

City of Oneonta, New York

Financial Report

December 31, 2016

City of Oneonta, New York

Financial Report

December 31, 2016

CONTENTS

	Page
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-11
Financial Statements - Regulatory Basis	
Balance Sheet - All Funds and Account Groups	12
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	13
Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	15
Notes to Financial Statements	16-49
Supplementary Information - Regulatory Basis	
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	50
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Combined Special Revenue Funds	51
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Miscellaneous Special Revenue Fund	52
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Water Fund	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Sewer Fund	54
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Library Fund	55
Combining Balance Sheet - Special Revenue Funds	56
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds	57



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of each governmental fund, proprietary fund, the fiduciary fund, and each account group of the City of Oneonta, New York (City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's regulatory basis financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

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

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

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the governmental, proprietary and fiduciary funds, and account groups of the City as of December 31, 2016, or the changes in financial position of the governmental and proprietary funds, and cash flows of the proprietary funds for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental, proprietary, and fiduciary funds, and account groups of the City of Oneonta, New York as of December 31, 2016, and the changes in financial position of the governmental and proprietary funds and cash flows of the proprietary funds for the year then ended in accordance with the accounting and reporting practices permitted by the New York State Office of the State Comptroller described in Note 1.

Other Matter

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s regulatory basis financial statements. The schedule of funding progress on page 40, budgetary comparison information on pages 50 through 55, and combining special revenue fund financial statements on pages 56 and 57 are presented for purposes of additional analysis and are not a required part of the regulatory basis financial statements.

Other Matter - Continued

Supplementary and Other Information - Continued

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BST & CO. CPAs, LLP

Albany, New York
July 10, 2017



City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

As management of the City of Oneonta, New York (City), we offer readers of the City's financial statements - regulatory basis, this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2016.

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

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

After a four-year period of preparing its financial statements in conformity with U.S. GAAP, the City decided in 2007 to no longer fully implement GASB No. 34 due, in part, to the following reasons:

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

Overview of the Financial Statements

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

Fund Financial Statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds.

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

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

Overview of the Financial Statements - Continued

Governmental funds - Continued

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

Compliance with the City's General Fund's annual operating budget for the year ended December 31, 2016, is reported in the *Combining Statement of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual* which is found in the *Supplementary Information* section of the financial report, along with the combined statements detailing the various special revenue funds.

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

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

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

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

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

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the amounts provided in the fund financial statements. The Notes begin on page 16.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

Financial Condition

In 2013, the New York State Comptroller's Office implemented a system designed to monitor the financial condition of local governments based on both financial information and the external environment. Financial information considered includes year-end fund balances, operating surpluses/deficits, and fixed costs. External factors reviewed include population property values, employment, and sales tax revenue. In August 2016, the Comptroller's Office issued its most recent scoring with the City of Oneonta maintaining a "no-designation" classification. The City has avoided a fiscal stress designation through proactive financial management and multi-year planning. The areas where the City was noted as having some level of fiscal stress were fund balance and operating deficits. In recent years, the City has focused on increasing revenues where possible, and controlling expenditures, as well as reducing the City's reliance on fund balance as a means of financing current operations.

Financial Highlights

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$17,377,583, an increase of \$769,655 in comparison with the prior year. The General Fund increased \$1,039,701, Special Revenue Funds decreased \$119,720, and the Capital Projects Fund decreased \$136,874. There are a number of capital projects that will be funded by future bond proceeds.
- Once again, the City maintained compliance with the New York State Tax Cap provisions. The City's 2016 tax levy was \$4,595,050, an increase of \$31,462 (.69%), and the Library's 2016 tax levy was \$417,581, an increase of \$3,026 (.73%). Refer to Note 12 for further information regarding property taxes.
- The City's total bonds payable decreased by \$725,000 (6.4%) during the current fiscal year
- Capital Projects 2016 activity:
 - Completion of the Real Property Reassessment
 - \$600,000 was expended for street capital projects
 - Almost \$1.3 million was spent on the Oneonta Airport capital project
 - Over \$258,000 was expended on the Wastewater Treatment Plant capital project
 - Over \$1.3 million was realized in federal and state grants for various capital projects
- Community Development Grants: More than \$1.2 million was received in grants with approximately \$544,000 being invested into public facilities and over \$585,000 being granted/loaned to various City home and business owners
- Reserve additions:
 - General Fund:

• Highway Equipment	\$605,000
• Public Safety	\$460,000
• Streets and Sidewalks	\$695,000
• Repair	\$70,000
• Parks and Recreation	\$414,678
 - Water Fund:

• Equipment	\$175,000
-------------	-----------
 - Sewer Fund:

• Equipment	\$400,000
-------------	-----------

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following is a brief summary of the City's various funds:

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

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

Nonspendable:

- Permanent Fund - restricted donation - \$1,498,742
- Prepaid expenses - \$218,858
- Inventory - \$8,367

Restricted:

- Capital reserves/projects - \$4,053,434
- Capital Projects Library - \$1,644,116
- Employee benefits - \$440,222
- Community Development Grant Program - \$389,178
- Repair reserve - \$361,826
- Restricted donations - \$490,359
- Sewer Fund - \$475,778
- Parks and Recreation - \$414,678
- Crime proceeds - \$30,612
- DBL awareness - \$14,617
- EMS education - \$13,507
- Bonded debt - \$7,171
- Special Event - \$12,934

Committed:

- Capital Projects Library - \$488,566
- Capital Projects - \$645,028
- Local Grant Program - \$69,686

Assigned:

- Encumbrances to liquidate General Fund contracts/purchase orders - \$270,539
- Water Fund - \$531,609
- Library Fund - \$223,609
- Appropriated for next year's Library Fund budget - \$33,057
- Community landscaping program - \$63,138
- Appropriated for next year's Community landscaping program - \$40,000
- Greenway Trail project - \$87,589
- Appropriated for next year's Greenway Trail project - \$1,520

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

Financial Analysis of the Government's Funds - Continued

General Fund: The General Fund is the principal operating fund of the City. As of December 31, 2016, the unassigned fund balance of the General Fund was \$6,560,424, a decrease of \$967,246 (12.8%) from the previous year, while the total fund balance was \$11,706,717, an increase of \$1,039,701 (9.7%) 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 46.5% of that amount. The City utilizes a conservative budgeting approach to revenues and expenditures, and practices consistent expenditure controls.

Capital Projects: The Capital Projects Fund accounts for the construction and reconstruction of public improvements. At the end of the current fiscal year, the fund balance was \$1,077,878; this is comprised of \$2,132,682 reserved for a library building project, and a fund balance for all other projects equaling a net of \$(1,054,804), consisting primarily of various city property/buildings, street, and park projects. There are five capital projects with a deficit fund balance which will be financed with future bond proceeds, grants, and contributions from the General Fund.

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

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

Water Fund: The Water Fund is used to account for the provision of water services to the citizenry, funded by user fees based on water rates approved by the Common Council. At the end of the current fiscal year, the undesignated fund balance was \$531,609 with the total fund balance being \$872,489, an increase of \$85,895 from the previous year.

Sewer Fund: The Sewer Fund is used to account for the provision of sewer services to the citizenry, funded by user fees based on sewer rates approved by the Common Council. At the end of the current fiscal year, the restricted fund balance was \$475,778, with the total fund balance being \$1,149,188, a decrease of \$124,680.

Community Development Special Revenue Fund: The Community Development Block Grant Fund is a Special Revenue Fund used to account for the programs and projects primarily funded by the U.S. Department of Housing and Urban Development. At the end of the current fiscal year, the fund balance was \$458,864.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

Financial Analysis of the Government's Funds - Continued

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

- Swart Wilcox - \$62,794
- Parks - \$8,615
- Susquehanna Greenway - \$89,109
- Park Roads - \$6,134
- Community Landscaping - \$103,138
- Youth Programs - \$17,385
- Korean War Memorial - \$3,958
- Animal Shelter - \$9,586
- Trainman Veteran Monument - \$1,505
- Allison Building - \$2,457

Library Fund: As detailed in Note 1d, the Library Fund is included as a Special Revenue Fund due to the determination that the Huntington Memorial Library is a component unit of the City. This fund accounts for the revenue and expenditures recognized in the operation of the Library. As of the end of the current fiscal year, the undesignated fund balance was \$223,609, with the total fund balance being \$301,853, a decrease of \$173,447.

Proprietary Funds: The net position of the proprietary funds at the end of the current fiscal year totaled \$996,529, a decrease from the previous year of \$152,808.

Capital Assets and Debt Administration

Capital Assets: The City's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounted to \$48,694,909 (net of depreciation for the business-type activities). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. See financial statement Note 6 for a summary of the City's capital assets. As stated in Note 1, the City has elected to prepare its financial statements on the regulatory basis of accounting as permitted by the New York State Office of the State Comptroller for annual reports to that office. In doing so, the City is not required under the accounting practices permitted by the New York State Office of the State Comptroller to report the value of the City's infrastructure and the accumulated depreciation for the governmental funds' capital assets.

Long-Term Debt: The City 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 on December 31, 2016, was \$10,530,000, a decrease of \$725,000, or 6.4% over the prior year.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

Capital Assets and Debt Administration - Continued

In May 2017, the City issued \$4,200,000 in bonds to fund various capital projects. With this issue, S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond rating of "AA" with a stable outlook" to the Insured Bonds based upon the issuance by Build America Mutual ("BAM") of its standard form of Municipal Bond Insurance Policy with respect to the Bonds. S&P has assigned their underlying rating of "AA-" with a stable outlook to the Bonds.

Outside of bonded debt of \$10,530,000, the City also entered into a lease agreement in July 2012, with Municipal Leasing Consultants, LLC. This agreement financed the energy performance capital project, which included weatherization, roof repairs, HVAC/lighting systems improvements, a new water meter system, and improvements at the wastewater treatment plant. This lease is for a total of \$3,500,000, with an annual interest rate of 2.84% for a term of 180 months. The December 31, 2016 balance equaled \$2,705,335.

Budgetary Highlights

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

The City's principal operating budgets, including general, water, and sewer, increased by \$915,953 or 4.7%, during the fiscal 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 various funds can be found in the supplementary information section of the audited financial statements.

Statutory Limits: Real Property Tax and Debt

The New York State Constitution restricts the annual real property tax levy for operating expenses to 2% of the average full value of taxable City property over the last five years. For the fiscal year ended December 31, 2016, the City had a legal margin of approximately \$5,078,540, or 56.79% 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, 2016, the City had a debt margin of approximately \$23,709,148, or 75.75% of its borrowing power remaining.

City of Oneonta, New York

Management's Discussion and Analysis December 31, 2016

General Information

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

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

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

Balance Sheet - All Funds and Account Groups - Regulatory Basis

	December 31, 2016										
	Governmental Fund Types					Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Debt Service	Permanent	Public Transportation	Internal Service Central Garage	Agency Funds	Non-current Governmental Asset	Non-current Governmental Liability	
ASSETS, DEFERRED OUTFLOWS OF RESOURCES, AND OTHER DEBITS											
ASSETS											
Cash and cash equivalents	\$ 4,005,196	\$ 855,085	\$ -	\$ -	\$ -	\$ 243,447	\$ -	\$ -	\$ -	\$ -	\$ 5,103,728
Cash and cash equivalents, restricted	4,676,407	2,029,996	2,824,721	7,171	1,498,742	38,745	-	31,055	-	-	11,106,837
Loans receivable, less allowance for uncollectible	-	784,777	-	-	-	-	-	-	-	-	784,777
Other receivables, less allowance for uncollectible	327,038	346,360	-	-	-	53,034	193	-	-	-	726,625
Due from other governments	616,243	536,891	301,674	-	-	72,284	-	-	-	-	1,527,092
Due from other funds	2,495,869	-	-	-	-	-	-	-	-	-	2,495,869
Inventory	8,367	-	-	-	-	-	271,708	-	-	-	280,075
Prepaid expenses	190,980	27,878	-	-	-	3,959	6,211	-	-	-	229,028
Other assets	-	370,100	-	-	-	-	-	-	-	-	370,100
Capital assets, net of accumulated depreciation	-	-	-	-	-	613,410	81,851	-	47,999,648	-	48,694,909
Total assets	12,320,100	4,951,087	3,126,395	7,171	1,498,742	1,024,879	359,963	31,055	47,999,648	-	71,319,040
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	414,231	137,051	-	6,113,584	-	6,664,866
OTHER DEBITS											
Amounts to be provided for retirement of long-term liabilities	-	-	-	-	-	-	-	-	-	37,928,250	37,928,250
Total assets, deferred outflows of resources, and other debits	\$ 12,320,100	\$ 4,951,087	\$ 3,126,395	\$ 7,171	\$ 1,498,742	\$ 1,439,110	\$ 497,014	\$ 31,055	\$ 54,113,232	\$ 37,928,250	\$ 115,912,156
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, OTHER CREDITS, FUND BALANCE, AND NET POSITION											
LIABILITIES											
Accounts payable	\$ 224,183	\$ 130,650	\$ 205,340	\$ -	\$ -	\$ 49,474	\$ 5,914	\$ -	\$ -	\$ -	\$ 615,561
Accrued liabilities	148,859	20,196	-	-	-	12,822	4,836	15,464	-	-	202,177
Customer deposits	2,000	-	-	-	-	-	-	600	-	-	2,600
Due to other funds	-	558,077	1,843,177	-	-	-	94,615	-	-	-	2,495,869
Due to other governments	1,916	-	-	-	-	171,502	-	11,240	-	-	184,658
Net pension liability	-	-	-	-	-	339,941	115,696	-	-	5,418,547	5,874,184
Other payables	377	212	-	-	-	24	-	3,751	-	-	4,364
Accrued compensated absences	21,034	-	-	-	-	27,365	13,734	-	-	493,031	555,164
Judgments and claims payable	-	-	-	-	-	-	-	-	-	60,000	60,000
Installment purchase debt	-	-	-	-	-	19,810	15,566	-	-	2,669,959	2,705,335
Bonds payable	-	-	-	-	-	-	-	-	-	10,530,000	10,530,000
Other postemployment benefits	-	-	-	-	-	-	-	-	-	17,664,997	17,664,997
Total liabilities	398,369	709,135	2,048,517	-	-	620,938	250,361	31,055	-	36,836,534	40,894,909
DEFERRED INFLOWS OF RESOURCES	215,014	1,154,877	-	-	-	53,148	15,148	-	6,113,584	1,091,716	8,643,487
OTHER CREDITS											
Investment in governmental capital assets	-	-	-	-	-	-	-	-	47,999,648	-	47,999,648
COMMITMENTS AND CONTINGENCIES											
FUND BALANCE AND NET POSITION											
Net position											
Invested in capital assets, net of related debt	-	-	-	-	-	593,600	66,285	-	-	-	659,885
Restricted	-	-	-	-	-	38,745	-	-	-	-	38,745
Unrestricted	-	-	-	-	-	132,679	165,220	-	-	-	297,899
Fund balance											
Nonspendable	199,347	27,878	-	-	1,498,742	-	-	-	-	-	1,725,967
Restricted	4,676,407	2,008,989	1,655,865	7,171	-	-	-	-	-	-	8,348,432
Committed	-	69,686	1,133,594	-	-	-	-	-	-	-	1,203,280
Assigned	270,539	980,522	-	-	-	-	-	-	-	-	1,251,061
Unassigned	6,560,424	-	(1,711,581)	-	-	-	-	-	-	-	4,848,843
Total fund balance	11,706,717	3,087,075	1,077,878	7,171	1,498,742	765,024	231,505	-	-	-	18,374,112
Total liabilities, deferred inflows of resources, other credits, fund balance, and net position	\$ 12,320,100	\$ 4,951,087	\$ 3,126,395	\$ 7,171	\$ 1,498,742	\$ 1,439,110	\$ 497,014	\$ 31,055	\$ 54,113,232	\$ 37,928,250	\$ 115,912,156

City of Oneonta, New York

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

	Year Ended December 31, 2016				Total (Memorandum Only)
	Governmental Fund Types				
	General	Special Revenue	Capital Projects	Debt Service	
REVENUES					
Real property taxes	\$ 4,595,050	\$ 417,581	\$ -	\$ -	\$ 5,012,631
Real property tax items	138,030	-	-	-	138,030
Non-property tax items	4,429,972	-	-	-	4,429,972
Departmental income	1,354,279	3,787,693	-	-	5,141,972
Intergovernmental charges	1,056,720	463,532	-	-	1,520,252
Use of money and property	35,298	8,742	3,135	-	47,175
Licenses and permits	89,252	-	-	-	89,252
Fines and forfeitures	224,713	-	-	-	224,713
Sale of property and compensation for loss	60,438	118,340	-	-	178,778
Miscellaneous local sources	118,507	204,190	-	-	322,697
State aid	2,425,168	517,114	175,584	-	3,117,866
Federal aid	65,747	717,619	1,176,864	-	1,960,230
Interfund revenues	354,566	-	-	-	354,566
Total revenues	<u>14,947,740</u>	<u>6,234,811</u>	<u>1,355,583</u>	<u>-</u>	<u>22,538,134</u>
EXPENDITURES					
General government support	2,577,817	150,198	59,084	-	2,787,099
Public safety	6,874,632	-	6,190	-	6,880,822
Health	2,500	-	-	-	2,500
Transportation	1,350,941	-	1,922,615	-	3,273,556
Economic assistance and opportunity	9,238	-	-	-	9,238
Culture and recreation	586,764	864,268	-	-	1,451,032
Home and community services	301,623	4,078,336	310,925	-	4,690,884
Benefits	1,152,337	196,779	-	-	1,349,116
Debt service, principal	439,294	458,396	-	-	897,690
Debt service, interest	198,899	217,013	-	-	415,912
Total expenditures	<u>13,494,045</u>	<u>5,964,990</u>	<u>2,298,814</u>	<u>-</u>	<u>21,757,849</u>
Excess (deficiency) of revenues over expenditures	<u>1,453,695</u>	<u>269,821</u>	<u>(943,231)</u>	<u>-</u>	<u>780,285</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	195,632	212,900	973,711	-	1,382,243
Operating transfers out	(609,626)	(602,441)	(167,354)	(13,452)	(1,392,873)
Total other financing sources (uses)	<u>(413,994)</u>	<u>(389,541)</u>	<u>806,357</u>	<u>(13,452)</u>	<u>(10,630)</u>
Net change in fund balance	<u>1,039,701</u>	<u>(119,720)</u>	<u>(136,874)</u>	<u>(13,452)</u>	<u>769,655</u>
FUND BALANCE, beginning of year	<u>10,667,016</u>	<u>3,206,795</u>	<u>1,214,752</u>	<u>20,623</u>	<u>15,109,186</u>
FUND BALANCE, end of year	<u>\$ 11,706,717</u>	<u>\$ 3,087,075</u>	<u>\$ 1,077,878</u>	<u>\$ 7,171</u>	<u>\$ 15,878,841</u>

See accompanying Notes to Regulatory Financial Statements.

City of Oneonta, New York

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

	Year Ended December 31, 2016		
	Public Transportation	Internal Service Central Garage	Total (Memorandum Only)
OPERATING REVENUES			
Charges for services	\$ 752,626	\$ 519,037	\$ 1,271,663
State aid	931,032	-	931,032
Federal aid	10,443	-	10,443
Total operating revenues	1,694,101	519,037	2,213,138
OPERATING EXPENSES			
Personal services	698,850	231,219	930,069
Contractual expenses	845,883	121,695	967,578
Employee benefits	192,886	131,984	324,870
Depreciation	228,205	34,236	262,441
Total operating expenses	1,965,824	519,134	2,484,958
Operating loss	(271,723)	(97)	(271,820)
NON-OPERATING REVENUES (EXPENSES)			
Refund of prior year expenditures	-	842	842
Interfund revenues	16,712	-	16,712
Sale of scrap and excess materials	-	467	467
Gain on sale/disposition of assets	1,756	12	1,768
Insurance recoveries	14,483	-	14,483
Other compensation for loss	1,312	-	1,312
State aid capital grants	7,660	-	7,660
Federal aid capital grants	61,280	-	61,280
Miscellaneous	5,840	-	5,840
Interest expense	(1,110)	(872)	(1,982)
Total non-operating revenues (expenses)	107,933	449	108,382
Income (loss) before transfers	(163,790)	352	(163,438)
TRANSFERS			
Operating transfers in	10,630	-	10,630
Change in net position	(153,160)	352	(152,808)
NET POSITION, <i>beginning of year</i>	918,184	231,153	1,149,337
NET POSITION, <i>end of year</i>	\$ 765,024	\$ 231,505	\$ 996,529

See accompanying Notes to Regulatory Financial Statements.

City of Oneonta, New York

Statement of Cash Flows - Proprietary Funds - Regulatory Basis

	Year Ended December 31, 2016		
	Public Transportation	Internal Service Central Garage	Total (Memorandum Only)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Cash received from providing services	\$ 720,147	\$ 519,037	\$ 1,239,184
Cash paid for contractual expenses	(822,197)	(103,295)	(925,492)
Cash paid for personal services and employee benefits	(892,967)	(366,064)	(1,259,031)
Cash received from other operating sources	1,109,633	-	1,109,633
	114,616	49,678	164,294
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES			
Repayment of advances from other funds, net	-	(20,252)	(20,252)
Receipt of transfers from other funds	10,630	-	10,630
Receipts from other sources	32,507	1,309	33,816
	43,137	(18,943)	24,194
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES			
Increase in restricted cash	9,260	-	9,260
Purchase of fixed assets	(78,840)	(14,741)	(93,581)
Payments of debt	(19,263)	(15,134)	(34,397)
Proceeds from sale of assets	1	12	13
Interest expense	(1,110)	(872)	(1,982)
	(89,952)	(30,735)	(120,687)
Net increase in cash and cash equivalents	67,801	-	67,801
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	175,646	-	175,646
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 243,447	\$ -	\$ 243,447
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating loss	\$ (271,723)	\$ (97)	\$ (271,820)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation	228,205	34,236	262,441
(Increase) decrease in			
Accounts receivable	(28,910)	(193)	(29,103)
Due from other governments	1,767	-	1,767
Federal and state receivables	(3,344)	-	(3,344)
Deferred outflows	(362,886)	(115,628)	(478,514)
Inventory	-	33,176	33,176
Prepaid expenses	798	364	1,162
Increase (decrease) in			
Accounts payable and accrued liabilities	29,015	(14,279)	14,736
Due to other governments	171,502	-	171,502
Other payables	24	-	24
Net pension liability	302,631	100,128	402,759
Deferred inflows	45,784	15,148	60,932
Deferred revenues	(5,360)	-	(5,360)
Accrued compensated absences	7,113	(3,177)	3,936
	\$ 114,616	\$ 49,678	\$ 164,294

See accompanying Notes to Regulatory Financial Statements.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 1 - Organization and Summary of Significant Accounting Policies

a. Organization

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

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

b. Basis of Presentation

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

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

c. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows 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.

d. Financial Reporting Entity

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

d. Financial Reporting Entity - Continued

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

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

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

i. City School District of the City of Oneonta

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

ii. The Oneonta Housing Authority

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

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

d. Financial Reporting Entity - Continued

ii. The Oneonta Housing Authority - Continued

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

e. Fund Accounting

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

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

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

f. Basis of Accounting and Measurement Focus

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

f. Basis of Accounting and Measurement Focus - Continued

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

Sales tax, franchise taxes, grants, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

The City reports the following governmental funds:

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

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

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

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

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

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

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

Special Revenue Funds - Continued

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

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

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

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

The City reports the following proprietary funds:

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

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

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

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

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

f. Basis of Accounting, Measurement Focus - Continued

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

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

g. Cash, Cash Equivalents, and Investments

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

h. Due to/from Other Funds and Receivables

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

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

i. Inventories and Prepaid Items

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

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

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

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

j. Restricted Cash

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

General Fund capital reserve	\$ 3,100,985
General Fund employee benefit reserve	377,194
General Fund repair reserve	361,826
General Fund crime proceeds reserve	30,612
General Fund handicap awareness program	14,617
General Fund EMS training	13,507
General Fund restricted gift	350,054
General Fund parks and recreation	414,678
General Fund special event	12,934
Community development	466,314
Miscellaneous special revenue	112,842
Water Fund capital equipment reserve	303,700
Water Fund employee benefit reserve	30,941
Sewer Fund	419,241
Sewer Fund capital equipment reserve	637,000
Sewer Fund employee benefit reserve	32,087
Library Fund restricted gifts	27,871
Capital projects	2,824,721
Debt Service	7,171
Permanent	1,498,742
Public Transit Fund capital reserve	38,745
Trust and Agency	31,055
	<hr/>
Total restricted cash	<u><u>\$ 11,106,837</u></u>

k. Capital Assets

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

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

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

k. Capital Assets - Continued

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

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

Long-lived assets to be held and used are tested for recoverability whenever events of changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There were no impairments of long-lived assets as of December 31, 2016.

l. Compensated Absences

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

m. Deferred Outflows/Inflows of Resources

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

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

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

For further explanation regarding deferred outflows/inflows refer to Note 7.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

n. Long-Term Liabilities

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

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

o. Pensions

The City is a participating employer in both the New York State and Local Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) (collectively the "System"). Employees in 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.

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

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

p. Fund Balance/Net Position - Continued

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 11 for a summary of the City's fund balance as of December 31, 2016.

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

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

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

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

q. Encumbrances

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

q. Encumbrances - Continued

The following encumbrances were included in fund balance as of December 31, 2016:

	General Fund	Capital Project Fund	Water Fund	Sewer Fund	Total
Assigned					
General Government Support	\$ 61,237	\$ -	\$ -	\$ -	\$ 61,237
Public Safety	181,624	-	-	-	181,624
Transportation	26,229	-	-	-	26,229
Culture and Recreation	1,449	-	-	-	1,449
Home and Community Services	-	-	82,233	-	82,233
	<u>270,539</u>	<u>-</u>	<u>82,233</u>	<u>-</u>	<u>352,772</u>
Sewer Restricted					
Home and Community Services	-	-	-	14,518	14,518
Capital Projects Restricted					
Airport Apron Expansion	-	11,791	-	-	11,791
Airport Master Plan Update	-	158,024	-	-	158,024
Street Projects	-	37,930	-	-	37,930
	<u>-</u>	<u>207,745</u>	<u>-</u>	<u>-</u>	<u>207,745</u>
Capital Projects Committed					
Street Projects	-	68,575	-	-	68,575
Storm Sewer Separation	-	15,001	-	-	15,001
Neahwa Park Entryway	-	63,108	-	-	63,108
	<u>-</u>	<u>146,684</u>	<u>-</u>	<u>-</u>	<u>146,684</u>
Capital Projects Unassigned					
Street Projects	-	4,920	-	-	4,920
	<u>\$ 270,539</u>	<u>\$ 359,349</u>	<u>\$ 82,233</u>	<u>\$ 14,518</u>	<u>\$ 726,639</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, 2016, \$1,442,618, including amounts contributed by participating retirees, was paid on behalf of 114 retirees and recorded as an expenditure in various funds of the City. The postemployment fringe benefit costs, including unemployment and any prior year expense, are reported as "Benefits" on the governmental funds' statement of revenues, expenditures, and changes in fund balance. The current year's fringe benefit expenses for active employees are accounted for within each department and, therefore, reported within each activity in the financial statements. Other postemployment benefits are reported in the non-current government liability account group. See Note 8 for additional disclosures required for retiree postemployment benefits other than pensions.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

s. Total Column (Memorandum Only)

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

t. Adoption of New Accounting Standards

GASB Statement No. 72, Fair Value Measurement and Application. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 76, Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. This statement identifies the hierarchy of U.S. GAAP in the context of governmental financial reporting. This statement reduces the hierarchy of U.S. GAAP to two categories of authoritative U.S. GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specific with a source of authoritative U.S. GAAP.

GASB Statement No. 77, Tax Abatement Disclosures. This statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments by tax abatement recipients,
- Gross dollar amount of taxes abated during the period, and
- Commitments made by the government, other than to abate taxes, as part of a tax abatement agreement.

GASB Statement No. 78, Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans. This statement amends the scope and applicability of GASB Statement No. 68 to exclude pension plans provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that is:

- Not a state or local government pension plan,
- Used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governments, and
- Not used predominantly by a state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan).

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

t. Adoption of New Accounting Standards - Continued

GASB Statement No 79, *Certain External Investment Pools and Pool Participants*. This statement enhances comparability of financial statements among governments by establishing specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

Adoption of these accounting standards did not significantly impact the City's financial statements.

Note 2 - Legal Compliance, Budgets

a. Budgets

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

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Fund Balance, End of Year
Total funds included in comparison	\$ 5,020,446	\$ 5,237,488	\$ 2,628,211
Funds not included in budget comparison	1,427,265	1,329,943	458,864
	\$ 6,447,711	\$ 6,567,431	\$ 3,087,075

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

The City employs the following budgetary procedures:

- i. No later than one week prior to the second regular meeting of the Common Council in November, the City Manager submits a tentative budget to the Common Council for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all governmental funds of the City except for the 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.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 2 - Legal Compliance, Budgets - Continued

a. Budgets - Continued

- 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 shall become the budget for the ensuing fiscal 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, 2015 outstanding purchase orders. The 2015 outstanding purchase orders modified the 2016 adopted budget by \$187,178 for the General Fund, \$15,475 for the Water Fund, and \$90,485 for the Sewer Fund. The following are the amendments to the original budget approved during the fiscal year:

General Fund: \$92,500 contribution to the Main Street Streetscape capital project, \$31,000 for the reconstruction of a basketball court, \$69,519 for a contribution to the Greenway Special Revenue Fund, \$27,532 from the Highway Equipment Reserve for the purchase of a Loader, \$68,597 for police tactical equipment funded by a grant, \$21,866 for restricted donations, and \$4,735 for use of Crime Proceeds for the Police department.

Water Fund: \$25,000 the testing of large water meters.

Sewer Fund: \$76,242 the Fair & Frederick Street capital project, \$121,400 for the Clarifier capital project, and \$80,723 for final settling tank capital project.

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

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, 2016, the City had a constitutional tax margin of \$5,078,540, or 56.79% of its taxing power.

c. Deficit Fund Balances

Within the Capital Projects Fund, there are five projects that have a deficit fund balance as of December 31, 2016. These projects will be financed with future bonds, grant proceeds, or contributions from the General Fund.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

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

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

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

Category 3 Uncollateralized.

	Bank Balance	Category			Carrying Amount
		1	2	3	
<u>Pooled Deposits</u>					
Pooled Cash and Cash Equivalents	\$ 14,193,391	\$ -	\$ 14,193,391	\$ -	\$ 13,952,311
<u>Non-Pooled Deposits</u>					
Non-pooled Cash and Cash Equivalents					
General	1,787,381	-	1,787,381	-	1,787,381
Special Revenue	484,546	-	484,546	-	466,313
Trust and Agency	14,276	-	14,276	-	-
<u>Petty Cash on Hand</u>					
General	3,400	-	3,400	-	3,400
Special Revenue	80	-	80	-	80
Enterprise	1,080	-	1,080	-	1,080
Total cash	<u>\$ 16,484,154</u>	<u>\$ -</u>	<u>\$ 16,484,154</u>	<u>\$ -</u>	<u>\$ 16,210,565</u>

Note 4 - Receivables

a. Due from Other Governments

General Fund: The General Fund receivable consists primarily of \$589,079 representing November and December 2016 sales tax distributions due from the County of Otsego.

Special Revenue Fund: The Special Revenue Fund receivable consists primarily of \$418,532 due from the Town of Oneonta for 2016 sewer services, and \$118,359 due from various community development grants

Capital Project Fund: The Capital Project Fund receivable consists of \$301,674 due under various grants, consisting primarily of \$193,504 for FAA airport grants, and \$108,170 for NYS Department of Transportation grants.

Enterprise Fund: The Enterprise Fund receivable consists of \$72,284 due under various NYS Department of Transportation Grants.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 4 - Receivables - Continued

b. Loans Receivable, Community Development

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

A summary of loans receivable is as follows:

	December 31, 2016
Community Development Block Grants	\$ 151,029
CDBG - First Time Home Owners	253,776
NYS Housing Trust Fund - Home Program	4,754
NYS Small Cities CDBG - First Time Home Owners	351,912
Housing Visions	220,000
NYS Affordable Housing Corp	58,037
NYS CDBG - Multi-Unit Housing Rehabilitation	110,269
	1,149,777
Less allowances	(365,000)
	\$ 784,777

c. Other Receivables

General Fund: The City fire department provides ambulance service and bills based on service provided. During 2016, the City billed 2,212 calls. The balance of unpaid ambulance bills as of December 31, 2016 equaled \$282,814 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, 2016, unless otherwise deferred.

Water Fund: The Water Fund receivable consists primarily of \$169,632 for billed water usage. This balance was offset by an allowance for uncollectible accounts of \$27,000.

Sewer Fund: The Sewer Fund receivable consists primarily of \$118,571 for billed sewer rents considered fully collectible at December 31, 2016.

Proprietary Fund: The Proprietary Fund receivable consists primarily of \$53,034 due from various clients for bus services provided through Oneonta Public Transit.

Library Fund: The Library Fund receivable consists of \$68,734 for an interest distribution from an endowment held at a local bank.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 5 - Interfund Transactions

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

Fund	December 31, 2016	
	Due From Other Funds	Due To Other Funds
General	\$ 2,495,869	\$ -
Special Revenue	-	558,077
Internal Service	-	94,615
Capital Projects	-	1,843,177
	\$ 2,495,869	\$ 2,495,869

Note 6 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance, January 1, 2016	Additions	Retirements	Balance, December 31, 2016
Land	\$ 1,686,903	\$ -	\$ (9,482)	\$ 1,677,421
Buildings	26,669,639	13,059	-	26,682,698
Improvements	8,547,340	1,433,012	-	9,980,352
Machinery and equipment	16,105,516	797,767	(629,306)	16,273,977
Construction in progress	367,250	-	(367,250)	-
	53,376,648	2,243,838	(1,006,038)	54,614,448
Less accumulated depreciation	(5,768,486)	(262,443)	111,390	(5,919,539)
	\$ 47,608,162	\$ 1,981,395	\$ (894,648)	\$ 48,694,909

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

	Governmental	Public Transportation	Internal Service	Total
Land	\$ 1,666,171	\$ 5,963	\$ 5,287	\$ 1,677,421
Buildings	24,715,672	1,750,035	216,991	26,682,698
Improvements	9,780,137	128,669	71,546	9,980,352
Machinery and equipment	11,837,668	4,132,570	303,739	16,273,977
	47,999,648	6,017,237	597,563	54,614,448
Less accumulated depreciation				
Building	-	(1,579,193)	(181,348)	(1,760,541)
Improvements	-	(119,563)	(64,391)	(183,954)
Machinery and equipment	-	(3,705,071)	(269,973)	(3,975,044)
	-	(5,403,827)	(515,712)	(5,919,539)
	\$ 47,999,648	\$ 613,410	\$ 81,851	\$ 48,694,909

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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 2016 was approximately 14.8% and 23.3% of payroll, respectively. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	<u>ERS</u>	<u>PFRS</u>
2016	\$ 525,036	\$ 789,155
2015	596,230	844,508
2014	679,199	873,268

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 7 - Retirement Systems - Continued

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

At December 31, 2016, the City reported a liability of \$5,418,547 in the Non-Current Governmental Account Group, \$339,941 in the Enterprise Fund, and \$115,696 in the Internal Service Fund for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, 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, 2016, the City's proportion was .0127105% in the Employee Retirement System and .1210347% in the Police and Fire Retirement System. The Huntington Memorial Library proportion was .0015610% in the Employee Retirement System.

For the year ended December 31, 2016, the City recognized pension expense of \$1,240,415 in the governmental funds and \$77,549 in the proprietary funds. The City recognizes pension expense, per fund/department/employee, on a biweekly process via the payroll system. The total year-end expense is adjusted for prior year adjustments presented on the annual billing received from the System. At December 31, 2016, 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	\$ 41,138	\$ 752,809
Changes of assumptions	2,019,597	-
Net differences between projected and actual investment earnings on pension plan investments	3,064,426	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,536	338,907
City contributions subsequent to the measurement date	978,887	-
Total	\$ 6,113,584	\$ 1,091,716

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 7 - Retirement Systems - Continued

Contributions - Continued

	Proprietary Funds	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,579	\$ 60,498
Changes of assumptions	136,106	-
Net differences between projected and actual investment earnings on pension plan investments	302,792	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,007	434
City contributions subsequent to the measurement date	106,798	-
Total	\$ 551,282	\$ 60,932

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. 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,			
2017	\$ 976,061	\$ 97,520	\$ 1,073,581
2018	976,061	97,520	1,073,581
2019	976,061	97,520	1,073,581
2020	933,646	90,992	1,024,638
2021	181,152	-	181,152
Total	\$ 4,042,981	\$ 383,552	\$ 4,426,533

Actuarial Assumptions

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. Significant actuarial assumptions used in the valuation were as follows:

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 7 - Retirement Systems - Continued

Actuarial Assumptions - Continued

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, 2015 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, 2016, are summarized below.

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

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.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 7 - Retirement Systems - Continued

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%)
City's proportionate share of the net pension liability (asset)	\$ 5,165,142	\$ 2,290,604	\$ (138,261)
Governmental Funds	\$ 4,137,918	\$ 1,834,967	\$ (110,764)
Proprietary Funds	1,027,224	455,637	(27,497)
Total City's proportionate share	\$ 5,165,142	\$ 2,290,604	\$ (138,261)

PFRS	1% Increase (6.0%)	Current Discount (7.0%)	1% Increase (8.0%)
City's proportionate share of the net pension liability			
Governmental Funds	\$ 8,004,303	\$ 3,583,580	\$ (121,944)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2016 were as follows:

	(Dollars in Thousands)		
	Employee's Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 172,303,544	\$ 30,347,727	\$ 202,651,271
Plan net position	(156,253,265)	(27,386,940)	(183,640,205)
Employers' net pension liability	\$ 16,050,279	\$ 2,960,787	\$ 19,011,066
Ratio of plan net position to the employers' total pension liability	90.7%	90.2%	90.6%

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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, 2016, the City's expected contribution to the Plan was \$1,582,373. Some Plan members receiving benefits contribute a percent of their premium costs. Total member contributions were \$237,403 for the year ended December 31, 2016.

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	\$ 4,203,120
Contributions made (estimated) (actual was \$1,442,618)	<u>(1,582,373)</u>
Increase in net OPEB obligation	2,620,747
Net OPEB obligation, <i>beginning of year</i>	<u>15,044,250</u>
Net OPEB obligation, <i>end of year</i>	<u><u>\$ 17,664,997</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal years ended December 31, 2016, 2015, and 2014, was as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2016	\$ 4,203,120	37.65%	\$ 17,664,997
12/31/2015	4,030,814	41.72%	15,044,250
12/31/2014	3,425,337	48.90%	12,695,270

Funded Status and Funding Progress. As of December 31, 2016, the actuarial accrued liability for benefits was \$51,785,775, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$6,849,099, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 756.10%.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 8 - Postemployment Benefits Other Than Pensions - Continued

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 Regulatory Financial Statements December 31, 2016

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:

Year	Pre-65 Medical	Post-65 Medical	Prescription Drug
2016	7.750%	6.000%	11.000%
2017	7.500%	5.800%	10.500%
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 - 2016 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.

Schedule of Funding Progress for the Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Simplified Entry Age (b)	Unfunded AAL (UAAL) (b/a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b/a)/c)
12/31/2016	\$ -	\$ 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%
12/31/2014	-	42,402,728	42,402,728	0.00%	6,754,195	627.80%

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 9 - Indebtedness

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

	Year Ended December 31, 2016				Total
	Bonds	Installment Purchase Debt	Compensated Absences	Judgments and Claims Payable	
Payable, <i>beginning of year</i>	\$ 11,255,000	\$ 2,912,423	\$ 550,689	\$ 80,000	\$ 14,798,112
Additions	-	-	4,475	-	4,475
Retirements	(725,000)	(207,088)	-	(20,000)	(952,088)
Payable, <i>end of year</i>	\$ 10,530,000	\$ 2,705,335	\$ 555,164	\$ 60,000	\$ 13,850,499

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, 2016
<u>General Fund</u>					
Streets/Parking Garage	Mar-05	\$ 2,410,000	4.000% - 4.125%	Mar-22	\$ 1,050,000
Recreation/Equipment/Street	May-08	1,271,000	4.000% - 4.125%	May-28	882,500
Streets/Equipment	May-10	1,080,000	3.750% - 4.000%	May-30	858,500
Streets/Parking Lot/Garage	Feb-13	2,370,284	2.125% - 3.000%	Feb-32	2,082,000
Total General Fund					4,873,000
<u>Water Fund</u>					
Water Distribution/Plant	May-08	495,000	4.000% - 4.125%	May-28	345,000
Water Distribution	May-10	100,000	3.750% - 4.000%	May-30	79,500
Water Distribution/Mixers/MIOX	Feb-13	1,546,530	2.125% - 3.000%	Feb-32	1,365,000
Water Distribution	Jul-13	480,000	3.340% - 4.450%	Jun-22	335,000
Total Water Fund					2,124,500
<u>Sewer Fund</u>					
Sanitary Sewers	May-08	220,000	4.000% - 4.125%	May-28	152,500
Wastewater Treatment/ Sanitary Sewers	May-10	1,425,000	3.750% - 4.000%	May-30	1,132,000
Wastewater Treatment	Nov-12	1,145,000	5.370% - 6.180%	May-24	815,000
Sanitary/Barscreen/Digester	Feb-13	1,628,186	2.125% - 3.000%	Feb-32	1,433,000
Total Sewer Fund					3,532,500
Total Governmental Funds					\$ 10,530,000

Aggregate annual debt service of bonds payable is as follows:

Governmental Funds	Principal	Interest
For the year ending December 31,		
2017	\$ 750,000	\$ 312,228
2018	780,000	288,294
2019	805,000	263,790
2020	835,000	237,887
2021	860,000	211,857
2022 through 2026	3,430,000	729,166
2027 through 2031	2,705,000	254,072
2032	365,000	5,475
	\$ 10,530,000	\$ 2,302,769

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 9 - Indebtedness - Continued

The following bond issues were authorized by the Common Council but unissued as of December 31, 2016:

<u>Resolution Date</u>	<u>Amount Authorized</u>	<u>Purpose</u>
March 18, 2014	\$ 225,000	Wilber Park Lower Pedestrian Bridge
March 18, 2014	675,000	Street Reconstruction
July 15, 2014	500,000	Street Reconstruction
August 4, 2015	700,000	Street Reconstruction
February 2, 2016	1,400,000	Water Supply Line
November 1, 2016	400,000	Street Reconstruction

At December 31, 2016, the legal debt limit for the City was \$31,299,648, and the debt margin was \$23,709,148.

All significant bond covenants have been complied with.

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

<u>Description</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Principal Balance December 31, 2016</u>
<u>General Fund</u>					
Weatherization and energy efficiency improvements	Jul-12	\$ 1,249,150	2.84%	Jul-27	\$ 929,524
<u>Water Fund</u>					
Weatherization and energy efficiency improvements	Jul-12	1,842,378	2.84%	Jul-27	1,548,257
<u>Sewer Fund</u>					
Weatherization and energy efficiency improvements	Jul-12	<u>241,102</u>	2.84%	Jul-27	<u>192,178</u>
Total Governmental Funds		<u>\$ 3,332,630</u>			<u>\$ 2,669,959</u>
<u>Public Transportation</u>					
Weatherization and energy efficiency improvements	Jul-12	\$ 93,727	2.84%	Jul-27	\$ 19,810
<u>Internal Service Central Garage</u>					
Weatherization and energy efficiency improvements	Jul-12	<u>73,643</u>	2.84%	Jul-27	<u>15,566</u>
Total Proprietary Funds		<u>\$ 167,370</u>			<u>\$ 35,376</u>

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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,		
2017	\$ 212,973	\$ 76,828
2018	219,017	70,783
2019	225,238	64,563
2020	231,634	58,166
2021	238,213	51,588
2022 through 2026	1,296,464	152,538
2027	<u>281,796</u>	<u>8,004</u>
	<u>\$ 2,705,335</u>	<u>\$ 482,470</u>

Note 10 - Deferred Compensation Plan

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

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 11 - Fund Balance

A summary of the City's fund balance as of December 31, 2016, is as follows:

	General Fund	Capital Projects	Water Fund	Sewer Fund	Library Fund	Community Development Fund	Miscellaneous Special Revenue Fund	Debt Service Fund	Permanent Fund	Total (Memorandum Only)
Nonspendable										
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,498,742	\$ 1,498,742
Inventory	8,367	-	-	-	-	-	-	-	-	8,367
Prepaid expenses	190,980	-	6,239	4,323	17,316	-	-	-	-	218,858
Total nonspendable fund balance	<u>199,347</u>	<u>-</u>	<u>6,239</u>	<u>4,323</u>	<u>17,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,498,742</u>	<u>1,725,967</u>
Restricted										
Bonded debt	-	-	-	-	-	-	-	7,171	-	7,171
Capital	3,100,985	11,749	303,700	637,000	-	-	-	-	-	4,053,434
Capital, library	-	1,644,116	-	-	-	-	-	-	-	1,644,116
Crime proceeds	30,612	-	-	-	-	-	-	-	-	30,612
DBL awareness	14,617	-	-	-	-	-	-	-	-	14,617
Employee benefits	377,194	-	30,941	32,087	-	-	-	-	-	440,222
EMS education	13,507	-	-	-	-	-	-	-	-	13,507
Grant programs	-	-	-	-	-	389,178	-	-	-	389,178
Repairs	361,826	-	-	-	-	-	-	-	-	361,826
Restricted gifts	350,054	-	-	-	27,871	-	112,434	-	-	490,359
Sewer Fund	-	-	-	475,778	-	-	-	-	-	475,778
Parks and recreation	414,678	-	-	-	-	-	-	-	-	414,678
Special event	12,934	-	-	-	-	-	-	-	-	12,934
Total restricted fund balance	<u>4,676,407</u>	<u>1,655,865</u>	<u>334,641</u>	<u>1,144,865</u>	<u>27,871</u>	<u>389,178</u>	<u>112,434</u>	<u>7,171</u>	<u>-</u>	<u>8,348,432</u>
Committed										
Capital projects	-	645,028	-	-	-	-	-	-	-	645,028
Capital project, library	-	488,566	-	-	-	-	-	-	-	488,566
Local grant program	-	-	-	-	-	69,686	-	-	-	69,686
Total committed fund balance	<u>-</u>	<u>1,133,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,686</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,203,280</u>
Assigned										
Appropriated assigned	-	-	-	-	33,057	-	41,520	-	-	74,577
Community landscaping program	-	-	-	-	-	-	63,138	-	-	63,138
Encumbrances	270,539	-	-	-	-	-	-	-	-	270,539
Greenway project	-	-	-	-	-	-	87,589	-	-	87,589
Unappropriated	-	-	531,609	-	223,609	-	-	-	-	755,218
Total assigned fund balance	<u>270,539</u>	<u>-</u>	<u>531,609</u>	<u>-</u>	<u>256,666</u>	<u>-</u>	<u>192,247</u>	<u>-</u>	<u>-</u>	<u>1,251,061</u>
Unassigned										
Capital projects	-	(1,711,581)	-	-	-	-	-	-	-	(1,711,581)
Unrestricted fund balance	6,560,424	-	-	-	-	-	-	-	-	6,560,424
Total unrestricted fund balance	<u>6,560,424</u>	<u>(1,711,581)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,848,843</u>
Total fund balance	<u>\$ 11,706,717</u>	<u>\$ 1,077,878</u>	<u>\$ 872,489</u>	<u>\$ 1,149,188</u>	<u>\$ 301,853</u>	<u>\$ 458,864</u>	<u>\$ 304,681</u>	<u>\$ 7,171</u>	<u>\$ 1,498,742</u>	<u>\$ 17,377,583</u>

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 12 - Property Taxes

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

For the year ended December 31, 2016, the tax rates were as follows:

City	\$ 14.6216 per thousand of assessed value
Library	\$ 1.3063 per thousand of assessed value

Note 13 - Commitments and Contingencies

a. Leases

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the City's account groups. Currently, the City is not obligated under any lease agreement with a term extending beyond December 31, 2016, except for the lease agreement for rental of a tractor for the Oneonta Airport totaling \$46,004 for the period June 2014 through May 2018 and the lease agreement for rental of real property for Oneonta Public Transit totaling \$54,756 for the year 2015 through the year 2017.

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 defending, through its insurance carrier, approximately two (2) miscellaneous matters. 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 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.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 13 - Commitments and Contingencies - Continued

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 2016 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	\$ 33,150
420-b	Private Community Service & Social Organization	City of Oneonta	34,369
422	Not-for-Profit Housing Companies	City of Oneonta	54,278
	Total		<u>\$ 121,797</u>

Note 14 - Subsequent Events

On August 11, 2016, the City was informed of a New York State Environmental Facilities Corporation (NYSEFC) grant award in the amount of \$1,200,000 for the raw water transmission main improvement capital project. As a result, the City will utilize only \$200,000 of the \$1,400,000 February 2, 2016 bond authorization.

On December 6, 2016, the City approved a 10% increase in the water rates to be effective January 1, 2017.

On March 21, 2017, the City authorized a \$1,525,000 bond resolution to fund the replacement of water and sewer lines.

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	<u>1,525,000</u>
Total	<u>\$ 4,200,000</u>

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 14 - Subsequent Events - Continued

Future maturities for this issuance are as follows:

	Principal	Interest
For the year ending December 31,		
2017	\$ -	\$ -
2018	170,000	158,654
2019	225,000	101,850
2020	230,000	97,300
2021	235,000	92,650
2022-2026	1,255,000	388,625
2027-2031	1,445,000	207,075
2032-2033	640,000	19,350
	\$ 4,200,000	\$ 1,065,504

On May 16, 2017, the City appointed George L. Korthauer as City Manager at a base salary of \$110,000 effective August 1, 2017.

The following Grants/Projects were awarded and/or approved since December 31, 2016:

- HOME Program - \$432,700 for rehabilitation and weatherization of single-family, owner-occupied homes for income eligible homeowners.
- RESTORE NY Communities Initiative Municipal Grant Program - \$477,915 to demolish the building where the food and beverage innovation center is proposed to be located.
- Downtown Revitalization Initiative (DRI) Projects:
 - Westcott Lot Mixed Use development \$ 1,470,000
 - Small Business Revolving Loans and Sign Grants 660,000
 - Activate Upper Story Housing 2,000,000
 - New Transit Hub & Parking Garage Renovation 2,500,000
 - Muller Plaza Passage 250,000
 - Water Street Boardwalk 500,000
 - Market Street & South Main Street Improvements 1,750,000
 - Downtown District Signage 320,000
 - Branding & Marketing 250,000
- As a result of the City being a DRI recipient, the Oneonta community also received two (2) additional grants: one from the State of New York Mortgage Agency (SONYMA) for homeownership and one from the Empire State Poverty Reduction Initiative (ESPRI) Program for after school programs.

In addition to the above grants, the following three (3) grants were awarded in December 2016, and are being implemented in 2017:

- NYS Community Development Block Grant (CDBG) \$200,000 Microenterprise Grant.
- NYS CDBG \$641,013 Reservoir Dam Improvements.
- NYS DEC Climate Smart Communities: Otsego County Regional Compost Facility: \$420,000 grant (\$840,000 total project costs).

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

Note 14 - Subsequent Events - Continued

On January 15, 2016, the City entered into a Payment in Lieu of Taxes (PILOT) agreement with Oneonta Heights Housing Development Fund Corporation pursuant to Section 573 and to Section 577 Article 11 of the New York Private Housing Finance Law and Section 402 of the New York Not-For-Profit Corporation Law. This agreement became effective in 2017. The PILOT payments shall be an amount equal to the greater of 8% of the total rents collected minus the cost of utilities, and \$30,000 for years 1-5, \$32,000 for years 6-10, \$35,000 for years 11-15, \$38,000 for years 16-20, \$41,000 for years 21-25 and \$44,000 for years 26-30.

On June 20, 2017, the City approved a bond resolution authorizing the issuance of \$8,700,000 serial bonds to fund the cost of improvements to the City's Wastewater Treatment Plant. The resolution included a provision that the amount of bonds to be issued shall be reduced to the extent of grants received in connection with the project. Additionally, on June 20, 2017, the City approved an application to the NYSEFC under the New York State Water Infrastructure Improvement Act (WIIA) for a Clean Water Grant and an Intermunicipal Water Infrastructure Grant to provide funding for upgrades to the Wastewater Treatment Plant.

Note 15 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68. This statement establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB Statement No. 68), as well as for the assets accumulated for purposes of providing those pensions. In addition, this statement establishes requirements for defined contribution pensions that are not within the scope of GASB Statement No. 68. The requirements of this statement are effective for fiscal years beginning after June 15, 2016.

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. 80, Blending Requirements for Certain Component Units. This statement 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 requirements of this statement are effective for fiscal years beginning after June 15, 2016.

City of Oneonta, New York

Notes to Regulatory Financial Statements December 31, 2016

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

GASB Statement No 82, *Pension Issues*. This statement addresses practice issues raised during implementation of GASB Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting for 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 No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The requirements of this statement are effective for fiscal years beginning after June 15, 2016.

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.

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

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

	Year Ended December 31, 2016					
	2016 Adopted Budget	2016 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2016 Actual	Variance With Actual vs. Modified Positive (Negative)	2017 Adopted Budget
REVENUES						
Real property taxes	\$ 4,595,050	\$ 4,595,050	\$ -	\$ 4,595,050	\$ -	\$ 4,591,764
Real property tax items	127,590	127,590	-	138,030	10,440	170,800
Non-property tax items	4,533,313	4,533,313	-	4,429,972	(103,341)	4,569,750
Departmental income	1,359,000	1,361,316	2,316	1,354,279	(7,037)	1,366,600
Intergovernmental charges	1,221,000	1,221,000	-	1,056,720	(164,280)	1,074,500
Use of money and property	32,200	32,200	-	35,298	3,098	32,200
Licenses and permits	52,800	52,800	-	89,252	36,452	59,600
Fines and forfeitures	270,000	270,000	-	224,713	(45,287)	230,000
Sale of property and compensation for loss	16,500	16,500	-	60,438	43,938	26,500
Miscellaneous local sources	72,500	89,050	16,550	118,507	29,457	65,500
Interfund revenues	361,500	361,500	-	354,566	(6,934)	361,500
State aid	2,384,597	2,384,597	-	2,425,168	40,571	2,605,597
Federal aid	-	68,597	68,597	65,747	(2,850)	2,100
Interfund transfers	-	-	-	195,632	195,632	-
Total revenues	<u>15,026,050</u>	<u>15,113,513</u>	<u>87,463</u>	<u>15,143,372</u>	<u>29,859</u>	<u>15,156,411</u>
EXPENDITURES						
General government support	2,865,825	2,886,558	(20,733)	2,577,817	308,741	3,085,581
Public safety	7,577,380	7,779,545	(202,165)	6,874,632	904,913	7,537,864
Public health	2,750	2,750	-	2,500	250	2,750
Transportation	1,605,717	1,660,650	(54,933)	1,350,941	309,709	1,622,973
Economic assistance and opportunity	3,750	10,058	(6,308)	9,238	820	18,750
Culture and recreation	596,215	646,829	(50,614)	586,764	60,065	644,310
Home and community services	331,775	361,051	(29,276)	301,623	59,428	235,450
Benefits	1,204,500	1,181,379	23,121	1,152,337	29,042	1,225,000
Debt service, principal	439,300	439,300	-	439,294	6	453,200
Debt service, interest	199,000	199,000	-	198,899	101	184,200
Interfund transfers	594,838	760,557	(165,719)	609,626	150,931	720,500
Total expenditures	<u>15,421,050</u>	<u>15,927,677</u>	<u>(506,627)</u>	<u>14,103,671</u>	<u>1,824,006</u>	<u>15,730,578</u>
Excess (deficiency) of revenues over expenditures	(395,000)	(814,164)	(419,164)	1,039,701	1,853,865	(574,167)
FUND BALANCE, beginning of year	<u>10,667,016</u>	<u>10,667,016</u>	<u>-</u>	<u>10,667,016</u>	<u>-</u>	<u>11,706,717</u>
FUND BALANCE, end of year	<u>\$ 10,272,016</u>	<u>\$ 9,852,852</u>	<u>\$ (419,164)</u>	<u>\$ 11,706,717</u>	<u>\$ 1,853,865</u>	<u>\$ 11,132,550</u>

See Independent Auditor's Report.

City of Oneonta, New York

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

Combined Special Revenue Fund Types (Excluding Community Development Fund - Note 2)	Year Ended December 31, 2016					
	2016 Adopted Budget	2016 Modified Budget	Difference vs. Modified Positive (Negative)	2016 Actual	Variance With Actual vs. Modified Positive (Negative)	2017 Adopted Budget
REVENUES						
Real property taxes	\$ 417,581	\$ 417,581	\$ -	\$ 417,581	\$ -	\$ 421,093
Departmental income	3,875,325	3,900,325	25,000	3,732,118	(168,207)	4,100,550
Intergovernmental charges	300,000	300,000	-	463,532	163,532	395,000
Use of money and property	6,200	6,200	-	8,719	2,519	6,700
Sale of property and compensation for loss	113,000	113,000	-	98,650	(14,350)	113,500
Miscellaneous local sources	199,070	203,809	4,739	204,190	381	272,000
State aid	4,500	4,500	-	8,552	4,052	8,000
Interfund transfers	-	73,219	73,219	87,104	13,885	7,171
Total revenues	4,915,676	5,018,634	102,958	5,020,446	1,812	5,324,014
EXPENDITURES						
General government support	257,650	153,278	104,372	150,198	3,080	425,780
Culture and recreation	800,851	892,819	(91,968)	864,268	28,551	813,470
Home and community services	2,852,417	3,106,750	(254,333)	2,777,104	329,646	3,159,877
Benefits	205,500	205,500	-	196,779	8,721	198,000
Debt service, principal	458,500	458,500	-	458,396	104	474,600
Debt service, interest	217,200	217,200	-	217,013	187	204,050
Interfund transfers	277,508	586,873	(309,365)	573,730	13,143	172,364
Total expenditures	5,069,626	5,620,920	(551,294)	5,237,488	383,432	5,448,141
Excess (deficiency) of revenues over expenditures	(153,950)	(602,286)	654,252	(217,042)	(381,620)	(124,127)
FUND BALANCE, beginning of year	2,845,253	2,845,253	-	2,845,253	-	2,628,211
FUND BALANCE, end of year	\$ 2,691,303	\$ 2,242,967	\$ 654,252	\$ 2,628,211	\$ (381,620)	\$ 2,504,084

See Independent Auditor's Report.

City of Oneonta, New York

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

	Year Ended December 31, 2016					
	2016 Adopted Budget	2016 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2016 Actual	Variance With Actual vs. Modified Positive (Negative)	2017 Adopted Budget
REVENUES						
Use of money and property	\$ 2,200	\$ 2,200	\$ -	\$ 2,370	\$ 170	\$ 2,200
Miscellaneous local sources	11,500	11,500	-	13,699	2,199	10,000
Interfund transfers	-	73,219	73,219	73,219	-	-
Total revenues	13,700	86,919	73,219	89,288	2,369	12,200
EXPENDITURES						
Culture and recreation	23,270	23,370	(100)	12,737	10,633	23,270
Home and community services	40,000	55,000	(15,000)	46,361	8,639	40,000
Interfund transfers	-	35,000	(35,000)	35,000	-	-
Total expenditures	63,270	113,370	(50,100)	94,098	19,272	63,270
Excess (deficiency) of revenues over expenditures	(49,570)	(26,451)	23,119	(4,810)	21,641	(51,070)
FUND BALANCE, beginning of year	309,491	309,491	-	309,491	-	304,681
FUND BALANCE, end of year	\$ 259,921	\$ 283,040	\$ 23,119	\$ 304,681	\$ 21,641	\$ 253,611

City of Oneonta, New York

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

	Year Ended December 31, 2016					
	2016 Adopted Budget	2016 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2016 Actual	Variance With Actual vs. Modified Positive (Negative)	2017 Adopted Budget
REVENUES						
Departmental income	\$ 2,093,275	\$ 2,118,275	\$ 25,000	\$ 2,021,206	\$ (97,069)	\$ 2,317,500
Use of money and property	500	500	-	801	301	-
Sale of property and compensation for loss	-	-	-	882	882	-
Miscellaneous local sources	-	-	-	5,607	5,607	-
Interfund transfers	-	-	-	13,668	13,668	7,171
Total revenues	2,093,775	2,118,775	25,000	2,042,164	(76,611)	2,324,671
EXPENDITURES						
General government support	138,000	99,278	38,722	98,897	381	300,130
Water administration	248,500	258,846	(10,346)	248,058	10,788	253,950
Source of supply, wells	14,000	20,000	(6,000)	18,701	1,299	17,000
Source of supply, dams	800	2,480	(1,680)	800	1,680	5,300
Purification	749,100	780,608	(31,508)	685,527	95,081	810,675
Laboratory	56,300	56,705	(405)	46,167	10,538	63,700
Transmission and distribution	361,475	464,733	(103,258)	408,106	56,627	443,166
Benefits	96,000	96,000	-	94,552	1,448	99,500
Debt service, principal	219,700	219,700	-	219,647	53	226,400
Debt service, interest	104,900	104,900	-	104,814	86	98,850
Interfund transfers	105,000	31,000	74,000	31,000	-	46,000
Total expenditures	2,093,775	2,134,250	(40,475)	1,956,269	177,981	2,364,671
Excess (deficiency) of revenues over expenditures	-	(15,475)	(15,475)	85,895	101,370	(40,000)
FUND BALANCE, beginning of year	786,594	786,594	-	786,594	-	872,489
FUND BALANCE, end of year	\$ 786,594	\$ 771,119	\$ (15,475)	\$ 872,489	\$ 101,370	\$ 832,489

See Independent Auditor's Report.

City of Oneonta, New York

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

	Year Ended December 31, 2016					2017 Adopted Budget
	2016 Adopted Budget	2016 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2016 Actual	Variance With Actual vs. Modified Positive (Negative)	
REVENUES						
Departmental income	\$ 1,770,000	\$ 1,770,000	\$ -	\$ 1,695,670	\$ (74,330)	\$ 1,770,000
Intergovernmental charges	255,000	255,000	-	418,532	163,532	350,000
Use of money and property	-	-	-	931	931	-
Sale of property and compensation for loss	110,000	110,000	-	94,319	(15,681)	110,000
Miscellaneous local sources	-	-	-	1,241	1,241	-
Interfund transfers	-	-	-	217	217	-
Total revenues	2,135,000	2,135,000	-	2,210,910	75,910	2,230,000
EXPENDITURES						
General government support	119,650	54,000	65,650	51,301	2,699	125,650
Sewer administration	267,587	288,122	(20,535)	269,054	19,068	257,830
Sanitary sewers	88,400	123,077	(34,677)	90,566	32,511	174,541
Wastewater treatment	1,026,255	1,057,179	(30,924)	963,764	93,415	1,093,715
Benefits	109,500	109,500	-	102,227	7,273	98,500
Debt service, principal	238,800	238,800	-	238,749	51	248,200
Debt service, interest	112,300	112,300	-	112,199	101	105,200
Interfund transfers	172,508	520,873	(348,365)	507,730	13,143	126,364
Total expenditures	2,135,000	2,503,851	(368,851)	2,335,590	168,261	2,230,000
Excess (deficiency) of revenues over expenditures	-	(368,851)	(368,851)	(124,680)	244,171	-
FUND BALANCE, beginning of year	1,273,868	1,273,868	-	1,273,868	-	1,149,188
FUND BALANCE, end of year	\$ 1,273,868	\$ 905,017	\$ (368,851)	\$ 1,149,188	\$ 244,171	\$ 1,149,188

See Independent Auditor's Report.

City of Oneonta, New York

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

	Year Ended December 31, 2016					2017 Adopted Budget
	2016 Adopted Budget	2016 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2016 Actual	Variance With Actual vs. Modified Positive (Negative)	
REVENUES						
Real property taxes	\$ 417,581	\$ 417,581	\$ -	\$ 417,581	\$ -	\$ 421,093
Departmental income	12,050	12,050	-	15,242	3,192	13,050
Intergovernmental charges	45,000	45,000	-	45,000	-	45,000
Use of money and property	3,500	3,500	-	4,617	1,117	4,500
Sale of property and compensation for loss	3,000	3,000	-	3,449	449	3,500
Miscellaneous local sources	187,570	192,309	4,739	183,643	(8,666)	262,000
State aid	4,500	4,500	-	8,552	4,052	8,000
Total revenues	673,201	677,940	4,739	678,084	144	757,143
EXPENDITURES						
Culture and recreation	777,581	869,449	(91,868)	851,531	17,918	790,200
Excess (deficiency) of revenues over expenditures	(104,380)	(191,509)	(87,129)	(173,447)	18,062	(33,057)
FUND BALANCE, beginning of year	475,300	475,300	-	475,300	-	301,853
FUND BALANCE, end of year	\$ 370,920	\$ 283,791	\$ (87,129)	\$ 301,853	\$ 18,062	\$ 268,796

See Independent Auditor's Report.

City of Oneonta, New York

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

	December 31, 2016					
	Miscellaneous Special Revenue	Community Development	Water	Sewer	Public Library	Total 2016
ASSETS						
Cash and cash equivalents	\$ 192,247	\$ -	\$ 423,626	\$ -	\$ 239,212	\$ 855,085
Cash and cash equivalents, restricted	112,842	466,314	334,641	1,088,328	27,871	2,029,996
Loans receivable, net of allowance	-	784,777	-	-	-	784,777
Other receivables, net of allowance	-	-	148,318	129,308	68,734	346,360
Due from other governments	-	118,359	-	418,532	-	536,891
Prepaid expenses	-	-	6,239	4,323	17,316	27,878
Other assets	-	370,100	-	-	-	370,100
	\$ 305,089	\$ 1,739,550	\$ 912,824	\$ 1,640,491	\$ 353,133	\$ 4,951,087
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ 408	\$ 20,394	\$ 33,288	\$ 32,685	\$ 43,875	\$ 130,650
Accrued liabilities	-	-	6,835	5,956	7,405	20,196
Due to other funds	-	105,415	-	452,662	-	558,077
Other payables	-	-	212	-	-	212
Total liabilities	408	125,809	40,335	491,303	51,280	709,135
DEFERRED INFLOWS OF RESOURCES	-	1,154,877	-	-	-	1,154,877
FUND BALANCE						
Nonspendable	-	-	6,239	4,323	17,316	27,878
Restricted for						
Capital reserves	-	-	303,700	637,000	-	940,700
Employee benefits	-	-	30,941	32,087	-	63,028
Restricted donations	112,434	-	-	-	27,871	140,305
Grant program	-	389,178	-	-	-	389,178
Sewer Fund	-	-	-	475,778	-	475,778
Committed	-	69,686	-	-	-	69,686
Assigned						
Appropriated	41,520	-	-	-	33,057	74,577
Unappropriated	150,727	-	531,609	-	223,609	905,945
Total fund balance	304,681	458,864	872,489	1,149,188	301,853	3,087,075
Total liabilities, deferred inflows, and fund balance	\$ 305,089	\$ 1,739,550	\$ 912,824	\$ 1,640,491	\$ 353,133	\$ 4,951,087

See Independent Auditor's Report.

City of Oneonta, New York

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

	Year Ended December 31, 2016					
	Miscellaneous Special Revenue	Community Development	Water	Sewer	Public Library	Total
REVENUES						
Real property taxes	\$ -	\$ -	\$ -	\$ -	\$ 417,581	\$ 417,581
Departmental income	-	55,575	2,021,206	1,695,670	15,242	3,787,693
Intergovernmental charges	-	-	-	418,532	45,000	463,532
Use of money and property	2,370	23	801	931	4,617	8,742
Sale of property and compensation for loss	-	19,690	882	94,319	3,449	118,340
Miscellaneous local sources	13,699	-	5,607	1,241	183,643	204,190
State aid	-	508,562	-	-	8,552	517,114
Federal aid	-	717,619	-	-	-	717,619
Total revenues	16,069	1,301,469	2,028,496	2,210,693	678,084	6,234,811
EXPENDITURES						
General government support	-	-	98,897	51,301	-	150,198
Culture and recreation	12,737	-	-	-	851,531	864,268
Home and community services	46,361	1,301,232	1,407,359	1,323,384	-	4,078,336
Benefits	-	-	94,552	102,227	-	196,779
Debt service, principal	-	-	219,647	238,749	-	458,396
Debt service, interest	-	-	104,814	112,199	-	217,013
Total expenditures	59,098	1,301,232	1,925,269	1,827,860	851,531	5,964,990
Excess (deficiency) of revenues over expenditures	(43,029)	237	103,227	382,833	(173,447)	269,821
OTHER FINANCING SOURCES (USES)						
Operating transfers in	73,219	125,796	13,668	217	-	212,900
Operating transfers out	(35,000)	(28,711)	(31,000)	(507,730)	-	(602,441)
Total other financing sources (uses)	38,219	97,085	(17,332)	(507,513)	-	(389,541)
Net change in fund balance	(4,810)	97,322	85,895	(124,680)	(173,447)	(119,720)
FUND BALANCE, beginning of year	309,491	361,542	786,594	1,273,868	475,300	3,206,795
FUND BALANCE, end of year	\$ 304,681	\$ 458,864	\$ 872,489	\$ 1,149,188	\$ 301,853	\$ 3,087,075

See Independent Auditor's Report.