

AUDITED  
BASIC FINANCIAL STATEMENTS

# TOWN OF CONCORD, NEW YORK

---

DECEMBER 31, 2017

***\*\*THIS PAGE INTENTIONALLY LEFT BLANK\*\****

**TOWN OF CONCORD, NEW YORK**  
**TABLE OF CONTENTS**

---

	<u>Page</u>
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	1-2
<b>Basic Financial Statements:</b>	
Statement of Net Position	3
Statement of Activities	4
Balance Sheet - Governmental Funds	5-6
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	7-8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Agency Fund	10
Notes to Basic Financial Statements	11-30
<b>Required Supplementary Information:</b>	
Schedule of the Town's Proportionate Share of the Net Pension Liability - Employees' Retirement System	31
Schedule of the Town's Pension Contributions - Employees' Retirement System	32
Schedule of Changes in the Town's Total Pension Liability - Volunteer Firefighter LOSAP	33
Budgetary Comparison Schedule for the General Fund	34
Budgetary Comparison Schedule for the General Town Outside Village and Highway-Part Town Funds	35-36
Budgetary Comparison Schedule for the Fire Protection and Sewer Funds	37
Notes to Required Supplementary Information	38
<b>SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	39
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds	40

***\*\*THIS PAGE INTENTIONALLY LEFT BLANK\*\****

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Members of the Town Board  
Town of Concord, New York

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining aggregate fund information of the Town of Concord, New York (the Town), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Town'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 Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

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

## Emphasis of Matter

As stated in Note 1, the Town implemented Governmental Accounting Standards Board (GASB) Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68*.

## Other Matters

### *Required Supplementary Information*

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

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

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

*Freed Maxick CPAs, P.C.*

Batavia, New York  
July 10, 2018



**TOWN OF CONCORD, NEW YORK**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2017**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,040,413
Accounts receivable	15,664
Due from other governments	178,764
Investments - Lucy Bensley Center	25,000
Prepaid items	24,528
Restricted investments - annuity contracts	1,269,802
Restricted cash	18,942
Capital assets not being depreciated	267,396
Capital assets, net of accumulated depreciation	<u>4,396,568</u>
Total assets	<u>8,237,077</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension outflows	<u>231,133</u>
Total deferred outflows of resources	<u>231,133</u>
<b>LIABILITIES</b>	
Accounts payable	81,318
Accrued liabilities	15,537
Bond anticipation note payable	2,488,750
Noncurrent liabilities:	
Due and payable within one year	32,113
Due and payable after one year	<u>2,765,664</u>
Total liabilities	<u>5,383,382</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension inflows	<u>202,585</u>
Total deferred inflows of resources	<u>202,585</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,145,485
Restricted for:	
Capital projects	385,536
Tax stabilization	34,675
LOSAP	1,288,744
Unrestricted (deficit)	<u>(972,197)</u>
Total net position	<u>\$ 2,882,243</u>

See notes to basic financial statements.

**TOWN OF CONCORD, NEW YORK  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 869,078	\$ 125,865	\$ -	\$ -	(743,213)
Public safety	1,049,306	14,039	-	-	(1,035,267)
Health	3,570	12,590	-	-	9,020
Transportation	1,231,041	239,399	-	80,090	(911,552)
Economic assistance and opportunity	201,783	77,396	-	-	(124,387)
Culture and recreation	286,131	129,500	1,080	-	(155,551)
Home and community services	243,913	18,912	35,001	-	(190,000)
Interest on debt	53,535	-	-	-	(53,535)
Total governmental activities	\$ 3,938,357	\$ 617,701	\$ 36,081	\$ 80,090	(3,204,485)
General revenues:					
Real property taxes					1,762,366
Real property tax items					16,917
Non-property taxes					705,701
Use of money and property					43,874
State and federal aid not restricted for a specific purpose					155,380
Other miscellaneous revenues					36,921
Total general revenues					2,721,159
Change in net position					(483,326)
Net position - beginning, as restated (see Note 4)					3,365,569
Net position - ending					\$ 2,882,243

See notes to basic financial statements.



**TOWN OF CONCORD, NEW YORK**  
**BALANCE SHEET-GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2017**

	Special Revenue Funds							Total Governmental Funds
	General	General Town Outside Village	Highway- Part Town	Fire Protection	Sewer	Capital Projects	Nonmajor Governmental Funds	
<b>ASSETS</b>								
Cash and cash equivalents	\$ 636,502	\$ 11,605	\$ 483,463	\$ 102,178	\$ 470,220	\$ 68,934	\$ 267,511	\$ 2,040,413
Receivables	13,942	775	789	-	-	-	158	15,664
Due from other funds	33,077	3,640	20,000	-	-	-	25,000	81,717
Due from other governments	2,837	175,927	-	-	-	-	-	178,764
Investments - Lucy Bensley Center	-	-	25,000	-	-	-	-	25,000
Prepaid items	13,486	495	9,316	-	-	-	1,231	24,528
Restricted investments - annuity contracts	-	-	-	1,269,802	-	-	-	1,269,802
Restricted cash - LOSAP	-	-	-	18,942	-	-	-	18,942
Total assets	\$ 699,844	\$ 192,442	\$ 538,568	\$ 1,390,922	\$ 470,220	\$ 68,934	\$ 293,900	\$ 3,654,830
<b>LIABILITIES</b>								
Accounts payable	\$ 17,809	\$ 2,973	\$ 44,234	\$ -	\$ 8,832	\$ -	\$ 7,470	\$ 81,318
Accrued liabilities	-	-	12,670	-	-	-	2,867	15,537
Due to other funds	25,000	20,000	-	-	-	-	36,717	81,717
Bond anticipation notes payable	-	-	-	-	-	2,488,750	-	2,488,750
Total liabilities	42,809	22,973	56,904	-	8,832	2,488,750	47,054	2,667,322
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	13,486	495	9,316	-	-	-	1,231	24,528
Restricted	195,953	-	224,258	1,288,744	-	-	-	1,708,955
Assigned	206,693	168,974	248,090	102,178	461,388	-	245,615	1,432,938
Unassigned (deficit)	240,903	-	-	-	-	(2,419,816)	-	(2,178,913)
Total fund balances (deficit)	657,035	169,469	481,664	1,390,922	461,388	(2,419,816)	246,846	987,508

See notes to basic financial statements.

TOWN OF CONCORD, NEW YORK  
BALANCE SHEET- GOVERNMENTAL FUNDS  
DECEMBER 31, 2017 (Continued)

	Special Revenue Funds						Total Governmental Funds
	General	General Town Outside Village	Highway- Part Town	Fire Protection	Sewer	Capital Projects	
Total liabilities and fund balances	\$ 699,844	\$ 192,442	\$ 538,568	\$ 1,390,922	\$ 470,220	\$ 68,934	\$ 293,900
Amounts reported for governmental activities in the statement of net position (page 3) are different because:							
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation							4,663,964
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds							
Serial bonds payable							(29,729)
Compensated absences							(47,549)
Net pension liability							(201,376)
Total LOSAP pension liability							(2,519,123)
Deferred outflows and inflows are not assets or liabilities of the current period and therefore are not reported in the funds							
Deferred ERS pension outflows							220,359
Deferred ERS pension inflows							(30,740)
Deferred LOSAP pension outflows							10,774
Deferred LOSAP pension inflows							(171,845)
Net position of governmental activities							\$ 2,882,243

See notes to basic financial statements.

**TOWN OF CONCORD, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds							Nonmajor Governmental Funds	Total Governmental Funds
	General	General Town Outside Village	Highway- Part Town	Fire Protection	Sewer	Capital Projects			
<b>REVENUES</b>									
Real property taxes	\$ 755,228	\$ -	\$ 219,912	\$ 559,097	\$ 170,049	\$ -	\$ 58,080	\$ 1,762,366	
Real property tax items	16,917	-	-	-	-	-	-	16,917	
Non-property tax items	-	705,701	-	-	-	-	-	705,701	
Departmental income	14,729	5,007	-	-	-	-	-	19,736	
Intergovernmental charges	-	-	239,399	-	-	-	206,896	446,295	
Use of money and property	2,222	-	1,212	38,204	1,421	-	815	43,874	
Fines and permits	137,765	13,905	-	-	-	-	-	151,670	
Miscellaneous local sources	9,344	-	2,291	-	-	-	1,294	12,929	
State sources	156,461	20,000	80,090	-	-	15,000	-	271,551	
Premium on obligations	-	-	-	-	-	23,992	-	23,992	
Total revenues	1,092,666	744,613	542,904	597,301	171,470	38,992	267,085	3,455,031	
<b>EXPENDITURES</b>									
Current:									
General government	624,561	11,286	-	-	-	-	-	635,847	
Public safety	15,717	50,936	-	569,979	-	-	-	636,632	
Health	2,550	-	-	-	-	-	-	2,550	
Transportation	102,594	-	769,210	-	-	-	41,597	913,401	
Economic assistance and opportunity	132,302	-	-	-	-	-	75,574	207,876	
Culture and recreation	49,231	77,162	-	-	-	-	126,121	252,514	
Home and community services	4,187	76,818	-	-	93,928	-	11,475	186,408	
Employee benefits	205,033	4,717	148,039	-	1,236	-	15,151	374,176	
Capital outlay:									
Transportation	-	-	-	-	-	1,582	-	1,582	
Home and community services	-	-	-	-	-	27,015	-	27,015	
Debt service:									
Principal	80,000	-	98,000	-	20,000	-	4,608	202,608	
Interest	36,151	-	7,796	-	8,751	-	837	53,535	
Total expenditures	1,252,326	220,919	1,023,045	569,979	123,915	28,597	275,363	3,494,144	

See notes to basic financial statements.

**TOWN OF CONCORD, NEW YORK  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017 (Continued)**

	Special Revenue Funds						Nonmajor Governmental Funds	Total Governmental Funds
	General	General Town Outside Village	Highway- Part Town	Fire Protection	Sewer	Capital Projects		
Excess (deficit) of revenues over expenditures	(159,660)	523,694	(480,141)	27,322	47,555	10,395	(8,278)	(39,113)
<b>OTHER FINANCING SOURCES (USES)</b>								
Interfund transfer in	-	-	530,000	-	-	-	-	530,000
Interfund transfer out	-	(530,000)	-	-	-	-	-	(530,000)
BANS redeemed from appropriations	-	-	-	-	-	175,250	-	175,250
Total other financing sources (uses)	-	(530,000)	530,000	-	-	175,250	-	175,250
Net change in fund balances	(159,660)	(6,306)	49,859	27,322	47,555	185,645	(8,278)	136,137
Fund balances (deficit) - beginning, as restated (see Note 4)	816,695	175,775	431,805	1,363,600	413,833	(2,605,461)	255,124	851,371
Fund balances (deficit) - ending	\$ 657,035	\$ 169,469	\$ 481,664	\$ 1,390,922	\$ 461,388	\$ (2,419,816)	\$ 246,846	\$ 987,508

See notes to basic financial statements.

**TOWN OF CONCORD, NEW YORK  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

---

Amounts reported for governmental activities in the statement of activities (page 4) are different because:

Net change in fund balances - total governmental funds (page 8)	\$ 136,137
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation (\$251,092) exceeded capital outlays (\$50,193) in the current period.	(200,899)
Expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Change in compensated absences	(9,761)
Change in ERS pension liability	136,299
Change in LOSAP pension liability	(247,016)
Change in deferred outflows and inflows related to ERS pensions	(164,373)
Change in deferred outflows and inflows related to LOSAP pensions	(161,071)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of serial bond repayments made in the current period.	<u>27,358</u>
Change in net position of governmental activities	\$ <u>(483,326)</u>

See notes to basic financial statements.

TOWN OF CONCORD, NEW YORK  
STATEMENT OF NET POSITION - AGENCY FUND  
DECEMBER 31, 2017

---

	<u>Agency</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 3,746
Accounts receivable	<u>85</u>
Total assets	<u>\$ 3,831</u>
<b>LIABILITIES</b>	
Due to other governments	\$ 3,346
Agency liabilities	<u>485</u>
Total liabilities	<u>\$ 3,831</u>

See notes to basic financial statements.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Town of Concord (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

**A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. All fiduciary activities are reported only in the fund financial statements. Governmental activities normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions.

**B. REPORTING ENTITY**

The Town reports related organizations under the guidance of the Governmental Accounting Standards Board. The Standards define the primary government, and redefines and establishes the criteria for which potential component units are included in the reporting entity. The Standards also define financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on the primary government.

The accompanying basic financial statements include only the operations of the Town, since management has determined that there are no other organizations that meet the criteria for inclusion in the reporting entity of the Town.

**C. BASIS OF PRESENTATION**

**1. GOVERNMENT-WIDE FINANCIAL STATEMENTS**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**2. FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

General Fund - the principal operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

General Town Outside Village Fund - used to account for transactions which are required by statute to be charged to the area of the Town outside the Village.



**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

Highway – Part Town Fund – established pursuant to Highway Law Section 141 to account for revenues and expenditures for highway purposes.

Sewer Fund – used to account for operations for sewer collection and treatment and is financed with tax assessments.

Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Fire Protection Fund - used to account for revenues and expenditures for fire protection purposes only.

Additionally, the Town reports the following fund types:

The Agency Fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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

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

**D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within sixty days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

**E. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

**1. CASH AND CASH EQUIVALENTS**

The Town's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

**2. RESTRICTED ASSETS**

Agency deposits are restricted for use due to the nature of such deposits.

Investments in the Length of Service Award Program (LOSAP) are administered by Hometown/RSA Consultants, recommended from the Service Award Program Committee. These assets are primarily invested in annuity contracts and cash deposits. The Town's LOSAP investments are reported at fair value. None of the Town's investments are subject to concentration of credit risk.

**3. PREPAID ITEMS**

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

**4. RECEIVABLES**

Receivables are carried at their net realizable value. Receivables are written-off as uncollectible after the likelihood of payment is considered remote by management. Generally accepted accounting principles require the establishment of an allowance for uncollectable accounts, however, no allowance for uncollectible accounts has been provided since management believes that such allowance would not be material.

**5. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements.

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

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 2,500	straight-line	20-50 years
Infrastructure	2,500	straight-line	35-50 years
Machinery and equipment	2,500	straight-line	5-10 years
Vehicles	2,500	straight-line	5 years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**6. INSURANCE**

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three fiscal years.

**7. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town only has one item that qualifies for reporting in this category. This is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liabilities and the difference during the measurement period between the Town's contributions and its proportional share of total contributions to the pension systems not included in pension expense. Also included is the Town's contributions to the pension systems subsequent to the measurement date. See details of deferred pension outflows in Notes 3.D and 3.E.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item that qualifies for reporting in this category. This is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liabilities and difference during the measurement periods between the Town's contributions and its proportional share of total contributions to the pension systems not included in pension expense. See details of deferred pension inflows in Notes 3.D and 3.E.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**8. NET POSITION FLOW ASSUMPTION**

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**9. FUND BALANCE FLOW ASSUMPTIONS**

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

**10. FUND BALANCE POLICIES**

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

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

**F. REVENUES AND EXPENDITURES/EXPENSES**

**1. PROGRAM REVENUES**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**2. PROPERTY TAXES**

Property taxes are levied annually no later than the fourth Tuesday in November and become a lien on January 1<sup>st</sup> of the subsequent year. Taxes are collected during the period January 1<sup>st</sup> to April 30<sup>th</sup>. Unpaid town taxes are turned over to the County for enforcement. Any such taxes remaining unpaid on or about July 1<sup>st</sup>, are relieved as County taxes in the subsequent year.

**3. COMPENSATED ABSENCES**

The Town labor agreements provide for sick leave, vacations and miscellaneous other paid absences. Upon retirement certain eligible employees qualify for paid medical premiums and/or payment for value of unused sick leave. These payments are budgeted annually without accrual.

Compensated absences for government fund type employees are reported as a fund liability and expenditure in the government-wide financial statements. The compensated absences liability for the governmental activities at the year-end totaled \$47,549.

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

**G. USE OF ESTIMATES**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**H. ACCOUNTING PRONOUNCEMENTS**

During the fiscal year ended December 31, 2017, the Town adopted the provisions of Governmental Accounting Standards Board (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 68*; Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*; Statement No. 81, *Split-Interest Agreements*; and Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, 68 and 73*.

The primary object of Statement No. 73 is to improve the usefulness of information about pensions included in the financial statements that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions.

The primary objective of Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

The primary objective of Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

The primary objective of Statement No. 81 is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

The primary objective of Statement No. 82 is to address certain issues that have been raised with respect to GASB Statement No. 67, *Financial Reporting for Pension Plans*, Statement No. 68, *Accounting and Financial Reporting for Pensions*, and 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 68*.

The Town has evaluated Statements No. 74, 80, and 81 and have determined that they have no impact on the Town's operations.

The GASB has issued the following new pronouncements:

- Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other than Pensions*, which will be effective for the year ending December 31, 2018;
- Statement No. 83, *Certain Asset Retirement Obligations*, which will be effective for the year ending December 31, 2019;
- Statement No. 84, *Fiduciary Activities*, which will be effective for the year ending December 31, 2019;
- Statement No. 85, *Omnibus*, which will be effective for the year ending December 31, 2018;
- Statement No. 86, *Certain Debt Extinguishment Issues*, which will be effective for the year ending December 31, 2018;
- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2020; and
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, which will be effective for the year ending December 31, 2019.

The Town is currently reviewing these statements and plans on adoption, as required.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. DEFICIT FUND EQUITY**

At December 31, 2017, the capital projects fund, a major fund, has a deficit fund balance of \$2,419,816. It is not unusual for a capital projects fund, especially one that finances capital projects mainly by borrowings, to report a deficit. The reason for the deficit in this case is that the Town issued bond anticipation notes (BANS), which do not qualify for treatment as a long-term liability.

Accordingly, the BANS are reported as a fund liability in the capital projects fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances (deficit)). When the cash from the BANS are spent, expenditures are reported and fund balance is reduced. Because the BANS are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANS.

**B. LEGAL COMPLIANCE - BUDGETS**

Budgets and Budgetary Accounting – The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- No later than October 5<sup>th</sup>, the Town Supervisor submits a tentative budget to the Town Board for the fiscal year commencing the following January 1<sup>st</sup>. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except Capital Projects and the Fiduciary Fund.
- After public hearings are conducted to obtain taxpayer comments, no later than November 20<sup>th</sup>, the Town Board adopts the budget. Appropriations established by the budget constitute a limitation on expenditures which may be incurred.
- All modifications of the budget must be approved by the Town Board and all appropriations lapse at fiscal year end.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**NOTE 3 - DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. DEPOSITS AND INVESTMENTS**

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town Supervisor is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The Town's aggregate bank balances at one financial institution were under collateralized by \$5,679 at December 31, 2017. The Town's aggregate bank balances at the other financial institution were fully collateralized at December 31, 2017.

**Investment and Deposit Policy**

The Town follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Town Board.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Town's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The Town's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Town's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Town's investment and deposit policy, all deposits of the Town including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits. The Town restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

**Restricted Investments – Annuity Contracts**

The Town's restricted investments consist of annuity contracts related to the Town's Length of Service Award Program (LOSAP), a defined benefit volunteer firefighter award program (See Note 3.E). These annuities are guaranteed fixed annuities. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period. The cost and value of the contracts amounted to \$1,269,802 as of December 31, 2017. These contracts are subject to a surrender charge if the annuity is surrendered prior to the end of the contract. The surrender charge at December 31, 2017 amounts to \$63,884.



**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**B. RECEIVABLES**

Significant revenues accrued by the Town at December 31, 2017 include the following:

General Town-Outside Village:  
 Due from other governments - sales tax                      \$ 175,927

**C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2017, was as follows:

**Governmental Activities:**

	Balance 1/1/17	Increases	Decreases	Balance 12/31/17
<u>Capital assets, not being depreciated:</u>				
Land	\$ 267,396	\$ -	\$ -	\$ 267,396
Construction work in progress	-	-	-	-
Total capital assets not being depreciated	<u>267,396</u>	<u>-</u>	<u>-</u>	<u>267,396</u>
<u>Capital assets, being depreciated:</u>				
Buildings	2,617,726	-	-	2,617,726
Improvements	929,348	10,400	-	939,748
Vehicles & equipment	1,974,042	39,793	-	2,013,835
Infrastructure	<u>1,655,522</u>	<u>-</u>	<u>-</u>	<u>1,655,522</u>
Total capital assets, being depreciated	<u>7,176,638</u>	<u>50,193</u>	<u>-</u>	<u>7,226,831</u>
<u>Less accumulated depreciation:</u>				
Buildings	510,378	62,422	-	572,800
Improvements	481,774	21,802	-	503,576
Vehicles & equipment	1,242,614	120,542	-	1,363,156
Infrastructure	<u>344,405</u>	<u>46,326</u>	<u>-</u>	<u>390,731</u>
Total accumulated depreciation	<u>2,579,171</u>	<u>251,092</u>	<u>-</u>	<u>2,830,263</u>
Total capital assets being depreciated, net	<u>4,597,467</u>	<u>(200,899)</u>	<u>-</u>	<u>4,396,568</u>
Governmental activities capital assets, net	<u>\$ 4,864,863</u>	<u>\$ (200,899)</u>	<u>\$ -</u>	<u>\$ 4,663,964</u>

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

**Governmental activities:**

General government	\$ 70,484
Transportation	3,056
Economic assistance and opportunity	133,773
Culture and recreation	19,738
Home and community services	<u>24,041</u>
Total depreciation expense - governmental activities	<u>\$ 251,092</u>

**D. PENSION OBLIGATIONS**

***New York State and Local Employees' Retirement System (ERS)***

**PLAN DESCRIPTION**

The Town participates in the New York State and Local Employees' Retirement System (ERS), which is referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL).

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

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 Town 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 benefit's provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

**FUNDING POLICY**

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

**PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

At December 31, 2017, the Town reported the following liability for its proportionate share of the net pension liability to the System. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2016. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Town.

	<u>ERS</u>
Measurement date	March 31, 2017
Net pension liability	\$ 201,376
Village's portion of the Plan's total net pension liability	0.0021432%
Change in proportion since the prior measurement date	.0000393

For the year ended December 31, 2017, the Town recognized a pension expense of \$125,618. At December 31, 2017 the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,046	\$ 30,580
Changes of assumptions	68,797	-
Net difference between projected and actual earnings on pension plan investments	40,223	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	32,709	160
Town's contributions subsequent to the measurement date	<u>73,584</u>	<u>-</u>
Total	<u>\$ 220,359</u>	<u>\$ 30,740</u>

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

The Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2018	\$ 48,380
2019	48,380
2020	43,758
2021	(24,483)
2022	-
Thereafter	-

**ACTUARIAL ASSUMPTIONS**

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

Inflation	2.5%
Salary increases	3.8
Investment rate of return (net of investment expense, including inflation)	7.0
Cost of living adjustments	1.3
Decrement tables	April 1, 2010 - March 2015

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – 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 return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

<u>Asset Class:</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.0%	4.6%
International equity	14.0	6.4
Private equity	10.0	7.8
Real estate	10.0	5.8
Absolute return strategies	2.0	4.0
Opportunistic portfolio	3.0	5.9
Real assets	3.0	5.5
Bond and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.5
Total	<u>100.0%</u>	

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**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 determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION**

The following tables presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability 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:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension liability (asset)	\$ 643,154	\$ 201,376	(\$ 172,147)

**PENSION PLAN FIDUCIARY NET POSITION**

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

(Dollars in Thousands)

Employers' total pension liability	\$ 177,400,586
Plan net position	168,004,363
Employers' net pension total	<u>\$ 9,396,223</u>
Ratio of Plan net position to the Employers' total pension liability	94.7%

**PREPAIDS TO THE PENSION PLAN**

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Prepaid retirement contributions as of December 31, 2017 represent the employer contribution for the period of January 1, 2017 through March 31, 2017 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Prepaid retirement contributions as of December 31, 2017 amounted to \$24,528.

**E. LENGTH OF SERVICE AWARD PROGRAM (LOSAP)**

***Defined Benefit Volunteer Firefighter Award Program***

**PLAN DESCRIPTION**

The Town established a defined benefit LOSAP for the active volunteer firefighters of the Town of Concord. The program took effect on January 1, 1999 and was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is 65. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program.

**BENEFITS**

A participant's benefit under the program is the life annuity, with ten years certain, equal to \$20 multiplied by the person's total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed twenty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

**FIDUCIARY INVESTMENT AND CONTROL**

Service credit is determined by the Town Board of the sponsor, based on information certified to the Town Board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the Town Board.

The Town Board of the sponsor has retained and designated the Hometown/Firefighter Services, recommended from the Service Award Program Committee, to assist in the administration of the program. The designated program administrator's functions include: maintaining the firefighter records, communicating the program to firefighters, enrolling firefighters, and maintaining financial records. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Town Board.

Program assets are required to be held in trust (grantor/rabbi trust) by Article 11-A of the General Municipal Law of the State of New York, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the Program. Authority to invest the Program's assets is vested in the Town. Program assets are invested in accordance with a statutory prudent person rule and in accordance with an investment policy adopted by the Town.

The Town accounts for Program assets as restricted cash and investments in the Fire Protection Fund. Benefit payments are recognized as an expenditure within the Fire Protection Fund at the time they are due and payable. LOSAP contributions represent the reclassification of unrestricted Fire Protection Fund assets to the trust (restricted cash and investments).

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is BPAs Actuarial and Pension Services, LLC. Portions of the following information are derived from a report prepared by the actuary dated December 31, 2017.

**PARTICIPANTS COVERED BY THE BENEFIT TERMS**

At December 31, 2017 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	17
Inactive participants entitled to but not yet receiving benefit payments	22
Active participants	<u>49</u>
Total	<u>88</u>

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

CONTRIBUTIONS

New York State General Municipal Law §219(d) requires the Town Board to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town Board.

MEASUREMENT OF TOTAL PENSION LIABILITY

The total pension liability at the December 31, 2017 measurement date was determined using an actuarial valuation as of January 1, 2018.

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method:	Entry Age Normal
Inflation:	2.20%
Salary scale:	None assumed

Mortality rates were based on the RP-2000 Combined – Unisex Mortality Table.

DISCOUNT RATE

GASB 73 requires that the discount rate used be determined based on a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the total pension liability was 3.31%. This was the yield to maturity of the Fidelity 20-Year General Obligation AA Bond Index as of December 31, 2017.

CHANGES IN THE TOTAL PENSION LIABILITY

Balance as of 12/31/16 measurement date	\$ 2,272,107
Service cost	66,755
Interest	85,308
Changes of assumptions or other inputs	171,845
Changes due to differences in experience	(10,774)
Benefit payments	(66,118)
Net changes	247,016
Balance as of 12/31/17 measurement date	\$ 2,519,123

SENSITIVITY OF THE TOTAL PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The following presents the total pension liability of the Town as of the December 31, 2017 measurement date, calculated using the discount rate of 3.31 percent, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.31 percent) or 1 percentage point higher (4.31 percent) than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	(2.31%)	(3.31%)	(4.31%)
Total pension liability	\$ 2,922,000	\$ 2,519,123	\$ 2,192,000

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended December 31, 2017, the Town recognized pension expense of \$408,087. At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,774	\$ -
Changes of assumptions or other inputs	-	171,845
Benefit payments & administrative expenses subsequent to the measurement date	-	-
Total	<u>\$ 10,774</u>	<u>\$ 171,845</u>

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

Year Ended:	
2018	\$ (12,816)
2019	(12,816)
2020	(12,816)
2021	(12,816)
2022	(12,816)
Thereafter	(96,991)

**F. SHORT-TERM DEBT**

The purpose of all of the short-time borrowings was to provide resources for various capital construction or improvement projects. The form of financing used in all cases was bond anticipation notes (BANs). The amounts issued for governmental activities are accounted for in the capital projects fund.

State law requires that BANS issued for capital purposes be converted to long-term obligations within five years after the original issue date, if not completely repaid. However, BANS issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The schedule below details the changes in short-term capital borrowings during the year ended December 31, 2017:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance 1/1/17</u>	<u>Issued</u>	<u>Redemptions</u>	<u>Balance 12/31/17</u>
Senior citizens center and equipment acquisitions	2015	1.29%	\$ 2,157,000	\$ -	\$ 128,000	\$ 2,029,000
Land purchase	2014	1.25%	25,000	-	25,000	-
Craneridge sewer project	2014	1.25%	440,000	-	20,000	420,000
Cattaraugus street water district	2014	1.25%	42,000	-	2,250	39,750
Total			<u>\$ 2,664,000</u>	<u>\$ -</u>	<u>\$ 175,250</u>	<u>\$ 2,488,750</u>



**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**G. LONG-TERM LIABILITIES**

**GENERAL OBLIGATION BONDS**

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. General obligation bonds outstanding at December 31, 2017 are as follows:

<u>Issue Description</u>	<u>Original Issue Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturity</u>	<u>Final Maturity</u>	<u>Outstanding Balance 12/31/17</u>
<u>General Obligation Bonds:</u>					
Water – Trevett Road	1999	\$ 47,173	0.000%	2019	\$ 4,729
Lucy Bensley Center	2013	111,000	1.100%	2018	<u>25,000</u>
					<u>\$ 29,729</u>

**LEGAL DEBT MARGIN**

There is a statutory debt limit applicable to Towns within New York State. The Town is in compliance with this debt limit.

**CHANGES IN LONG-TERM LIABILITIES**

Changes in the Town's long-term liabilities for the year ended December 31, 2017 are as follows:

	<u>Balance 1/1/17</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/17</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds\$	57,087	\$ -	\$ 27,358	\$ 29,729	\$ 27,358
Other liabilities:					
Compensated absences	37,788	25,711	15,950	47,549	4,755
LOSAP liability*	2,272,107	247,016	-	2,519,123	-
Net pension liability*	<u>337,675</u>	<u>-</u>	<u>136,299</u>	<u>201,376</u>	<u>-</u>
Total	<u>\$2,704,657</u>	<u>\$272,727</u>	<u>\$179,607</u>	<u>\$2,797,777</u>	<u>\$ 32,113</u>

\*Additions to the net pension and LOSAP liabilities are presented net of reductions.

January 1, 2017 LOSAP pension liability has been restated to reflect the implementation of GASB 73 (see Note 4).

**COMPENSATED ABSENCES**

As explained in Note 1, the Town records the value of governmental type compensated absences. The annual budgets of the respective funds of which the employees' payroll is recorded provide funding for these benefits as they become payable throughout the year. Payments by the Town to liquidate compensated absences are typically from the funds in which the individuals are employed. Since the payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable. While the payments of compensated absences are dependent upon many factors, the Town has estimated that \$4,755 for the governmental activities will be due within one year.

**NET PENSION LIABILITY**

The Town reported a liability of \$201,376 for the governmental activities for the year ended December 31, 2017 for its proportionate share of the net pension liability for the New York State and Local Employees' Retirement System. Refer to Note 3.D for additional information related to the Town's net pension liability. Payments by the Town for retirement contributions are typically from funds in which the individuals are employed.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

The debt service requirements for the Town's bonds are as follows:

Year ending December 31,	Bonds	
	Principal	Interest
2018	\$ 27,358	\$ 275
2019	2,371	-
Total	<u>\$ 29,729</u>	<u>\$ 275</u>

**H. NET POSITION AND FUND BALANCE**

**NET POSITION**

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

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and debt used to fund capital asset purchases reduce the balance in this category. The following presents a reconciliation of capital assets (net of accumulated depreciation), to net investment in capital assets:

Capital assets, net of accumulated depreciation	\$ 4,663,964
Bonds payable used for capital assets	<u>2,518,479</u>
Net investment in capital assets	<u>\$ 2,145,485</u>

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted net position is consistent with restricted fund balance balances at December 31, 2017.

Unrestricted net position – This category represents net position of the Town not restricted for any project or other purpose.

**FUND BALANCE**

In the governmental fund financial statements there are five classifications of fund balance:

Nonspendable – represents amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balances maintained by Town at December 31, 2017 include:

- Prepaid items – represents amounts prepaid to the retirement system and other miscellaneous items that are applicable to future accounting periods. This balance is nonspendable as the asset does not represent an available resource.

Restricted – represents amounts with constraints placed on the use of resources and are either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

- Restricted for capital projects – represents funds to be used for construction, reconstruction and/or acquisition of capital improvements and equipment.
- Restricted for tax stabilization – represents funds set aside to lessen or prevent projected increases in excess of 2.5% of the real property tax levy.

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

Committed – represents amounts that are subject to a purpose constraint imposed by a formal action of the Village's highest level of decision-making authority. As of December 31, 2017, the Town had no committed fund balances.

Assigned – represents amounts that are constrained by the Town's intent to be used for the specified purposes noted below, but are neither restricted nor committed.

- *Assigned to subsequent year's expenditure* – represents available fund balance being appropriated to meet expenditure requirements in the 2018 fiscal year.

Unassigned – represents all amounts not included in other spendable classifications. The General fund is the only fund that would report a positive amount in unassigned fund balance. Residual deficit amounts of other governmental funds would also be reported as unassigned.

**DETAIL OF FUND BALANCES**

As of December 31, 2017, fund balances were classified as follows:

	<u>General</u>	<u>General Town Outside Village</u>	<u>Highway- Part Town</u>	<u>Fire Protection</u>	<u>Capital Projects</u>	<u>Sewer</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Nonspendable:</u>								
Prepaid items	\$ 13,486	\$ 495	\$ 9,316	\$ -	\$ -	\$ -	\$ 1,231	\$ 24,528
<u>Restricted:</u>								
Tax stabilization	34,675	-	-	-	-	-	-	34,675
Capital projects	161,278	-	224,258	-	-	-	-	385,536
LOSAP	-	-	-	1,288,744	-	-	-	1,288,744
<u>Assigned:</u>								
Subsequent years' expenditures	206,693	139,032	-	24,165	-	58,499	10,969	439,358
Town Outside Village	-	29,942	-	-	-	-	-	29,942
Highway-Part Town	-	-	248,090	-	-	-	-	248,090
Fire Protection	-	-	-	78,013	-	-	-	78,013
Highway-Townwide	-	-	-	-	-	-	167,865	167,865
Library	-	-	-	-	-	-	8,812	8,812
Lighting District	-	-	-	-	-	-	24,194	24,194
Water	-	-	-	-	-	-	2,777	2,777
Sewer	-	-	-	-	-	402,889	-	402,889
Joint Youth	-	-	-	-	-	-	25,800	25,800
Joint Van	-	-	-	-	-	-	5,198	5,198
<u>Unassigned:</u>								
General fund	240,903	-	-	-	-	-	-	240,903
Capital Projects	-	-	-	-	(2,419,816)	-	-	(2,419,816)
<b>Total</b>	<b>\$ 657,035</b>	<b>\$ 169,469</b>	<b>\$ 481,664</b>	<b>\$ 1,390,922</b>	<b>\$ (2,419,816)</b>	<b>\$ 461,388</b>	<b>\$ 246,846</b>	<b>\$ 987,508</b>

**I. INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund balances as of December 31, 2017 is as follows:

***Due from/to other funds:***

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Lighting	\$ 15,258
General	Joint Van	17,819
General Town Outside Village	Water	3,640
Highway-Part Town	General Town Outside Village	20,000
Joint Van	General	25,000
<b>Total</b>		<b>\$ 81,717</b>

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**J. INTERFUND TRANSFERS**

The composition of interfund transfers as of December 31, 2017 is as follows:

**Interfund transfers:**

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>
Highway-Part Town	General Town Outside Village	\$ <u>530,000</u>

During the year, transfers are used to move general outside village fund money to the highway fund per annual budgeted appropriations.

**NOTE 4 – RESTATEMENT OF FUND BALANCE/NET POSITION**

**Fund Balance**

For the fiscal year ended December 31, 2017, the Town made a prior period adjustment to restate the beginning fund balance in the highway-part town fund due to a receivable for snow and ice revenue not being properly recognized in the prior year. In addition, for the fiscal year ended December 31, 2017, the Town implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. The implementation of Statement No. 73 resulted in the Town reporting a prior period adjustment to restate fund balance in the fire protection for LOSAP asset activity. Previously, the LOSAP assets were reported in the Agency fund. The Town's fund balance has been restated as follows:

	<u>Highway - Part Town</u>	<u>Fire Protection</u>	<u>Total</u>
Fund balance - beginning, as previously stated	\$ 313,875	\$ 112,700	\$ 426,575
Adjustment for snow and ice revenue	117,930	-	117,930
GASB Statement No. 73 implementation:			
Beginning LOSAP assets	-	1,250,900	1,250,900
Fund balance - beginning, as restated	\$ <u>431,805</u>	\$ <u>1,363,600</u>	\$ <u>1,795,405</u>

**Net Position**

For the fiscal year ended December 31, 2017, the Town implemented GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB 67 and 68*. The implementation of Statement No. 73 resulted in the Town reporting a deferred outflow of resources, a deferred inflow of resources and a LOSAP pension liability related to the Town's participation in a LOSAP plan, as described in Note 3.E. This implementation and the fund balance adjustment noted above resulted in a restatement of net position in the Governmental Activities for the Town as noted below.

**Governmental Activities**

Net position - beginning, as previously stated	\$ 4,268,846
Adjustment for snow and ice revenue	117,930
GASB Statement No. 73 implementation -	
Beginning LOSAP assets	1,250,900
Beginning total LOSAP liability	(2,272,107)
Net position - beginning, as restated	\$ <u>3,365,569</u>

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**NOTE 5 - CONTINGENCIES**

Assessments

The Town is a defendant in various litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Town vigorously defends assessments, the likelihood of success is on a case by case basis, and is dependent upon various factors including market values and appraised amounts. Management believes that the level of potential losses on these cases, if any, would be immaterial and no provisions have been made within the financial statements.

Grants

In the normal course of operations, the Town receives grant funds from various federal and state agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions that are specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowable expenditures resulting from such audits could become a liability of the Town. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

**NOTE 6 - SUBSEQUENT EVENTS**

In February 2018 the Town issued a serial bond in the amount of \$2,347,790 to permanently finance their bond anticipation notes.

These financial statements have not been updated for subsequent events occurring after July 10, 2018 which is the date these financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

***\*\*THIS PAGE INTENTIONALLY LEFT BLANK\*\****



**TOWN OF CONCORD, NEW YORK**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF**  
**THE NET PENSION LIABILITY - EMPLOYEES' RETIREMENT SYSTEM**  
**LAST FOUR FISCAL YEARS\***

	Year Ended December 31,			
	2014	2015	2016	2017
<b><u>Employees' Retirement System</u></b>				
Measurement date	March 31, 2014	March 31, 2015	March 31, 2016	March 31, 2017
Town's proportion of the net pension liability	0.0021138%	0.0021138%	0.0021309%	0.0021432%
Town's proportionate share of the net pension liability	\$ <u>95,519</u>	\$ <u>71,409</u>	\$ <u>337,675</u>	\$ <u>201,376</u>
Town's covered payroll	\$ 611,337	\$ 635,603	\$ 650,874	\$ 668,374
Town's proportionate share of the net pension liability as a percentage of its covered payroll	16%	11%	52%	30%
Plan fiduciary net position as a percentage of the total pension liability	97.2%	97.9%	90.7%	94.7%

\* This Schedule is intended to show information for ten years, additional years' information will be displayed as it becomes available.

**TOWN OF CONCORD, NEW YORK  
SCHEDULE OF THE TOWN'S PENSION CONTRIBUTIONS  
LAST 10 FISCAL YEARS  
DECEMBER 31,**

	EMPLOYEES' RETIREMENT SYSTEM									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Contractually required contribution	\$ 40,853	\$ 33,879	\$ 52,456	\$ 86,664	\$ 97,578	\$ 143,109	\$ 108,896	\$ 127,081	\$ 95,838	\$ 97,544
Contributions in relation to the contractually required contribution	40,853	33,879	52,456	86,664	97,578	143,109	108,896	127,081	95,838	97,544
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 539,969	\$ 518,533	\$ 483,282	\$ 516,289	\$ 552,043	\$ 646,924	\$ 611,337	\$ 635,603	\$ 650,874	\$ 668,374
Contributions as a percentage of covered payroll	8%	7%	11%	17%	18%	22%	18%	20%	15%	15%

**TOWN OF CONCORD, NEW YORK**  
**SCHEDULE OF CHANGES IN THE TOWN'S TOTAL PENSION LIABILITY -**  
**VOLUNTEER FIREFIGHTER LOSAP**  
**LAST ONE FISCAL YEAR\***

	<u>Year Ended December 31, 2017</u>
Measurement Date	December 31, 2017
<b>Total Pension Liability</b>	
Service Cost	\$ 66,755
Interest	85,308
Changes of assumptions or other inputs	171,845
Differences between expected and actual experience	(10,774)
Benefit payments	<u>(66,118)</u>
Net change in total pension liability	247,016
Total pension liability - beginning	<u>2,272,107</u>
Total pension liability - ending	<u><u>\$ 2,519,123</u></u>
Covered payroll	Not applicable
Total pension liability as a percentage of covered payroll	Not applicable

\* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

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

**TOWN OF CONCORD**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 750,728	\$ 750,728	\$ 755,228	\$ 4,500
Real property tax items	21,000	21,000	16,917	(4,083)
Departmental income	13,000	13,000	14,729	1,729
Use of money and property	1,085	1,085	2,222	1,137
Fines and permits	185,725	185,725	137,765	(47,960)
Sale of property	100	100	-	(100)
Miscellaneous local sources	8,450	8,450	9,344	894
State sources	125,650	125,650	156,461	30,811
Total revenues	<u>1,105,738</u>	<u>1,105,738</u>	<u>1,092,666</u>	<u>(13,072)</u>
<b>EXPENDITURES</b>				
Current:				
General government	637,811	636,826	624,561	12,265
Public safety	16,034	16,326	15,717	609
Health	2,550	2,550	2,550	-
Transportation	107,620	103,506	102,594	912
Economic assistance and opportunity	109,737	134,737	132,302	2,435
Culture and recreation	51,935	50,381	49,231	1,150
Home and community services	-	4,188	4,187	1
Employee benefits	230,000	214,071	205,033	9,038
Debt Service:				
Principal	69,000	80,000	80,000	-
Interest	23,487	36,152	36,151	1
Total expenditures	<u>1,248,174</u>	<u>1,278,737</u>	<u>1,252,326</u>	<u>26,411</u>
Excess (deficit) of revenues over expenditures	(142,436)	(172,999)	(159,660)	13,339
<b>OTHER FINANCING USES</b>				
Interfund transfer out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Total other financing sources	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Net change in fund balance*	(162,436)	(192,999)	(159,660)	33,339
Fund balance - beginning	<u>816,695</u>	<u>816,695</u>	<u>816,695</u>	<u>1,633,390</u>
Fund balance - ending	<u>\$ 654,259</u>	<u>\$ 623,696</u>	<u>\$ 657,035</u>	<u>\$ 1,666,729</u>

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

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

**TOWN OF CONCORD, NEW YORK**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL TOWN OUTSIDE VILLAGE FUND**  
**AND HIGHWAY - PART TOWN FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Town Outside Village				Highway - Part Town			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>								
Real property taxes	\$ 610,000	\$ 610,000	\$ 705,701	\$ 95,701	\$ 219,912	\$ 219,912	\$ 219,912	\$ -
Non-property taxes	3,000	3,000	5,007	2,007	-	-	-	-
Departmental income	-	-	-	-	225,657	225,657	239,399	13,742
Intergovernmental charges	10	10	-	(10)	410	410	1,212	802
Use of money and property	5,000	5,000	13,905	8,905	-	-	-	-
Fines and permits	-	-	-	-	4,000	4,000	2,291	(1,709)
Miscellaneous local sources	-	-	-	-	69,609	69,609	80,090	10,481
State sources	-	20,000	20,000	-	-	-	-	-
Total revenues	618,010	638,010	744,613	106,603	519,588	519,588	542,904	23,316
<b>EXPENDITURES</b>								
Current:								
General government	12,000	12,000	11,286	714	55,000	37,624	-	37,624
Public safety	49,429	53,362	50,936	2,426	-	-	-	-
Transportation	-	-	-	-	812,456	840,982	769,210	71,772
Culture and recreation	78,500	78,500	77,162	1,338	-	-	-	-
Home and community services	69,525	86,392	76,818	9,574	-	-	-	-
Employee benefits	9,000	8,200	4,717	3,483	199,000	187,850	148,039	39,811
Debt Service:								
Principal	-	-	-	-	98,000	98,000	98,000	-
Interest	-	-	-	-	7,796	7,796	7,796	-
Total expenditures	218,454	238,454	220,919	17,535	1,172,252	1,172,252	1,023,045	149,207

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

**TOWN OF CONCORD, NEW YORK  
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL TOWN OUTSIDE VILLAGE FUND  
AND HIGHWAY - PART TOWN FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017 (Continued)**

	General Town Outside Village Fund				Highway - Part Town Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
Excess (deficit) of revenues over expenditures	399,556	399,556	523,694	89,068	(652,664)	(652,664)	(480,141)	(125,891)
<b>OTHER FINANCING SOURCES (USES)</b>								
Interfund transfers in	-	-	-	-	530,000	530,000	530,000	-
Interfund transfers out	(530,000)	(530,000)	(530,000)	-	-	-	-	-
Total other financing sources (uses)	(530,000)	(530,000)	(530,000)	-	530,000	530,000	530,000	-
Net change in fund balances*	(130,444)	(130,444)	(6,306)	(136,750)	(122,664)	(122,664)	49,859	(72,805)
Fund balances - beginning	175,775	175,775	175,775	351,550	431,805	431,805	431,805	863,610
Fund balances - ending	\$ 45,331	\$ 45,331	\$ 169,469	\$ 214,800	\$ 309,141	\$ 309,141	\$ 481,664	\$ 790,805

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

**TOWN OF CONCORD, NEW YORK  
BUDGETARY COMPARISON SCHEDULE FOR THE FIRE PROTECTION FUND AND SEWER FUND  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Fire Protection Fund				Sewer Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>								
Real property taxes	\$ 559,097	\$ 559,097	\$ 559,097	\$ -	\$ 170,049	\$ 170,049	\$ 170,049	\$ -
Use of money and property	200	200	38,204	38,004	420	520	1,421	901
Total revenues	559,297	559,297	597,301	38,004	170,469	170,569	171,470	901
<b>EXPENDITURES</b>								
Current:								
Public safety	583,533	583,533	569,979	13,554	-	-	-	-
Home and community services	-	-	-	-	161,127	193,537	93,928	99,609
Employee benefits	-	-	-	-	-	1,610	1,236	374
Debt Service:								
Principal	-	-	-	-	20,000	20,000	20,000	-
Interest	-	-	-	-	8,751	8,751	8,751	-
Total expenditures	583,533	583,533	569,979	13,554	189,878	223,898	123,915	99,983
Net change in fund balances*	(24,236)	(24,236)	27,322	24,450	(19,409)	(53,329)	47,555	100,884
Fund balances - beginning as restated (see Note 4)	1,363,600	1,363,600	1,363,600	2,727,200	413,833	413,833	413,833	827,666
Fund balances - ending	\$ 1,339,364	\$ 1,339,364	\$ 1,390,922	\$ 2,751,650	\$ 394,424	\$ 360,504	\$ 461,388	\$ 928,550

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

**TOWN OF CONCORD, NEW YORK**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

---

**NOTE 1. BUDGETARY INFORMATION**

**BUDGETARY BASIS OF ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general fund and the special revenue funds (general town outside village, highway-part town, fire protection, library, lighting district, water, joint youth, joint van, and the sewer fund). Budgetary comparison schedules are presented for the general fund and for each major special revenue fund, however, budgetary information for the nonmajor funds is not considered required supplementary information and, therefore, is not presented. The capital projects fund does not have an appropriated budget due to the nature of the fund.

The appropriated budget is prepared by fund, function, and department. The Town Supervisor may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the appropriations) is the department level.

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

**NOTE 2. VOLUNTEER FIREFIGHTER SERVICE AWARD PROGRAM**

Although assets have been accumulated in an irrevocable trust, as reported in the Balance Sheet of the Fire Protection Fund, such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

**Changes of Assumptions or Other Inputs**

The discount rate used to measure the total pension liability was based on the Fidelity 20-Year GO AA Bond Index and was as follows:

December 31, 2016:	3.81%
December 31, 2017:	3.31%

**Trust Assets**

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.



**SUPPLEMENTARY INFORMATION**

***\*\*THIS PAGE INTENTIONALLY LEFT BLANK\*\****

TOWN OF CONCORD, NEW YORK  
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2017

	Special Revenue Funds					
	Highway - Townwide	Library	Lighting District	Water	Joint Youth	Joint Van
<b>ASSETS</b>						
Cash and cash equivalents	\$ 167,865	\$ 12,386	\$ 51,181	\$ 8,330	\$ 26,254	\$ 1,495
Receivables	-	-	-	-	-	158
Due from other funds	-	-	-	-	-	25,000
Prepaid items	-	-	-	-	495	736
Total assets	\$ 167,865	\$ 12,386	\$ 51,181	\$ 8,330	\$ 26,749	\$ 27,389
						\$ 293,900
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 2,572	\$ 1,762	\$ 1,913	\$ 454	\$ 769
Accrued liabilities	-	-	-	-	-	2,867
Due to other funds	-	-	15,258	3,640	-	17,819
Total liabilities	-	2,572	17,020	5,553	454	21,455
						\$ 47,054
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	495	736
Assigned	167,865	9,814	34,161	2,777	25,800	5,198
Total fund balances	167,865	9,814	34,161	2,777	26,295	5,934
						\$ 246,846
Total liabilities and fund balances	\$ 167,865	\$ 12,386	\$ 51,181	\$ 8,330	\$ 26,749	\$ 27,389
						\$ 293,900

**TOWN OF CONCORD, NEW YORK  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds						
	Highway - Townwide	Library	Lighting District	Water	Joint Youth	Joint Van	Total
REVENUES							
Real property taxes	\$ 9,600	\$ 8,930	\$ 20,056	\$ 19,494	\$ -	\$ -	\$ 58,080
Intergovernmental charges	-	-	-	-	129,500	77,396	206,896
Use of money and property	552	39	179	4	37	4	815
Miscellaneous local sources	-	-	-	-	-	1,294	1,294
Total revenues	<u>10,152</u>	<u>8,969</u>	<u>20,235</u>	<u>19,498</u>	<u>129,537</u>	<u>78,694</u>	<u>267,085</u>
EXPENDITURES							
Current:							
Transportation	-	-	41,597	-	-	-	41,597
Economic assistance and opportunity	-	-	-	-	-	75,574	75,574
Culture and recreation	-	9,208	-	-	116,913	-	126,121
Home and community services	-	-	-	11,475	-	-	11,475
Employee benefits	-	66	-	156	7,662	7,267	15,151
Debt service:							
Principal	-	-	-	4,608	-	-	4,608
Interest	-	-	-	837	-	-	837
Total expenditures	<u>-</u>	<u>9,274</u>	<u>41,597</u>	<u>17,076</u>	<u>124,575</u>	<u>82,841</u>	<u>275,363</u>
Net change in fund balances	10,152	(305)	(21,362)	2,422	4,962	(4,147)	(8,278)
Fund balances - beginning	<u>157,713</u>	<u>10,119</u>	<u>55,523</u>	<u>355</u>	<u>21,333</u>	<u>10,081</u>	<u>255,124</u>
Fund balances - ending	\$ 167,865	\$ 9,814	\$ 34,161	\$ 2,777	\$ 26,295	\$ 5,934	\$ 246,846

*\*\*THIS PAGE INTENTIONALLY LEFT BLANK\*\**

