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Independent Accountant's Compilation Report

Town of Tyrone
Supervisor Don Desroches, and
Members of the Town Board
457 County Road 23
Dundee, New York 14837

Supervisor Desroches and Members of the Town Board:

I have compiled the Town of Tyrone's (the Town's) financial statements for the General, Highway, Fire Protection, Expendable Trust and Agency Funds and other information included in the accompanying prescribed form for the year ended December 31, 2016. I have not audited or reviewed the financial statements and other information included in the accompanying prescribed form and, accordingly, do not express an opinion or provide assurance about whether the financial statements and other information are in accordance with the basis of accounting and other accounting requirements prescribed by the Office of the State Comptroller (OSC), New York State.

Management is responsible for the preparation and fair presentations of the financial statements and other information included in this form in accordance with the basis of accounting and other accounting requirements prescribed by OSC and for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of these financial statements. The management of the Town includes the Town Supervisor who is directly responsible for financial reporting and the Town Board which provides oversight for all Town financial affairs.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. The objective of a compilation is to assist management in presenting information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements and other information included in this prescribed form are presented in accordance with the requirements of OSC and General Municipal Law §30, and are not intended to be a complete presentation of the Town's assets and liabilities in accordance with Generally Accepted Accounting Principles (GAAP). Note 1 of these financial statements describes the primary differences between financial statements prepared in accordance with GAAP and the OSC special purpose (regulatory) framework.

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During my compilation, I noted certain departures from the special purpose framework prescribed by OSC. The nature of these departures are discussed in Note 7 (page 52) of these financial statements.

Lastly, as indicated on page 2 of the 2016 AUD, OSC includes financial information from the Town's previous fiscal year (i.e. 2015) in this prescribed form. The Town's 2015 AUD was also compiled and filed with OSC by this firm. A copy of this firm's 2015 Independent Accountant's Compilation Report is available for viewing at the Office of Town Clerk, Town of Tyrone.

Carol A. Golden, CPA

Carol A. Golden
Certified Public Accountant

February 27, 2017
Horseheads, New York

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

TOWN of Tyrone

County of Schuyler

For the Fiscal Year Ended

12/31/2016

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

TOWN OF Tyrone

*** FINANCIAL SECTION ***

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2015 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2016:

- (A) GENERAL FUND
- (DA) HIGHWAY FUND
- (K) GENERAL FIXED ASSETS ACCOUNT GROUP
- (SF) TYRONE FIRE PROTECTION DISTRICT FUND
- (TA) AGENCY FUND
- (TE) PRIVATE PURPOSE TRUST (CEMETERY)
- (W) GENERAL LONG-TERM DEBT ACCOUNT GROUP

All amounts included in this update document for 2015 represent data filed by your government with OSC as reviewed and adjusted where necessary.

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Schedule of Time Deposits and Investments
- 2) Bank Reconciliation
- 3) Local Government Questionnaire
- 4) Schedule of Employee and Retiree Benefits
- 5) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL FUND

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	106,582	A200	150,193
Departmental Cash	100	A215	100
TOTAL Cash	106,682		150,293
Prepaid Expenses	2,671	A480	
TOTAL Prepaid Expenses	2,671		0
TOTAL Assets and Deferred Outflows of Resources	109,353		150,293

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL FUND

Balance Sheet

Code Description	2015	EdpCode	2016
Accounts Payable - See Note 7, pg 52		A600	
TOTAL Accounts Payable	0		0
TOTAL Liabilities	0		0
Fund Balance			
Not in Spendable Form	2,671	A806	
TOTAL Nonspendable Fund Balance	2,671		0
Unassigned Fund Balance	106,682	A917	150,293
TOTAL Unassigned Fund Balance	106,682		150,293
TOTAL Fund Balance	109,353		150,293
TOTAL Liabilities, Deferred Inflows And Fund Balance	109,353		150,293

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL FUND

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	53,172	A1001	64,051
TOTAL Real Property Taxes	53,172		64,051
Other Payments In Lieu of Taxes	4,631	A1081	4,674
Interest & Penalties On Real Prop Taxes	3,244	A1090	3,213
TOTAL Real Property Tax Items	7,875		7,887
Non Prop Tax Dist By County	134,418	A1120	131,390
Franchises	25	A1170	8,210
TOTAL Non Property Tax Items	134,443		139,600
Clerk Fees	738	A1255	510
Charges For Cemetery Services		A2192	435
TOTAL Departmental Income	738		945
Interest And Earnings	14	A2401	17
TOTAL Use of Money And Property	14		17
Games of Chance		A2530	20
Dog Licenses	445	A2544	478
Building And Alteration Permits	4,301	A2555	6,152
TOTAL Licenses And Permits	4,746		6,650
Fines And Forfeited Bail	4,794	A2610	6,665
TOTAL Fines And Forfeitures	4,794		6,665
Refunds of Prior Year's Expenditures	4,548	A2701	81
Gifts And Donations	440	A2705	
Unclassified (specify)	461	A2770	1,201
TOTAL Miscellaneous Local Sources	5,450		1,283
St Aid, Revenue Sharing	6,403	A3001	6,403
St Aid, Mortgage Tax	21,780	A3005	27,509
St Aid - Other (specify)		A3089	2,670
Additional Description Court Facilities			
TOTAL State Aid	28,183		36,582
TOTAL Revenues	239,415		263,678
TOTAL Detail Revenues And Other Sources	239,415		263,678

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL FUND

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Legislative Board, Pers Serv	10,000	A10101	10,000
Legislative Board, Equip & Cap Outlay		A10102	35
Legislative Board, Contr Expend		A10104	40
TOTAL Legislative Board	10,000		10,075
Municipal Court, Pers Serv	10,600	A11101	11,000
Municipal Court, Equip & Cap Outlay	1,187	A11102	1,245
Municipal Court, Contr Expend	3,230	A11104	5,060
TOTAL Municipal Court	15,017		17,305
Supervisor,pers Serv	12,500	A12201	15,000
Supervisor,equip & Cap Outlay	1,595	A12202	1,755
Supervisor,contr Expend	7,855	A12204	5,234
TOTAL Supervisor	21,950		21,989
Tax Collection,pers Serv	1,521	A13301	1,500
Tax Collection,contr Expend		A13304	1,149
TOTAL Tax Collection	1,521		2,649
Budget, Pers Serv		A13401	
Budget, Contr Expend	500	A13404	500
TOTAL Budget	500		500
Assessment, Contr Expend	24,151	A13554	24,643
TOTAL Assessment	24,151		24,643
Clerk,pers Serv	12,233	A14101	11,768
Clerk,equip & Cap Outlay	845	A14102	765
Clerk,contr Expend	3,257	A14104	1,792
TOTAL Clerk	16,335		14,325
Law, Pers Serv		A14201	
Law, Contr Expend	650	A14204	2,619
TOTAL Law	650		2,619
Elections, Contr Expend	2,302	A14504	4,301
TOTAL Elections	2,302		4,301
Public Inform & Services, Contr Expend		A14804	250
TOTAL Public Inform & Services	0		250
Buildings, Equip & Cap Outlay	609	A16202	
Buildings, Contr Expend	4,168	A16204	2,988
TOTAL Buildings	4,778		2,988
Unallocated Insurance, Contr Expend	18,918	A19104	20,055
TOTAL Unallocated Insurance	18,918		20,055
Municipal Assn Dues, Contr Expend	700	A19204	700
TOTAL Municipal Assn Dues	700		700
TOTAL General Government Support	116,822		122,398
Examining Boards, Contr Expend	188	A36104	324
TOTAL Examining Boards	188		324
TOTAL Public Safety	188		324
Laboratory, Contr Expend	130	A40254	55
TOTAL Laboratory	130		55

TOWN OF Tyrone
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For the Fiscal Year Ending 2016

(A) GENERAL FUND

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Med Ctr And/or Physician, Contr Expend	1,070	A45604	1,000
TOTAL Med Ctr And/or Physician	1,070		1,000
TOTAL Health	1,200		1,055
Street Admin, Pers Serv	30,000	A50101	30,000
Street Admin, Equip & Cap Outlay		A50102	1,930
Street Admin, Contr Expend	3,462	A50104	1,507
TOTAL Street Admin	33,462		33,437
Maint of Streets, Equip & Cap Outlay		A51102	
TOTAL Maint of Streets	0		0
Garage, Equip & Cap Outlay		A51322	742
Garage, Contr Expend	9,106	A51324	8,994
TOTAL Garage	9,106		9,736
Street Lighting, Contr Expend	2,195	A51824	2,225
TOTAL Street Lighting	2,195		2,225
TOTAL Transportation	44,763		45,398
Publicity, Contr Expend	189	A64104	199
TOTAL Publicity	189		199
TOTAL Economic Assistance And Opportunity	189		199
Youth Prog, Contr Expend	295	A73104	
TOTAL Youth Prog	295		0
Historian, Contr Expend	200	A75104	200
TOTAL Historian	200		200
Other Culture And Rec, Contr Expend	440	A79894	
TOTAL Other Culture And Rec	440		0
TOTAL Culture And Recreation	935		200
Zoning, Pers Serv	18,500	A80101	19,500
Zoning, Contr Expend	1,640	A80104	2,116
TOTAL Zoning	20,140		21,616
Planning, Contr Expend	80	A80204	575
TOTAL Planning	80		575
Clearance, Demo, Rehab, Contr Expend	1,233	A86664	702
TOTAL Clearance	1,233		702
TOTAL Home And Community Services	21,453		22,893
Social Security, Employer Cont	7,294	A90308	7,556
Disability Insurance, Empl Bnfts	107	A90558	123
Hospital & Medical (dental) Ins, Empl Bnft	21,706	A90608	22,593
TOTAL Employee Benefits	29,107		30,272
Interfund Loans		A97957	
TOTAL Debt Interest	0		0
TOTAL Expenditures	214,657		222,739
TOTAL Detail Expenditures And Other Uses	214,657		222,739

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL FUND

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	84,595	A8021	109,353
Restated Fund Balance - Beg of Year	84,595	A8022	109,353
ADD - REVENUES AND OTHER SOURCES	239,415		263,678
DEDUCT - EXPENDITURES AND OTHER USES	214,657		222,739
Fund Balance - End of Year	109,353	A8029	150,293

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL FUND

2017 Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	64,051	A1049N	69,772
Est Rev - Real Property Tax Items	8,130	A1099N	7,860
Est Rev - Non Property Tax Items	136,461	A1199N	135,700
Est Rev - Departmental Income	450	A1299N	700
Est Rev - Use of Money And Property	15	A2499N	15
Est Rev - Licenses And Permits	3,550	A2599N	4,570
Est Rev - Fines And Forfeitures	5,000	A2649N	5,000
Est Rev - State Aid	30,403	A3099N	30,403
TOTAL Estimated Revenues	248,060		254,020
TOTAL Estimated Revenues And Other Sources	248,060		254,020

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(A) GENERAL FUND

2017 Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - General Government Support	141,400	A1999N	142,310
App - Public Safety	300	A3999N	325
App - Health	1,400	A4999N	1,400
App - Transportation	43,500	A5999N	44,750
App - Economic Assistance And Opportunity	500	A6999N	500
App - Culture And Recreation	750	A7999N	750
App - Home And Community Services	28,595	A8999N	30,070
App - Employee Benefits	31,615	A9199N	33,915
TOTAL Appropriations	248,060		254,020
TOTAL Appropriations And Other Uses	248,060		254,020

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(DA) HIGHWAY FUND

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	183,960	DA200	153,338
Cash In Time Deposits	24,118	DA201	0
TOTAL Cash	208,078		153,338
Due From Other Funds	8,261	DA391	10,970
TOTAL Due From Other Funds	8,261		10,970
Prepaid Expenses	8,078	DA480	
TOTAL Prepaid Expenses	8,078		0
TOTAL Assets and Deferred Outflows of Resources	224,417		164,309

TOWN OF Tyrone
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For the Fiscal Year Ending 2016

(DA) HIGHWAY- FUND

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Not in Spendable Form	8,078	DA806	
TOTAL Nonspendable Fund Balance	8,078		0
Assigned Unappropriated Fund Balance	216,339	DA915	164,309
TOTAL Assigned Fund Balance	216,339		164,309
Unassigned Fund Balance		DA917	
TOTAL Unassigned Fund Balance	0		0
TOTAL Fund Balance	224,417		164,309
TOTAL Liabilities, Deferred Inflows And Fund Balance	224,417		164,309

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(DA) HIGHWAYFUND

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	522,328	DA1001	514,258
TOTAL Real Property Taxes	522,328		514,258
Sales Tax (from County)	134,418	DA1120	131,390
TOTAL Non Property Tax Items	134,418		131,390
Other General Departmental Income	400	DA1289	
TOTAL Departmental Income	400		0
Interest And Earnings	23	DA2401	28
TOTAL Use of Money And Property	23		28
Sale of Refuse For Recycling	1,335	DA2651	1,562
Sales, Other	1,733	DA2655	4,477
Sales of Equipment	2,520	DA2665	26,216
Insurance Recoveries	24,117	DA2680	1,019
TOTAL Sale of Property And Compensation For Loss	29,705		33,274
Refunds of Prior Year's Expenditures	1,946	DA2701	375
Gifts And Donations	160	DA2705	
Unclassified (specify)	4	DA2770	1,648
TOTAL Miscellaneous Local Sources	2,110		2,023
St Aid, Consolidated Highway Aid	190,974	DA3501	204,856
TOTAL State Aid	190,974		204,856
TOTAL Revenues	879,958		885,829
TOTAL Detail Revenues And Other Sources	879,958		885,829

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(DA) HIGHWAY FUND

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Maint of Streets, Pers Serv	98,823	DA51101	82,000
Maint of Streets, Contr Expend	97,447	DA51104	87,997
TOTAL Maint of Streets	196,271		169,997
Perm Improve Highway, Pers Serv	16,921	DA51121	64,500
Perm Improve Highway, Equip & Cap Outlay		DA51122	38,070
Perm Improve Highway, Contr Expend	116,276	DA51124	95,500
TOTAL Perm Improve Highway	133,197		198,070
Maint of Bridges, Pers Serv	5,592	DA51201	11,991
Maint of Bridges, Contr Expend	6,074	DA51204	12,853
TOTAL Maint of Bridges	11,666		24,844
Machinery, Pers Serv	50,599	DA51301	59,642
Machinery, Equip & Cap Outlay	16,509	DA51302	164,976
Machinery, Contr Expend	82,274	DA51304	75,829
TOTAL Machinery	149,382		300,447
Snow Removal, Pers Serv	41,007	DA51421	53,666
Snow Removal, Contr Expend	25,257	DA51424	19,501
TOTAL Snow Removal	66,264		73,167
TOTAL Transportation	556,780		766,526
Misc Home & Comm Serv, Contr Expend	1,869	DA89894	487
TOTAL Misc Home & Comm Serv	1,869		487
TOTAL Home And Community Services	1,869		487
State Retirement, Empl Bnfts	46,928	DA90108	32,408
Social Security , Empl Bnfts	16,162	DA90308	17,668
Worker's Compensation, Empl Bnfts	29,828	DA90408	32,593
Hospital & Medical (dental) Ins, Empl Bnft	93,462	DA90608	96,255
TOTAL Employee Benefits	186,380		178,924
TOTAL Expenditures	745,029		945,937
TOTAL Detail Expenditures And Other Uses	745,029		945,937

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(DA) HIGHWAY FUND

Analysis of Changes in Fund

Balance Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	89,488	DA8021	224,417
Restated Fund Balance - Beg of Year	89,488	DA8022	224,417
ADD - REVENUES AND OTHER SOURCES	879,958		885,829
DEDUCT - EXPENDITURES AND OTHER USES	745,029		945,937
Fund Balance - End of Year	224,417	DA8029	164,309

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(DA) HIGHWAY FUND

2017 Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	514,258	DA1049N	509,143
Est Rev - Non Property Tax Items	127,500	DA1199N	127,500
Est Rev - Use of Money And Property	20	DA2499N	25
Est Rev - Sale of Prop And Comp For Loss	14,200	DA2699N	16,300
Est Rev - Miscellaneous Local Sources	3,900	DA2799N	3,000
Est Rev - State Aid	160,000	DA3099N	160,000
TOTAL Estimated Revenues	819,878		815,968
TOTAL Estimated Revenues And Other Sources	819,878		815,968

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(DA) HIGHWAY FUND

2017 Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - Transportation	619,045	DA5999N	609,045
App - Home And Community Services	1,900	DA8999N	1,900
App - Employee Benefits	198,933	DA9199N	205,023
TOTAL Appropriations	819,878		815,968
TOTAL Appropriations And Other Uses	819,878		815,968

TOWN OF Tyrone
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For the Fiscal Year Ending 2016

(SF) TYRONE FIRE PROTECTION DISTRICT

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	0	SF200	0
TOTAL Cash	0		0
TOTAL Assets and Deferred Outflows of Resources	0		0

TOWN OF Tyrone
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For the Fiscal Year Ending 2016

(SF) TYRONE FIRE PROTECTION DISTRICT

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Assigned Unappropriated Fund Balance	0	SF915	0
TOTAL Assigned Fund Balance	0		0
TOTAL Fund Balance	0		0
TOTAL Liabilities, Deferred Inflows And Fund Balance	0		0

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(SF) TYRONE FIRE PROTECTION DISTRICT

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	136,000	SF1001	140,000
TOTAL Real Property Taxes	136,000		140,000
TOTAL Revenues	136,000		140,000
TOTAL Detail Revenues And Other Sources	136,000		140,000

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(SF) TYRONE FIRE PROTECTION

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Fire Protection, Contr Expend	136,000	SF34104	140,000
TOTAL Fire Protection	136,000		140,000
TOTAL Public Safety	136,000		140,000
TOTAL Expenditures	136,000		140,000
TOTAL Detail Expenditures And Other Uses	136,000		140,000

TOWN OF Tyrone
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For the Fiscal Year Ending 2016

(SF) TYRONE FIRE PROTECTION DISTRICT

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year		SF8021	0
Restated Fund Balance - Beg of Year		SF8022	
ADD - REVENUES AND OTHER SOURCES	136,000		140,000
DEDUCT - EXPENDITURES AND OTHER USES	136,000		140,000
Fund Balance - End of Year		SF8029	0

TOWN OF Tyrone
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(K) GENERAL FIXED ASSETS ACCOUNT GROUP - SEE NOTE 6, PAGES 51-52

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Deferred Outflows of Resources - Pensions - See Note 4, Page 48	25,480	K496	109,908
TOTAL Other	25,480		109,908
TOTAL Assets and Deferred Outflows of Resources	25,480		109,908

TOWN OF Tyrone
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(K) GENERAL FIXED ASSETS ACCOUNT GROUP - SEE NOTE 6, PAGE 51 - 52

Balance Sheet

Code Description	2015	EdpCode	2016
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	25,480	K159	109,908
TOTAL Investments in Non-Current Government Assets	25,480		109,908
TOTAL Fund Balance	25,480		109,908
TOTAL	25,480		109,908

TOWN OF Tyrone
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(TA) AGENCY FUND

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	15,018	TA200	12,862
TOTAL Cash	15,018		12,862
TOTAL Assets and Deferred Outflows of Resources	15,018		12,862

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(TA) AGENCY FUND

Balance Sheet

Code Description	2015	EdpCode	2016
Due To Other Funds	8,261	TA630	10,970
TOTAL Due To Other Funds	8,261		10,970
Consolidated Payroll		TA10	
State Retirement		TA18	316
Group Insurance	-9	TA20	330
Additional Description AXA Life Insur			
Nys Income Tax	-2,847	TA21	
Federal Income Tax	-2,167	TA22	
Assoc & Union Dues	29	TA24	239
Social Security Tax	0	TA26	0
Other Funds (specify)	11,751	TA85	1,006
Additional Description fr previous fiscal yrs			
TOTAL Agency Liabilities	6,757		1,892
TOTAL Liabilities	15,018		12,862
TOTAL Liabilities, Deferred Inflows And Fund Balance	15,018		12,862

TOWN OF Tyrone
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(TE) PRIVATE PURPOSE TRUST FUND (WAYNE CEMETERY)

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	2,186	TE200	2,186
TOTAL Cash	2,186		2,186
TOTAL Assets and Deferred Outflows of Resources	2,186		2,186

TOWN OF Tyrone
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(TE) PRIVATE PURPOSE TRUST (WAYNE CEMETERY)

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Net Assets-Unrestricted	2,186	TE924	2,186
TOTAL Assigned Fund Balance	2,186		2,186
TOTAL Fund Balance	2,186		2,186
TOTAL Liabilities, Deferred Inflows And Fund Balance	2,186		2,186

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(TE) PRIVATE PURPOSE TRUST (WAYNE CEMETERY)

Analysis of Changes in Net Position

Code Description	2015	EdpCode	2016
Analysis of Changes in Net Position			
Fund Balance - Beginning of Year	2,186	TE8021	2,186
Restated Fund Balance - Beg of Year	2,186	TE8022	
Fund Balance - End of Year	2,186	TE8029	2,186

TOWN OF Tyrone
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For the Fiscal Year Ending 2016

(W) GENERAL LONG-TERM DEBT ACCOUNT GROUP - SEE NOTE 5, PAGES 50-51

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Total Non-Current Govt Liabilities	40,156	W129	154,920
TOTAL Provision To Be Made In Future Budgets	40,156		154,920
TOTAL Assets and Deferred Outflows of Resources	40,156		154,920

TOWN OF Tyrone
Annual Update Document
For the Fiscal Year Ending 2016

(W) GENERAL LONG-TERM DEBT ACCOUNT GROUP - SEE NOTE 5, PAGES 50-51

Balance Sheet

Code Description	2015	EdpCode	2016
Net Pension Liability -Proportionate Share - See Note 4, page 47	30,860	W638	125,517
Compensated Absences - See Note 6, page 51	9,296	W687	10,429
TOTAL Other Liabilities	40,156		135,946
Deferred Inflows of Resources - Pensions - See Note 4, page 48		W697	18,974
TOTAL Deferred Inflows of Resources	0		18,974
TOTAL Liabilities	40,156		154,920
TOTAL Liabilities	40,156		154,920

TOWN OF Tyrone
 Schedule of Time Deposits and Investments
 For the Fiscal Year Ending 2016

	EDP Code	Amount
CASH:		
On Hand	9Z2001	
Demand Deposits	9Z2011	\$338,821.88
Time Deposits	9Z2021	
Total		\$338,821.88
COLLATERAL:		
- FDIC Insurance	9Z2014	\$250,000.00
Collateralized Securities @ market as of 12/31/16 held in possession of custodial bank	9Z2014A	\$658,540.23
Total FDIC Insurance & Collateralized Securities		\$908,540.23

TOWN OF Tyrone
Bank Reconciliation
For the Fiscal Year Ending 2016

Includes All Checking and Savings Accounts of
the Town Supervisor Only

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****-7272	\$155,220	\$0	\$5,027	\$150,193
*****-6990	\$156,000	\$0	\$2,661	\$153,338
*****-9702	\$0	\$0	\$0	\$0
*****-6982	\$25,417	\$0	\$12,555	\$12,862
*****-3532	\$2,186	\$0	\$0	\$2,186
	Total Adjusted Bank Balance			\$318,579
	Petty Cash			\$100.00
	Adjustments			\$0.00
	Total Cash			\$318,679
	Total Cash Balance All Funds			\$318,679
	9ZCASH			*
	9ZCASHB			*

* Must be equal

TOWN OF Tyrone
Employee and Retiree Benefits
For the Fiscal Year Ending 2016

Total Full Time Employees:		5			
Total Part Time Employees:		14			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$32,408.00	5	14	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$25,223.93	5	14	
90408	Worker's Compensation Insurance	\$32,593.02	5	14	
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance	\$122.82	5		
90608	Hospital and Medical (Dental) Insurance	\$118,847.76	5		
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$209,195.53			
Computed Total From Financial Section (comparative purposes only)		\$209,195.53			

TOWN OF Tyrone
 Energy Costs and Consumption
 For the Fiscal Year Ending 2016

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$4,663	2,640	gallons	
Diesel Fuel	\$19,688	12,145	gallons	
Fuel Oil	\$1,730	1,316	gallons	
Natural Gas			cubic feet	
Electricity	\$16,619	44,895	kilowatt-hours	
Coal			tons	
Propane			gallons	

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statements – Regulatory Framework

The financial statements of the Town of Tyrone (the Town) are prepared using guidance prescribed by the New York State Office of the State Comptroller (OSC) in its Accounting and Reporting Manual and in various accounting bulletins published by this agency. Article 3, Sections 30 and 31 of the General Municipal Law (GML) requires every municipal corporation and special district to annually prepare and file a financial report in the form prescribed by the New York State Office of the State Comptroller.

The OSC regulatory framework reports on the financial position, revenues and expenditures of individual funds or, in some cases, cumulative fund types. This framework utilizes the current financial resources reporting model which generally reports only current assets and deferred outflows and, current liabilities and deferred inflows on individual fund balance sheets. This framework also reports non-current liabilities and pension-related deferred inflows in the Long Term Debt Group of Accounts and non-current assets and pension-related deferred outflows in the General Fixed Asset Group of Accounts.

The OSC regulatory framework also includes a supplemental section that includes other finance related information such as a bank reconciliation and a comparison of bank deposits to FDIC Insurance and pledged collateral as of December 31, 2016.

The most significant difference between the OSC regulatory framework and generally accepted accounting principles (“GAAP”) is that Government Accounting Standards Board (“GASB”) Statement 34 “Basic Financial Statements and Management’s Discussion and Analysis for State and Local Governments” is not required to meet the annual financial reporting requirements of GML and OSC. GASB 34 requires a government-wide reporting framework, a focus on major funds, full accrual accounting including depreciation, management’s discussion and analysis and other requirements not required by these regulatory financial statements.

Generally, OSC issues accounting guidance incorporating newly issued GASB Statements into its regulatory framework. Additional differences between GASB accounting standards and OSC’s application of those standards to its framework may exist. The application of GASB statements to this regulatory framework are discussed in accounting bulletins available on OSC’s website at: www.osc.state.ny.us/localgov/pubs/releases/index.htm.

Financial Reporting Entity

The Town is a local government governed by the laws of the State of New York and various local laws. The Town Board is the elected governing body and consists of a five member board including an elected Town Supervisor who is also the chief fiscal officer of the Town. The Town provides a variety of services including highway maintenance and improvements, zoning, code enforcement, property assessment, elections, justice court and fire protection.

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

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

The Town is not financially accountable for any other organizations and hence, no other organizations have been included or excluded from the reporting entity.

Basis of Presentation – Fund Financial Statements

These financial statements are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures. The following funds are used by the Town.

Governmental Funds

General Fund (A) – is the principal operating fund and includes all operations not accounted for and reported in another fund.

Special Revenue Funds – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The reporting entity includes the following special revenue funds:

Highway Fund (DA) - is used to account for revenues restricted or committed to highway maintenance, snow removal and capital road improvements and related expenditures. The Highway Fund is a town-wide special revenue fund.

Tyrone Fire Protection District (SF2) – is used to account for property taxes raised on properties located within this district and to account for contractual payments for fire protection services. The Town contracts with the Tyrone Volunteer Fire Company to provide fire protection services to properties located within this district.

Fiduciary Funds

Agency Fund (TA) – used to account for money received and held in a purely custodial capacity of trustee, custodian, or agent. The Town's Agency Fund is used primarily to process payroll transactions including the disbursement of net payroll checks, direct deposits and disbursements to state and federal agencies for payroll withholdings.

Private-Purpose Trust Fund (TE) – accounts for moneys received by the Town on behalf of the Wayne Baptist Cemetery.

Basis of Accounting

Basis of accounting refers to *when and how* transactions or events are recorded. All transactions

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

reported in these statements were accounted for using the cash basis of accounting. This basis of accounting involves the reporting of only cash and cash equivalents and the changes resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred.

Deferred Outflows/Inflows of Resources

OSC incorporated GASB Statement No 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities* into its regulatory reporting framework. These GASB statements defined and classified deferred outflows and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expenditure) until that time. A deferred inflow of resources is an acquisition of assets that applies to future period(s), and as such, will not be recognized as an inflow or resources (revenue) until that time. OSC's guidance on implementing GASB No. 63 and 65 can be found in its accounting bulletin entitled *Accounting and Financial Reporting for Pensions as Required by GASB 68*, dated September 2013.

See Note 4 for more detailed information on the Town of Tryone's pension related deferred outflows and inflows as of the measurement date of March 31, 2016.

Fund Balance – Levels of Constraint

OSC has also incorporated GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* into its regulatory reporting framework. Fund balance is classified according to levels of restriction or constraint. In these financial statements, fund balance is classified as restricted, assigned, and unassigned. Non-spendable fund balance and committed fund balance, additional levels of constraint, are not applicable to these financial statements.

The different classifications of fund balance established by GASB 54 are defined as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to remain intact.

Restricted fund balance includes amounts restricted when constraints are placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. An accounting bulletin published by OSC in November of 2010 (and updated in April of 2011) classifies reserve funds as "restricted" fund balance.

Committed fund balance includes amounts that can only be used for specific purpose pursuant to constraints imposed by a formal action of the Town Board.

Assigned fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, by are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the Town or designated by the

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

Town for the ensuing year's budget.

Unassigned fund balance consists of fund balance *in the general fund* that has not been restricted, committed or assigned to specific purposes. Unassigned fund balance in the general fund may result in either a surplus or deficit.

In 2015 the Town Board adopted a resolution establishing baseline or minimum fund balance levels for both the General and Highway Funds. These baseline fund balances are intended to provide sufficient cash flow for Town financial operations. The resolution stated that the General and Highway Funds should maintain minimum unappropriated fund balances of \$50,000 per fund.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Policies

Town budgets are adopted annually on a basis consistent with the cash basis of accounting. The Town's budget policies are established by the Town Law. The following is a summary of those mandated budget policies:

- a. No later than September 30th, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than November 15th, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the governing board.
- d. Appropriations in all budgeted funds lapse at the end of the fiscal year.

Property Taxes

Town real property taxes are levied together with Schuyler County property taxes no later than January 1st of each year and become a lien on the same date. Taxes for County purposes are levied together with taxes for Town purposes on a single bill. By law, the Town receives the full amount of its levy each year from the initial amounts collected on the combined bills. After the Town's levy is satisfied in full, Schuyler County receives the balance of any moneys collected.

In June of 2011 New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Town in a particular year, beginning with the 2012 fiscal year. The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

The following chart illustrates the change in real property taxes from 2015 to 2016.

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

Fund	Fiscal Year 2015	Fiscal Year 2016	Net Incr/(Decr)
General	\$ 53,172	\$ 64,051	\$10,879
Highway	\$522,328	\$514,258	(\$8,070)
Fire Protection	\$136,000	\$140,000	\$ 4,000
Total Town Tax Levy	\$711,500	\$718,309	\$6,809

NOTE 3 – DETAIL NOTES ON TRANSACTION CLASSES

The following notes present detailed information to support the amounts reported in the fund financial statements for its assets, liabilities, equity, revenues and expenditures.

Cash

The Town’s cash management and investment policy is governed by State statutes. Town monies must be deposited in Federal Deposit Insured Corporation (FDIC) insured commercial banks or trust companies located within the State. The Town of Tyrone is authorized to invest all funds in certificates of deposit, time deposit accounts, obligations of New York State and the United States Government.

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

See the Schedule of Time Deposits and Investments on page 30 of the AUD for a comparison of the Town Supervisor’s bank balances at December 31, 2016 to FDIC insurance and pledged collateral. This schedule does not include the bank balances of other Town officials such as the Town Clerk, Tax Collector or Town Justice as of December 31, 2016.

The Town Supervisor’s bank deposits were entirely covered by FDIC insurance and pledged collateral as of December 31, 2016.

Interfund Receivables and Payables

Only one interfund receivable and payable existed as of December 31, 2016. The \$10,970 represents 2016 Health Insurance Payroll Deductions due to the Highway Fund. These deductions were recorded as a reduction of 2016 Highway Fund Health Insurance expenditures (DA9060.8). This interfund receivable and payable was eliminated in January of 2017.

	<u>Receivables</u>	<u>Payables</u>
Highway Fund	\$ <u>10,970</u>	\$ <u>0</u>
Agency Fund	<u>0</u>	<u>10,970</u>
Total	\$ <u>10,970</u>	\$ <u>10,970</u>

Fund Balances – Levels of Constraint

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

Fund balances of the Town's General and Highway Funds as of December 31, 2016 are classified as follows regarding levels of constraint:

Description	General Fund	Highway Fund
Assigned (Appropriated) for 2016 Budget	0	0
Assigned for Highway Purposes	0	\$ 164,309
Unassigned Fund Balances	\$ 150,293	0
Total Fund Balances as of 12/31/16	\$ 150,293	\$ 164,309

Increases in Fund Balances

The Town's fund balances have increased (or decreased) from 2015 to 2016 as follows:

Description	As of 12/31/15	As of 12/31/16	Increase or (Decrease) From '15 to '16
Total General Fund Balance	\$ 109,353	\$ 150,293	\$ 40,940
Total Highway Fund Balance	\$ 224,417	\$ 164,309	(\$ 60,108)
Total Fund Balances	\$ 333,770	\$ 314,602	(\$ 19,168)

The increase in general fund total fund balance resulted from revenues exceeding expenditures in that fund. Conversely, the decrease in highway fund balance resulted from expenditures exceeding revenues in that fund.

As described in Note 1, the Town utilizes the cash basis of accounting and, hence, the fund balances reported above do not include any revenues susceptible to accrual or any accounts payable or other short-term liabilities that would have been recorded under the modified accrual basis of accounting.

NOTE 4 – EMPLOYEE PENSION AND OTHER EMPLOYEE BENEFITS

Pension Plan Description

The Town participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer defined benefit plan retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund) which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Benefits Provided - The System provides retirement benefits as well as death and disability benefits. All covered Town employees are members of Tiers 3, 4, or 5.

Eligibility - Tier 3 and 4 members must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation - Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Accidental Disability Benefits - For all eligible Tier 3, 4, and 5 members, the accidental disability benefit is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits - Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases - A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Contributions (Payments by the Town to ERS)

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. Generally, Tier 5 members are required to contribute for all years 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 Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

Year 2014	\$66,735 (a)
Year 2015	\$46,928
Year 2016	\$32,408 (paid in Jan 2016)

(a)The 2014 retirement costs include retroactive billings for prior fiscal years. The retroactive billings were caused by the underreporting of gross wages for retirement system purposes in prior fiscal years.

Net Pension Liability, Deferred Inflows and Outflows Related to Pension Expense

Net Pension Liability - Each year ERS provides financial data to the Town about its net pension liability (NPL) and any pension-related deferred outflows and inflows. OSC issued guidance in January 2016 entitled "Accounting and Financial Reporting for Pensions as Required by GASB 68" which details the manner in which NPL and deferred pension outflows and inflows should be reported in OSC's regulatory framework. The following information about the Town's NPL and deferred outflows and inflows related to future pension expense was measured as of March 31, 2016.

As of March 31, 2106, the Town had a NPL of \$125,517 for its proportionate share of the total ERS net pension liability. This represents an increase of \$94,657 from the amount measured at March 31, 2015. The effect of this increase on future required pension contributions by the Town and future Town budgets is unknown at this time.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. As of March 31, 2016, the Town's proportion was .0007820 with 100% representing the contributions for all participating members.

The Town's proportionate net long-term pension liability of \$125,517 was reported in the Long Term Debt Account Group in account W638. See page 34 of this report.

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
DECEMBER 31, 2016

Deferred Outflows/Inflow Related to Pensions - OSC's January 2016 accounting memo indicates that deferred inflows related to pensions should be reported in the Long Term Debt Group of Accounts (W697) and deferred outflows related to pensions should be reported in the General Fixed Asset Group of Accounts (K496). See pages 33-34 and 23-24 of this report for the W and K account groups, respectively.

A deferred outflow of resources is a consumption of assets by the government that is applicable to a future reporting period. It is similar to a liability. A deferred inflow of resources is an acquisition of assets by the government that is applicable to a future reporting period.

Based on a GASB 68 schedule provided by ERS, the Town incurred deferred outflows and deferred inflows of resources (related to future pension expense) from the following sources as of March 31, 2016:

Source: Data provided by ERS	Deferred Outflows of Resources (+)	Deferred Inflows of Resources (-)
Differences between expected and actual experience	\$ 634	\$ 14,878
Changes of Assumptions	\$ 33,472	\$ 0
Net difference between projected and actual earnings on pension plan investments	\$ 74,464	\$ 0
Changes in proportion and differences between local government contributions and proportionate share of contributions	\$ 1,338	\$ 4,096
Totals	\$ 109,908	\$ 18,974
Net Pension Outflow	\$ 90,934	

Amounts reported as deferred pension outflows and inflows of resources will be recognized by ERS as pension expense in the following fiscal years:

<u>Year(s) Ended March 31:</u>	
2017	\$ 23,185
2018	\$ 23,185
2019	\$ 23,185
<u>2020</u>	<u>\$ 21,379</u>
<u>Total</u>	<u>\$ 90,934</u>

Actuarial Assumptions

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

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
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Inflation	2.5%
Salary increases	3.8%
Investment rate of return (compounded annually, net of investment expense)	7.0%
Mortality Improvement	Society of Actuaries Scale MP-2014

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 in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	38%	7.30%
International equity	13%	8.55%
Private equity	10%	11.00%
Real estate	8%	8.25%
Absolute return strategies	3%	6.75%
Opportunistic portfolio	3%	8.60%
Real assets	3%	8.65%
Bonds and mortgages	18%	4.00%
Cash	2%	2.25%
Inflation-indexed bonds	2%	4.00%

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

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

TOWN OF TYRONE, NEW YORK
NOTES TO REGULATORY FINANCIAL STATEMENTS
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pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate (in thousands):

	1% Decrease (6.0%)	Current Assumption (7.0%) ¹	1% Increase (8.0%)
Town's proportionate share of the net pension liability	\$ 283,032	\$ 125,517	(\$ 7,576)

Collective Net Pension Liability

The components of the net pension liability for all participating employers as of March 31, 2015 and March 31, 2016 were as follows:

	<u>Employees'</u> <u>Retirement System</u> <u>As of March 31, 2015</u>	<u>Employees' Retirement</u> <u>System</u> <u>As of March 31, 2016</u>
Employers' Total Pension Liability	\$ 164,591,504	\$ 172,303,544
Fiduciary Net Position	\$ <u>(161,213,299)</u>	\$ <u>(156,253,265)</u>
Employers' Net Pension Liability	\$ <u>3,378,245</u>	\$ <u>16,050,279</u>
Ratio of Plan Net Position to the Employers' Total Pension Liability	97.9%	90.7%

NOTE 5 – GENERAL LONG-TERM DEBT ACCOUNT GROUP

The current financial resources reporting framework prescribed by OSC does not report non-current liabilities or deferred inflows related to pensions on the balance sheets of each fund. Instead, the Town's non-current liabilities and deferred inflows related to pensions are reported in the General Long-Term Debt Account Group (W).

This account group is a set of self-balancing accounts that disclose the value of the Town's non-current liabilities as of December 31, 2016. This account group is not a fund. The General Long-Term Debt Account Group is found on pages 33 and 34 of this financial report and includes the following categories of non-current obligations and deferred inflows:

Net Pension Liability

As discussed more fully in Note 4, the Town's proportionate net pension liability (NPL) was \$125,517 as of the measurement date of March 31, 2016. Data on the Town's NPL was

¹ The current assumption rate of 7.0% represents a decrease of 0.5% from the 2016 assumption rate.

TOWN OF TYRONE, NEW YORK
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calculated and provided by the NYS and Local Government Retirement System.

Compensated Absences

Highway employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 25 days a year, but may accumulate no more than a maximum of 10 days. In addition to vacation leave, all permanent highway employees accrue additional “paid time off” at the rate of 8 days per year and may accumulate such credits up to a total of 100 days.

Vested vacation and “paid time off” is recorded in the highway fund as an expenditure if paid from current resources and current budgetary authorizations. The value of vested compensated absences as of December 31, 2016 was \$10,429, an increase of \$1,113 from 2015.

Deferred Inflows of Resources – Pensions

For the year ended December 31, 2016, the Town reported deferred inflows of pension resources of \$18,974 which were measured as of March 31, 2016. Data on the Town’s deferred inflow of resources related to pension liability was calculated and provided by the NYS and Local Government Retirement System. See Note 4 for more information on deferred inflows related to pension calculations.

Other Post-Employment Benefits (OPEB)

The Town does not provide any post-employment benefits to its employees. Therefore, as of December 31, 2016, there was no liability for post-employment benefits.

Long-Term Indebtedness

The Town had no long term notes or bonds outstanding as of December 31, 2016.

NOTE 6 – GENERAL FIXED ASSET ACCOUNT GROUP

The current financial resources reporting framework prescribed by OSC does not report fixed assets (such as land, buildings or equipment) or deferred outflows related to pensions on the balance sheets of each fund. Instead, these non-current assets and deferred inflows for pensions are reported in the General Fixed Asset Account Group.

This account group is a set of self-balancing accounts that disclose the value of the Town’s General Fixed Assets and deferred inflows for pensions as of December 31, 2016. This account group is not a fund. The General Fixed Asset Account Group is found on pages 23 and 24 of this financial report and includes the following categories of non-current obligations and deferred inflows:

General Fixed Assets

The Town did not report any fixed asset values for the year ended December 31, 2106. See

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Note 7 for additional discussion.

Deferred Outflows of Resources – Pensions

For the year ended December 31, 2016, the Town reported deferred outflows of pension resources of \$109,908. Data on the Town's deferred inflow of resources related to pension liability was calculated and provided by the NYS and Local Government Retirement System. See Note 4 for more information on deferred inflows related to pension calculations.

NOTE 7 - DEPARTURES FROM OSC SPECIAL PURPOSE FRAMEWORK

Basis of Accounting

The Town maintains its accounting records and prepares its financial reports on the cash basis of accounting as described in Note 1.

OSC's special purpose framework requires the "modified accrual basis of accounting". Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are recognized in the accounting period in which the liability is incurred, measurable and expected to be paid within twelve months of the fiscal period ended. However, there are certain exceptions such as the recording of the unmatured principal and interest on general obligation long-term debt which are recorded only when due.

Because the Town has not implemented the modified accrual basis of accounting, certain receivables and revenues and, certain accounts payable and expenditures may not have been reported as of December 31, 2016. The effect of this departure on these regulatory financial statements was not determined by management.

General Fixed Assets

General Fixed Assets, also referred to as capital assets, includes land, buildings, machinery, equipment and furnishings.

In the reporting framework prescribed by OSC, the historical cost (or donated value) of governmental fund fixed assets are reported in a balance sheet format known as the "General Fixed Asset Group of Accounts". This reporting format consists of a self-balancing group of accounts provided for the purpose of reporting the historical cost or estimated historical cost of fixed assets not reported on the balance sheets of the Town's governmental funds.

The Town does not maintain fixed asset records; therefore the historical or estimated historical cost of the Town's fixed assets were not reported in these financial statements.