

**Town of Somers, New York**

Financial Statements and  
Supplementary Information

Year Ended December 31, 2017



# Town of Somers, New York

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## Independent Auditors' Report

**The Honorable Supervisor and Town Board of  
the Town of Somers, New York**

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Somers, New York ("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.

### ***Auditors' 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 auditors' 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 aggregate remaining fund information of the Town, as of December 31, 2017, and the respective changes in financial position and the respective budgetary comparison for the General and Highway funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PKF O'CONNOR DAVIES, LLP  
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## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit for the year ended December 31, 2017 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 for the year ended December 31, 2017 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2017.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated April 12, 2017, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2016 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2016 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2016.

*PKF O'Connor Davies, LLP*

**PKF O'Connor Davies, LLP**

Harrison, New York

April 23, 2018

## **Town of Somers, New York**

### **Management's Discussion and Analysis December 31, 2017**

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#### **Introduction**

This discussion and analysis of the Town of Somers, New York's financial statements provides an overview of the financial activities of the Town of Somers for the fiscal year ended December 31, 2017. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

#### **Financial Highlights for Fiscal Year 2017**

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2017 by \$13,508,251 which represents an increase of \$460,777 from fiscal year 2016.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,612,771 an increase of \$449,715 from the prior year. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$11,594,681. Of this latter amount, the unassigned fund balance was \$2,224,866 or 19%. This amount is available for spending at the Town's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$2,244,866 or 23% of total General Fund expenditures and other financing uses. The General Fund reported an ending fund balance of \$5,917,463 which represents a decrease of \$680,059 from fiscal year 2016.
- The Town retired \$1,207,306 of general obligation debt in 2017 and ended the year with \$7,866,307 remaining outstanding. The Town did not issue any debt in 2017. The Town's Moody's Investors Service General Obligation Bond rating is Aa1.
- The Town used \$1,300,000 of fund balance reserves to fund road paving for 2016 and 2017. Using available fund balance reserves reduces the need for borrowing along with the associated interest expense and issuance costs.

#### **Overview of the Financial Statements**

The Town's financial statements are composed of this Management Discussion and Analysis and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The Management Discussion and Analysis provides analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

## *Government-Wide Financial Statements*

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities. Fiduciary activities, whose resources are not available to the Town's programs, are excluded from these statements.

The *Statement of Net Position* presents the Town's total assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing how the Town's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes and earned but unused vacation leave and other postemployment benefit obligations ("OPEB"). The focus of this statement is on the net cost of providing various activities to the citizens of the Town.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and interest.

## *Fund Financial Statements*

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the basic services provided by the Town are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Town's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. From this comparison, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Somers has 8 individual governmental funds: General, Highway, Capital Projects, Public Library, Special Districts, Special Purpose, Debt Service and Permanent funds. Of these, the General, Highway, Debt Service and Capital Projects Funds are reported as major funds, and are presented in separate columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found in the *combining statements* elsewhere in this report.

The Town adopts an annual budget for its General, Highway, Public Library, Special Districts and Debt Service funds. A budgetary comparison statement, for the major funds, has been provided to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Town.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

#### *Notes to the Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

#### *Other Information*

Additional statements and schedules can be found immediately following the notes to the financial statements. These include the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

### **Government-Wide Financial Analysis**

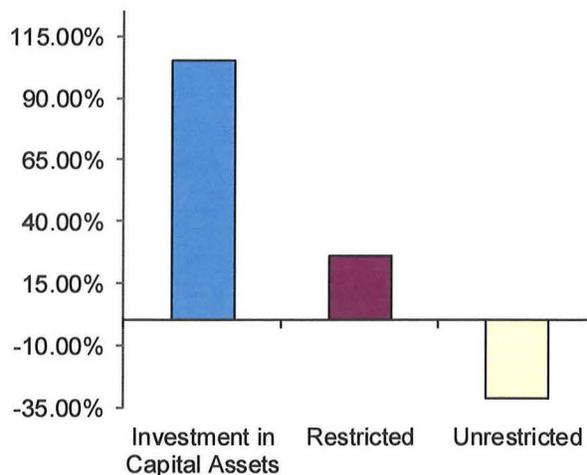
As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Somers, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$13,508,251 for fiscal year 2017.

The following table reflects the condensed Statement of Net Position:

**Statement of Net Position**

	December 31,	
	2017	2016
Current Assets	\$ 48,485,010	\$ 46,569,950
Capital Assets, net	21,603,178	21,583,950
<b>Total Assets</b>	<b>70,088,188</b>	<b>68,153,900</b>
Deferred Outflows of Resources	1,531,440	2,525,167
Current Liabilities	33,384,339	33,181,622
Long-Term Liabilities	23,589,235	24,200,173
<b>Total Liabilities</b>	<b>56,973,574</b>	<b>57,381,795</b>
Deferred Inflows of Resources	1,137,803	249,798
<b>Net Position</b>		
Net Investment in Capital Assets	14,210,715	13,077,463
Restricted	3,502,508	3,163,726
Unrestricted	(4,204,972)	(3,193,715)
<b>Total Net Position</b>	<b>\$ 13,508,251</b>	<b>\$ 13,047,474</b>

**2017 Net Position Distribution**



The largest component of the Town's net position is invested in capital assets (net of related debt) of \$14,210,715 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending.

Although the Town's investment in its capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

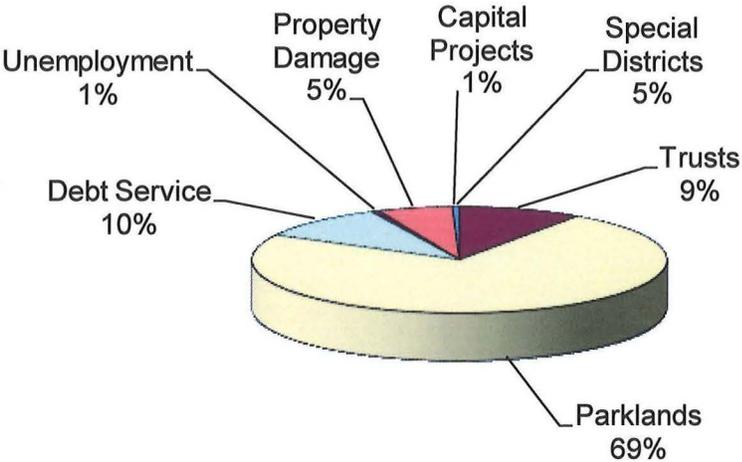
The restricted net position of \$3,502,508 represents resources that are subject to external restrictions on their use. The restrictions are:

	December 31,	
	2017	2016
Property Damage	\$ 192,766	\$ 192,533
Capital Projects	18,090	41,867
Unemployment Benefits	20,229	20,229
Debt Service	340,144	339,763
Special Districts:		
Sewer	161,612	134,384
Street Lighting	31,824	29,438
Trusts	316,950	340,723
Parklands	2,420,893	2,064,789
	<u>\$ 3,502,508</u>	<u>\$ 3,163,726</u>

The remaining balance is an unrestricted deficit of (\$4,204,972) which must be financed from future operations. The deficit does not mean the Town does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.

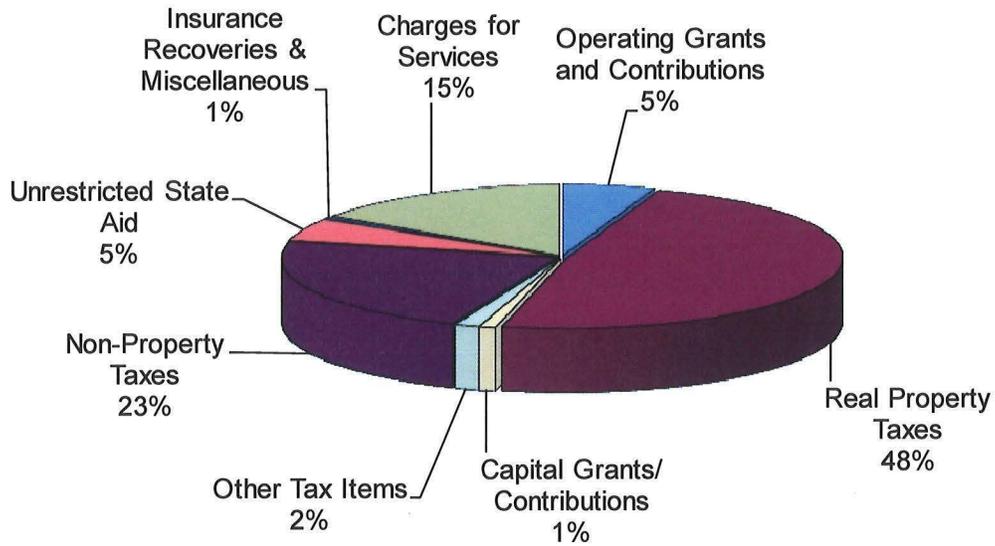
**2017 Restricted Net Position**



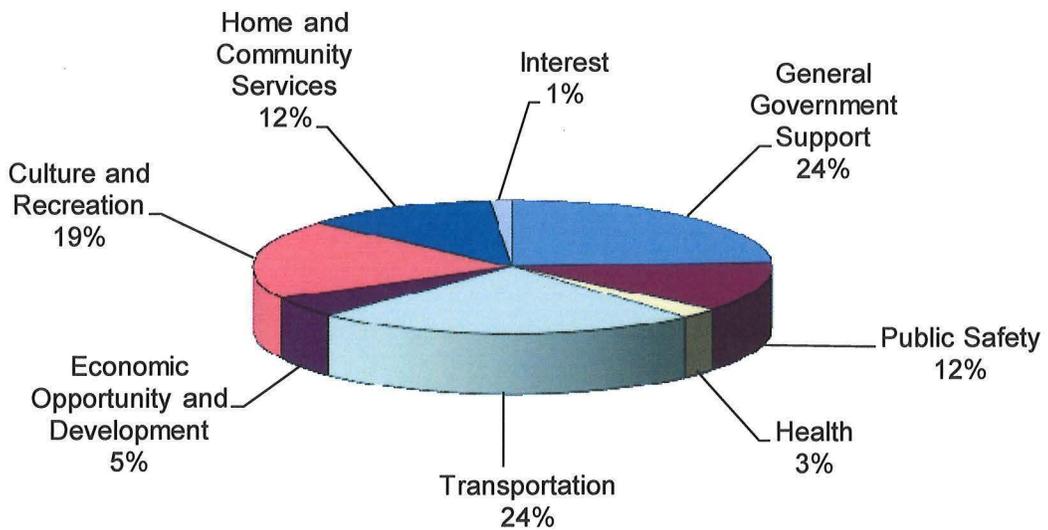
## Statement of Changes in Net Position

	December 31,	
	2017	2016
<b>REVENUES</b>		
Program Revenues		
Charges for Services	\$ 2,491,184	\$ 2,491,951
Operating Grants and Contributions	867,388	1,393,219
Capital Grants and Contributions	154,751	165,713
General Revenues		
Real Property Taxes	7,774,553	7,637,662
Payment in lieu of taxes	5,839	5,669
Other Tax Items:		
Interest and Penalties on Real Property Taxes	234,470	236,137
Gain on Sale of Property Acquired for Taxes	-	7,220
Non-Property Taxes		
Non-Property Tax Distribution from County	3,117,718	2,983,643
Franchise Fees - Cable TV	500,981	470,878
Unrestricted Use of Money and Property	34,134	8,714
Sale of Property and Compensation for Loss	862	40
Insurance Recoveries	36,467	82,348
Unrestricted State Aid	835,094	849,376
Miscellaneous	21,863	20,468
	<u>16,075,304</u>	<u>16,353,038</u>
<b>EXPENSES</b>		
Program Expenses		
General Government Support	3,730,428	3,587,025
Public Safety	1,889,599	1,841,297
Health	381,025	350,224
Transportation	3,751,640	3,539,537
Economic Opportunity and Development	770,931	723,216
Culture and Recreation	2,993,496	2,853,416
Home and Community Services	1,874,761	1,918,955
Interest	222,647	256,533
	<u>15,614,527</u>	<u>15,070,203</u>
Change in Net Position	460,777	1,282,835
<b>NET POSITION</b>		
Beginning	<u>13,047,474</u>	<u>11,764,639</u>
Ending	<u>\$ 13,508,251</u>	<u>\$ 13,047,474</u>

### Sources of Revenue for Fiscal Year 2017 Governmental Activities



### Expenses for Fiscal Year 2017 Governmental Activities



Governmental Activities: For the fiscal year ended December 31, 2017, revenues from governmental activities totaled \$16,075,304, a decrease of \$277,734 over fiscal year 2016. Tax revenues of \$11,633,561 comprised of real property taxes, payment in lieu of taxes, other tax items and non-property taxes, represented the largest revenue source at 72%. Expenses in 2017 were \$15,614,527 or \$544,324 more than 2016.

### **Financial Analysis of the Government's Funds**

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

#### Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

## Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$11,612,771, an increase of \$449,715 from the prior year. The non-spendable fund balance component is \$609,816, consisting of \$324,938 of amounts representing prepaid expenditures and \$284,878 of amounts representing trust principal. Fund Balance of \$3,024,194 is restricted for capital projects, debt service, property damage, unemployment benefits, parklands and trusts. The assigned fund balance of \$5,733,895 consisting partially of amounts to balance the fiscal 2018 budget (\$410,848 in the General Fund, \$50,000 in the Highway Fund and \$10,476 in the Library Fund) as well as \$2,189,500 for capital costs and \$600,000 for tax certioraris. The remaining fund balance is unassigned and represents the remaining positive fund balance in the General Fund of \$2,244,866 and after amounts that have been restricted, committed or assigned for other purposes.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$5,917,463. Of this amount, \$2,244,866 was unassigned.

### *General Fund Budgetary Highlights*

When the fiscal 2017 budget was adopted, it anticipated the use of \$418,000 of fund balance. Actual results of operations resulted in a decrease of \$680,059 to fund balance. Overall, General Fund expenditures and other financing uses were \$9,784,487 which was \$439,999 less than the final budget.

No major area of spending was materially more than the original budget.

The revenue category that reflected the largest positive variance against budget was Non-property taxes \$193,699.

The revenue category reflecting significant negative variance against budget was Real property taxes (\$247,650) due to lower collection of taxes.

### *Other*

The Capital Projects Fund is used to account for capital project activity throughout the Town. The Capital Projects Fund's ending fund balance is \$18,090 for fiscal year 2017.

Non-major Governmental Funds consist of certain Special Revenue Funds and the Permanent Fund. The Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for certain defined purposes. The non-major Special Revenue Funds of the Town are the Public Library Fund, which is provided to account for the activities of the Town's Public Library, Special Districts Fund, which is provided to account for the operation and maintenance of the Town's water, sewer and street lighting districts, the Special Purpose Fund, which is used to account for assets held

by the Town in accordance with terms of trust agreements, the Permanent Fund, which is used to account for assets held by the Town in accordance with the terms of a trust agreement where the principal amounts cannot be expended.

For fiscal year ending December 31, 2017, the combined fund balances of these funds total \$3,743,310 which represents an increase of \$335,710 from fiscal 2016.

### **Capital Asset and Debt Administration**

Capital Assets - The Town's investment in capital assets for its governmental activities as of December 31, 2017, amount to \$21,603,178 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

#### **Capital Assets**

	December 31,	
	2017	2016
Land	\$ 5,581,179	\$ 5,581,179
Construction Work-in-Progress	262,265	63,950
Buildings and Improvements	5,952,389	5,517,039
Machinery and Equipment	1,308,624	1,251,714
Infrastructure	8,498,721	9,170,068
Total	\$ 21,603,178	\$ 21,583,950

The following highlights the amounts expended during the current fiscal year on major capital assets:

Road resurfacing - \$819,995  
Machinery & Equipment - \$254,186

Additional information on the Town's capital assets can be found in Note 3 of this report.

Long-Term Debt - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$7,866,307. The Town's general obligation bonded indebtedness decreased from payments of \$1,207,306 on prior indebtedness. During 2017, the Town did not borrow or issue new debt.

Although the State Constitution limits the amount of indebtedness, both long-term and short-term, which the Town may incur, the total debt of the Town is significantly below this limitation.

Through sound financial management and manageable debt levels, the Town has been successful in maintaining a high-grade rating for its general obligation bonds, currently rated Aa1 by Moody's Investor Services.

Additional information on the Town's long-term debt can be found in Note 3 of this report.

## **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Robert C. Kehoe, Director of Finance, Town of Somers Finance Office, 335 Route 202, Somers, New York 10589. The telephone number is (914) 277- 4394.

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**Town of Somers, New York**

Statement of Net Position  
December 31, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 27,331,689
Receivables	
Taxes, net	18,220,373
Accounts	179,073
Water and sewer rents	279,591
State and Federal aid	88,281
Due from other governments	831,306
Prepaid expenses	324,938
Investment in joint venture	1,229,759
Capital assets	
Not being depreciated	5,843,444
Being depreciated, net	<u>15,759,734</u>
Total Assets	<u>70,088,188</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,531,440</u>
<b>LIABILITIES</b>	
Accounts payable	492,267
Accrued liabilities	50,060
Due to school districts	31,727,120
Unearned revenues	1,077,887
Accrued interest payable	37,005
Noncurrent liabilities	
Due within one year	1,238,962
Due in more than one year	<u>22,350,273</u>
Total Liabilities	<u>56,973,574</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,137,803</u>
<b>NET POSITION</b>	
Net investment in capital assets	14,210,715
Restricted for	
Capital projects	18,090
Property damage	192,766
Unemployment benefits	20,229
Debt service	340,144
Special Districts	
Sewer	161,612
Street lighting	31,824
Permanent trusts	286,704
Other trusts	30,246
Parklands	2,420,893
Unrestricted	<u>(4,204,972)</u>
Total Net Position	<u>\$ 13,508,251</u>

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

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Town of Somers, New York

Statement of Activities  
 Year Ended December 31, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government support	\$ 3,730,428	\$ 261,397	\$ -	\$ -	\$ (3,469,031)
Public safety	1,889,599	153,325	-	-	(1,736,274)
Health	381,025	-	-	-	(381,025)
Transportation	3,751,640	120,980	228,681	-	(3,401,979)
Economic opportunity and development	770,931	34,905	172,345	-	(563,681)
Culture and recreation	2,993,496	525,578	465,788	-	(2,002,130)
Home and community services	1,874,761	1,394,999	574	154,378	(324,810)
Interest	222,647	-	-	373	(222,274)
<b>Total Governmental Activities</b>	<b>\$ 15,614,527</b>	<b>\$ 2,491,184</b>	<b>\$ 867,388</b>	<b>\$ 154,751</b>	<b>(12,101,204)</b>
General revenues					
Real property taxes					7,774,553
Other tax items					
Payments in lieu of taxes					5,839
Interest and penalties on real property taxes					234,470
Non-property taxes					
Non-property tax distribution from County					3,117,718
Franchise - Cable TV					500,981
Unrestricted use of money and property					34,134
Sale of property and compensation of loss					862
Unrestricted State aid					835,094
Miscellaneous					21,863
Insurance recoveries					36,467
<b>Total General Revenues</b>					<b>12,561,981</b>
Change in Net Position					460,777
<b>NET POSITION</b>					
Beginning					13,047,474
Ending					<b>\$ 13,508,251</b>

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

Town of Somers, New York

Balance Sheet  
 Governmental Funds  
 December 31, 2017

	General	Highway	Debt Service
<b>ASSETS</b>			
Cash and equivalents	\$ 21,226,657	\$ 1,125,916	\$ 340,144
Taxes receivable, net	18,220,373	-	-
Other receivables			
Accounts	177,850	630	-
Water and sewer rents	-	-	-
State and Federal aid	53,908	34,373	-
Due from other governments	831,306	-	-
Due from other funds	41,165	571,031	-
	<u>1,104,229</u>	<u>606,034</u>	<u>-</u>
Prepaid expenditures	279,483	27,114	-
Total Assets	<u>\$ 40,830,742</u>	<u>\$ 1,759,064</u>	<u>\$ 340,144</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 293,002	\$ 121,429	\$ -
Accrued liabilities	17,455	30,985	-
Due to school districts	31,727,120	-	-
Due to other funds	571,031	12,886	-
Unearned revenues	9,525	-	-
Total Liabilities	<u>32,618,133</u>	<u>165,300</u>	<u>-</u>
Deferred inflows of resources			
Deferred tax revenues	1,354,584	-	-
Taxes collected in advance	940,562	-	-
Total Deferred Inflows of Resources	<u>2,295,146</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>34,913,279</u>	<u>165,300</u>	<u>-</u>
Fund balances			
Nonspendable	279,483	27,114	-
Restricted	192,766	-	340,144
Assigned	3,200,348	1,566,650	-
Unassigned	2,244,866	-	-
Total Fund Balances	<u>5,917,463</u>	<u>1,593,764</u>	<u>340,144</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 40,830,742</u>	<u>\$ 1,759,064</u>	<u>\$ 340,144</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 1,086,452	\$ 3,552,520	\$ 27,331,689
-	-	18,220,373
-	593	179,073
-	279,591	279,591
-	-	88,281
-	-	831,306
-	4,270	616,466
-	284,454	1,994,717
-	18,341	324,938
<u>\$ 1,086,452</u>	<u>\$ 3,855,315</u>	<u>\$ 47,871,717</u>
\$ -	\$ 77,836	\$ 492,267
-	1,620	50,060
-	-	31,727,120
-	32,549	616,466
1,068,362	-	1,077,887
<u>1,068,362</u>	<u>112,005</u>	<u>33,963,800</u>
-	-	1,354,584
-	-	940,562
-	-	2,295,146
<u>1,068,362</u>	<u>112,005</u>	<u>36,258,946</u>
-	303,219	609,816
18,090	2,473,194	3,024,194
-	966,897	5,733,895
-	-	2,244,866
<u>18,090</u>	<u>3,743,310</u>	<u>11,612,771</u>
<u>\$ 1,086,452</u>	<u>\$ 3,855,315</u>	<u>\$ 47,871,717</u>

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## Town of Somers, New York

### Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2017

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Fund Balances - Governmental Funds	\$ 11,612,771
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	21,603,178
Investment in joint venture is not reported in the funds.	<u>1,229,759</u>
	<u>22,832,937</u>
Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	1,218,626
Deferred amounts on refunding bonds	<u>115,573</u>
	<u>1,334,199</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>1,354,584</u>
Long-term and other liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(37,005)
Bonds payable	(7,900,831)
Compensated absences	(130,740)
Net pension liability	(1,227,664)
Other postemployment benefit obligations payable	<u>(14,330,000)</u>
	<u>(23,626,240)</u>
Net Position of Governmental Activities	<u>\$ 13,508,251</u>

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

**Town of Somers, New York**

Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Governmental Funds  
Year Ended December 31, 2017

	General	Highway	Debt Service
<b>REVENUES</b>			
Real property taxes	\$ 2,626,704	\$ 3,340,939	\$ -
Other tax items	240,309	-	-
Non-property taxes	3,618,699	-	-
Departmental income	828,700	-	-
Intergovernmental charges	34,905	91,822	-
Use of money and property	49,734	2,049	373
Licenses and permits	397,921	-	-
Fines and forfeitures	147,550	-	-
Sale of property and compensation for loss	862	27,540	-
Interfund revenues	82,567	55	-
State aid	910,009	218,805	-
Federal aid	55,743	-	-
Miscellaneous	69,384	7,417	-
<b>Total Revenues</b>	<b>9,063,087</b>	<b>3,688,627</b>	<b>373</b>
<b>EXPENDITURES</b>			
Current			
General government support	2,263,703	-	2,323
Public safety	1,111,291	-	-
Health	367,103	-	-
Transportation	270,125	1,815,913	-
Economic opportunity and development	470,860	-	-
Culture and recreation	1,163,641	-	-
Home and community services	251,269	-	-
Employee benefits	2,301,133	884,841	-
Debt service			
Principal	-	-	1,207,306
Interest	-	-	226,668
Capital outlay	-	-	-
<b>Total Expenditures</b>	<b>8,199,125</b>	<b>2,700,754</b>	<b>1,436,297</b>
Excess (Deficiency) of Revenues Over Expenditures	863,962	987,873	(1,435,924)
<b>OTHER FINANCING SOURCES (USES)</b>			
Insurance recoveries	36,467	-	-
Transfers in	4,874	-	1,436,305
Transfers out	(1,585,362)	(789,167)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,544,021)</b>	<b>(789,167)</b>	<b>1,436,305</b>
<b>Net Change in Fund Balances</b>	<b>(680,059)</b>	<b>198,706</b>	<b>381</b>
<b>FUND BALANCES (DEFICITS)</b>			
Beginning of Year	6,597,522	1,395,058	339,763
End of Year	<u>\$ 5,917,463</u>	<u>\$ 1,593,764</u>	<u>\$ 340,144</u>

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

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ 1,474,397	\$ 7,442,040
-	-	240,309
-	-	3,618,699
-	1,352,309	2,181,009
-	-	126,727
-	10,564	62,720
-	-	397,921
-	-	147,550
-	-	28,402
-	81,401	164,023
28,395	22,032	1,179,241
-	-	55,743
125,983	23,179	225,963
154,378	2,963,882	15,870,347
-	-	2,266,026
-	-	1,111,291
-	-	367,103
-	22,844	2,108,882
-	-	470,860
-	802,607	1,966,248
-	928,788	1,180,057
-	348,776	3,534,750
-	-	1,207,306
-	-	226,668
1,017,908	-	1,017,908
1,017,908	2,103,015	15,457,099
(863,530)	860,867	413,248
-	-	36,467
1,458,507	-	2,899,686
-	(525,157)	(2,899,686)
1,458,507	(525,157)	36,467
594,977	335,710	449,715
(576,887)	3,407,600	11,163,056
\$ 18,090	\$ 3,743,310	\$ 11,612,771

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## Town of Somers, New York

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2017

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Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 449,715</u>
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay expenditures	1,282,281
Depreciation expense	(1,263,053)
Equity interest in joint venture	<u>(18,849)</u>
	<u>379</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
Real property taxes	<u>332,513</u>
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p>	
Principal paid on bonds	1,207,306
Amortization of loss on refunding bonds and issuance premium	<u>(4,381)</u>
	<u>1,202,925</u>
<p>Some 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.</p>	
Accrued interest	8,402
Pension obligations	(168,620)
Compensated absences	(4,537)
Other postemployment benefit obligations	<u>(1,360,000)</u>
	<u>(1,524,755)</u>
Change in Net Position of Governmental Activities	<u>\$ 460,777</u>

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

**Town of Somers, New York**

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
General and Highway Funds  
Year Ended December 31, 2017

	General			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 2,874,354	\$ 2,874,354	\$ 2,626,704	\$ (247,650)
Other tax items	215,839	215,839	240,309	24,470
Non-property taxes	3,425,000	3,425,000	3,618,699	193,699
Departmental income	638,960	638,960	828,700	189,740
Intergovernmental charges	34,905	34,905	34,905	-
Use of money and property	22,800	22,800	49,734	26,934
Licenses and permits	210,000	210,000	397,921	187,921
Fines and forfeitures	110,300	110,300	147,550	37,250
Sale of property and compensation for loss	100	100	862	762
Interfund revenues	39,330	39,330	82,567	43,237
State aid	808,100	808,100	910,009	101,909
Federal aid	76,298	76,298	55,743	(20,555)
Miscellaneous	50,500	50,500	69,384	18,884
<b>Total Revenues</b>	<b>8,506,486</b>	<b>8,506,486</b>	<b>9,063,087</b>	<b>556,601</b>
<b>EXPENDITURES</b>				
Current				
General government support	2,356,790	2,404,492	2,263,703	140,789
Public safety	1,148,715	1,172,351	1,111,291	61,060
Health	343,077	367,425	367,103	322
Transportation	302,265	302,265	270,125	32,140
Economic opportunity and development	475,201	484,073	470,860	13,213
Culture and recreation	1,135,462	1,173,977	1,163,641	10,336
Home and community services	222,013	251,674	251,269	405
Employee benefits	2,685,140	2,482,867	2,301,133	181,734
<b>Total Expenditures</b>	<b>8,668,663</b>	<b>8,639,124</b>	<b>8,199,125</b>	<b>439,999</b>
Excess (Deficiency) of Revenues Over Expenditures	(162,177)	(132,638)	863,962	996,600
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	-	36,467	36,467
Transfers in	-	-	4,874	4,874
Transfers out	(255,823)	(1,585,362)	(1,585,362)	-
<b>Total Other Financing Uses</b>	<b>(255,823)</b>	<b>(1,585,362)</b>	<b>(1,544,021)</b>	<b>41,341</b>
<b>Net Change in Fund Balances</b>	<b>(418,000)</b>	<b>(1,718,000)</b>	<b>(680,059)</b>	<b>1,037,941</b>
<b>FUND BALANCES</b>				
Beginning of Year	418,000	1,718,000	6,597,522	4,879,522
End of Year	\$ -	\$ -	\$ 5,917,463	\$ 5,917,463

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

Highway			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,340,939	\$ 3,340,939	\$ 3,340,939	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
49,079	49,079	91,822	42,743
1,300	1,300	2,049	749
-	-	-	-
-	-	-	-
5,000	5,000	27,540	22,540
3,000	3,000	55	(2,945)
219,466	219,466	218,805	(661)
-	-	-	-
-	-	7,417	7,417
<u>3,618,784</u>	<u>3,618,784</u>	<u>3,688,627</u>	<u>69,843</u>
-	-	-	-
-	-	-	-
-	-	-	-
1,912,808	1,863,712	1,815,913	47,799
-	-	-	-
-	-	-	-
-	-	-	-
965,904	965,904	884,841	81,063
<u>2,878,712</u>	<u>2,829,616</u>	<u>2,700,754</u>	<u>128,862</u>
<u>740,072</u>	<u>789,168</u>	<u>987,873</u>	<u>198,705</u>
-	-	-	-
-	-	-	-
<u>(740,072)</u>	<u>(789,168)</u>	<u>(789,167)</u>	<u>1</u>
<u>(740,072)</u>	<u>(789,168)</u>	<u>(789,167)</u>	<u>1</u>
-	-	198,706	198,706
-	-	1,395,058	1,395,058
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,593,764</u>	<u>\$ 1,593,764</u>

Town of Somers, New York

Statement of Assets and Liabilities  
Fiduciary Fund  
December 31, 2017

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and equivalents	<u>\$ 737,194</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 814
Deposits	725,885
Employee payroll deductions	<u>10,495</u>
 Total Liabilities	 <u>\$ 737,194</u>

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

## Town of Somers, New York

Notes to Financial Statements  
December 31, 2017

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### **Note 1 - Summary of Significant Accounting Policies**

The Town of Somers, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

#### **A. Financial Reporting Entity**

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

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities, which would be included in the Town's reporting entity.

#### **B. 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 non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**C. Fund Financial Statements**

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds.

**General Fund** - The General Fund constitutes the primary operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

**Special Revenue Funds** - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service and capital projects. The Highway Fund is a major special revenue fund. The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2017

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

The Town also reports the following non-major governmental funds.

#### Special Revenue Funds:

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

Special Districts Fund - The Special Districts Fund is used to account for the operation and maintenance of the Town's water, sewer and street lighting districts.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with terms of a trust agreement.

Permanent Fund - The Permanent Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement where the principal amount cannot be expended.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Town's Agency Fund is primarily utilized to account for various deposits that are payable to other jurisdictions or individuals.

#### **D. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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 (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2017

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is used for revenue recognition for most other governmental fund revenues. Fees and other similar revenues are not susceptible to accrual because generally they are not measureable until received in cash. 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, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

#### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances**

##### **Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Town's deposit and investment policies are governed by State statutes. The Town has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks, which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

**Investments** - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Town follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Risk Disclosure**

**Interest Rate Risk** – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

**Custodial Credit Risk** – Custodial risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial risk at December 31, 2017.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

**Concentration of Credit Risk** – Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

**Taxes Receivable** - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes, which are due April 1st and payable without penalty to April 30th. School districts taxes are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2017

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

**Other Receivables** - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

**Due From/To Other Funds** - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2017 balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**Inventories** - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

**Investment in Joint Venture** - The investment in joint venture represents the Town's equity interest in the Northern Westchester Joint Water Works.

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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 backtrending (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).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

Land and construction-in-progress are not depreciated. Property, plant and equipment of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-20
Infrastructure	20-50

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental funds balance sheet.

**Unearned Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$1,068,362 for grants and deposits received in advance in the Capital Projects Fund and \$9,525 for grants received in advance in the General Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town has reported deferred outflows of resources of \$115,573 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amounts is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Town has also reported deferred inflows of resources of \$1,354,584 in the General Fund for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year and \$940,562 of taxes collected in advance in the General Fund and the government-wide Statement of Net Position. Those amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town also reported deferred outflows of resources in relation to its pension obligations. These amounts are detailed in the discussion of the Town's pension plans in Note 3F.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Long-Term Obligations** - In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects Fund expenditures.

**Net Pension Liability** - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date"*.

**Compensated Absences** - The various collective bargaining agreements provide for the payment of accumulated vacation leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

**Net Position** - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for capital projects, property damage, unemployment benefits, debt service, special districts, permanent trusts, other trusts and parklands. The balance is classified as unrestricted.

**Fund Balances** - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or

**Note 1 - Summary of Significant Accounting Policies (Continued)**

imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Director of Finance for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned and unassigned.

**F. Encumbrances**

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Highway and certain non-major funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

**Note 1 - Summary of Significant Accounting Policies (Continued)**

**G. Use of Estimates**

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

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 23, 2018.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2017

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Debt Service, Public Library and Special Districts funds.
- i) Budgets for General, Highway, Public Library, Special Districts and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Special Purpose and Permanent funds.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- k) Appropriations in General, Highway, Public Library, Special Districts and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Town Board.

#### **B. Property Tax Limitation**

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year. The original legislation that established the Tax levy Limitation Law was set to expire on June 16, 2016. Chapter 20 of the Laws of 2015 extends the Tax Levy Limitation Law through June 2020.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

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**Note 2 - Stewardship, Compliance and Accountability (Continued)**

decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

Taxes receivable at December 31, 2017 consisted of the following:

Town and County taxes - Current	\$ 174,338
School districts taxes - Current	16,728,522
Tax liens	1,317,513
Property acquired for taxes	<u>740,990</u>
	18,961,363
Allowance for uncollectible taxes	<u>(740,990)</u>
	<u>\$ 18,220,373</u>

School district taxes are offset by liabilities to the school districts, which will be paid no later than April 5, 2018. Taxes receivable are also partially offset by deferred tax revenues of \$1,354,584 which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

**B. Due From/To Other Funds**

The balances reflected as due from/to other funds at December 31, 2017 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ 41,165	\$ 571,031
Highway	571,031	12,886
Non-Major Governmental	<u>4,270</u>	<u>32,549</u>
	<u>\$ 616,466</u>	<u>\$ 616,466</u>

The outstanding balances between funds results 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.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

**Note 3 - Detailed Notes on All Funds (Continued)**

**C. Investment in Joint Venture**

The Town together with the Town of Yorktown, the Town of Cortlandt and the Montrose Improvement District, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 6%.

The following is an audited summary of financial information included in the financial statements of the joint venture.

Total Assets	\$ 26,164,419
Deferred Outflows of Resources	688,404
Total Liabilities	6,173,814
Deferred Inflows of Resources	183,030
Total Equity	20,495,979
Total Operating Revenues	10,666,932
Total Non-Operating Revenues	561,154
Total Expenses	11,523,246

**D. Capital Assets**

Changes in the Town's capital assets are as follows:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital Assets, not being depreciated:				
Land	\$ 5,581,179	\$ -	\$ -	\$ 5,581,179
Construction in progress	63,950	198,315	-	262,265
	<u>\$ 5,645,129</u>	<u>\$ 198,315</u>	<u>\$ -</u>	<u>\$ 5,843,444</u>
Capital Assets, being depreciated:				
Buildings and improvements	\$ 9,482,600	\$ 829,780	\$ 25,090	\$ 10,287,290
Machinery and equipment	5,391,008	254,186	464,554	5,180,640
Infrastructure	29,306,982	-	-	29,306,982
Total Capital Assets, being depreciated	<u>44,180,590</u>	<u>1,083,966</u>	<u>489,644</u>	<u>44,774,912</u>
Less Accumulated Depreciation for:				
Buildings and improvements	3,965,561	394,430	25,090	4,334,901
Machinery and equipment	4,139,294	197,276	464,554	3,872,016
Infrastructure	20,136,914	671,347	-	20,808,261
Total Accumulated Depreciation	<u>28,241,769</u>	<u>1,263,053</u>	<u>489,644</u>	<u>29,015,178</u>
Total Capital Assets, being depreciated, net	<u>\$ 15,938,821</u>	<u>\$ (179,087)</u>	<u>\$ -</u>	<u>\$ 15,759,734</u>
Capital Assets, net	<u>\$ 21,583,950</u>	<u>\$ 19,228</u>	<u>\$ -</u>	<u>\$ 21,603,178</u>

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

**Note 3 - Detailed Notes on All Funds (Continued)**

Depreciation expense was charged to the Town's functions and programs as follows:

General Government Support	\$ 9,870
Public Safety	34,807
Transportation	631,801
Culture and Recreation	150,258
Home and Community Services	<u>436,317</u>
Total Depreciation Expense	<u>\$ 1,263,053</u>

**E. Accrued Liabilities**

Accrued liabilities at December 31, 2017 were as follows:

	Fund			Total
	General	Highway	Non-Major Governmental	
Payroll and Employee Benefits	<u>\$ 17,455</u>	<u>\$ 30,985</u>	<u>\$ 1,620</u>	<u>\$ 50,060</u>

**F. Long-Term Liabilities**

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2017:

	Balance at January 1, 2017	New Issues/ Additions	Maturities and/or Payments	Balance at December 31, 2017	Due Within One Year
Bonds Payable					
Capital Construction	\$ 8,591,917	\$ -	\$ 1,118,405	\$ 7,473,512	\$ 1,135,114
Other	481,696	-	88,901	392,795	90,848
	<u>9,073,613</u>	<u>-</u>	<u>1,207,306</u>	<u>7,866,307</u>	<u>1,225,962</u>
Plus					
Unamortized premium on bonds	36,390	-	1,866	34,524	-
	<u>9,110,003</u>	<u>-</u>	<u>1,209,172</u>	<u>7,900,831</u>	<u>1,225,962</u>
Other Non-current Liabilities					
Compensated Absences	126,203	17,537	13,000	130,740	13,000
Net Pension Liability	1,993,967	-	766,303	1,227,664	-
Other Post Employment Benefit Obligations Payable	<u>12,970,000</u>	<u>2,130,000</u>	<u>770,000</u>	<u>14,330,000</u>	<u>-</u>
Total Other Non-current Liabilities	<u>15,090,170</u>	<u>2,147,537</u>	<u>1,549,303</u>	<u>15,688,404</u>	<u>13,000</u>
Long-Term Liabilities	<u>\$ 24,200,173</u>	<u>\$ 2,147,537</u>	<u>\$ 2,758,475</u>	<u>\$ 23,589,235</u>	<u>\$ 1,238,962</u>

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

**Note 3 - Detailed Notes on All Funds (Continued)**

Each governmental fund's liability for compensated absences, net pension liability and other post employment benefit obligations is liquidated by the General, Highway and Special District funds. The Town's indebtedness for bonds is satisfied by the Debt Service Fund, which is funded primarily by the General, Highway and Special Districts funds.

**Bonds Payable**

Bonds payable at December 31, 2017 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2017
Public Improvement Bonds	2009	\$ 2,000,000	05/2019	5.000 %	\$ 450,000
Environmental Facilities Corporation Refunding Bonds 2011 A	2011	3,648,590	05/2022	2.974 - 3.989	1,486,280
Environmental Facilities Corporation Refunding Bonds 2011 C	2011	502,701	11/2021	2.075 - 3.566	237,495
Public Improvement Bonds	2011	2,000,000	05/2021	2.375 - 3.000	860,000
Public Improvement Bonds	2014	2,000,000	05/2024	2.000 - 2.500	1,440,000
Refunding Bonds	2015	3,300,000	05/2036	2.000 - 4.000	3,115,000
Public Improvement Bonds	2016	350,000	06/2021	1.950	277,532
					<u>\$ 7,866,307</u>

Interest expenditures of \$226,668, were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$222,647 was recorded in the government-wide financial statements for governmental activities.

**Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of December 31, 2017, including interest payments of \$1,254,216 are as follows:

Year Ended December 31,	Principal	Interest	Total
2018	\$ 1,225,962	\$ 213,470	\$ 1,439,432
2019	1,263,941	174,815	1,438,756
2020	1,055,800	140,394	1,196,194
2021	1,088,105	109,586	1,197,691
2022	402,499	80,491	482,990
2023-2027	1,190,000	300,247	1,490,247
2028-2032	855,000	185,213	1,040,213
2033-2036	785,000	50,000	835,000
	<u>\$ 7,866,307</u>	<u>\$ 1,254,216</u>	<u>\$ 9,120,523</u>

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2017

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### **Note 3 - Detailed Notes on All Funds (Continued)**

The above general obligation bonds are direct obligations of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

#### **Compensated Absences**

Civil service employees may accumulate and carryover up to ten vacation days. Upon separation of service, employees will be compensated for unused leave. Employees may accumulate unused sick leave, however, upon separation of service, they are not compensated for this leave. The Town has determined that the potential liability for compensated absences as of December 31, 2017 was \$130,740. The value of all compensated absences has been recorded in the government-wide financial statements.

#### **Pension Plans**

##### *New York State and Local Retirement System*

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2017 are as follows:

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

**Note 3 - Detailed Notes on All Funds (Continued)**

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	21.6 %
	3 A14	15.8
	4 A15	15.8
	5 A15	13.0
	6 A15	9.2
PFRS	2 375I	17.3 %

At December 31, 2017, the Town reported a liability of \$1,200,082 for its proportionate share of the net pension liability of ERS and a liability of \$27,582 for its proportionate share of the net pension liability of PFRS. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members. At March 31, 2017, the Town's proportion was .0127720% for ERS and .0013308% for PFRS. This was an increase .000663% for ERS and a decrease of .0003728% for PFRS from their proportion measured as of March 31, 2016.

For the year ended December 31, 2017, the Town recognized pension expense in the government-wide financial statements of \$757,331 for ERS and \$21,116 for PFRS. Pension expenditures of \$589,668 for ERS and \$20,159 for PFRS were recorded in the fund financial statements and were charged to the following funds:

	<u>ERS</u>	<u>PFRS</u>
General Fund	\$ 371,353	\$ 20,159
Highway	131,174	-
Special Districts	25,090	-
Library	62,051	-
Total	<u>\$ 589,668</u>	<u>\$ 20,159</u>

At December 31, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 30,073	\$ 182,239	\$ 3,618	\$ 4,766
Changes of assumptions	409,992	-	13,589	-
Net difference between projected and actual earnings on pension plan investments	239,705	-	4,119	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	212,175	8,850	20,248	1,386
Town contributions subsequent to the measurement date	466,249	-	16,099	-
	<u>\$ 1,358,194</u>	<u>\$ 191,089</u>	<u>\$ 57,673</u>	<u>\$ 6,152</u>

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

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**Note 3 - Detailed Notes on All Funds (Continued)**

\$466,249 and \$16,099 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2018	\$ 297,048	\$ 10,361
2019	297,048	10,361
2020	243,734	10,053
2021	(136,974)	2,879
2022	-	1,768

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

Inflation	2.5%
Salary scale	3.8% in ERS, 4.5% in PFRS indexed by service
Investment rate of return	7.0% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.3% annually

Annuitant mortality rates are based on the April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

**Note 3 - Detailed Notes on All Funds (Continued)**

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Assets	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.50
	<u>100 %</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%.

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 those 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.

The following 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 (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Current Assumption (7.0%)</u>	<u>1% Increase (8.0%)</u>
Town's proportionate share of the ERS net pension liability (asset)	<u>\$ 3,832,823</u>	<u>\$ 1,200,082</u>	<u>\$ (1,025,896)</u>
Town's proportionate share of the PFRS net pension liability (asset)	<u>\$ 78,194</u>	<u>\$ 27,582</u>	<u>\$ (14,869)</u>

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2017

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### **Note 3 - Detailed Notes on All Funds (Continued)**

The components of the collective net pension liability as of the March 31, 2017 measurement date were as follows:

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Total pension liability	\$ 177,400,586,000	\$ 31,670,483,000	\$ 209,071,069,000
Fiduciary net position	<u>168,004,363,000</u>	<u>29,597,831,000</u>	<u>197,602,194,000</u>
Employers' net pension liability	<u>\$ 9,396,223,000</u>	<u>\$ 2,072,652,000</u>	<u>\$ 11,468,875,000</u>
Fiduciary net position as a percentage of total pension liability	<u>94.7%</u>	<u>93.5%</u>	<u>94.5%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of December 31, 2017 represent the employer contribution for the period of April 1, 2017 through December 31, 2017 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2017 were \$466,249 and \$16,099, respectively.

#### *Voluntary Defined Contribution Plan*

The Town can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

#### **Other Post Employment Benefit Obligations**

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid within the governmental funds.

The Town's annual other postemployment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution, ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

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**Note 3 - Detailed Notes on All Funds (Continued)**

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in postretirement benefits are as follows:

<u>Fiscal Year</u>	<u>Assumed Increase</u>
2018	7.00 %
2019	6.50
2020	6.00
2021	5.50
2022 +	5.00

The amortization basis is the level dollar method with an open amortization approach. The actuarial assumptions included a 4% investment rate of return and a 3.0% inflation rate. The Town currently has no assets set aside for the purpose of paying postemployment benefits. The actuarial cost method utilized was the projected unit credit method.

The number of participants as of December 31, 2017 was as follows:

Active Employees	82
Retired Employees	<u>57 (Plus 36 Spouses)</u>
Total	<u><u>139</u></u>

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

**Note 3 - Detailed Notes on All Funds (Continued)**

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2017	\$ 27,440,000
Assets at Market Value	-
	<u>27,440,000</u>
Unfunded Actuarial Accrued Liability ("UAAL")	\$ 27,440,000
Funded Ratio	<u>0.00%</u>
Covered Payroll (Active plan members)	\$ 4,480,000
UAAL as a Percentage of Covered Payroll	<u>612.50%</u>
Annual Required Contribution	\$ 2,330,000
Interest on Net OPEB Obligation	520,000
Adjustment to Annual Required Contribution	<u>(720,000)</u>
Annual OPEB Cost	2,130,000
Contributions Made	<u>(770,000)</u>
Increase in Net OPEB Obligation	1,360,000
Net OPEB Obligation - Beginning of Year	<u>12,970,000</u>
Net OPEB Obligation - End of Year	<u>\$ 14,330,000</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years is as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 2,130,000	36.15 %	\$ 14,330,000
2016	1,990,000	39.70	12,970,000
2015	1,858,439	36.05	11,770,000

The schedule of funding progress for the OPEB plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for the benefits over time.

**G. Revenues and Expenditures**

**Interfund Transfers**

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

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**Note 3 - Detailed Notes on All Funds (Continued)**

Transfers Out	Transfers In			Total
	General Fund	Debt Service Fund	Capital Projects Fund	
General Fund	\$ -	\$ 255,823	\$ 1,329,539	\$ 1,585,362
Highway Fund	-	740,072	49,095	789,167
Non-Major Governmental Funds	4,874	440,410	79,873	525,157
	<u>\$ 4,874</u>	<u>\$ 1,436,305</u>	<u>\$ 1,458,507</u>	<u>\$ 2,899,686</u>

Transfers are used to 1) move amounts to the Debt Service Fund from the operating funds as debt service principal and interest payments become due, 2) move amounts earmarked in the operating funds to fulfill commitments for the Capital Projects funds expenditures and 3) move amounts from the Special Purpose Fund to the General Funds.

**H. Net Position**

The components of net position are detailed below:

*Net Investment in Capital Assets* - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Restricted for Capital Projects* - the component of net position that reports the amounts restricted for capital projects, exclusive of unexpended bond proceeds and unrestricted interest earnings.

*Restricted for Property Damage* - the component of net position that has been established to set aside funds to be used to self-insure the Town for its deductibles for annual property damage claims, pursuant to General Municipal Law.

*Restricted for Unemployment Benefits* - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of General Municipal Law of the State of New York.

*Restricted for Debt Service* - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

*Restricted for Special Districts* - the component of net position that reports funds restricted for specific purposes under New York State Law.

*Restricted for Permanent Trusts* - the component of net position that has been established to set aside funds in accordance with the terms of the trusts where the principal amount cannot be expended.

*Restricted for Other Trusts* - the component of net position that has been established to set aside funds in accordance with the terms of the trusts.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

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**Note 3 - Detailed Notes on All Funds (Continued)**

*Restricted for Parklands* - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

*Unrestricted* - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2017

**Note 3 - Detailed Notes on All Funds (Continued)**

**I. Fund Balances**

	2017						2016					
	General Fund	Highway Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Debt Service Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
<b>Nonspendable</b>												
Prepaid expenditures	\$ 279,483	\$ 27,114	\$ -	\$ -	\$ 18,341	\$ 324,938	\$ 92,103	\$ 28,790	\$ -	\$ -	\$ 24,310	\$ 145,203
Trust principal	-	-	-	-	284,878	284,878	-	-	-	-	284,878	284,878
<b>Total Nonspendable</b>	<b>279,483</b>	<b>27,114</b>	<b>-</b>	<b>-</b>	<b>303,219</b>	<b>609,816</b>	<b>92,103</b>	<b>28,790</b>	<b>-</b>	<b>-</b>	<b>309,188</b>	<b>430,081</b>
<b>Restricted</b>												
Capital projects	-	-	-	18,090	-	18,090	-	-	-	-	-	-
Debt service	-	-	340,144	-	-	340,144	-	-	339,763	-	-	339,763
Property damage	192,766	-	-	-	-	192,766	192,533	-	-	-	-	192,533
Unemployment benefits	-	-	-	-	20,229	20,229	-	-	-	-	20,229	20,229
Parklands	-	-	-	-	2,420,893	2,420,893	-	-	-	-	2,064,789	2,064,789
Trusts	-	-	-	-	32,072	32,072	-	-	-	-	55,845	55,845
<b>Total Restricted</b>	<b>192,766</b>	<b>-</b>	<b>340,144</b>	<b>18,090</b>	<b>2,473,194</b>	<b>3,024,194</b>	<b>192,533</b>	<b>-</b>	<b>339,763</b>	<b>-</b>	<b>2,140,863</b>	<b>2,673,159</b>
<b>Assigned</b>												
Subsequent year's expenditures	410,848	50,000	-	-	10,476	471,324	418,000	-	-	-	-	418,000
Capital costs	2,189,500	-	-	-	-	2,189,500	1,300,000	-	-	-	-	1,300,000
Tax certiorari	600,000	-	-	-	-	600,000	500,000	-	-	-	-	500,000
Highway	-	1,516,650	-	-	-	1,516,650	-	1,366,268	-	-	-	1,366,268
Library	-	-	-	-	515,353	515,353	-	-	-	-	508,697	508,697
Special Districts	-	-	-	-	441,068	441,068	-	-	-	-	448,852	448,852
<b>Total Assigned</b>	<b>3,200,348</b>	<b>1,566,650</b>	<b>-</b>	<b>-</b>	<b>966,897</b>	<b>5,733,895</b>	<b>2,218,000</b>	<b>1,366,268</b>	<b>-</b>	<b>-</b>	<b>957,549</b>	<b>4,541,817</b>
<b>Unassigned</b>	<b>2,244,866</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,244,866</b>	<b>4,094,886</b>	<b>-</b>	<b>-</b>	<b>(576,887)</b>	<b>-</b>	<b>3,517,999</b>
<b>Total Fund Balances</b>	<b>\$ 5,917,463</b>	<b>\$ 1,593,764</b>	<b>\$ 340,144</b>	<b>\$ 18,090</b>	<b>\$ 3,743,310</b>	<b>\$ 11,612,771</b>	<b>\$ 6,597,522</b>	<b>\$ 1,395,058</b>	<b>\$ 339,763</b>	<b>\$ (576,887)</b>	<b>\$ 3,407,600</b>	<b>\$ 11,163,056</b>

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2017

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**Note 3 - Detailed Notes on All Funds (Continued)**

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Subsequent year's expenditures represent that at December 31, 2017, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for Capital Costs - This has been established to fund future capital costs.

Assigned for Tax Certiorari - This has been established to set aside funds to meet anticipated judgments and claims arising out of tax certiorari proceedings.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

The Town is the defendant in various actions, all of which are within the limits of the Town's insurance coverage. Counsel has indicated that the insurance companies are vigorously defending those claims and that there is adequate insurance to cover these contingencies.

The Town is also defendant in various claims by taxpayers for redetermination of assessed valuation and special franchises. The settlement of such claims could result in the payment of refunds by the Town. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from such claims will be funded in the year the payment is made.

**B. Risk Management**

The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, public officials liability, commercial automobile and police professional liability policies each provide for coverage with an occurrence limit of \$1 million. The Town also maintains an excess liability policy with a limit of \$12 million occurrence over general liability, automobile, police professional and public officials liability. The Town purchases conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town is self-insured for property damage as it relates to glass damage not covered by conventional insurance and deductibles. The Town purchases health insurance from the New York State Health Insurance Program.

**Town of Somers, New York**

Notes to Financial Statements (Concluded)  
December 31, 2017

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**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Contingencies**

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Town's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

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**Town of Somers, New York**

Required Supplementary Information - Schedule of Funding Progress  
 Other Post Employment Benefits  
 Last Three Fiscal Years

Valuation Date	Actuarial		Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
	Value of Assets	Accrued Liability				
January 1, 2015	\$ -	\$ 24,270,000	\$ 24,270,000	- %	\$ 4,580,000	529.91 %
January 1, 2016	-	25,730,000	25,730,000	-	4,380,000	587.44
January 1, 2017	-	27,440,000	27,440,000	-	4,480,000	612.50

See independent auditors' report.

**Town of Somers, New York**

Required Supplementary Information - Schedule of the  
Town's Proportionate Share of the Net Pension Liability  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)

	2017	2016 (2)	2015
Town's proportion of the net pension liability (asset)	<u>0.0127720%</u>	<u>0.0121090%</u>	<u>0.0126587%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 1,200,082</u>	<u>\$ 1,943,528</u>	<u>\$ 427,640</u>
Town's covered payroll	<u>\$ 4,035,219</u>	<u>\$ 3,891,006</u>	<u>\$ 3,883,535</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>29.74%</u>	<u>49.95%</u>	<u>11.01%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

**Town of Somers, New York**

Required Supplementary Information - Schedule of Contributions  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 589,725	\$ 598,286	\$ 615,247
Contributions in relation to the contractually required contribution	<u>(589,725)</u>	<u>(598,286)</u>	<u>(615,247)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 4,104,413</u>	<u>\$ 3,969,835</u>	<u>\$ 4,093,334</u>
Contributions as a percentage of covered payroll	<u>14.37%</u>	<u>15.07%</u>	<u>15.03%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**Town of Somers, New York**

Required Supplementary Information - Schedule of the  
Town's Proportionate Share of the Net Pension Liability  
New York State and Local Police and Fire Retirement System  
Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016 (2)</u>	<u>2015</u>
Town's proportion of the net pension liability (asset)	<u>0.0013308%</u>	<u>0.0017036%</u>	<u>0.0016548%</u>
Town's proportionate share of the net pension liability (asset)	<u>\$ 27,582</u>	<u>\$ 50,439</u>	<u>\$ 4,555</u>
Town's covered payroll	<u>\$ 113,091</u>	<u>\$ 113,049</u>	<u>\$ 135,560</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>24.39%</u>	<u>44.62%</u>	<u>3.36%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Note - The amounts presented for each fiscal year were determined as of the March 31 measurement within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

(2) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

**Town of Somers, New York**

Required Supplementary Information - Schedule of Contributions  
New York State and Local Police and Fire Retirement System  
Last Ten Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 19,848	\$ 19,392	\$ 25,407
Contributions in relation to the contractually required contribution	<u>(19,848)</u>	<u>(19,392)</u>	<u>(25,407)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 115,419</u>	<u>\$ 110,340</u>	<u>\$ 127,723</u>
Contributions as a percentage of covered payroll	<u>17.20%</u>	<u>17.57%</u>	<u>19.89%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

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**Town of Somers, New York**

General Fund  
Comparative Balance Sheet  
December 31,

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 21,226,657	\$ 8,641,910
Taxes receivable, net of allowance for uncollectible taxes of \$740,990 in 2017 and \$717,677 in 2016	<u>18,220,373</u>	<u>29,197,101</u>
Other receivables		
Accounts	177,850	168,245
State and Federal aid	53,908	52,576
Due from other governments	831,306	817,316
Due from other funds	<u>41,165</u>	<u>238,991</u>
	<u>1,104,229</u>	<u>1,277,128</u>
Prepaid expenditures	<u>279,483</u>	<u>92,103</u>
Total Assets	<u>\$ 40,830,742</u>	<u>\$ 39,208,242</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 293,002	\$ 293,152
Accrued liabilities	17,455	12,389
Due to school districts	31,727,120	31,263,920
Due to other funds	571,031	-
Unearned revenues	<u>9,525</u>	<u>19,188</u>
Total Liabilities	<u>32,618,133</u>	<u>31,588,649</u>
Deferred inflows of resources		
Deferred tax revenues	1,354,584	1,022,071
Taxes collected in advance	<u>940,562</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>2,295,146</u>	<u>1,022,071</u>
Total Liabilities and Deferred Inflows of Resources	<u>34,913,279</u>	<u>32,610,720</u>
Fund balance		
Nonspendable	279,483	92,103
Restricted	192,766	192,533
Assigned	3,200,348	2,218,000
Unassigned	<u>2,244,866</u>	<u>4,094,886</u>
Total Fund Balance	<u>5,917,463</u>	<u>6,597,522</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 40,830,742</u>	<u>\$ 39,208,242</u>

See independent auditors' report.

Town of Somers, New York

General Fund

Comparative Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Real property taxes	\$ 2,874,354	\$ 2,874,354	\$ 2,626,704	\$ (247,650)
Other tax items	215,839	215,839	240,309	24,470
Non-property taxes	3,425,000	3,425,000	3,618,699	193,699
Departmental income	638,960	638,960	828,700	189,740
Intergovernmental charges	34,905	34,905	34,905	-
Use of money and property	22,800	22,800	49,734	26,934
Licenses and permits	210,000	210,000	397,921	187,921
Fines and forfeitures	110,300	110,300	147,550	37,250
Sale of property and compensation for loss	100	100	862	762
Interfund revenues	39,330	39,330	82,567	43,237
State aid	808,100	808,100	910,009	101,909
Federal aid	76,298	76,298	55,743	(20,555)
Miscellaneous	50,500	50,500	69,384	18,884
<b>Total Revenues</b>	<b>8,506,486</b>	<b>8,506,486</b>	<b>9,063,087</b>	<b>556,601</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
General government support	2,356,790	2,404,492	2,263,703	140,789
Public safety	1,148,715	1,172,351	1,111,291	61,060
Health	343,077	367,425	367,103	322
Transportation	302,265	302,265	270,125	32,140
Economic opportunity and development	475,201	484,073	470,860	13,213
Culture and recreation	1,135,462	1,173,977	1,163,641	10,336
Home and community services	222,013	251,674	251,269	405
Employee benefits	2,685,140	2,482,867	2,301,133	181,734
<b>Total Expenditures</b>	<b>8,668,663</b>	<b>8,639,124</b>	<b>8,199,125</b>	<b>439,999</b>
Excess (Deficiency) of Revenues Over Expenditures	(162,177)	(132,638)	863,962	996,600
<b>OTHER FINANCING SOURCES (USES)</b>				
Insurance recoveries	-	-	36,467	36,467
Transfers in	-	-	4,874	4,874
Transfers out	(255,823)	(1,585,362)	(1,585,362)	-
<b>Total Other Financing Uses</b>	<b>(255,823)</b>	<b>(1,585,362)</b>	<b>(1,544,021)</b>	<b>41,341</b>
<b>Net Change in Fund Balance</b>	<b>(418,000)</b>	<b>(1,718,000)</b>	<b>(680,059)</b>	<b>1,037,941</b>
<b>FUND BALANCE</b>				
Beginning of Year	418,000	1,718,000	6,597,522	4,879,522
End of Year	\$ -	\$ -	\$ 5,917,463	\$ 5,917,463

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 2,932,485	\$ 2,932,485	\$ 2,935,182	\$ 2,697
215,669	215,669	249,026	33,357
3,402,500	3,402,500	3,454,521	52,021
605,697	605,697	907,264	301,567
40,000	40,000	40,000	-
16,138	16,138	16,905	767
188,600	188,600	399,358	210,758
105,000	105,000	117,843	12,843
100	100	40	(60)
38,654	38,654	71,391	32,737
785,136	785,136	928,351	143,215
111,809	111,809	65,132	(46,677)
55,500	55,500	61,117	5,617
<u>8,497,288</u>	<u>8,497,288</u>	<u>9,246,130</u>	<u>748,842</u>
2,342,708	2,402,557	2,203,870	198,687
1,146,418	1,153,673	1,043,820	109,853
341,111	342,630	339,048	3,582
303,588	303,588	286,971	16,617
452,189	482,221	473,848	8,373
1,110,708	1,133,329	1,095,775	37,554
220,097	249,275	225,466	23,809
<u>2,548,890</u>	<u>2,398,436</u>	<u>2,226,608</u>	<u>171,828</u>
<u>8,465,709</u>	<u>8,465,709</u>	<u>7,895,406</u>	<u>570,303</u>
31,579	31,579	1,350,724	1,319,145
-	-	82,348	82,348
-	-	-	-
<u>(316,463)</u>	<u>(316,463)</u>	<u>(313,745)</u>	<u>2,718</u>
<u>(316,463)</u>	<u>(316,463)</u>	<u>(231,397)</u>	<u>85,066</u>
<u>(284,884)</u>	<u>(284,884)</u>	<u>1,119,327</u>	<u>1,404,211</u>
<u>284,884</u>	<u>284,884</u>	<u>5,478,195</u>	<u>5,193,311</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,597,522</u>	<u>\$ 6,597,522</u>

**Town of Somers, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
<b>REAL PROPERTY TAXES</b>	<b>\$ 2,874,354</b>	<b>\$ 2,874,354</b>	<b>\$ 2,626,704</b>	<b>\$ (247,650)</b>	<b>\$ 2,935,182</b>
<b>OTHER TAX ITEMS</b>					
Payments in lieu of taxes	5,839	5,839	5,839	-	5,669
Interest and penalties on real property taxes	210,000	210,000	234,470	24,470	236,137
Gain on sale of property acquired for taxes	-	-	-	-	7,220
	<u>215,839</u>	<u>215,839</u>	<u>240,309</u>	<u>24,470</u>	<u>249,026</u>
<b>NON-PROPERTY TAXES</b>					
Non-property tax distribution from County	2,975,000	2,975,000	3,117,718	142,718	2,983,643
Franchise fees - Cable TV	450,000	450,000	500,981	50,981	470,878
	<u>3,425,000</u>	<u>3,425,000</u>	<u>3,618,699</u>	<u>193,699</u>	<u>3,454,521</u>
<b>DEPARTMENTAL INCOME</b>					
Town Clerk fees	10,000	10,000	18,316	8,316	22,344
Engineering fees	101,000	101,000	190,336	89,336	280,320
Public safety fees	4,000	4,000	5,775	1,775	4,800
Parking lots and garages	1,500	1,500	1,980	480	30
Parks and recreation charges	421,700	421,700	495,218	73,518	464,759
Recreation concessions	13,260	13,260	19,326	6,066	7,729
Zoning fees	3,500	3,500	4,500	1,000	5,250
Planning Board fees	70,000	70,000	77,507	7,507	108,302
Vital statistics fees	9,000	9,000	12,490	3,490	10,230
Other	5,000	5,000	3,252	(1,748)	3,500
	<u>638,960</u>	<u>638,960</u>	<u>828,700</u>	<u>189,740</u>	<u>907,264</u>

**INTERGOVERNMENTAL CHARGES**

Programs for the aging	<u>34,905</u>	<u>34,905</u>	<u>34,905</u>	<u>-</u>	<u>40,000</u>
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**USE OF MONEY AND PROPERTY**

Earnings on investments	7,200	7,200	34,134	26,934	8,714
Rental of real property	<u>15,600</u>	<u>15,600</u>	<u>15,600</u>	<u>-</u>	<u>8,191</u>

	<u>22,800</u>	<u>22,800</u>	<u>49,734</u>	<u>26,934</u>	<u>16,905</u>
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**LICENSES AND PERMITS**

Dog licenses	20,000	20,000	21,403	1,403	22,267
Building and alteration permits	<u>190,000</u>	<u>190,000</u>	<u>376,518</u>	<u>186,518</u>	<u>377,091</u>

	<u>210,000</u>	<u>210,000</u>	<u>397,921</u>	<u>187,921</u>	<u>399,358</u>
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**FINES AND FORFEITURES**

Fines and forfeited bail	<u>110,300</u>	<u>110,300</u>	<u>147,550</u>	<u>37,250</u>	<u>117,843</u>
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**SALE OF PROPERTY AND  
COMPENSATION FOR LOSS**

Other sales	<u>100</u>	<u>100</u>	<u>862</u>	<u>762</u>	<u>40</u>
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**INTERFUND REVENUES**

Services to other funds	<u>39,330</u>	<u>39,330</u>	<u>82,567</u>	<u>43,237</u>	<u>71,391</u>
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**STATE AID**

Per capita	53,185	53,185	53,185	-	53,185
Mortgage tax	680,000	680,000	781,909	101,909	796,191
Programs for the aging	74,915	74,915	74,915	-	74,915
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,060</u>

	<u>808,100</u>	<u>808,100</u>	<u>910,009</u>	<u>101,909</u>	<u>928,351</u>
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**FEDERAL AID**

Programs for the aging	<u>76,298</u>	<u>76,298</u>	<u>55,743</u>	<u>(20,555)</u>	<u>65,132</u>
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Town of Somers, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
<b>MISCELLANEOUS</b>					
Gifts and donations	\$ 50,000	\$ 50,000	\$ 47,521	\$ (2,479)	\$ 40,649
Medicare part D reimbursement	-	-	-	-	17,141
Other	500	500	21,863	21,363	3,327
	<u>50,500</u>	<u>50,500</u>	<u>69,384</u>	<u>18,884</u>	<u>61,117</u>
<b>TOTAL REVENUES</b>	<u>8,506,486</u>	<u>8,506,486</u>	<u>9,063,087</u>	<u>556,601</u>	<u>9,246,130</u>
<b>OTHER FINANCING SOURCES</b>					
Insurance recoveries	-	-	36,467	36,467	82,348
Transfers in					
Special Purpose Fund	-	-	4,874	4,874	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>-</u>	<u>-</u>	<u>41,341</u>	<u>41,341</u>	<u>82,348</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 8,506,486</u>	<u>\$ 8,506,486</u>	<u>\$ 9,104,428</u>	<u>\$ 597,942</u>	<u>\$ 9,328,478</u>

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See independent auditors' report.

**Town of Somers, New York**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
<b>GENERAL GOVERNMENT SUPPORT</b>					
Town Board	\$ 95,380	\$ 95,380	\$ 90,208	\$ 5,172	\$ 137,315
Town Justice	237,488	239,312	239,311	1	236,522
Supervisor	261,536	261,536	241,401	20,135	257,878
Finance	251,577	251,577	244,354	7,223	220,748
Auditor	48,800	50,330	50,330	-	52,165
Tax collection	108,001	108,001	107,558	443	104,422
Assessment	142,625	142,625	141,372	1,253	134,397
Town Clerk	131,962	131,962	124,449	7,513	123,016
Town Attorney	189,377	195,823	195,823	-	183,579
Engineer	175,428	175,428	165,472	9,956	168,129
Elections	32,897	32,897	31,109	1,788	30,403
Records management	12,393	25,028	25,026	2	10,088
Central services					
Operation of plant/buildings	180,498	205,765	204,050	1,715	173,816
Central supply	7,000	7,000	3,315	3,685	-
Central storeroom	784	784	150	634	1,331
Central printing and mailing	33,460	33,460	23,793	9,667	34,149
Central data processing	114,381	114,381	112,544	1,837	83,721
Special items					
Unallocated insurance	253,000	253,000	224,348	28,652	204,536
Municipal association dues	4,200	4,200	3,875	325	3,790
Judgments and claims	5,000	5,000	2,015	2,985	10,016
Property loss	400	400	-	400	-
Easements	3	3	3	-	3
Taxes and assessments on property	23,000	23,000	21,032	1,968	21,907
Metropolitan commuter transportation mobility tax	12,600	12,600	12,165	435	11,939
Contingency	35,000	35,000	-	35,000	-
	<u>2,356,790</u>	<u>2,404,492</u>	<u>2,263,703</u>	<u>140,789</u>	<u>2,203,870</u>

**PUBLIC SAFETY**

Police	776,166	776,166	718,847	57,319	693,833
Traffic control	29,400	29,400	25,660	3,740	24,863
Control of dogs	20,509	22,768	22,768	-	25,021
Fire protection	32,880	33,190	33,189	1	32,357
Safety inspection	289,760	310,827	310,827	-	267,746
	<u>1,148,715</u>	<u>1,172,351</u>	<u>1,111,291</u>	<u>61,060</u>	<u>1,043,820</u>

**HEALTH**

Registrar of Vital Statistics	9,250	12,760	12,760	-	10,700
Drug abuse prevention	2,293	2,293	1,971	322	2,216
Northern Westchester Guidance	-	5,000	5,000	-	-
Advanced life support	331,534	347,372	347,372	-	326,132
	<u>343,077</u>	<u>367,425</u>	<u>367,103</u>	<u>322</u>	<u>339,048</u>

**TRANSPORTATION**

Highway administration	241,697	241,697	238,736	2,961	234,067
Highway garage	55,568	55,568	26,834	28,734	48,524
Street lighting	5,000	5,000	4,555	445	4,380
	<u>302,265</u>	<u>302,265</u>	<u>270,125</u>	<u>32,140</u>	<u>286,971</u>

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

Publicity	21,000	21,000	18,981	2,019	23,524
Veterans' services	4,768	4,768	2,968	1,800	2,477
Senior transportation	128,764	128,764	126,144	2,620	141,665
Programs for the aging					
Nutrition	83,626	92,498	92,498	-	77,717
S.N.A.P.	237,043	237,043	230,269	6,774	228,465
	<u>475,201</u>	<u>484,073</u>	<u>470,860</u>	<u>13,213</u>	<u>473,848</u>

(Continued)

**Town of Somers, New York**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2017

(With Comparative Actuals for 2016)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2016 Actual
<b>CULTURE AND RECREATION</b>					
Recreation administration	\$ 282,112	\$ 282,112	\$ 279,110	\$ 3,002	\$ 275,245
Parks	501,033	529,236	529,236	-	468,904
Recreation centers	91,180	101,492	101,492	-	89,457
Youth programs	224,680	224,680	224,228	452	217,104
Historian	3,157	3,157	2,657	500	2,621
Historical property	23,300	23,300	16,918	6,382	32,444
Celebrations	10,000	10,000	10,000	-	10,000
	<u>1,135,462</u>	<u>1,173,977</u>	<u>1,163,641</u>	<u>10,336</u>	<u>1,095,775</u>
<b>HOME AND COMMUNITY SERVICES</b>					
Zoning	30,197	31,410	31,409	1	29,382
Planning	160,300	188,748	188,747	1	166,748
Refuse and garbage	1,500	1,500	1,314	186	1,882
Land Trust	1,881	1,881	1,872	9	619
Architectural Review Board	28,135	28,135	27,927	208	26,835
	<u>222,013</u>	<u>251,674</u>	<u>251,269</u>	<u>405</u>	<u>225,466</u>
<b>EMPLOYEE BENEFITS</b>					
State retirement	383,000	383,000	371,353	11,647	372,207
Police and fire retirement	25,000	25,000	20,159	4,841	23,116
Social security	287,500	287,500	273,697	13,803	269,778
Workers' compensation benefits	123,000	124,524	124,524	-	104,737
Life insurance	17,000	19,432	19,432	-	17,276
Unemployment benefits	17,500	17,500	13,428	4,072	5,083
Health insurance	1,720,000	1,513,771	1,392,223	121,548	1,347,740
Dental insurance	105,000	105,000	80,860	24,140	81,627
Optical insurance	7,140	7,140	5,457	1,683	5,044
	<u>2,685,140</u>	<u>2,482,867</u>	<u>2,301,133</u>	<u>181,734</u>	<u>2,226,608</u>
<b>TOTAL EXPENDITURES</b>	<u>8,668,663</u>	<u>8,639,124</u>	<u>8,199,125</u>	<u>439,999</u>	<u>7,895,406</u>

**OTHER FINANCING USES**

Transfers out

Debt Service Fund	255,823	255,823	255,823	-	221,463
Capital Projects Fund	-	1,329,539	1,329,539	-	92,282

<b>TOTAL OTHER FINANCING USES</b>	<u>255,823</u>	<u>1,585,362</u>	<u>1,585,362</u>	<u>-</u>	<u>313,745</u>
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<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 8,924,486</u>	<u>\$ 10,224,486</u>	<u>\$ 9,784,487</u>	<u>\$ 439,999</u>	<u>\$ 8,209,151</u>
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Town of Somers, New York

Highway Fund  
Comparative Balance Sheet  
December 31,

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,125,916	\$ 1,326,221
Receivables		
Accounts	630	6,543
State and Federal aid	34,373	-
Due from other funds	<u>571,031</u>	<u>286,807</u>
	<u>606,034</u>	<u>293,350</u>
Prepaid expenditures	<u>27,114</u>	<u>28,790</u>
Total Assets	<u>\$ 1,759,064</u>	<u>\$ 1,648,361</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 121,429	\$ 93,912
Accrued liabilities	30,985	16,662
Due to other funds	<u>12,886</u>	<u>142,729</u>
Total Liabilities	<u>165,300</u>	<u>253,303</u>
Fund balance		
Nonspendable	27,114	28,790
Assigned	<u>1,566,650</u>	<u>1,366,268</u>
Total Fund Balance	<u>1,593,764</u>	<u>1,395,058</u>
Total Liabilities and Fund Balance	<u>\$ 1,759,064</u>	<u>\$ 1,648,361</u>

See independent auditors' report.

**Town of Somers, New York**

Highway Fund

Comparative Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 3,340,939	\$ 3,340,939	\$ 3,340,939	\$ -
Intergovernmental charges	49,079	49,079	91,822	42,743
Use of money and property	1,300	1,300	2,049	749
Sale of property and compensation for loss	5,000	5,000	27,540	22,540
Interfund revenues	3,000	3,000	55	(2,945)
State aid	219,466	219,466	218,805	(661)
Miscellaneous	-	-	7,417	7,417
<b>Total Revenues</b>	<b>3,618,784</b>	<b>3,618,784</b>	<b>3,688,627</b>	<b>69,843</b>
<b>EXPENDITURES</b>				
Current				
Transportation	1,912,808	1,863,712	1,815,913	47,799
Employee benefits	965,904	965,904	884,841	81,063
<b>Total Expenditures</b>	<b>2,878,712</b>	<b>2,829,616</b>	<b>2,700,754</b>	<b>128,862</b>
<b>Excess of Revenues Over Expenditures</b>	<b>740,072</b>	<b>789,168</b>	<b>987,873</b>	<b>198,705</b>
<b>OTHER FINANCING USES</b>				
Transfers out	(740,072)	(789,168)	(789,167)	1
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>-</b>	<b>198,706</b>	<b>198,706</b>
<b>FUND BALANCE</b>				
Beginning of Year	-	-	1,395,058	1,395,058
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,593,764</u>	<u>\$ 1,593,764</u>

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 3,189,196	\$ 3,189,196	\$ 3,189,196	\$ -
45,000	45,000	48,313	3,313
2,500	2,500	1,365	(1,135)
5,000	5,000	10,068	5,068
7,000	7,000	1,120	(5,880)
219,504	219,504	292,644	73,140
-	-	3,328	3,328
<u>3,468,200</u>	<u>3,468,200</u>	<u>3,546,034</u>	<u>77,834</u>
1,826,472	1,826,472	1,775,514	50,958
939,458	937,058	800,884	136,174
<u>2,765,930</u>	<u>2,763,530</u>	<u>2,576,398</u>	<u>187,132</u>
702,270	704,670	969,636	264,966
<u>(702,270)</u>	<u>(704,670)</u>	<u>(703,507)</u>	<u>1,163</u>
-	-	266,129	266,129
-	-	1,128,929	1,128,929
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,395,058</u>	<u>\$ 1,395,058</u>

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Town of Somers, New York

Debt Service Fund  
Comparative Balance Sheet  
December 31,

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 340,144</u>	<u>\$ 339,763</u>
<b>FUND BALANCE</b>		
Restricted	<u>\$ 340,144</u>	<u>\$ 339,763</u>

See independent auditors' report.

Town of Somers, New York

Debt Service Fund  
 Comparative Schedule of Revenues, Expenditures and Changes  
 in Fund Balance - Budget and Actual  
 Years Ended December 31,

	2017			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 373	\$ 373
<b>EXPENDITURES</b>				
Current				
General government support	2,325	2,327	2,323	4
Debt service				
Serial bonds				
Principal	1,207,307	1,207,307	1,207,306	1
Interest	226,673	226,671	226,668	3
Total Expenditures	1,436,305	1,436,305	1,436,297	8
Deficiency of Revenues Over Expenditures	(1,436,305)	(1,436,305)	(1,435,924)	381
<b>OTHER FINANCING SOURCES</b>				
Transfers in	1,436,305	1,436,305	1,436,305	-
Net Change in Fund Balance	-	-	381	381
<b>FUND BALANCE</b>				
Beginning of Year	-	-	339,763	339,763
End of Year	\$ -	\$ -	\$ 340,144	\$ 340,144

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 250	\$ 250	\$ 312	\$ 62
2,737	2,739	2,735	4
1,231,804	1,231,804	1,101,803	130,001
268,333	268,331	252,331	16,000
<u>1,502,874</u>	<u>1,502,874</u>	<u>1,356,869</u>	<u>146,005</u>
(1,502,624)	(1,502,624)	(1,356,557)	146,067
<u>1,427,824</u>	<u>1,427,824</u>	<u>1,356,870</u>	<u>(70,954)</u>
(74,800)	(74,800)	313	75,113
<u>74,800</u>	<u>74,800</u>	<u>339,450</u>	<u>264,650</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,763</u>	<u>\$ 339,763</u>

Town of Somers, New York

Capital Projects Fund  
Comparative Balance Sheet  
December 31,

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 1,086,452	\$ 971,970
Due from other funds	-	79,693
	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 1,086,452</u>	<u>\$ 1,051,663</u>
<b>LIABILITIES AND FUND BALANCE (DEFICIT)</b>		
Liabilities		
Accounts payable	\$ -	\$ 331,949
Due to other funds	-	286,807
Unearned revenues	1,068,362	1,009,794
	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>1,068,362</u>	<u>1,628,550</u>
Fund balance (deficit)		
Restricted	18,090	-
Unassigned	-	(576,887)
	<u>                    </u>	<u>                    </u>
Total Fund Balance (Deficit)	<u>18,090</u>	<u>(576,887)</u>
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 1,086,452</u>	<u>\$ 1,051,663</u>

See independent auditors' report.

Town of Somers, New York

Capital Projects Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
State aid	\$ 28,395	\$ 165,401
Miscellaneous	<u>125,983</u>	<u>-</u>
Total Revenues	154,378	165,401
<b>EXPENDITURES</b>		
Capital outlay	<u>1,017,908</u>	<u>1,438,805</u>
Deficiency of Revenues Over Expenditures	<u>(863,530)</u>	<u>(1,273,404)</u>
<b>OTHER FINANCING SOURCES</b>		
Bonds issued	-	350,000
Transfers in	<u>1,458,507</u>	<u>328,427</u>
Total Other Financing Sources	<u>1,458,507</u>	<u>678,427</u>
Net Change in Fund Balance	594,977	(594,977)
<b>FUND BALANCE (DEFICIT)</b>		
Beginning of Year	<u>(576,887)</u>	<u>18,090</u>
End of Year	<u>\$ 18,090</u>	<u>\$ (576,887)</u>

See independent auditors' report.

Town of Somers, New York

Capital Projects Fund

Project-Length Schedule

Inception of Project through December 31, 2017

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<u>Project Name</u>	<u>Project Budget</u>	<u>Expenditures and Transfers</u>	<u>Unexpended Balance</u>
NYC - East of Hudson	\$ 1,270,256	\$ 1,126,288	\$ 143,968
Reis Park Potable Water	45,000	16,640	28,360
Reynolds House Angle Fly Preserve	100,000	68,897	31,103
Lake Shenorock Stormwater Improvement	1,130,000	28,395	1,101,605
Library Bathroom	146,000	9,600	136,400
Water Loop - Somers Realty	770,000	125,983	644,017
East of Hudson Coalition	325,000	165,401	159,599
Totals	<u>\$ 3,786,256</u>	<u>\$ 1,541,204</u>	<u>\$ 2,245,052</u>

See independent auditors' report.

Total Revenues and Transfers	Fund Balance at December 31, 2017
\$ 1,144,378	\$ 18,090
16,640	-
68,897	-
28,395	-
9,600	-
125,983	-
165,401	-
<u>\$ 1,559,294</u>	<u>\$ 18,090</u>

Town of Somers, New York

Combining Balance Sheet  
 Non-Major Governmental Funds  
 December 31, 2017  
 (With Comparative Totals for 2016)

	Public Library	Special Districts	Special Purpose
<b>ASSETS</b>			
Cash and equivalents	\$ 573,659	\$ 240,937	\$ 2,451,220
Receivables			
Accounts	593	-	-
Water and sewer rents	-	279,591	-
Due from other funds	-	4,270	-
	<u>593</u>	<u>283,861</u>	<u>-</u>
Prepaid expenditures	<u>13,110</u>	<u>5,231</u>	<u>-</u>
Total Assets	<u>\$ 587,362</u>	<u>\$ 530,029</u>	<u>\$ 2,451,220</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ 26,398	\$ 51,438	\$ -
Accrued liabilities	1,620	-	-
Due to other funds	176	32,292	81
Total Liabilities	<u>28,194</u>	<u>83,730</u>	<u>81</u>
Fund balances			
Nonspendable	13,110	5,231	-
Restricted	20,229	-	2,451,139
Assigned	<u>525,829</u>	<u>441,068</u>	<u>-</u>
Total Fund Balances	<u>559,168</u>	<u>446,299</u>	<u>2,451,139</u>
Total Liabilities and Fund Balances	<u>\$ 587,362</u>	<u>\$ 530,029</u>	<u>\$ 2,451,220</u>

See independent auditors' report.

Total Non-Major Governmental Funds		
Permanent	2017	2016
\$ 286,704	\$ 3,552,520	\$ 3,378,876
-	593	5,385
-	279,591	270,233
-	4,270	4,171
-	284,454	279,789
-	18,341	24,310
<u>\$ 286,704</u>	<u>\$ 3,855,315</u>	<u>\$ 3,682,975</u>
\$ -	\$ 77,836	\$ 92,968
-	1,620	2,281
-	32,549	180,126
-	112,005	275,375
284,878	303,219	309,188
1,826	2,473,194	2,140,863
-	966,897	957,549
<u>286,704</u>	<u>3,743,310</u>	<u>3,407,600</u>
<u>\$ 286,704</u>	<u>\$ 3,855,315</u>	<u>\$ 3,682,975</u>

**Town of Somers, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended December 31, 2017  
(With Comparative Totals for 2016)

	Public Library	Special Districts	Special Purpose
<b>REVENUES</b>			
Real property taxes	\$ 1,008,805	\$ 465,592	\$ -
Departmental income	11,034	936,474	404,801
Use of money and property	981	622	8,785
Interfund revenues	-	81,401	-
State aid	9,023	-	13,009
Miscellaneous	2,763	-	20,416
Total Revenues	<u>1,032,606</u>	<u>1,484,089</u>	<u>447,011</u>
<b>EXPENDITURES</b>			
Current			
Transportation	-	22,844	-
Culture and recreation	772,498	-	30,109
Home and community services	-	928,788	-
Employee benefits	248,012	100,764	-
Total Expenditures	<u>1,020,510</u>	<u>1,052,396</u>	<u>30,109</u>
Excess of Revenues Over Expenditures	12,096	431,693	416,902
<b>OTHER FINANCING USES</b>			
Transfers out	-	(440,410)	(84,747)
Net Change in Fund Balances	12,096	(8,717)	332,155
<b>FUND BALANCES</b>			
Beginning of Year	<u>547,072</u>	<u>455,016</u>	<u>2,118,984</u>
End of Year	<u>\$ 559,168</u>	<u>\$ 446,299</u>	<u>\$ 2,451,139</u>

See independent auditors' report.

		Total Non-Major Governmental Funds	
Permanent		2017	2016
\$	-	\$ 1,474,397	\$ 1,432,905
	-	1,352,309	1,849,114
	176	10,564	2,544
	-	81,401	67,240
	-	22,032	7,834
	-	23,179	12,548
	176	2,963,882	3,372,185
	-	22,844	21,089
	-	802,607	753,496
	-	928,788	1,057,016
	-	348,776	328,914
	-	2,103,015	2,160,515
	176	860,867	1,211,670
	-	(525,157)	(668,045)
	176	335,710	543,625
	286,528	3,407,600	2,863,975
\$	286,704	\$ 3,743,310	\$ 3,407,600

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Town of Somers, New York

Public Library Fund  
Comparative Balance Sheet  
December 31,

---

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 573,659	\$ 707,525
Accounts receivable	593	-
Prepaid expenditures	<u>13,110</u>	<u>18,146</u>
 Total Assets	 <u><u>\$ 587,362</u></u>	 <u><u>\$ 725,671</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Accounts payable	\$ 26,398	\$ 30,200
Accrued liabilities	1,620	2,281
Due to other funds	<u>176</u>	<u>146,118</u>
 Total Liabilities	 <u>28,194</u>	 <u>178,599</u>
 Fund balance		
Nonspendable	13,110	18,146
Restricted	20,229	20,229
Assigned	<u>525,829</u>	<u>508,697</u>
 Total Fund Balance	 <u>559,168</u>	 <u>547,072</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 587,362</u></u>	 <u><u>\$ 725,671</u></u>

See independent auditors' report.

**Town of Somers, New York**

Public Library Fund  
 Comparative Schedule of Revenues, Expenditures  
 and Changes in Fund Balance - Budget and Actual  
 Years Ended December 31,

	2017			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Real property taxes	\$ 1,008,805	\$ 1,008,805	\$ 1,008,805	\$ -
Departmental income	17,400	17,400	11,034	(6,366)
Use of money and property	350	350	981	631
State aid	5,334	5,334	9,023	3,689
Miscellaneous	1,400	1,400	2,763	1,363
<b>Total Revenues</b>	<u>1,033,289</u>	<u>1,033,289</u>	<u>1,032,606</u>	<u>(683)</u>
<b>EXPENDITURES</b>				
Current				
Culture and recreation	764,569	772,547	772,498	49
Employee benefits	268,720	260,742	248,012	12,730
<b>Total Expenditures</b>	<u>1,033,289</u>	<u>1,033,289</u>	<u>1,020,510</u>	<u>12,779</u>
<b>Net Change in Fund Balance</b>	-	-	12,096	12,096
<b>FUND BALANCE</b>				
Beginning of Year	-	-	547,072	547,072
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 559,168</u>	<u>\$ 559,168</u>

See independent auditors' report.

2016

Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 998,532	\$ 998,532	\$ 998,532	\$ -
15,200	15,200	13,420	(1,780)
275	275	484	209
4,450	4,450	7,834	3,384
1,400	1,400	2,912	1,512
<u>1,019,857</u>	<u>1,019,857</u>	<u>1,023,182</u>	<u>3,325</u>
771,387	771,397	747,493	23,904
248,470	248,460	227,912	20,548
<u>1,019,857</u>	<u>1,019,857</u>	<u>975,405</u>	<u>44,452</u>
-	-	47,777	47,777
-	-	499,295	499,295
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 547,072</u>	<u>\$ 547,072</u>

Town of Somers, New York

Special Districts Fund  
 Combining Balance Sheet - Sub Funds  
 December 31, 2017  
 (With Comparative Totals for 2016)

	Water Districts			
	No. 1 - Amawalk Heights	No. 2 - Amawalk Shenorock	No. 3 - Percy Mullen	No. 4 - Windsor Farm
<b>ASSETS</b>				
Cash and equivalents	\$ 5,927	\$ 15,123	\$ 4,936	\$ 54,634
Receivables				
Accounts	-	-	-	-
Water and sewer rents	21,323	209,575	-	7,570
Due from other funds	-	4,270	-	-
	<u>21,323</u>	<u>213,845</u>	<u>-</u>	<u>7,570</u>
Prepaid expenditures	<u>-</u>	<u>5,231</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 27,250</u>	<u>\$ 234,199</u>	<u>\$ 4,936</u>	<u>\$ 62,204</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 74	\$ 44,999	\$ -	\$ 1,402
Due to other funds	4,270	24,981	-	-
Total Liabilities	<u>4,344</u>	<u>69,980</u>	<u>-</u>	<u>1,402</u>
Fund balances				
Nonspendable	-	5,231	-	-
Assigned	<u>22,906</u>	<u>158,988</u>	<u>4,936</u>	<u>60,802</u>
Total Fund Balances	<u>22,906</u>	<u>164,219</u>	<u>4,936</u>	<u>60,802</u>
Total Liabilities and Fund Balances	<u>\$ 27,250</u>	<u>\$ 234,199</u>	<u>\$ 4,936</u>	<u>\$ 62,204</u>

See independent auditors' report.

Sewer District	Street Lighting Districts		Totals	
	No. 1	No. 1 - Croton Falls	No. 2 - Shenorock	2017
\$ 126,361	\$ 5,173	\$ 28,783	\$ 240,937	\$ 266,248
-	-	-	-	5,135
41,123	-	-	279,591	270,233
-	-	-	4,270	4,012
41,123	-	-	283,861	279,380
-	-	-	5,231	6,164
\$ 167,484	\$ 5,173	\$ 28,783	\$ 530,029	\$ 551,792
\$ 2,831	\$ 146	\$ 1,986	\$ 51,438	\$ 62,768
3,041	-	-	32,292	34,008
5,872	146	1,986	83,730	96,776
-	-	-	5,231	6,164
161,612	5,027	26,797	441,068	448,852
161,612	5,027	26,797	446,299	455,016
\$ 167,484	\$ 5,173	\$ 28,783	\$ 530,029	\$ 551,792

**Town of Somers, New York**

Special Districts Fund  
 Combining Schedule of Revenues, Expenditures and Changes  
 in Fund Balances - Sub Funds  
 Year Ended December 31, 2017  
 (With Comparative Totals for 2016)

	Water Districts			
	No. 1 - Amawalk Heights	No. 2 - Amawalk Shenorock	No. 3 - Percy Mullen	No. 4 - Windsor Farm
<b>REVENUES</b>				
Real property taxes	\$ -	\$ 440,410	\$ -	\$ -
Departmental income	56,281	715,678	-	32,463
Use of money and property	20	320	6	65
Interfund revenues	-	81,401	-	-
<b>Total Revenues</b>	<b>56,301</b>	<b>1,237,809</b>	<b>6</b>	<b>32,528</b>
<b>EXPENDITURES</b>				
Current				
Transportation	-	-	-	-
Home and community services	47,758	751,947	-	24,096
Employee benefits	-	100,764	-	-
<b>Total Expenditures</b>	<b>47,758</b>	<b>852,711</b>	<b>-</b>	<b>24,096</b>
Excess of Revenues Over Expenditures	8,543	385,098	6	8,432
<b>OTHER FINANCING USES</b>				
Transfers out	-	(440,410)	-	-
<b>Net Change in Fund Balances</b>	<b>8,543</b>	<b>(55,312)</b>	<b>6</b>	<b>8,432</b>
<b>FUND BALANCES</b>				
Beginning of Year	14,363	219,531	4,930	52,370
End of Year	\$ 22,906	\$ 164,219	\$ 4,936	\$ 60,802

See independent auditors' report.

Sewer District	Street Lighting Districts		Totals	
	No. 1	No. 1 - Croton Falls	No. 2 - Shenorock	2017
\$ -	\$ 2,197	\$ 22,985	\$ 465,592	\$ 434,373
132,052	-	-	936,474	947,744
163	7	41	622	469
-	-	-	81,401	67,240
<u>132,215</u>	<u>2,204</u>	<u>23,026</u>	<u>1,484,089</u>	<u>1,449,826</u>
-	1,809	21,035	22,844	21,089
104,987	-	-	928,788	1,057,016
-	-	-	100,764	101,002
<u>104,987</u>	<u>1,809</u>	<u>21,035</u>	<u>1,052,396</u>	<u>1,179,107</u>
27,228	395	1,991	431,693	270,719
-	-	-	(440,410)	(434,138)
<u>27,228</u>	<u>395</u>	<u>1,991</u>	<u>(8,717)</u>	<u>(163,419)</u>
<u>134,384</u>	<u>4,632</u>	<u>24,806</u>	<u>455,016</u>	<u>618,435</u>
<u>\$ 161,612</u>	<u>\$ 5,027</u>	<u>\$ 26,797</u>	<u>\$ 446,299</u>	<u>\$ 455,016</u>

Town of Somers, New York

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and equivalents	\$ 2,451,220	\$ 2,118,575
Accounts receivable	-	250
Due from other funds	-	159
	<hr/>	<hr/>
Total Assets	<u>\$ 2,451,220</u>	<u>\$ 2,118,984</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities		
Due to other funds	\$ 81	\$ -
Fund balance		
Restricted	<u>2,451,139</u>	<u>2,118,984</u>
Total Liabilities and Fund Balance	<u>\$ 2,451,220</u>	<u>\$ 2,118,984</u>

See independent auditors' report.

Town of Somers, New York

Special Purpose Fund  
Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Years Ended December 31,

	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Departmental income	\$ 404,801	\$ 887,950
Use of money and property	8,785	1,432
State aid	13,009	-
Miscellaneous	<u>20,416</u>	<u>9,636</u>
Total Revenues	447,011	899,018
<b>EXPENDITURES</b>		
Current		
Culture and recreation	<u>30,109</u>	<u>6,003</u>
Excess of Revenues Over Expenditures	416,902	893,015
<b>OTHER FINANCING USES</b>		
Transfers out	<u>(84,747)</u>	<u>(233,907)</u>
Net Change in Fund Balance	332,155	659,108
<b>FUND BALANCE</b>		
Beginning of Year	<u>2,118,984</u>	<u>1,459,876</u>
End of Year	<u>\$ 2,451,139</u>	<u>\$ 2,118,984</u>

See independent auditors' report.

Town of Somers, New York

Permanent Fund  
Comparative Balance Sheet  
December 31,

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and equivalents	<u>\$ 286,704</u>	<u>\$ 286,528</u>
<b>FUND BALANCE</b>		
Nonspendable	\$ 284,878	\$ 284,878
Restricted	<u>1,826</u>	<u>1,650</u>
Total Fund Balance	<u>\$ 286,704</u>	<u>\$ 286,528</u>

See independent auditors' report.

**Town of Somers, New York**

Permanent Fund  
Comparative Statement of Revenues, Expenditures and Changes  
in Fund Balance  
Years Ended December 31,

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	<u>2017</u>	<u>2016</u>
<b>REVENUES</b>		
Use of money and property	\$ 176	\$ 159
<b>EXPENDITURES</b>		
	<u>-</u>	<u>-</u>
Net Change in Fund Balance	176	159
<b>FUND BALANCE</b>		
Beginning of Year	<u>286,528</u>	<u>286,369</u>
End of Year	<u>\$ 286,704</u>	<u>\$ 286,528</u>

See independent auditors' report.