

**TOWN OF LOCKPORT, NEW YORK**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

## TOWN OF LOCKPORT, NEW YORK

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## **INDEPENDENT AUDITORS' REPORT**

The Town Board  
Town of Lockport, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Lockport, New York (the Town) as of and for the year ended December 31, 2018, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2018, and the respective changes in financial position and the respective budgetary comparisons for the general, highway, water, sewer, and fire protection funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

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

*Jordan # McCormick, LLP*

June 14, 2019

**Town of Lockport, New York**  
**Management's Discussion and Analysis**  
**December 31, 2018**  
*Unaudited*

**Introduction**

Management's Discussion and Analysis (MD&A) of Town of Lockport, New York (the Town) provides an overview of the Town's financial activities and performance for the year ended December 31, 2018. The information contained in the MD&A should be considered in conjunction with the information presented in the Town's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the Town's financial position and results of operations. The Town's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) agency fund statements; (5) notes to the financial statements; and (6) supplementary information.

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net difference reported as net position. The statement of activities presents information showing how the Town's net position changed during each 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 the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the Town as a whole. All of the activities of the Town are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the Town's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Agency funds are used to account for resources held for the benefit of parties outside the Town. Agency funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's programs. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide and governmental fund financial statements. Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles.

Condensed Statement of Net Position			Change	
	2018	2017	\$	%
Current and other assets	\$ 16,519,000	\$ 18,985,000	\$ (2,466,000)	-13.0%
Investments, restricted	4,415,000	4,213,000	202,000	4.8%
Capital assets	36,473,000	34,039,000	2,434,000	7.2%
Total assets	57,407,000	57,237,000	170,000	0.3%
Deferred outflows of resources	1,281,000	1,725,000	(444,000)	-25.7%
Long-term liabilities	29,493,000	27,289,000	2,204,000	8.1%
Other liabilities	5,455,000	13,184,000	(7,729,000)	-58.6%
Total liabilities	34,948,000	40,473,000	(5,525,000)	-13.7%
Deferred inflows of resources	2,788,000	642,000	2,146,000	334.3%
Net position				
Net investment in capital assets	22,457,000	21,107,000	1,350,000	6.4%
Restricted	10,383,000	9,189,000	1,194,000	13.0%
Unrestricted	(11,888,000)	(12,449,000)	561,000	-4.5%
Total net position	\$ 20,952,000	\$ 17,847,000	\$ 3,105,000	17.4%

The Town's net position at December 31, 2018 and 2017 was \$20,952,000 and \$17,847,000. Capital assets (infrastructure, buildings, improvements, furniture, and equipment) represent the largest portion (63.5%) of the Town's total assets (59.5% in 2017). Long-term liabilities outstanding total 84.4% in 2018 and 67.4% in 2017 of total liabilities. A majority of the Town's long-term obligations relate directly to infrastructure and other capital assets, as well as liabilities associated with the Town's other postemployment benefits (OPEB), pension obligations, and length of service award program (LOSAP).

Current and other assets decreased by \$2,466,000 (decrease of \$564,000 or 2.9% in 2017). These balances consist of cash and receivables from other governments and third parties. The changes in individual account balances generally reflect the timing of cash flows as well as results of operations. Capital assets increased by \$2,434,000 (\$5,226,000 or 18.1% increase in 2017) due to continued work on Town water and sewer projects, and offset by current year depreciation expense.

Long-term liabilities increased \$2,204,000 (\$15,724,000 or 136% increase in 2017) due to a bond issued in the amount of \$6,465,000 offset by required principal payments on debt obligations of \$980,000, decreases in the OPEB liability of \$1,940,000, reductions in LOSAP of \$520,000, and the New York State and Local Employees' Retirement System (ERS) liability of \$485,000. The decrease in other liabilities of \$7,729,000 (increase of \$4,398,000 in 2017) was due to the decrease in the bond anticipation note (BAN) balance of \$7,274,000 due to the bond issued in 2018 and BAN payments.

<b>Condensed Statement of Activities</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
<b>Revenue</b>				
Program revenues				
Charges for services	\$ 4,084,000	\$ 3,482,000	\$ 602,000	17.3%
Operating and capital grants and contributions	1,259,000	657,000	602,000	91.6%
General revenues				
Property taxes	6,227,000	6,118,000	109,000	1.8%
Sales taxes	5,464,000	5,041,000	423,000	8.4%
Other	186,000	167,000	19,000	11.4%
Total revenue	<u>17,220,000</u>	<u>15,465,000</u>	<u>1,755,000</u>	<u>11.3%</u>
<b>Expenses</b>				
Support services				
General government	2,681,000	3,044,000	(363,000)	-11.9%
Public safety	2,033,000	1,954,000	79,000	4.0%
Health	5,000	5,000	-	-
Transportation	2,999,000	2,970,000	29,000	1.0%
Economic assistance and opportunity	59,000	60,000	(1,000)	-1.7%
Culture and recreation	86,000	99,000	(13,000)	-13.1%
Home and community services	5,723,000	5,423,000	300,000	5.5%
Interest	529,000	435,000	94,000	21.6%
Total expenses	<u>14,115,000</u>	<u>13,990,000</u>	<u>125,000</u>	<u>0.9%</u>
Change in net position	3,105,000	1,475,000	1,630,000	110.5%
Net position - beginning	17,847,000	16,372,000	1,475,000	9.0%
Net position - ending	<u>\$ 20,952,000</u>	<u>\$ 17,847,000</u>	<u>\$ 3,105,000</u>	<u>17.4%</u>

The main revenue sources supporting the Town's programs are sales and property taxes which represent 67.9% of total revenues (72.2% in 2017). The property tax increase of \$109,000 is consistent with the budgeted tax increase. As determined by the Town's Board, property taxes are not used to finance the operations of the Town's general and highway funds, rather the Board elects to apply these resources to provide for operations of the Town's water, sewer, fire protection, refuse, and lighting districts. Sales tax revenue increased by \$423,000 (decrease of \$96,000 or 1.9% in 2017) due to a general increase in the economy. Charges for services increased by \$602,000 (\$134,000 decrease or 3.7% in 2017) due to an increase in water usage in 2018 attributable to a warm and dry summer. Operating and capital grants and contributions increased \$602,000 (decrease of \$168,000 or 20.4% in 2017) due to an increase in mortgage tax revenue and the receipt of a grant from New York State of \$325,000.

Total expenses increased \$125,000 (decrease of \$506,000 or 3.5% in 2017). The largest expense category incurred by the Town is for home and community services. This category represents services to residents such as water and sewer delivery, refuse collection, and infrastructure maintenance. Total home and community service expenses were 40.5% of total expenses (38.8% in 2017) and increased by \$300,000 (decrease of \$719,000 or 11.7% in 2017) which is due to an increase in water purchased from Niagara County. The decrease in general government expenses of \$363,000 (\$28,000 decrease in 2017) is due to the decrease in the OPEB liability.

## Financial Analysis of the Town's Funds

Total fund balances for the governmental funds increased from \$8,822,000 to \$14,614,000 as described below:

- Revenue for all funds totaled \$17,195,000 (\$15,488,000 in 2017) and increased by \$1,707,000 or 11.0% (\$214,000 or 1.4% decrease in 2017). The increase in revenue was the result of increases in water usage by town residents and a New York State grant received.
- Capital projects expenditures were \$2,889,000 in 2018 compared to \$5,736,000 in 2017 due to winding down water and sewer projects within the Town. The deficit fund balance in the capital projects fund of \$1,396,000 will be eliminated as BAN payments are made or the Town converts the BANs to permanent financing. The decrease in capital project expenditures was offset by an increase in general government expenditures mainly due to court building improvements and an increase in bond principal payments.
- Payroll increased \$61,000 or 2.5% due to increases mandated through collective bargaining agreements.

## General Fund Budgetary Highlights

Actual revenues exceeded budgeted revenues by \$919,000 or 31.9%. The largest variances were in nonproperty tax items which exceeded budget by \$440,000 and state sources which were \$294,000 greater than budgeted. Expenditures (before other financing uses) were under budget by \$316,000 or 7.5% with the largest variance in general government support of \$232,000.

## Capital Assets

	<b>2018</b>	<b>2017</b>
Land	\$ 1,115,000	\$ 1,115,000
Construction in progress	1,642,000	5,780,000
Land improvements	379,000	379,000
Infrastructure	88,618,000	81,595,000
Buildings and improvements	5,690,000	5,129,000
Furniture and equipment	6,295,000	6,238,000
	<u>103,739,000</u>	<u>100,236,000</u>
Accumulated depreciation	<u>(67,266,000)</u>	<u>(66,197,000)</u>
	<u>\$ 36,473,000</u>	<u>\$ 34,039,000</u>

Depreciation expense and disposals of capital assets totaled \$1,213,000 while capital asset additions totaled \$3,647,000. A majority of the capital asset additions relate directly to the completion of water and sewer projects as previously discussed.

## Debt

At December 31, 2018, the Town had \$12,655,000 in bonds outstanding with \$1,260,000 due within one year (\$7,170,000 outstanding in 2017). The Town leases a sewer interceptor to the County under a direct financing lease that expires in 2021. The net investment in the direct financing lease as of December 31, 2018 was \$827,000.

Additional information on the Town's long-term liabilities can be found in the notes to the financial statements.



### **Factors Impacting the Town's Future**

The Town continues to experience modest population growth which carries with it minor increases in costs for highway maintenance and refuse collection. The Town is proceeding with its large infrastructure projects.

### **Contact for the Town's Financial Management**

This report is designed to provide a general overview of the finances of the Town of Lockport for interested parties. Questions concerning any information within this report or requests for additional information should be addressed to Mark Crocker, Supervisor, 6560 Dysinger Road, Lockport, New York.

## TOWN OF LOCKPORT, NEW YORK

### Statement of Net Position

December 31, 2018

(With comparative totals as of December 31, 2017)

	2018	2017
<b>Assets</b>		
Cash	\$ 13,944,046	\$ 16,277,788
Accounts receivable	650,218	601,418
Due from other governments	896,444	740,896
Prepaid insurance	171,501	168,000
Due from fiduciary funds	30,074	32,057
Lease payments receivable	826,660	1,163,627
Investments, restricted	4,415,539	4,213,199
Capital assets (Note 6)	103,739,069	100,236,310
Accumulated depreciation	(67,266,446)	(66,196,823)
<b>Total assets</b>	<b>57,407,105</b>	<b>57,236,472</b>
<b>Deferred Outflows of Resources</b>		
Defeasance loss	35,553	53,331
Deferred outflows of resources related to pensions	987,269	730,022
Deferred outflows of resources related to Length of Service Award Program (LOSAP)	4,798	458,107
Deferred outflows of resources related to Other Post Employment Benefits (OPEB)	253,260	483,496
<b>Total deferred outflows of resources</b>	<b>1,280,880</b>	<b>1,724,956</b>
<b>Liabilities</b>		
Accounts payable	691,683	731,768
Accrued liabilities	475,596	894,132
Due to other governments	8,065	3,853
Bond anticipation note payable	4,280,000	11,553,720
Long-term liabilities		
Due within one year		
Bonds	1,260,000	980,000
Financing lease	340,842	336,967
Due beyond one year		
Bonds	11,395,000	6,190,000
Financing lease	485,818	826,660
Net pension liability	271,276	756,158
LOSAP pension liability	6,158,704	6,678,636
Total OPEB liability	9,581,123	11,520,982
<b>Total liabilities</b>	<b>34,948,107</b>	<b>40,472,876</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	920,286	164,570
Deferred inflows of resources related to LOSAP	291,615	58,721
Deferred inflows of resources related to OPEB	1,576,313	418,758
<b>Total deferred inflows of resources</b>	<b>2,788,214</b>	<b>642,049</b>
<b>Net Position</b>		
Net investment in capital assets	22,457,405	21,106,662
Restricted	10,383,387	9,188,776
Unrestricted	(11,889,128)	(12,448,935)
<b>Total net position</b>	<b>\$ 20,951,664</b>	<b>\$ 17,846,503</b>

See accompanying notes.

**TOWN OF LOCKPORT, NEW YORK**

**Statement of Activities**

For the year ended December 31, 2018

(With summarized comparative totals for December 31, 2017)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2018	2017
<b>Governmental activities</b>						
General government	\$ 2,681,748	\$ 546,793	\$ 674,383	\$ -	\$ (1,460,572)	\$ (2,134,945)
Public safety	2,032,585	302,800	-	-	(1,729,785)	(1,610,990)
Health	4,928	-	-	-	(4,928)	(4,667)
Transportation	2,998,584	12,890	224,372	35,390	(2,725,932)	(2,722,911)
Economic assistance and opportunity	59,218	-	-	-	(59,218)	(59,818)
Culture and recreation	85,876	-	-	-	(85,876)	(95,229)
Home and community services	5,723,479	3,221,362	-	325,000	(2,177,117)	(2,787,774)
Interest expense	528,833	-	-	-	(528,833)	(434,946)
	<u>\$ 14,115,251</u>	<u>\$ 4,083,845</u>	<u>\$ 898,755</u>	<u>\$ 360,390</u>	<u>(8,772,261)</u>	<u>(9,851,280)</u>
<b>General revenues</b>						
					6,227,000	6,118,290
					5,463,843	5,041,049
					182,492	177,182
					4,087	(9,995)
					<u>11,877,422</u>	<u>11,326,526</u>
<b>Change in net position</b>					3,105,161	1,475,246
<b>Net position - beginning</b>					17,846,503	16,371,257
<b>Net position - ending</b>					<u>\$ 20,951,664</u>	<u>\$ 17,846,503</u>

**TOWN OF LOCKPORT, NEW YORK**

**Balance Sheet - Governmental Funds**

December 31, 2018

(with summarized comparative totals as of December 31, 2017)

	General	Highway	Water	Sewer	Fire Protection	Capital Projects	Other Governmental Funds	Total	
								Governmental Funds	
								2018	2017
<b>Assets</b>									
Cash	\$ 4,811,148	\$ 719,146	\$ 3,639,554	\$ 979,920	\$ 197,498	\$ 2,912,105	\$ 684,675	\$ 13,944,046	\$ 16,277,788
Accounts receivable	70,712	40,010	330,213	209,283	-	-	-	650,218	601,418
Due from other governments	677,478	-	199,219	17,133	-	-	2,614	896,444	740,896
Prepaid expenses	39,046	20,402	7,365	7,365	-	-	-	74,178	73,980
Due from other funds, net	38,425	1,517	-	601,328	-	-	30,296	671,566	776,446
Lease payments receivable	-	-	-	826,660	-	-	-	826,660	1,163,627
Investments, restricted	-	-	-	-	4,415,539	-	-	4,415,539	4,213,199
<b>Total assets</b>	<b>\$ 5,636,809</b>	<b>\$ 781,075</b>	<b>\$ 4,176,351</b>	<b>\$ 2,641,689</b>	<b>\$ 4,613,037</b>	<b>\$ 2,912,105</b>	<b>\$ 717,585</b>	<b>\$ 21,478,651</b>	<b>\$ 23,847,354</b>
<b>Liabilities and Fund Balances</b>									
Accounts payable	\$ 131,280	\$ 17,762	\$ 287,219	\$ 232,858	\$ -	\$ 19,203	\$ 3,361	\$ 691,683	\$ 731,768
Accrued liabilities	198,564	115,635	57,008	45,389	-	-	-	416,596	828,132
Due to other funds, net	-	-	632,594	-	225	8,673	-	641,492	744,389
Due to other governments	8,065	-	-	-	-	-	-	8,065	3,853
Bond anticipation note payable	-	-	-	-	-	4,280,000	-	4,280,000	11,553,720
Financing lease	-	-	-	826,660	-	-	-	826,660	1,163,627
<b>Total liabilities</b>	<b>337,909</b>	<b>133,397</b>	<b>976,821</b>	<b>1,104,907</b>	<b>225</b>	<b>4,307,876</b>	<b>3,361</b>	<b>6,864,496</b>	<b>15,025,489</b>
<b>Fund Balances</b>									
Nonspendable	39,046	20,402	7,365	7,365	-	-	-	74,178	73,980
Restricted:									
Debt service	-	-	36,810	-	-	-	2,065	38,875	2,063
Highway	-	334,769	-	-	-	-	-	334,769	467,780
Water	-	-	3,155,355	-	-	-	-	3,155,355	2,415,720
Sewer	-	-	-	1,529,417	-	-	-	1,529,417	1,297,537
Fire protection	-	-	-	-	4,612,812	-	-	4,612,812	4,429,144
Refuse	-	-	-	-	-	-	128,527	128,527	67,551
Special districts	-	-	-	-	-	-	583,632	583,632	508,981
Assigned:									
Designated for subsequent year's expenditures	601,235	292,507	-	-	-	-	-	893,742	1,320,459
Unassigned	4,658,619	-	-	-	-	(1,395,771)	-	3,262,848	(1,761,350)
<b>Total fund balances (deficit)</b>	<b>5,298,900</b>	<b>647,678</b>	<b>3,199,530</b>	<b>1,536,782</b>	<b>4,612,812</b>	<b>(1,395,771)</b>	<b>714,224</b>	<b>14,614,155</b>	<b>8,821,865</b>
<b>Total liabilities and fund balances</b>	<b>\$ 5,636,809</b>	<b>\$ 781,075</b>	<b>\$ 4,176,351</b>	<b>\$ 2,641,689</b>	<b>\$ 4,613,037</b>	<b>\$ 2,912,105</b>	<b>\$ 717,585</b>	<b>\$ 21,478,651</b>	<b>\$ 23,847,354</b>

## TOWN OF LOCKPORT, NEW YORK

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### Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

December 31, 2018

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<b>Total fund balances - governmental funds</b>		<b>\$ 14,614,155</b>
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 are not reported as assets in governmental funds.		36,472,623
The Town's pension and postemployment benefit liabilities and related deferred outflows and deferred inflows of resources are recognized in the government-wide statements as follows:		
Pension		(278,471)
LOSAP		(6,445,521)
OPEB		(10,904,176)
Prepaid insurance is charged to expense during the period of benefit, while the expenditure is recorded when paid in the governmental funds.		171,501
Defeasance losses associated with bond refundings are recognized as deferred outflows of resources in the government-wide statements.		35,553
Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:		
Bonds	(12,655,000)	
Accrued interest	(59,000)	(12,714,000)
<b>Net position - governmental activities</b>		<b>\$ 20,951,664</b>

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TOWN OF LOCKPORT, NEW YORK

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

For the year ended December 31, 2018  
(with summarized comparative totals for December 31, 2017)

	General	Highway	Water	Sewer	Fire Protection	Capital Projects	Other Governmental Funds	Total Governmental Funds	
								2018	2017
<b>Revenues</b>									
Real property taxes	\$ -	\$ -	\$ 1,253,291	\$ 2,894,214	\$ 964,850	\$ -	\$ 1,114,645	\$ 6,227,000	\$ 6,118,290
Nonproperty tax items	2,362,226	2,471,700	-	-	629,917	-	-	5,463,843	5,041,049
Departmental income	24,327	-	2,011,373	1,171,274	-	-	38,715	3,245,689	2,657,855
Use of money and property	92,465	136	6,732	1,595	151,125	5,267	1,180	258,500	245,684
Licenses and permits	194,615	12,890	-	-	-	-	-	207,505	158,150
Fines and forfeitures	302,800	-	-	-	-	-	-	302,800	343,473
Miscellaneous local sources	142,040	24,992	7,393	7,393	33,215	-	-	215,033	254,295
Sale of property and compensation for loss	4,950	2,145	2,156	5,895	-	-	-	15,146	12,427
State sources	674,383	224,372	-	-	-	360,390	-	1,259,145	656,605
<b>Total revenues</b>	<b>3,797,806</b>	<b>2,736,235</b>	<b>3,280,945</b>	<b>4,080,371</b>	<b>1,779,107</b>	<b>365,657</b>	<b>1,154,540</b>	<b>17,194,661</b>	<b>15,487,828</b>
<b>Expenditures</b>									
General government	2,333,376	-	-	-	-	-	-	2,333,376	1,636,937
Public safety	271,340	-	-	-	1,210,465	-	-	1,481,805	1,436,153
Health	4,928	-	-	-	-	-	-	4,928	4,667
Transportation	212,381	1,991,452	-	-	-	59,022	25,576	2,288,431	2,459,434
Economic assistance and opportunity	59,218	-	-	-	-	-	-	59,218	59,818
Culture and recreation	120,284	-	-	-	-	-	-	120,284	162,545
Home and community services	183,787	-	1,434,475	2,682,231	-	2,830,100	993,335	8,123,928	10,697,791
Employee benefits	727,444	567,322	157,208	157,208	384,974	-	-	1,994,156	1,920,283
Debt service									
Principal	-	-	660,621	843,099	-	-	-	1,503,720	1,103,000
Interest	-	-	303,963	214,092	-	-	-	518,055	417,168
<b>Total expenditures</b>	<b>3,912,758</b>	<b>2,558,774</b>	<b>2,556,267</b>	<b>3,896,630</b>	<b>1,595,439</b>	<b>2,889,122</b>	<b>1,018,911</b>	<b>18,427,901</b>	<b>19,897,796</b>
<b>Excess revenues (expenditures)</b>	<b>(114,952)</b>	<b>177,461</b>	<b>724,678</b>	<b>183,741</b>	<b>183,668</b>	<b>(2,523,465)</b>	<b>135,629</b>	<b>(1,233,240)</b>	<b>(4,409,968)</b>
<b>Other financing sources (uses)</b>									
Operating transfers	-	(18,250)	14,969	48,151	-	(44,870)	-	-	-
Proceeds from issuance of debt	-	-	36,810	-	-	6,465,000	-	6,501,810	-
BANs redeemed from appropriations	-	-	-	-	-	523,720	-	523,720	-
	-	(18,250)	51,779	48,151	-	6,943,850	-	7,025,530	-
<b>Net change in fund balances</b>	<b>(114,952)</b>	<b>159,211</b>	<b>776,457</b>	<b>231,892</b>	<b>183,668</b>	<b>4,420,385</b>	<b>135,629</b>	<b>5,792,290</b>	<b>(4,409,968)</b>
Fund balances (deficit) - beginning	5,413,852	488,467	2,423,073	1,304,890	4,429,144	(5,816,156)	578,595	8,821,865	13,231,833
<b>Fund balances (deficit) - ending</b>	<b>\$ 5,298,900</b>	<b>\$ 647,678</b>	<b>\$ 3,199,530</b>	<b>\$ 1,536,782</b>	<b>\$ 4,612,812</b>	<b>\$ (1,395,771)</b>	<b>\$ 714,224</b>	<b>\$ 14,614,155</b>	<b>\$ 8,821,865</b>

**TOWN OF LOCKPORT, NEW YORK**

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**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures, and Changes in Fund Balances to the Statement of Activities**

**For the year ended December 31, 2018**

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**Total net change in fund balances - governmental funds** \$ 5,792,290

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceed depreciation expense and disposals. 2,433,136

Pension, LOSAP, and OPEB expenses are recognized when paid in the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.

These differences are:

Pension	(13,785)	
LOSAP	(166,271)	
OPEB	<u>552,068</u>	372,012

Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position. 980,000

Debt proceeds are recorded as other financing sources in governmental funds but increase long-term liabilities in the statement of net position. (6,465,000)

In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. The differences are:

Amortization of defeasance loss	(17,778)	
Prepaid expenses	3,501	
Interest expense	<u>7,000</u>	(7,277)

**Change in net position - governmental activities** **\$ 3,105,161**

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TOWN OF LOCKPORT, NEW YORK

**Statement of Major Funds Revenues, Expenditures, and  
Changes in Fund Balances Budget (Non-GAAP) and Actual**

For the year ended December 31, 2018

	General Fund				Highway Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)
	Original	Final			Original	Final		
<b>Revenues</b>								
Nonproperty tax items	\$ 1,922,000	\$ 1,922,000	\$ 2,362,226	\$ 440,226	\$ 2,471,700	\$ 2,471,700	\$ 2,471,700	\$ -
Departmental income	21,000	21,000	24,327	3,327	-	-	-	-
Use of money and property	71,800	71,800	92,465	20,665	200	200	136	(64)
Licenses and permits	93,850	93,850	194,615	100,765	7,500	7,500	12,890	5,390
Fines and forfeitures	335,000	335,000	302,800	(32,200)	-	-	-	-
Miscellaneous local sources	55,000	55,000	142,040	87,040	15,000	15,000	24,992	9,992
Sale of property and compensation for loss	-	-	4,950	4,950	15,500	15,500	2,145	(13,355)
State sources	380,000	380,000	674,383	294,383	195,100	195,100	224,372	29,272
<b>Total revenues</b>	<b>2,878,650</b>	<b>2,878,650</b>	<b>3,797,806</b>	<b>919,156</b>	<b>2,705,000</b>	<b>2,705,000</b>	<b>2,736,235</b>	<b>31,235</b>
<b>Expenditures</b>								
General government	2,418,150	2,535,865	2,303,376	(232,489)	-	-	-	-
Public safety	310,000	296,000	271,340	(24,660)	-	-	-	-
Health	5,500	5,500	4,928	(572)	-	-	-	-
Transportation	220,371	220,666	212,381	(8,285)	2,092,600	2,208,310	2,213,959	5,649
Economic assistance and opportunity	66,500	60,070	59,218	(852)	-	-	-	-
Culture and recreation	177,300	146,170	120,284	(25,886)	-	-	-	-
Home and community services	219,288	195,578	183,787	(11,791)	-	-	-	-
Employee benefits	782,000	739,260	727,444	(11,816)	612,400	566,690	567,322	632
<b>Total expenditures</b>	<b>4,199,109</b>	<b>4,199,109</b>	<b>3,882,758</b>	<b>(316,351)</b>	<b>2,705,000</b>	<b>2,775,000</b>	<b>2,781,281</b>	<b>6,281</b>
<b>Excess revenues (expenditures)</b>	<b>(1,320,459)</b>	<b>(1,320,459)</b>	<b>(84,952)</b>	<b>1,235,507</b>	<b>-</b>	<b>(70,000)</b>	<b>(45,046)</b>	<b>24,954</b>
<b>Other financing sources (uses)</b>								
Operating transfers out	-	-	-	-	-	-	(18,250)	18,250
Appropriated fund balance	1,320,459	1,320,459	-	(1,320,459)	-	70,000	-	(70,000)
<b>Total other financing sources (uses)</b>	<b>1,320,459</b>	<b>1,320,459</b>	<b>-</b>	<b>(1,320,459)</b>	<b>-</b>	<b>70,000</b>	<b>(18,250)</b>	<b>(88,250)</b>
<b>Excess revenue and other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (84,952)</b>	<b>\$ (84,952)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (63,296)</b>	<b>\$ (63,296)</b>

See accompanying notes.



**TOWN OF LOCKPORT, NEW YORK**

**Statement of Major Funds Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP) and Actual - Continued**

For the year ended December 31, 2018

	Water Fund				Sewer Fund				Fire Protection Fund			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Over/(Under)	Original	Final	(Budgetary Basis)	Final Budget Over/(Under)	Original	Final	(Budgetary Basis)	Final Budget Over/(Under)
<b>Revenues</b>												
Real property taxes	\$ 1,253,305	\$ 1,253,305	\$ 1,253,291	\$ (14)	\$ 2,894,214	\$ 2,894,214	\$ 2,894,214	\$ -	\$ 964,850	\$ 964,850	\$ 964,850	\$ -
Nonproperty tax items	-	-	-	-	-	-	-	-	629,917	629,917	629,917	-
Departmental income	1,471,000	1,471,000	2,011,373	540,373	1,080,292	1,080,292	1,171,274	90,982	-	-	-	-
Use of money and property	1,500	1,500	6,732	5,232	1,000	1,000	1,595	595	600	600	151,125	150,525
Miscellaneous local sources	3,000	3,000	7,393	4,393	339,967	339,967	7,393	(332,574)	20,000	20,000	33,215	13,215
Sale of property and compensation for loss	2,000	2,000	2,156	156	-	-	5,895	5,895	-	-	-	-
<b>Total revenues</b>	<b>2,730,805</b>	<b>2,730,805</b>	<b>3,280,945</b>	<b>550,140</b>	<b>4,315,473</b>	<b>4,315,473</b>	<b>4,080,371</b>	<b>(235,102)</b>	<b>1,615,367</b>	<b>1,615,367</b>	<b>1,779,107</b>	<b>163,740</b>
<b>Expenditures</b>												
Public safety	-	-	-	-	-	-	-	-	1,195,367	1,195,367	1,210,465	15,098
Home and community services	1,593,000	1,594,425	1,398,046	(196,379)	2,752,300	2,753,225	2,682,231	(70,994)	-	-	-	-
Employee benefits	188,550	170,515	157,208	(13,307)	188,550	172,175	157,208	(14,967)	420,000	420,000	384,974	(35,026)
Debt service												
Principal	661,901	661,901	660,621	(1,280)	1,156,799	1,156,799	843,099	(313,700)	-	-	-	-
Interest	287,354	303,964	303,963	(1)	217,824	233,274	214,092	(19,182)	-	-	-	-
<b>Total expenditures</b>	<b>2,730,805</b>	<b>2,730,805</b>	<b>2,519,838</b>	<b>(210,967)</b>	<b>4,315,473</b>	<b>4,315,473</b>	<b>3,896,630</b>	<b>(418,843)</b>	<b>1,615,367</b>	<b>1,615,367</b>	<b>1,595,439</b>	<b>(19,928)</b>
<b>Excess revenues</b>	<b>-</b>	<b>-</b>	<b>761,107</b>	<b>761,107</b>	<b>-</b>	<b>-</b>	<b>183,741</b>	<b>183,741</b>	<b>-</b>	<b>-</b>	<b>183,668</b>	<b>183,668</b>
<b>Other financing sources (uses)</b>												
Operating transfers in	-	-	14,969	14,969	-	-	48,151	48,151	-	-	-	-
Proceeds from issuance of debt	-	-	36,810	36,810	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>51,779</b>	<b>51,779</b>	<b>-</b>	<b>-</b>	<b>48,151</b>	<b>48,151</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues and other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 812,886</b>	<b>\$ 812,886</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 231,892</b>	<b>\$ 231,892</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 183,668</b>	<b>\$ 183,668</b>

See accompanying notes.

**TOWN OF LOCKPORT, NEW YORK**

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**Balance Sheet - Fiduciary Fund**

**December 31, 2018**

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	<u>Agency</u>
<b>Assets</b>	
Cash	\$ 543,038
<b>Liabilities</b>	
Due to governmental funds	\$ 30,074
Agency liabilities	512,964
<b>Total liabilities</b>	<u>\$ 543,038</u>

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## TOWN OF LOCKPORT, NEW YORK

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### Notes to Financial Statements

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#### 1. Summary of Significant Accounting Policies

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

#### Financial Reporting Entity

The Town is governed by local laws and ordinances, Town law, General Municipal Law, and other laws of the State of New York (the State). The governing body is the elected Town Board (the Board). The Town Supervisor serves as the chief executive and fiscal officer. The scope of activities included within the financial statements are those transactions that comprise the Town's operations and are governed by, or significantly influenced by, the Board. The primary functions of the Town are to provide basic services such as governmental administration, tax collection, highway, sewer, water, fire protection, refuse collection, lighting, and recreational services.

The financial reporting entity includes all funds, account groups, functions, and organizations over which Town officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Town has no component units as defined by accounting standards.

#### Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display financial activities of the overall Town, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the Town's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses based on a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and fines and assessments collected for violations of traffic laws or Town ordinances, (b) grants and contributions that are restricted to meeting the operational requirements of a particular program, and (c) grants and contributions limited to the purchase or construction of specific capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major funds:

- *General fund.* This is the Town's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Highway fund.* This is a special revenue fund whose specific revenue sources are restricted to expenditures for the repairs and maintenance of the Town's roadways.
- *Water fund.* This is a special revenue fund whose specific revenue sources, including property taxes, are restricted for the operations and support of the Town's water delivery system.
- *Sewer fund.* This is a special revenue fund whose specific revenue sources, including property taxes, are restricted for the operations and support of the infrastructure surrounding the Town's sewer system.
- *Fire protection fund.* This is a special revenue fund whose revenues, which are derived from property taxes levied specifically on the residents of these districts, are restricted for the operations of the Town's legally created fire protection districts.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The Town's nonmajor funds include the refuse, special lighting districts, and debt service funds. Each fund is established to account for the separate activities for which it is named.

The Town reports the following fiduciary fund:

- *Agency fund.* This fund accounts for assets held by the Town as agent for payroll and employee third party withholdings. The agency fund is custodial in nature and does not involve measurement of results of operations.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Town's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

### **Basis of Accounting and Measurement Focus**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town receives value directly without giving equal value in exchange, include property and sales taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and equipment purchased under capital leases are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

### **Property Taxes**

Real property taxes are levied annually no later than December 31<sup>st</sup> and become a lien on January 1. Taxes for the County of Niagara (the County) are levied together with taxes for the Town and its special districts on a single bill. The Town and special districts receive their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all unpaid taxes levied by the Town and its special districts.

### **Budgetary Process, Amendments, and Encumbrances**

Annual appropriations are adopted and employed for control of the general and special revenue funds. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year are increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

No later than October 5<sup>th</sup> of each year, a tentative budget is submitted to the Board for the fiscal year commencing the following January 1. The tentative budget includes both proposed expenditures and the means of financing for all funds requiring a budget. After public hearings are conducted to obtain comments from interested parties, the Board adopts the budget. The Town Supervisor exercises administrative budgetary control throughout the year. All modifications of the budget must be approved by the Board.

Major capital expenditures are subject to individual project budgets determined primarily by the cost of the project and external financing rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At January 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Budgetary comparisons presented in these financial statements are on the budgetary basis and represent the budget as modified. The following is a reconciliation of expenditures and fund balances for those major funds with encumbrances computed on a GAAP and a budgetary basis by fund:

	<b>General</b>	<b>Highway</b>	<b>Water</b>
GAAP basis expenditures	\$ 3,912,758	\$ 2,558,774	\$ 2,556,267
Encumbrances at 12/31/18	20,000	222,507	-
Encumbrances at 12/31/17	(50,000)	-	(36,429)
Expenditures budgetary basis	<u>\$ 3,882,758</u>	<u>\$ 2,781,281</u>	<u>\$ 2,519,838</u>

On a budgetary basis, the Town also reflects amounts received and paid for its sewer interceptor direct financing lease (Note 8) with Niagara County as revenue and expenditures. On a GAAP basis, the respective asset and liability are reflected on the balance sheet and do not give rise to revenue and expenditure recognition.

### Prepaid Expenses

Pension payments made to the New York State and Local Employees' Retirement System (ERS) in December of each year reflect costs applicable to future periods that are recorded as prepaid expenses on a fund basis. On a government-wide basis, such payments are included in deferred outflows of resources related to pensions. Payments made for insurance are expensed on a fund basis and reflected on the statement of net position on an accrual basis.

### Investments

Investments represent resources restricted to the Town's length of service award program (LOSAP) and consists primarily of annuity contracts and cash value of life insurance policies. Annuity contracts are valued at cost plus accreted interest.

### Capital Assets

Capital assets including infrastructure are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	<b>Capitalization Policy</b>	<b>Estimated Useful Life</b>
Land improvements	\$ 1,500	40 years
Infrastructure	\$ 1,500	40-50 years
Buildings and improvements	\$ 1,500	40 years
Furniture and equipment	\$ 1,500	5-15 years
Vehicles	\$ 1,500	8 years

### Bond Defeasances

In the government-wide financial statements, gains or losses from bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

## **Pensions**

The Town's participation in ERS is mandated by State law. ERS recognizes benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the Town recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by the defined benefit pension plan.

### **Length of Service Award Program (LOSAP) and Other Postemployment Benefits (OPEB)**

The LOSAP pension liability, total OPEB liability, related deferred outflows and deferred inflows of resources, pension expense of the Town's defined benefit LOSAP pension plan (Note 10), and OPEB expense of the Town's defined benefit healthcare plan (Note 11) have been measured on the same bases as reported by the plans. For this purpose, benefit payments in the plans are recognized when due and payable in accordance with the benefit terms.

## **Compensated Absences**

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and other employees expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with employee groups which provide for the payment of accumulated sick time at various amounts at retirement.

## **Equity Classifications**

### **Government-Wide Statements**

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, and defeasance losses, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the Town's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the Town.

### **Governmental Fund Statements**

The Town considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget or the revenue source is specifically restricted or committed for expenditure. Within unrestricted fund balance, the Town considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Restricted fund balances generally result from residual fund balance in special revenue funds and reserves established by the State of New York Legislature and included in General Municipal Law, as authorized for use by the Board. Earnings on invested resources are required to be added to the various reserves.

Fund balance restrictions include the debt service reserve, which is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond and BAN premiums), and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.

Committed fund balances are authorized by the Board as recommended by the Town's management prior to the end of the year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. The Board has given management the authority to assign fund balances for specific purposes that are neither restricted nor committed. Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash and include prepaid expenses.

### **Interfund Balances**

The operations of the Town include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

In the government-wide statements, the amounts reported on the statement of net position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to fiduciary funds.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the Town's practice to settle these amounts at the net balances due between funds.

## **2. Stewardship and Accountability**

The capital projects fund's deficit fund balance of \$1,395,771 will be funded when bond anticipation notes are redeemed from subsequent budget appropriations or converted to permanent financing.

The highway fund exceeded the legally adopted budget by \$6,281.

## **3. Cash**

Cash management is governed by State laws and as established in the Town's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit the Town Supervisor to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

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

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. At December 31, 2018, the Town's bank deposits were fully insured by FDIC coverage and securities held by the pledging institutions' agents or in an undivided security interest in pooled assets in the Town's name.



#### 4. Due from Other Governments

Included in amounts due from other governments as of December 31, 2018 is the following loan provided to the Town's Industrial Development Agency:

Serial bond, secured by real estate, fixed rate loan, interest payable  
annually at a rate of 1.5%, annual principal payments of \$10,000,  
due December 2020. \$ 20,000

Principal and interest payments due the Town as of December 31, 2018 are expected to be as follows:

Years ending December 31,	Principal	Interest
2019	\$ 10,000	\$ 300
2020	10,000	150
	\$ 20,000	\$ 450

#### 5. Interfund Transactions – Fund Financial Statements

Fund	Receivable	Payable	Transfers	
			In	Out
General	\$ 38,978	\$ 553	\$ -	\$ -
Highway	2,179	662	-	18,250
Water	1,320	633,914	14,969	-
Sewer	601,992	664	48,151	-
Fire protection	-	225	-	-
Other special districts	30,296	-	-	-
Capital projects	-	8,673	18,250	63,120
Fiduciary	-	30,074	-	-
	<b>\$ 674,765</b>	<b>\$ 674,765</b>	<b>\$ 81,370</b>	<b>\$ 81,370</b>

Water and sewer services are included in one billing, and as such, the Town deposits the total payments received into the water fund. The amount due from the water fund to the sewer fund represents the portion attributable to the revenue earned in that fund. The capital projects fund owes other funds for project expenditures initially paid by the other funds. The fiduciary fund owes the general fund for court fines collected that have not been transferred as of year end. Other amounts owed between funds are strictly for cash flow purposes. The amount transferred to the capital projects fund from the highway fund represents the funding of costs associated with various capital projects. The transfer from capital projects to the water and sewer funds represents unspent bonds proceeds. All transfers are considered permanent.

## 6. Capital Assets

	January 1, 2018	Increases	Retirements/ Reclassifications	December 31, 2018
Non-depreciable capital assets:				
Land	\$ 1,115,458	\$ -	\$ -	\$ 1,115,458
Construction in progress	5,779,962	1,358,972	(5,497,406)	1,641,528
Total non-depreciable assets	6,895,420	1,358,972	(5,497,406)	2,756,986
Depreciable capital assets:				
Land improvements	379,170	-	-	379,170
Infrastructure	81,595,117	1,529,650	5,492,716	88,617,483
Buildings and improvements	5,128,331	561,969	-	5,690,300
Furniture and equipment	6,238,272	196,697	(139,839)	6,295,130
Total depreciable assets	93,340,890	2,288,316	5,352,877	100,982,083
Less accumulated depreciation:				
Land improvements	360,588	23,189	-	383,777
Infrastructure	59,390,587	883,987	-	60,274,574
Buildings and improvements	2,331,241	106,617	-	2,437,858
Furniture and equipment	4,114,407	189,300	(133,470)	4,170,237
Total accumulated depreciation	66,196,823	1,203,093	(133,470)	67,266,446
Depreciable assets, net	27,144,067	1,085,223	5,486,347	33,715,637
	<b>\$ 34,039,487</b>	<b>\$ 2,444,195</b>	<b>\$ (11,059)</b>	<b>\$ 36,472,623</b>

Depreciation expense has been allocated to the following functions: general government \$608,886, transportation \$365,379, and home and community \$228,828.

As of December 31, 2018, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	\$ 36,472,623
Defeasance loss	35,553
Cash, net of related payables	2,884,229
Bond anticipation notes payable	(4,280,000)
Serial bonds	(12,655,000)
	<u>\$ 22,457,405</u>

## 7. Short-Term Debt

The BAN outstanding at December 31, 2018 amounted to \$4,280,000 (\$11,553,720 as of December 31, 2017), carries interest at 3.25% (2.5% at December 31, 2017), and matures in December 2019. In 2018, \$523,720 of outstanding BANs were redeemed, \$285,000 was paid from available cash, and \$6,465,000 was converted to a bond. The Town plans to reissue the BAN with annual reductions until converted to serial bonds.

## 8. Long-Term Liabilities

	January 1, 2018	Increases	Decreases	December 31, 2018	Amount Due in One Year
Serial bonds	\$ 7,170,000	\$ 6,465,000	\$ 980,000	\$ 12,655,000	\$ 1,260,000
Sewer interceptor – direct financing lease	\$ 1,163,627	\$ -	\$ 336,967	\$ 826,660	\$ 340,842

### Existing Obligations

Description	Final Maturity	Interest Rate	Balance
1998 Sewer Refunding	January 2019	4.00-4.75%	\$ 277,090
1998 Water Refunding	January 2019	4.00-4.75%	132,910
2002 NYS EFC 2002A	April 2021	1.2%	430,000
2007 Serial Bond Refunding	June 2020	4.00-5.00%	495,000
2016 Public Improvement Serial Bond	December 2036	3.25-4.00%	4,855,000
2018 Public Improvement Serial Bond	December 2037	3.00-4.00%	6,465,000
			<b>\$ 12,655,000</b>
2001 Sewer Interceptor – direct financing lease Niagara County	May 2021	5.125-5.50%	<b>\$ 800,000</b>

### Debt Service Requirements

Years ending December 31,	Serial Bonds	
	Principal	Interest
2019	\$ 1,260,000	\$ 425,543
2020	855,000	391,358
2021	625,000	364,144
2022	495,000	344,931
2023	515,000	328,843
2024-2028	2,820,000	1,382,432
2029-2033	3,330,000	887,786
2034-2037	2,755,000	255,124
	<b>\$ 12,655,000</b>	<b>\$ 4,380,161</b>

### Leases

The New York State Police lease a building from the Town under the terms of a noncancelable operating lease. Rental income amounted to \$76,008 for the year ended December 31, 2018.

Future minimum rentals to be received are:

2019	\$	76,008
2020		76,008
2021		76,008
2022		78,507
2023		86,004
2024-2027		322,515
	<b>\$</b>	<b>715,050</b>

The Town also leases a sewer interceptor to Niagara County under a direct financing lease that expires in 2021. The net investment in the direct financing lease as of December 31, 2018 is \$826,660. This lease was financed by a conduit debt transaction whereby the Town issued debt for the construction of a sewer interceptor line and pump station. Niagara County reimburses the Town for all debt service payments in connection with this bond issue. At the end of the lease term, title to the inceptor will pass to the County.

Future minimum lease payments to be received and required debt payments to be made by the Town are:

<u>Years ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 325,000	\$ 15,842
2020	335,000	9,065
2021	140,000	1,753
	<b>\$ 800,000</b>	<b>\$ 26,660</b>

## 9. New York State and Local Employees' Retirement System

The Town participates in ERS, which is a cost-sharing, multiple-employer, public employee retirement system that provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs the required obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

*Benefits:* ERS provides retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

*Contribution Requirements:* No employee contribution is required for those hired prior to July 1976. ERS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Town to the pension accumulation fund. For 2018, these rates ranged from 9.2% - 15.7%.

## Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At December 31, 2018, the Town reported a liability of \$271,276 for its proportionate share of the net pension position. The net pension position was measured as of March 31, 2018, and the total pension liability was determined by an actuarial valuation as of April 1, 2017. The Town's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2018 measurement date, the Town's proportion was 0.0084053%, an increase of 0.0003578 from its proportion measured as of March 31, 2017.

For the year ended December 31, 2018, the Town recognized pension expense of \$310,303 on the government-wide statements. At December 31, 2018, the Town reported deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 96,755	\$ 79,955
Changes of assumptions	179,879	-
Net difference between projected and actual earnings on pension plan investments	394,007	777,731
Changes in proportion and differences between Town contributions and proportionate share of contributions	19,912	62,600
Town contributions subsequent to the measurement date	296,716	-
	<b>\$ 987,269</b>	<b>\$ 920,286</b>

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Years ending December 31,</b>	
2019	\$ 40,416
2020	30,073
2021	(205,663)
2022	(94,559)
	<b>\$ (229,733)</b>

### Actuarial Assumptions

The actuarial assumptions used in the April 1, 2017 valuation, with update procedures used to roll forward the total pension liability to March 31, 2018, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

**Inflation** – 2.5%

**Salary increases** – 3.8%

**Cost of living adjustments** – 1.3% annually

**Investment rate of return** – 7.0% compounded annually, net of investment expense, including inflation

**Mortality** – Society of Actuaries' Scale MP-2014

**Discount rate** – 7.0%

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. The 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.

### Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class and ERS's target asset allocations as of the valuation date are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	36%	4.6%
International equities	14%	6.4%
Private equities	10%	7.5%
Real estate	10%	5.6%
Inflation-indexed bonds	4%	1.3%
Bonds and mortgages	17%	1.3%
Short-term	1%	(0.3)%
Other	8%	3.8%-5.7%
	<b>100%</b>	

### Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the 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 its net pension liability calculated using the discount rate of 7.0% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Town's proportionate share of the net pension asset (liability)	\$ (2,052,549)	\$ (271,276)	\$ 1,235,610

### 10. Length of Service Award Program

The Town maintains a defined benefit LOSAP pension plan for active volunteers of the Gasport, Rapids, South Lockport, Terry's Corners, and Wrights Corners fire departments. The program was established pursuant to Article 11-A of State General Municipal Law and provides municipally-funded pension benefits to facilitate the recruitment and retention of volunteers. The Town is the sponsor of this single employer program.

Under LOSAP, participating volunteers are paid a service award upon attainment of the program's entitlement age based upon the number of years of credited service. Active volunteers age 18 or older who have completed one year of service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of service or upon attaining the program's entitlement age of 65.

A participant's service award benefit is the actuarial equivalent of a monthly payment for life with payments guaranteed for 10 years equal to \$20 multiplied by the person's number of years of service earned. The number of years of service used to compute the benefit cannot exceed 30 years. Benefits are payable when the participant reaches entitlement age except in the case of disability or death. The program provides death and disability benefits equal to the greater of the insurance face amount or present value of the accrued benefit. Members who remain active after attaining the entitlement age and receive their accumulated service award payout from the fund may continue to qualify annually for a post-entitlement payment.

Program assets are held in trust for the exclusive purpose of providing benefits to participants and their beneficiaries or for defraying reasonable expenses of the operation and administration of the program. The Board created a Service Award Program Trust Fund through the adoption of the Trust document, a copy of which is available from the Town Clerk. The trust is not legally protected from creditors, and therefore such amounts are included in investments on the accompanying financial statements rather than as a reduction of the total LOSAP pension liability.

**Total Pension Liability, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to LOSAP**

At December 31, 2018, the Town reported a total pension liability of \$6,158,704. The total pension liability was measured as of December 31, 2018 and was determined by an actuarial valuation as of January 1, 2019.

For the year ended December 31, 2018, the Town recognized pension expense of \$341,620 on the government-wide statements. At December 31, 2018, the Town reported deferred outflows and deferred inflows of resources related to LOSAP as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 291,615
Changes of assumptions	4,798	-
	<b>\$ 4,798</b>	<b>\$ 291,615</b>

Amounts reported as deferred outflows and deferred inflows of resources related to LOSAP will be recognized in pension expense as follows:

<b>Years ending December 31,</b>	
2019	\$ (12,282)
2020	(12,282)
2021	(12,282)
2022	(12,282)
2023	(12,282)
Thereafter	(225,407)
	<b>\$ (286,817)</b>

**Actuarial Assumptions**

The actuarial assumptions used in the January 1, 2019 valuation were based on the following assumptions, applied to all periods included in the measurement:

- Salary increases** – not applicable
- Investment rate of return** – 3.71%, net of investment expense, including inflation
- Mortality** – RP 2000 Combined - Unisex
- Discount rate** – 3.71%, based on the Fidelity 20-year Go AA Bond index

The following presents the Town’s total pension liability calculated using the discount rate of 3.71% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Town’s proportionate share of the total pension liability	\$ (7,096,000)	\$ (6,158,704)	\$ (5,394,000)

**11. Postemployment Benefits Other than Pensions (OPEB)**

**Plan Description**

The Town maintains a single-employer defined benefit healthcare plan (the Plan) providing for lifetime medical benefits to certain eligible retirees and their spouses. Benefit provisions are based on individual contracts with the Town, as negotiated from time to time. Eligibility is based on retired employees age 55 and over with ten to twenty-five years of service depending on hire date and contract applicability. The Plan has no assets, does not issue financial statements, and is not a trust.

At December 31, 2018, employees covered by the Plan include:

Active employees	33
Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	-
	<u>80</u>

**Total OPEB Liability**

The Town’s total OPEB liability of \$9,581,123 was measured and determined by an actuarial valuation as of December 31, 2018.

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Healthcare cost trend rates** – short-term trend rate based on the National Health Expenditure Projections 2009-2025 and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2018\_c (updated August 2017) for long-term rates, initially 6.2% and an ultimate rate of 4.23% after 2070 (previously initially 5.3% and an ultimate rate of 4.17% after 2070)
- Salary increases** – 3.36% (previously 3.00%)
- Mortality** – Adjusted RP-2014 combined, fully generational using scale MP-2017
- Discount rate** – 3.83% based on the Fidelity Municipal Go AA 20-Year Bond rate (previously 3.50%)
- Inflation rate** – 2.37%



## Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at January 1, 2018	\$ 11,520,982
Changes for the year:	
Service cost	164,823
Interest	393,916
Changes of benefit terms	(64,392)
Differences between expected and actual experience	(1,448,790)
Changes of assumptions or other inputs	(554,347)
Benefit payments	(431,069)
Net changes	<u>(1,939,859)</u>
Balance at December 31, 2018	<u>\$ 9,581,123</u>

The following presents the sensitivity of the Town's total OPEB liability to changes in the discount rate, including what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	<u>1.0% Decrease (2.83%)</u>	<u>Discount Rate (3.83%)</u>	<u>1.0% Increase (4.83%)</u>
Total OPEB liability	\$ (10,996,306)	\$ (9,581,123)	\$ (8,422,994)

The following presents the sensitivity of the Town's total OPEB liability to changes in the healthcare cost trend rates, including what the Town's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% higher or lower than the current rates:

	<u>1.0% Decrease (5.20% to 3.23%)</u>	<u>Healthcare Cost Trend Rate (6.20% to 4.23%)</u>	<u>1.0% Increase (7.20% to 5.23%)</u>
Total OPEB liability	\$ (8,094,570)	\$ (9,581,123)	\$ (11,491,501)

## OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the Town recognized OPEB revenue of \$120,999. The Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 253,260	\$ 981,438
Changes of assumptions or other inputs	-	594,875
	<u>\$ 253,260</u>	<u>\$ 1,576,313</u>

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending December 31,</u>	
2019	\$ (615,346)
2020	(643,092)
2021	(64,615)
	<u>\$ (1,323,053)</u>

## **12. Risk Management**

The Town purchases commercial insurance for various risks of loss due to torts, thefts, damage, errors, omissions, injuries to employees, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

## **13. Commitments and Contingencies**

The Town has entered into contracts with various construction companies for ongoing capital projects. Outstanding contract commitments at December 31, 2018 amounted to \$422,000.

**TOWN OF LOCKPORT, NEW YORK**

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**Required Supplementary Information  
Schedule of the Town's Proportionate Share of the Net Pension Position  
New York State and Local Employees' Retirement System**

<b>As of the measurement date of March 31,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Town's proportion of the net pension position	0.0084053%	0.0080475%	0.0079347%	0.0078031%
Town's proportionate share of the net pension liability	\$ 271,276	\$ 756,158	\$ 1,273,546	\$ 263,608
Town's covered payroll	\$ 2,233,791	\$ 2,202,099	\$ 2,060,724	\$ 1,935,965
Town's proportionate share of the net pension position as a percentage of its covered payroll	12.14%	34.34%	61.80%	13.62%
Plan fiduciary net position as a percentage of the total pension liability	98.24%	94.70%	90.70%	97.90%

*Data prior to 2015 is unavailable.*

The following is a summary of changes of assumptions:

	<b>2018 - 2016</b>	<b>2015</b>
Inflation	2.5%	2.7%
Salary increases	3.8%	4.9%
Cost of living adjustments	1.3%	1.4%
Investment rate of return	7.0%	7.5%
Discount rate	7.0%	7.5%

**TOWN OF LOCKPORT, NEW YORK**

**Required Supplementary Information  
Schedule of Town Contributions  
New York State and Local Employees' Retirement System**

<b>December 31,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contractually required contribution	\$ 296,716	\$ 295,917	\$ 287,963	\$ 316,118	\$ 360,495	\$ 352,961
Contribution in relation to the contractually required contribution	(296,716)	(295,917)	(287,963)	(316,118)	(360,495)	(352,961)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,233,791	\$ 2,202,099	\$ 2,060,724	\$ 1,935,965	\$ 1,948,601	\$ 1,851,074
Contributions as a percentage of covered payroll	13.28%	13.44%	13.97%	16.33%	18.50%	19.07%

*Data prior to 2013 is unavailable.*

**TOWN OF LOCKPORT, NEW YORK**

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**Required Supplementary Information  
Schedule of the Town's Proportion and  
Proportionate Share of the Length of Service  
Award Program Total Pension Liability**

<b>As of the measurement date of December 31,</b>	<b>%</b>	<b>2018</b>	<b>2017</b>
LOSAP total pension liability	100%	\$ 6,158,704	\$ 6,678,636

*Data prior to 2017 is unavailable.*

## TOWN OF LOCKPORT, NEW YORK

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### Required Supplementary Information Schedule of Changes in the Town's Total OPEB Liability and Related Ratios

December 31,	2018	2017
Total OPEB liability - beginning	\$ 11,520,982	\$ 11,308,229
Changes for the year:		
Service cost	164,823	169,534
Interest	393,916	343,538
Changes of benefit terms	(64,392)	-
Differences between expected and actual experience	(1,448,790)	713,732
Changes of assumptions or other inputs	(554,347)	(618,166)
Benefit payments	(431,069)	(395,885)
Net change in total OPEB liability	(1,939,859)	212,753
Total OPEB liability - ending	\$ 9,581,123	\$ 11,520,982
Covered-employee payroll	\$ 1,500,926	\$ 1,500,926
Total OPEB liability as a percentage of covered-employee payroll	638.3%	767.6%

*Data prior to 2017 is unavailable.*

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**TOWN OF LOCKPORT, NEW YORK**

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**Supplementary Information  
Combining Balance Sheet - Nonmajor Governmental Funds**

December 31, 2018

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	<u>Special Revenue Funds</u>			<b>Total Nonmajor Governmental Funds</b>
	<b>Refuse</b>	<b>Other Special Districts</b>	<b>Debt Service</b>	
<b>Assets</b>				
Cash	\$ 126,955	\$ 555,655	\$ 2,065	\$ 684,675
Due from other governments	2,614	-	-	2,614
Due from other funds	-	30,296	-	30,296
<b>Total assets</b>	<b>\$ 129,569</b>	<b>\$ 585,951</b>	<b>\$ 2,065</b>	<b>\$ 717,585</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,042	\$ 2,319	\$ -	\$ 3,361
<b>Fund Balances</b>				
Restricted:				
Debt service	-	-	2,065	2,065
Refuse	128,527	-	-	128,527
Special districts	-	583,632	-	583,632
<b>Total fund balances</b>	<b>128,527</b>	<b>583,632</b>	<b>2,065</b>	<b>714,224</b>
<b>Total liabilities and fund balances</b>	<b>\$ 129,569</b>	<b>\$ 585,951</b>	<b>\$ 2,065</b>	<b>\$ 717,585</b>

**TOWN OF LOCKPORT, NEW YORK**

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

For the year ended December 31, 2018

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	<u>Special Revenue Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Refuse</u>	<u>Other Special Districts</u>	<u>Debt Service</u>	
<b>Revenues</b>				
Real property taxes	\$ 970,364	\$ 144,281	\$ -	\$ 1,114,645
Departmental income	8,419	30,296	-	38,715
Use of money and property	486	692	2	1,180
<b>Total revenues</b>	<b>979,269</b>	<b>175,269</b>	<b>2</b>	<b>1,154,540</b>
<b>Expenditures</b>				
Transportation	-	25,576	-	25,576
Home and community services	918,293	75,042	-	993,335
<b>Total expenditures</b>	<b>918,293</b>	<b>100,618</b>	<b>-</b>	<b>1,018,911</b>
<b>Excess revenues</b>	<b>60,976</b>	<b>74,651</b>	<b>2</b>	<b>135,629</b>
Fund balances - beginning	67,551	508,981	2,063	578,595
<b>Fund balances - ending</b>	<b>\$ 128,527</b>	<b>\$ 583,632</b>	<b>\$ 2,065</b>	<b>\$ 714,224</b>