-	474,436
Debt service, interest	98,775	105,139	-	-	-	-	203,914
Total expenditures	2,113,272	1,778,298	34,637	-	-	808,069	4,734,276
Excess (deficiency) of revenues over expenditures	98,923	326,406	(11,293)	29,317	-	(9,245)	434,108
OTHER FINANCING SOURCES (USES)							
Operating transfers in	96,171	-	-	4,219	-	-	100,390
Operating transfers out	(211,692)	-	-	(7,171)	-	-	(218,863)
Total other financing sources (uses)	(115,521)	-	-	(2,952)	-	-	(118,473)
Net change in fund balance	(16,598)	326,406	(11,293)	26,365	-	(9,245)	315,635
FUND BALANCE, beginning of year	872,489	1,149,188	304,681	7,171	1,498,742	301,853	4,134,124
FUND BALANCE, end of year	\$ 855,891	\$ 1,475,594	\$ 293,388	\$ 33,536	\$ 1,498,742	\$ 292,608	\$ 4,449,759

See Independent Auditor's Report.

City of Oneonta, New York

Supplementary Information - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Combined Special Revenue Funds

Combined Special Revenue Fund Types (Excluding Community Development Fund - Note 2)	Year Ended December 31, 2017					
	2017 Adopted Budget	2017 Modified Budget	Difference vs. Modified Positive (Negative)	2017 Actual	Variance With Actual vs. Modified Positive (Negative)	2018 Adopted Budget
REVENUES						
Real property taxes	\$ 421,093	\$ 421,093	\$ -	\$ 421,093	\$ -	\$ 458,046
Departmental income	4,100,550	4,100,550	-	3,889,340	(211,210)	3,994,545
Intergovernmental charges	395,000	395,000	-	329,063	(65,937)	447,000
Use of money and property	6,700	6,700	-	14,292	7,592	6,700
Sale of property and compensation for loss	113,500	136,136	22,636	159,487	23,351	113,500
Miscellaneous local sources	272,000	302,415	30,415	317,720	15,305	279,941
State aid	8,000	51,242	43,242	8,072	(43,170)	7,500
Interfund transfers	7,171	7,171	-	96,171	89,000	-
Total revenues	5,324,014	5,420,307	96,293	5,235,238	(185,069)	5,307,232
EXPENDITURES						
General government support	425,780	323,318	102,462	149,664	173,654	227,000
Culture and recreation	813,470	918,424	(104,954)	818,020	100,404	859,688
Home and community services	3,159,877	3,412,424	(252,547)	2,903,374	509,050	2,740,376
Benefits	198,000	198,000	-	184,868	13,132	193,500
Debt service, principal	474,600	474,600	-	474,436	164	632,400
Debt service, interest	204,050	204,050	-	203,914	136	278,850
Interfund transfers	172,364	338,056	(165,692)	211,692	126,364	479,419
Total expenditures	5,448,141	5,868,872	(420,731)	4,945,968	922,904	5,411,233
Excess (deficiency) of revenues over expenditures	(124,127)	(448,565)	(324,438)	289,270	737,835	(104,001)
FUND BALANCE, beginning of year	2,628,211	2,628,211	-	2,628,211	-	2,917,481
FUND BALANCE, end of year	\$ 2,504,084	\$ 2,179,646	\$ (324,438)	\$ 2,917,481	\$ 737,835	\$ 2,813,480

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

	Year Ended December 31, 2017					
	2017 Adopted Budget	2017 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2017 Actual	Variance With Actual vs. Modified Positive (Negative)	2018 Adopted Budget
REVENUES						
Use of money and property	\$ 2,200	\$ 2,200	\$ -	\$ 4,644	\$ 2,444	\$ 2,200
Miscellaneous local sources	10,000	10,000	-	18,700	8,700	10,000
Total revenues	12,200	12,200	-	23,344	11,144	12,200
EXPENDITURES						
Culture and recreation	23,270	23,270	-	9,951	13,319	19,248
Home and community services	40,000	40,000	-	24,686	15,314	60,000
Total expenditures	63,270	63,270	-	34,637	28,633	79,248
Excess (deficiency) of revenues over expenditures	(51,070)	(51,070)	-	(11,293)	39,777	(67,048)
FUND BALANCE, <i>beginning of year</i>	304,681	304,681	-	304,681	-	293,388
FUND BALANCE, <i>end of year</i>	\$ 253,611	\$ 253,611	\$ -	\$ 293,388	\$ 39,777	\$ 226,340

City of Oneonta, New York

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

	Year Ended December 31, 2017					
	2017 Adopted Budget	2017 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2017 Actual	Variance With Actual vs. Modified Positive (Negative)	2018 Adopted Budget
REVENUES						
Departmental income	\$ 2,317,500	\$ 2,317,500	\$ -	\$ 2,190,941	\$ (126,559)	\$ 2,226,545
Use of money and property	-	-	-	2,052	2,052	-
Sale of property and compensation for loss	-	11,318	11,318	19,202	7,884	-
Interfund transfers	7,171	7,171	-	96,171	89,000	-
Total revenues	<u>2,324,671</u>	<u>2,335,989</u>	<u>11,318</u>	<u>2,308,366</u>	<u>(27,623)</u>	<u>2,226,545</u>
EXPENDITURES						
General government support	300,130	205,632	94,498	101,212	104,420	102,000
Water administration	253,950	289,497	(35,547)	262,770	26,727	248,890
Source of supply, wells	17,000	53,551	(36,551)	46,289	7,262	17,000
Source of supply, dams	5,300	2,300	3,000	800	1,500	1,550
Purification	810,675	815,052	(4,377)	740,410	74,642	737,180
Laboratory	63,700	63,700	-	40,469	23,231	66,360
Transmission and distribution	443,166	573,089	(129,923)	500,540	72,549	395,115
Benefits	99,500	99,500	-	95,683	3,817	101,000
Debt service, principal	226,400	226,400	-	226,324	76	377,500
Debt service, interest	98,850	98,850	-	98,775	75	179,950
Interfund transfers	46,000	211,692	(165,692)	211,692	-	-
Total expenditures	<u>2,364,671</u>	<u>2,639,263</u>	<u>(274,592)</u>	<u>2,324,964</u>	<u>314,299</u>	<u>2,226,545</u>
Excess (deficiency) of revenues over expenditures	(40,000)	(303,274)	(263,274)	(16,598)	286,676	-
FUND BALANCE, beginning of year	<u>872,489</u>	<u>872,489</u>	<u>-</u>	<u>872,489</u>	<u>-</u>	<u>855,891</u>
FUND BALANCE, end of year	<u>\$ 832,489</u>	<u>\$ 569,215</u>	<u>\$ (263,274)</u>	<u>\$ 855,891</u>	<u>\$ 286,676</u>	<u>\$ 855,891</u>

City of Oneonta, New York

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

	Year Ended December 31, 2017					
	2017 Adopted Budget	2017 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2017 Actual	Variance With Actual vs. Modified Positive (Negative)	2018 Adopted Budget
REVENUES						
Departmental income	\$ 1,770,000	\$ 1,770,000	\$ -	\$ 1,683,346	\$ (86,654)	\$ 1,755,000
Intergovernmental charges	350,000	350,000	-	282,063	(67,937)	400,000
Use of money and property	-	-	-	2,093	2,093	-
Sale of property and compensation for loss	110,000	121,318	11,318	137,202	15,884	110,000
Total revenues	2,230,000	2,241,318	11,318	2,104,704	(136,614)	2,265,000
EXPENDITURES						
General government support	125,650	117,686	7,964	48,452	69,234	125,000
Sewer administration	257,830	260,877	(3,047)	245,815	15,062	251,149
Sanitary sewers	174,541	216,826	(42,285)	193,822	23,004	104,025
Wastewater treatment	1,093,715	1,097,532	(3,817)	847,773	249,759	859,107
Benefits	98,500	98,500	-	89,185	9,315	92,500
Debt service, principal	248,200	248,200	-	248,112	88	254,900
Debt service, interest	105,200	105,200	-	105,139	61	98,900
Interfund transfers	126,364	126,364	-	-	126,364	479,419
Total expenditures	2,230,000	2,271,185	(41,185)	1,778,298	492,887	2,265,000
Excess (deficiency) of revenues over expenditures	-	(29,867)	(29,867)	326,406	356,273	-
FUND BALANCE, beginning of year	1,149,188	1,149,188	-	1,149,188	-	1,475,594
FUND BALANCE, end of year	\$ 1,149,188	\$ 1,119,321	\$ (29,867)	\$ 1,475,594	\$ 356,273	\$ 1,475,594

City of Oneonta, New York

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

	Year Ended December 31, 2017					
	2017 Adopted Budget	2017 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2017 Actual	Variance With Actual vs. Modified Positive (Negative)	2018 Adopted Budget
REVENUES						
Real property taxes	\$ 421,093	\$ 421,093	\$ -	\$ 421,093	\$ -	\$ 458,046
Departmental income	13,050	13,050	-	15,053	2,003	13,000
Intergovernmental charges	45,000	45,000	-	47,000	2,000	47,000
Use of money and property	4,500	4,500	-	5,503	1,003	4,500
Sale of property and compensation for loss	3,500	3,500	-	3,083	(417)	3,500
Miscellaneous local sources	262,000	292,415	30,415	299,020	6,605	269,941
State aid	8,000	51,242	43,242	8,072	(43,170)	7,500
Total revenues	757,143	830,800	73,657	798,824	(31,976)	803,487
EXPENDITURES						
Culture and recreation	790,200	895,154	(104,954)	808,069	87,085	840,440
Excess (deficiency) of revenues over expenditures	(33,057)	(64,354)	(31,297)	(9,245)	55,109	(36,953)
FUND BALANCE, beginning of year	301,853	301,853	-	301,853	-	292,608
FUND BALANCE, end of year	\$ 268,796	\$ 237,499	\$ (31,297)	\$ 292,608	\$ 55,109	\$ 255,655