

**CITY OF CANANDAIGUA**  
**Ontario County, New York**

**BASIC FINANCIAL STATEMENTS**

**For Year Ended December 31, 2019**

**MENGEL METZGER BARR & CO. LLP**

RAYMOND F. WAGER, CPA, P.C. DIVISION

## TABLE OF CONTENTS

	<b>Pages</b>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (Unaudited)	3 - 16
<b>Basic Financial Statements:</b>	
<b>Government-Wide Financial Statements -</b>	
Statement of Net Position	17
Statement of Activities	18
<b>Fund Financial Statements -</b>	
Balance Sheet - Governmental Funds	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Statement of Net Assets - Proprietary Funds	22
Statement of Revenues, Expenditures and Changes in Net Position - Proprietary Funds	23
Statement of Cash Flows - Proprietary Funds	24
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
<b>Notes to the Basic Financial Statements</b>	27 - 60
<b>Required Supplemental Information:</b>	
Schedule of changes in Town's Total OPEB Liability and Related Ratio (Unaudited)	61
Schedule of the Town's Proportionate Share of the Net Position Liability (Unaudited)	62
Schedule of Town Contributions (Unaudited)	63
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non GAAP Basis) and Actual - General and Major Special Revenues Fund Types (Unaudited)	64
<b>Supplemental Information:</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	65 - 66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds	67 - 68

# MENGEL METZGER BARR & CO. LLP

RAYMOND F. WAGER, CPA, P.C. DIVISION

## **Independent Auditors' Report**

To the Honorable Mayor and Council Members  
The City of Canandaigua  
Ontario County, New York

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canandaigua, Ontario County, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City'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 City'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canandaigua, Ontario County, New York, as of December 31, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

As described in Note II to the financial statements, the City adopted GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning net position has been restated. Our opinion is not modified with respect to this matter.

## *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress of postemployment benefit plan, schedule of the City's proportionate share of the net position liability, schedule of City contributions, and budgetary comparison information on pages 3–16 and 61–64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Canandaigua, Ontario County, New York'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 basic financial statements.

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

Rochester, New York  
June 11, 2020

*Mengel, Metzger, Barw & Co. LLP*

# CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK

## Management's Discussion and Analysis

December 31, 2019

### INTRODUCTION

The following is a discussion and analysis of the City of Canandaigua, Ontario County, New York's (the City) financial performance for the year ended December 31, 2019. This section of the report should be read in conjunction with the basic financial statements, which immediately follow this section, in order to provide an enhanced understanding of the City's financial performance.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: **(1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements.** This report also contains individual fund financial statements and schedules in addition to these basic financial statements.

#### Government-Wide Financial Statements

These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. These consist of:

- The statement of net position which presents information on all of the City's assets and liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The statement of activities which presents information showing how the City's net position changed during the most recent year. The primary governmental activities of the City as used in this statement include general government support, public safety, transportation, economic assistance, culture and recreation, home and community services, and interest on long-term debt. The business-type activities include the water and sewer fund. This statement calculates the cost of each functional activity as well as all resources available for that purpose.

The government-wide financial statements are prepared using the flow of economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting, which is similar to the methods used by most businesses, takes into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid.

#### Fund Financial Statements

In the governmental area, financial statements are organized around "funds." A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Funds are established to control and manage the money and budgets of certain governmental activities. Some funds are required to be set up by law, and others to meet state and federal government requirements. All the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- **Governmental Funds:** Governmental funds focus on a government's near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The City maintains nine individual government funds that are included in the governmental balance sheet and statement of revenues, expenditures, and changes in fund balances. Major funds consist of the general fund, and the capital projects fund. Nonmajor funds, combined on the financial statements, consist of the, debt service fund, watershed program, parks and open spaces, technology fund, community development fund, refuse fund, and the cemetery fund. Data for each of these nonmajor funds can be found in the supplemental information.
- **Proprietary Funds:** Proprietary funds are used to account for governmental activities that are like commercial activities. Generally, they account for the production of goods or services sold to the public. A type of proprietary fund is an enterprise fund which a government establishes to account for activities that consist of rendering services or providing goods to the public for which a fee or charge is collected. The City has established two enterprise funds, a water fund and sewer fund.
- **Fiduciary Funds:** Fiduciary funds are used to account for assets held in a trustee or custodial capacity. The City maintains one agency fund. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs.

### **Notes to the Financial Statements**

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

### **Other Supplementary Information**

Other supplementary information includes combining financial statements for nonmajor governmental funds, each of which are added together and presented in single columns in the financial statements.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of the City's financial position. As of December 31, 2019, the total assets of the City exceeded liabilities by \$46,691,036.

**CONDENSED STATEMENTS OF NET ASSETS  
FOR GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

	December 31, 2019			December 31, 2018		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Government</u>
<b>Assets</b>						
Current and other assets	\$ 10,393,889	\$ 9,066,593	\$ 19,460,482	\$ 11,610,224	\$ 8,311,874	\$ 19,922,098
Capital assets	41,875,989	20,453,225	62,329,214	40,168,475	20,100,247	60,268,722
<b>Total assets</b>	<b>\$ 52,269,878</b>	<b>\$ 29,519,818</b>	<b>\$ 81,789,696</b>	<b>\$ 51,778,699</b>	<b>\$ 28,412,121</b>	<b>\$ 80,190,820</b>
<b>Deferred Outflows</b>	<b>\$ 2,877,534</b>	<b>\$ 414,072</b>	<b>\$ 3,291,606</b>	<b>\$ 3,125,010</b>	<b>\$ 522,862</b>	<b>\$ 3,647,872</b>
<b>Liabilities</b>						
Other liabilities	\$ 1,143,233	\$ 340,847	\$ 1,484,080	\$ 938,616	\$ 191,599	\$ 1,130,215
Long-term liabilities	22,634,448	12,488,121	35,122,569	21,045,207	11,905,376	32,950,583
<b>Total liabilities</b>	<b>\$ 23,777,681</b>	<b>\$ 12,828,968</b>	<b>\$ 36,606,649</b>	<b>\$ 21,983,823</b>	<b>\$ 12,096,975</b>	<b>\$ 34,080,798</b>
<b>Deferred Inflows</b>	<b>\$ 1,518,907</b>	<b>\$ 264,710</b>	<b>\$ 1,783,617</b>	<b>\$ 2,695,656</b>	<b>\$ 457,323</b>	<b>\$ 3,152,979</b>
<b>Net Position</b>						
Invested in capital Assets net of related debt	\$ 30,980,639	\$ 9,628,575	\$ 40,609,214	\$ 29,618,525	\$ 9,800,197	\$ 39,418,722
Restricted	3,596,254	5,572,065	9,168,319	5,285,435	4,950,185	10,235,620
Unrestricted	(4,726,069)	1,639,572	(3,086,497)	(4,679,730) *	1,630,303	(3,049,427)
<b>Total net position</b>	<b>\$ 29,850,824</b>	<b>\$ 16,840,212</b>	<b>\$ 46,691,036</b>	<b>\$ 30,224,230</b>	<b>\$ 16,380,685</b>	<b>\$ 46,604,915</b>

\* Restated due to Implementation of GASB 84

The largest component of the City's net position, \$40,609,214 or approximately 87.0%, reflects its investment in capital assets (land, buildings and facilities, machinery and equipment, rolling stock and infrastructure), less accumulated depreciation and any related outstanding debt used to acquire or construct the assets. The City uses these capital assets to provide a variety of services to its citizens and as a result these assets are not available for future spending.

Although the City's investment in a capital asset is reported net of related debt, the resources used to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the City's net position is restricted, representing resources that are subject to external restriction on how they may be used. Approximately \$9,168,319 or 19.6 % of total net position is restricted and is not available to finance the day-to-day operations of the City. The funding levels of restricted reserves decreased in the amount of \$1,067,301 from fiscal 2018 to fiscal 2019. The major contributing factor to this decrease is the use of funding secured in 2018 for purpose of expenditures for capital assets.

The remaining negative balance of \$3,086,497 or (6.6%) is the result of the inclusion of long-term debt in regards to Pensions, Other Post-Employment Benefits and Compensated Absences to the Fund Financial Statement. This reconciliation can be found on pg. 19 of the Financial Statement.

**GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES**

	December 31, 2019			December 31, 2018		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Government</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Government</u>
<b>Program revenue</b>						
Charges for service	\$ 2,502,596	\$ 5,945,226	\$ 8,447,822	\$ 2,335,451	\$ 6,111,833	\$ 8,447,284
Operating grants and contributions	2,121,571	-	2,121,571	640,230	-	640,230
Capital grants and contributions	107,754	336,125	443,879	349,599	335,001	684,600
<b>General revenue</b>						
Real property taxes	5,464,397	-	5,464,397	5,298,591	-	5,298,591
Non-property taxes	5,060,977	-	5,060,977	4,944,238	-	4,944,238
Governmental aid	1,119,304	-	1,119,304	1,119,304	-	1,119,304
Other	885,393	168,510	1,053,903	647,538	67,753	715,291
Transfers	290,000	(290,000)	-	290,000	(290,000)	-
<b>Total revenue</b>	<b>\$ 17,551,992</b>	<b>\$ 6,159,861</b>	<b>\$ 23,711,853</b>	<b>\$ 15,624,951</b>	<b>\$ 6,224,587</b>	<b>\$ 21,849,538</b>
<b>Program expenses</b>						
General government	\$ 2,737,697	\$ -	\$ 2,737,697	\$ 2,577,977	\$ -	\$ 2,577,977
Public safety	6,769,652	-	6,769,652	6,017,644	-	6,017,644
Health	-	-	-	-	-	-
Transportation	3,100,700	-	3,100,700	3,084,994	-	3,084,994
Economic Assistance and Opportunity	- 1,712,494	- -	- 1,712,494	- 175,461	- -	- 175,461
Cultural and recreation	1,384,623	-	1,384,623	1,412,420	-	1,412,420
Home and community services	1,921,847	-	1,921,847	2,075,246	-	2,075,246
Interest on long-term debt	298,385	-	298,385	100,595	-	100,595
Water	-	2,875,667	2,875,667	-	2,812,677	2,812,677
Sewer	-	2,824,667	2,824,667	-	2,787,453	2,787,453
<b>Total expenses</b>	<b>\$ 17,925,398</b>	<b>\$ 5,700,334</b>	<b>\$ 23,625,732</b>	<b>\$ 15,444,337</b>	<b>\$ 5,600,130</b>	<b>\$ 21,044,467</b>
Change in net position	<b>\$ (373,406)</b>	<b>\$ 459,527</b>	<b>\$ 86,121</b>	<b>\$ 180,614</b>	<b>\$ 624,457</b>	<b>\$ 805,071</b>
Net position at beginning of year as restated	30,224,230	16,380,685	46,604,915	29,993,034	15,756,228	45,749,262
Prior period adjustment	-	-	-	50,582	-	50,582
Net position at beginning of year as restated	30,224,230	16,380,685	46,604,915	30,043,616	15,756,228	45,799,844
<b>Net position at end of year</b>	<b>\$ 29,850,824</b>	<b>\$ 16,840,212</b>	<b>\$ 46,691,036</b>	<b>\$ 30,224,230</b>	<b>\$ 16,380,685</b>	<b>\$ 46,604,915</b>

The revenue and expense information was derived from the government-wide statement of activities and reflects how the City's net position changed during the year. The City's total net position increased \$86,121 during 2019. Total government expenses of \$23.6 million were offset by revenues of \$23.7 million.

Governmental Activities: Governmental activities net position decreased \$373,406 in 2019.

Total revenues from governmental activities totaled \$17.6 million in 2019, which was an increase of 1.9 million over 2018.

Program revenues represented 27.0% of total governmental revenues and increased 42.3% over 2018.

- This increase was primarily due to an increase in Operating grants and contributions due to a \$1.5 million pass through grant from the Dormitory Authority of the State of New York for the Pinnacle North Project on Lakeshore Drive in 2019.

General revenues (taxes, intergovernmental, investment earnings and other revenue) represented 73.0% of total governmental activities and increased 4.23% over 2018. Significant variances over 2018 were primarily due to:

- Property tax revenue increased due to a property tax levy increase of 3.6%, however interest and penalties on property tax decreased by 27% due to a lower amount of delinquent school taxes for collection.
- Sales Tax revenue increased 2.8% for a total of \$130,331.
- Mortgage tax revenue increased 27% in the amount of \$61,584 due to a strong housing market.
- Interest rate increases resulted in additional interest earnings of \$158,168
- Building and alteration permits increased \$148,689 due to new building construction.
- Sales of equipment resulted in additional revenue of \$89,283.
- Occupancy tax was reduced by \$40,454 due to a major hotel closed for remodeling.

Program expenses increased \$2.5 million or 12.3% over year 2018.

- Public safety increased 12.5% due to the addition of 2.5 positions in the fire department.
- Economic Development increased \$1.5 million primarily due to the payment of a pass-through grant of \$1.5 million in 2019.
- Interest on long-term debt increased by \$197,790 due to the issuance of serial bonds which the first payment started in 2019.

Business-Type Activities: The net position of business-type activities (Water Fund and Sewer Fund) increased by \$459,527 for fiscal year 2019.

Revenues for business-type activities totaled approximately \$6.16 million, a decrease of 1.0% from the prior year, while expenses totaled \$5.7 million, an increase of 1.8% from the prior year. Significant variances are as follows:

- Metered Water rates increased 2.0% with revenues remaining relatively flat. Wholesale water sales to the Towns decreased 8.4% due to a decrease in water rates. Water fund expenditures showed an increase of 2.2% over 2018.
- Sewer rates remained the same for 2019 with sewer revenue (based on water consumption) showing a slight increase of 1.0% while expenditures showed a negative variance of 1.8% over 2018.

## FINANCIAL ANALYSIS OF CITY FUNDS

### Governmental Funds

At the end of the current year, the City reported a combined fund balance of \$9.06 million, a decrease of \$1.51 million from the prior year. A summary of the change in fund balance for all funds is as follows:

**CHANGES IN FUND BALANCE FOR  
GOVERNMENTAL FUNDS  
FOR THE PERIOD ENDING DECEMBER 31,**

<b><u>General Fund -</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
Nonspendable for inventory	\$ 12,908	\$ 10,064
Nonspendable for prepaid expenses	381,011	281,908
Restricted for insurance	35,351	21,495
Restricted for capital	2,388,714	2,106,369
Restricted for general reserve		
contributors for a specific purpose	13,369	2,199
Assigned for encumbrances	28,722	17,025
Assigned for Kershaw Park	55,297	56,721
Assigned - designated for subsequent		
year's expenditures	667,402	447,750
Unassigned	4,045,219	4,207,859
<b>Total Fund Balance - General Fund</b>	<b><u>\$ 7,627,993</u></b>	<b><u>\$ 7,151,390</u></b>
<b><u>Capital Projects Fund -</u></b>		
Restricted for capital expenditures	\$ 531,248	\$ 2,362,366
<b>Total Fund Balance - Capital Projects Fund</b>	<b><u>\$ 531,248</u></b>	<b><u>\$ 2,362,366</u></b>
<b><u>Debt Service Fund -</u></b>		
Restricted for debt service	\$ 117,728	\$ 22,176
<b><u>Nonmajor Governmental Funds -</u></b>		
Nonspendable for prepaid expenses	\$ 3,968	\$ 3,348
Restricted for the watershed program	80,337	125,452
Restricted for parks and open spaces	42,249	38,471
Restricted for community block grant Funds	306,525	406,423
Restricted for cemetery fund	32,817	32,804
Restricted for refuse fund	47,916	73,416
Assigned for technology	269,013	308,204
<b>Total Fund Balance - Nonmajor</b>		
<b>Governmental Funds</b>	<b><u>\$ 782,825</u></b>	<b><u>\$ 988,118</u></b>
<b>Total Fund Balance - All</b>	<b><u>\$ 9,059,794</u></b>	<b><u>\$ 10,524,050</u></b>

**General Fund**

The City's general fund is the largest "fund" of the City comprising 62.5% of the adopted 2019 City budget. Some of the services provided by the general fund are:

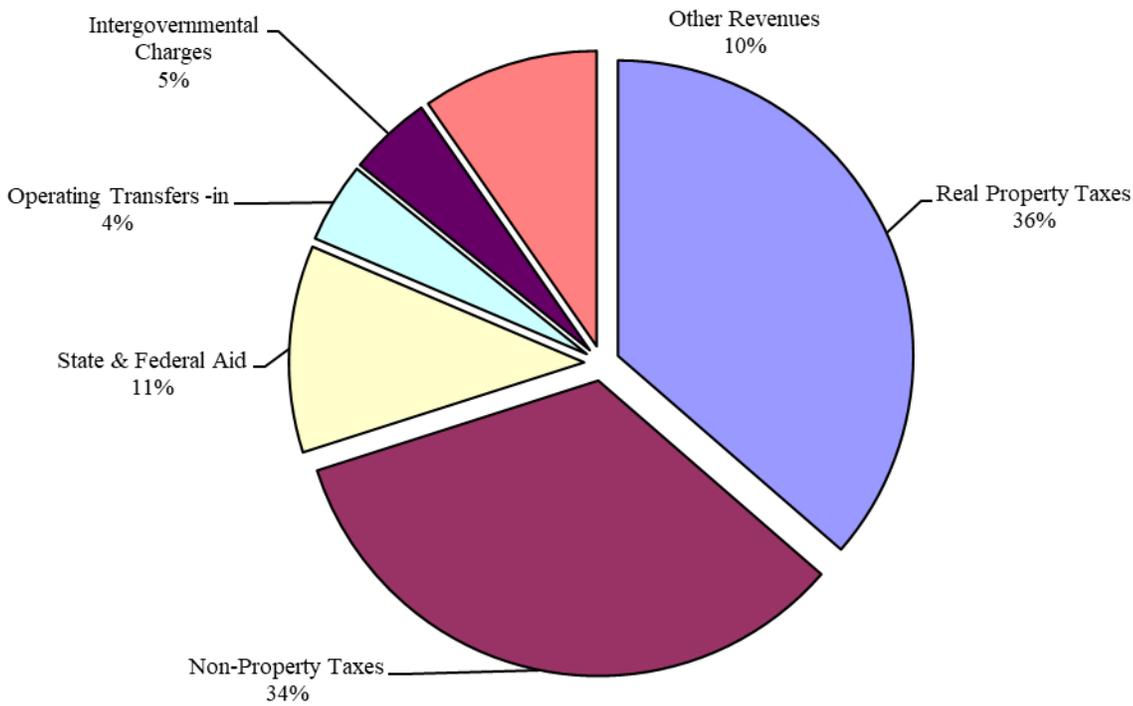
- Issuing and maintaining vital records (birth, death, and marriage certificates) and issuing various state and local licenses and permits;
- Providing public safety services, including police and fire protection and code enforcement;

- Building and maintaining roads and bridges, including snow and ice removal, street lighting and sidewalks;
- Operating and maintaining public parks and offering recreation programs;
- Providing sanitation services including curb-side collection of solid waste and recyclable materials, street sweeping and the maintenance of storm sewers;
- Planting and maintaining an “urban forest” of trees along city streets and on other public property.

In addition to the above programs, the general fund provides support such as administration, accounting and financial management, payroll and personnel, assessment, planning and zoning, legal, etc.

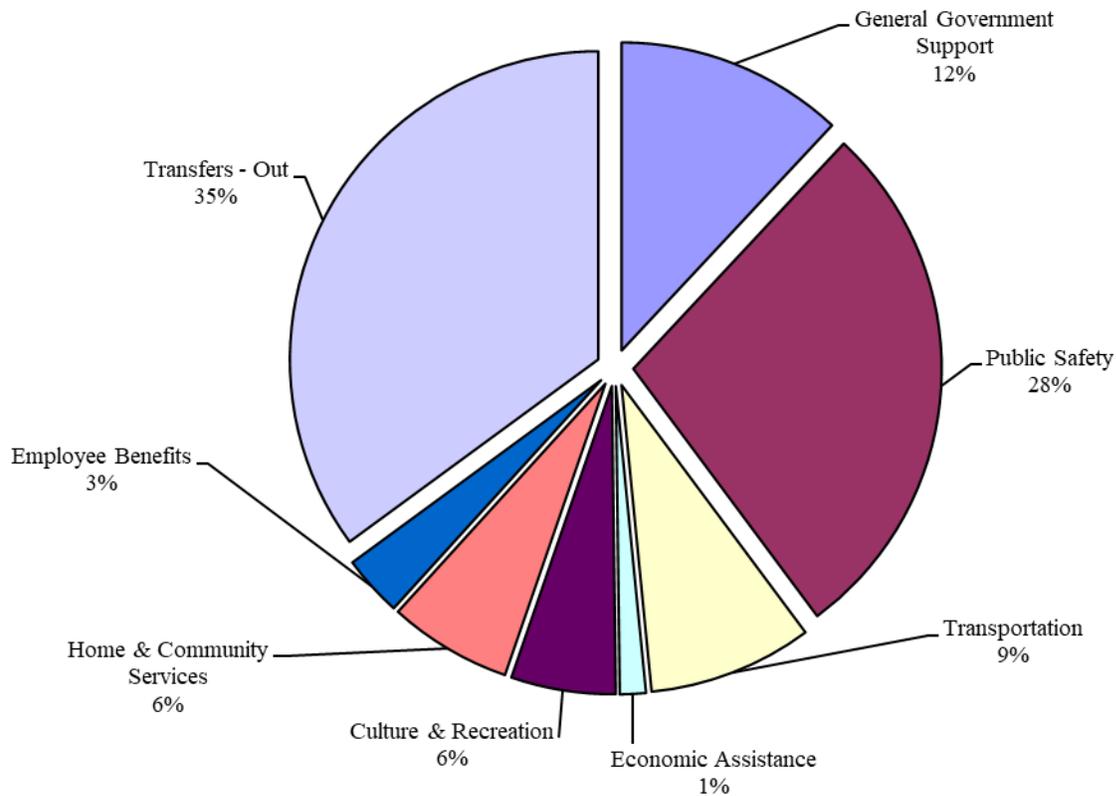
The City relies upon a number of important revenue sources to fund its operating expenses. Property taxes, sales taxes and State aid are the most significant sources of general fund revenue.

**City of Canandaigua  
General Fund Revenue by Source**



Public safety (police and fire services), public works operations, debt service, and employee benefits and other undistributed expenses are the most significant sources of general fund expense.

**City of Canandaigua  
General Fund Expenditures by Program**



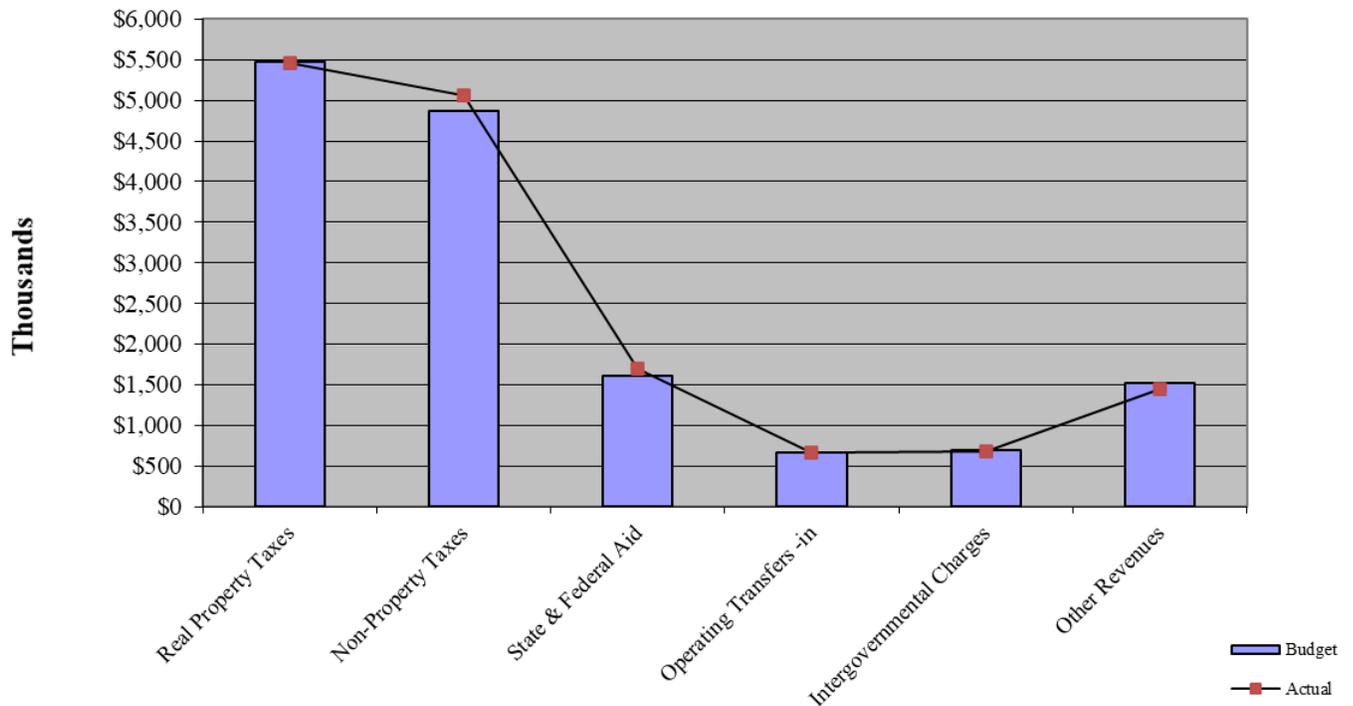
The amended general fund budget (only) in the amount of \$15.6 million anticipated the use of \$754,172 of fund balance. However, actual results of operations showed an overall increase to fund balance of \$181,826 which resulted in a net variance of \$907,276 (net of encumbrances of \$28,722) comparing the actual results to the budget. The amended general fund reserve funds budget in the amount of \$3.07 million anticipated the use of \$890,665 from the reserve balances. The actual results showed an overall increase to reserves of \$244,192 resulting in a positive net variance of \$1,134,857.

General Fund budget variance:

(Please refer to the Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual)

Positive revenue variance	\$355,678
Positive expenditure variance (net of encumbrances)	<u>711,276</u>
Excess revenue of expenditures variance	1,066,954
Other Financing Sources and Uses positive variance	<u>975,179</u>
Total general fund budget to actual variance	<u><u>\$2,042,133</u></u>
Amount of budget variance attributable to general fund	\$907,276
Amount of budget variance attributable to reserve funds	<u>1,134,857</u>
Total general fund budget variance	<u><u>\$2,042,133</u></u>

**City of Canandaigua  
Comparison of Budget to Actuals  
General Fund - Revenue by Source**



General fund revenues reflected an overall positive variance of \$355,678 as compared to the budget. The general fund only had a positive variance of \$196,662 which represents a positive variance of 1.33% compared to the budget. The general fund reserves had a positive variance of \$159,016 compared to the budget.

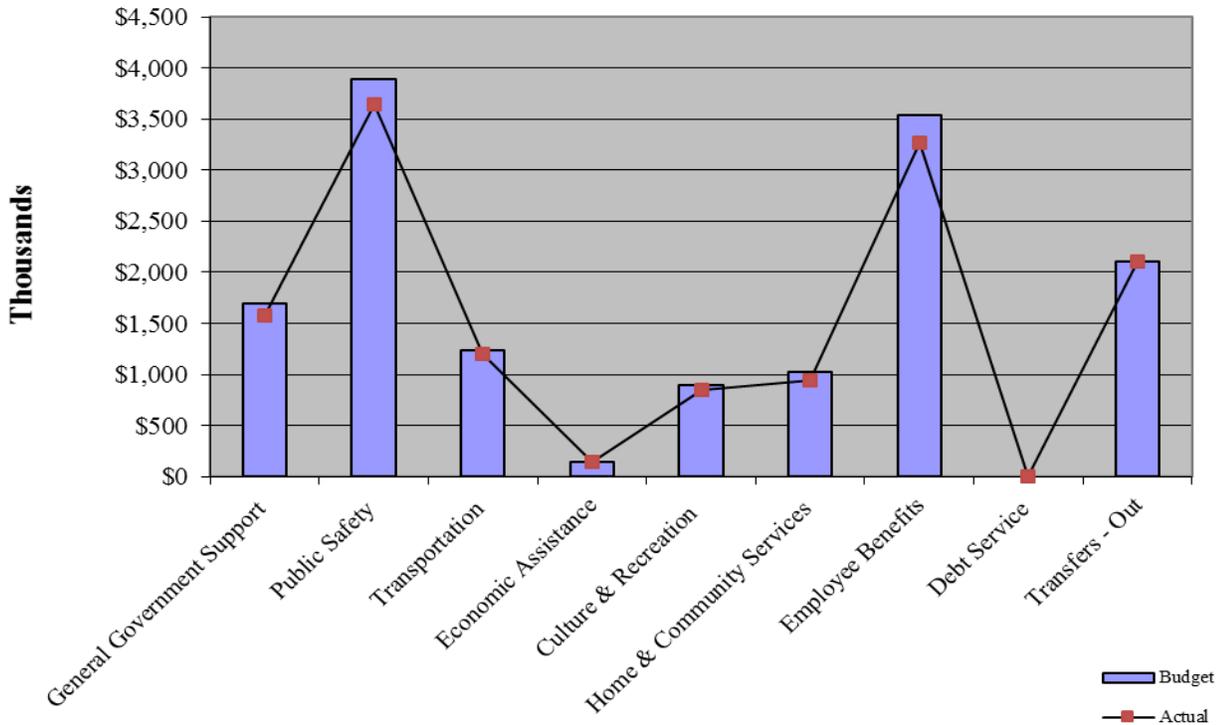
Significant increase in actual revenue as compared to the budget due to a better than expected economic environment are as follows:

- Sales tax ended with a positive variance of \$154,802.
- Mortgage tax had a positive variance of \$97,502
- Buildings and alteration permits ended with a positive variance of \$42,747
- Interest income had a positive variance of \$26,662
- General fund reserve positive variance is due to an increase in estimated interest earnings and revenue from sales of surplus equipment.

Significant decreases in actual revenues as compared to the budget are as follows:

- Sale of Electric based on solar energy had a negative variance of \$157,165 with a positive variance in expenditure (purchase) of energy. This is weather dependent and does not have a history on which to base budget estimates on.

**City of Canandaigua  
Comparison of Budget to Actuals  
Expenditure Categories**



General fund expenditures reflected an overall positive variance of \$711,276 (net of encumbrances) as compared to the budget. The general fund only had a positive variance of \$710,614 (net of encumbrances), which represents a positive variance of 4.6% compared to the budget. General fund reserves had a small positive variance for the difference of \$662. The City experienced positive variances in all departments which are further broken down by the following categories:

**Variations by Operational Expenditure**

	Current			Variance	
	Budget	Actual	Encumbrances	\$	%
<b>Salaries and Wages</b>	6,384,996	6,160,884	-	224,112	3.5%
<b>Department Equip</b>	120,778	96,796	6,090	17,892	14.8%
<b>Supplies</b>	552,967	469,742	-	83,225	15.1%
<b>Contractual</b>	2,630,292	2,433,789	22,632	173,871	6.6%
<b>Benefits</b>	3,635,425	3,458,258	-	177,167	4.9%
<b>Interfund Transfers</b>	2,219,286	2,219,286	-	-	0.0%
<b>Contingency</b>	34,347	-	-	34,347	100.0%
<b>Total Operational Expenditures</b>	<b>\$ 15,578,091</b>	<b>\$ 14,838,755</b>	<b>\$ 28,722</b>	<b>\$ 710,614</b>	<b>4.6%</b>

- Significant savings were in salaries and wages and corresponding benefits. This was due to scheduled personnel changes, mainly due to retirements, which experienced delays in hiring or changes in direction.
- Additional savings in benefits was due to a change in medical insurance from the budgeted HMO plan to a high deductible plan. This change was mandatory change for non-union personnel and reflected in the budget however, many other union group employees voluntarily opted for this change which was not included in the adopted budget.
- There was unused budget contingency in the amount of \$30,347.
- Positive variances in contractual expenditures in the amount of \$173,871 represented 6.6% variance from the budget and supplies in the amount of \$83,225 with a budget savings of 15.1%. These were spread throughout the departments with the largest saving variances in:
  - Purchases in solar energy of \$51,858
  - Outside services \$25,920.
  - Training, Conferences and Dues \$16,762
  - Professional Services \$27,036
  - Gas, oil and grease \$36,687

Other Financing Sources and Uses had a positive variance of \$1,134,857 due to less than expected transfers from the general fund reserves due to unexpended budgeted capital purchases.

### **Proprietary Funds**

The other two major “funds” of the City are the water fund and the sewer fund, which comprised 17.2% and 15.4% of the 2019 adopted City budget, respectively. The services provided by these enterprise funds are:

- Providing drinking water to City residents and selling drinking water to several town water districts; and
- Collecting, treating and discharging wastewater through a sanitary sewer system serving City residents, and providing wastewater treatment services to the county sewer district.

Each of these activities is run like a separate business with its own record of revenue, expenses and cash balances. The City’s proprietary funds provide the same type of information found in the government-wide statements but in more detail.

At the end of the current fiscal year, the City reported total net position for its enterprise funds of \$16.8 million, an increase of \$459,527 in comparison with the prior year net position. Of the total net position, \$9.6 million is recorded as an investment in capital assets net of related debt, \$5.6 million is restricted for capital projects, debt service, and repairs, and the remaining \$1.6 million is unrestricted.

Water Fund - This fund finished the current fiscal year with an increase in net position of \$293,461. The unrestricted fund balance is \$589,064, with an amount reserved for capital expenditures, debt service, and repairs of \$1.1.

Sewer Fund - This fund finished the current fiscal year with an increase in net position of \$166,066. The unrestricted fund balance is \$1.1 million, with an amount reserved for capital expenditures, debt service, and repairs of \$4.5 million.

### **GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION**

At December 31, 2019, the City has \$62.3 million (after depreciation is deducted) in a broad range of capital assets including land, buildings, and machinery and equipment and construction in progress. The change in the City’s net assets between 2019 and 2018 is reflected below:

### Capital Assets, Net of Depreciation

	December 31, 2019			December 31, 2018		
	Governmental activities	Business-type activities	Total government	Governmental activities	Business-type activities	Total government
Land	\$ 4,446,402	\$ 164,072	\$ 4,610,474	\$ 4,446,402	\$ 164,072	\$ 10,393,555
Buildings and improvements	13,872,691	12,246,735	26,119,426	9,245,819	13,007,484	16,470,222
Machinery and equipment	3,598,351	2,011,115	5,609,466	3,676,370	1,940,711	5,617,081
Infrastructure	17,002,342	4,619,992	21,622,334	18,213,307	4,497,641	22,710,948
Construction in progress	2,956,203	1,411,311	4,367,514	4,586,577	490,339	5,076,916
<b>Total Capital Assets</b>	<b>\$ 41,875,989</b>	<b>\$ 20,453,225</b>	<b>\$ 62,329,214</b>	<b>\$ 40,168,475</b>	<b>\$ 20,100,247</b>	<b>\$ 60,268,722</b>

Government-Wide Capital Assets - The net increase in capital assets during the current year amounted to \$1.7 million and included the following:

- The work in progress for uncompleted projects decreased \$1.2 million due to capitalization of a major renovation of our Department of public Works building which was completed in 2019. Various other capital projects have been carried over to 2020.
- Buildings and improvements net increase of \$5.0 million was primarily due to the completion of the Department of public works major renovation project.
- The purchase of vehicles and equipment - \$570,074 and disposition of assets of \$415,679.
- Infrastructure improvements totaled \$53,773
- Depreciation expense of \$2.5 million was charged against the assets.

Business-Type Activities Capital Assets - The net increase in capital assets during the current year amounted to \$352,978 and included the following:

- The work in progress for uncompleted projects increased \$920,972
- Depreciated assets (net of deletions) increased by \$886,198 during 2019
- Depreciation expense of \$1,454,192 was charged against the assets.

### LONG-TERM DEBT

At December 31, 2019, the City had \$35.2 million in general obligation and other long-term debt outstanding as follows:

	December 31, 2019			December 31, 2018		
	Governmental activities	Business-type activities	Total government	Governmental activities	Business-type activities	Total government
Serial bonds	\$ 10,895,350	\$ 10,824,650	\$ 21,720,000	\$10,549,950	\$ 10,300,050	\$ 20,850,000
Compensated absences	669,544	129,678	799,222	667,498	172,888	840,386
HUD 108 - Serial bond	-	-	-	-	-	-
Other postemployment benefits	9,210,157	1,234,491	10,444,648	8,799,972	1,301,704	10,101,676
Net pension liability	1,859,397	299,302	2,158,699	1,027,787	130,734	1,158,521
<b>Total Long Term Debt</b>	<b>\$ 22,634,448</b>	<b>\$ 12,488,121</b>	<b>\$ 35,122,569</b>	<b>\$21,045,207</b>	<b>\$ 11,905,376</b>	<b>\$ 32,950,583</b>

The City issued new debt in the amount of \$2,860,000 in 2019 for the following projects:

- Multiple street project \$1,430,000
- Utilities for water lines \$715,000 and sewer lines \$715,000

Principal payments for the year ending December 31, 2019 on serial bonds totaled \$1,084,600 for governmental funds and \$905,400 for enterprise funds.

The City is subject to a constitutional debt limit pursuant to Article VIII of the State Constitution and Title 9 Article 2 of the Local Finance Law. This debt limit is equal to 7% of the latest five-year average of the full valuation of all taxable real property within the City. The water fund debt is constitutionally excluded from the debt limit, and the sewer fund debt prior to 2016 is excluded from the debt limit pursuant to Section 124.10 of the Local Finance Law. At December 31, 2019, the City exhausted 22.6% of its constitutional debt capacity and had the authority to issue up to an additional \$39.0 million of general obligation long-term debt.

### CREDIT RATING

The City was issued an AA- credit rating by Standard & Poor's in 2019.

### FUTURE FINANCIAL IMPLICATIONS

The 2020 budget for the City of Canandaigua for general, capital, debt service, water, sewer and special revenue funds totaled \$27.5 million, (net of interfund transfers).

#### HIGHLIGHTS - MAJOR FUNDS - 2020 Budget

General Fund	2019	2020	Change	
			\$	%
Assessed Value	734,688,417	725,072,119	(9,616,298)	-1.31%
Tax Levy	5,232,188	5,414,136	181,948	3.48%
Tax Rate	7.11092	7.45237	0.34	4.80%
Average assessed value for Single Family Homeowner:	167,500	167,500	-	0.00%
Average Tax Bill	1,191.08	1,248.27	57.19	4.80%
Budget	15,322,792	15,795,927	473,135	3.09%
Appropriated Fund Balance	(739,989)	(667,402)	72,587	-9.81%
<b>Water Fund</b>				
Water Rate (per 1000 gallons)	\$ 3.383	\$ 3.383	\$ -	0.00%
Minimum Bill	37.89	37.89	-	0.00%
Average water usage per household (Gallons)	75,000	75,000	-	0.00%
Average Annual Water Bill	253.73	253.73	-	0.00%
Budget- Operating	3,502,768	3,735,633	232,864	6.65%
Budget-Capital	929,800	1,467,000	537,200	57.78%
Appropriated Fund Balance	(37,661)	(136,196)	(98,534)	261.63%
<b>Sewer Fund</b>				
Sewer Rate (per 1000 gallons)	\$ 4.0000	\$ 4.5000	0.50	12.50%
Minimum Bill	44.80	50.40	5.60	12.50%
Average water usage per household (Gallons)	75,000	75,000	-	0.00%
Average Annual Sewer Bill	300.00	337.50	37.50	12.50%
Budget- Operating	3,330,147	3,230,143	(100,004)	-3.00%
Budget-Capital	634,500	2,864,000	2,229,500	351.38%
Appropriated Fund Balance	(568,045)	(255,525)	312,520	-55.02%
<b>Total Water and Sewer Charges</b>				
Minimum Bill (Based on 11,200 gallons)	\$ 82.69	\$ 88.29	\$ 5.60	6.77%

The 2020 budget for the City of Canandaigua included the best information we had at the time to make informed budget decisions that were adopted by City Council. Revenue projections for the ensuing year were at the time promising and reflected in the budget estimates. A number of new positions were included in the 2020 budget and all expenditures were budgeted based on a review of historical trends and current service levels. There was an appropriated use of fund balance built into all the major funds, which still maintained projected fund balances within our fund balance policy.

However, on January 30, 2020, the World Health Organization announced a global health emergency due to a new strain of coronavirus originating in China and in March 2020 classified this outbreak as a pandemic. New York State, along with many other states, instituted executive orders which in effect closed down the economy in March 2020. As we slowly open business up, we have yet to understand the full impact of the COVID-19 outbreak on the City's financial condition, liquidity, budget projections and workforce. We are taking the necessary steps to curb expenditures to offset projected revenue losses. We will continue to monitor the situation as the year progresses.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances. If you would like additional information, please contact:

JOHN D. GOODWIN  
CITY MANAGER  
TWO NORTH MAIN STREET  
CANANDAIGUA, NEW YORK 14424  
585-396-5000

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Statement of Net Position**

**December 31, 2019**

	<b>Governmental</b>	<b>Business-Type</b>	
<b>ASSETS</b>	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
Cash and cash equivalents	\$ 8,490,245	\$ 7,243,545	\$ 15,733,790
Accounts receivable, net	1,505,757	1,749,666	3,255,423
Prepaid items	397,887	73,382	471,269
<b>Capital assets:</b>			
Land and work in progress	7,402,605	1,575,383	8,977,988
Other capital assets, net of depreciation	34,473,384	18,877,842	53,351,226
<b>TOTAL ASSETS</b>	<b>\$ 52,269,878</b>	<b>\$ 29,519,818</b>	<b>\$ 81,789,696</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources	<b>\$ 2,877,534</b>	<b>\$ 414,072</b>	<b>\$ 3,291,606</b>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 811,202	\$ 281,845	\$ 1,093,047
Accrued liabilities	332,031	59,002	391,033
<b>Noncurrent liabilities:</b>			
Due in one year	1,305,136	989,670	2,294,806
Due in more than one year	21,329,312	11,498,451	32,827,763
<b>TOTAL LIABILITIES</b>	<b>\$ 23,777,681</b>	<b>\$ 12,828,968</b>	<b>\$ 36,606,649</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources	<b>\$ 1,518,907</b>	<b>\$ 264,710</b>	<b>\$ 1,783,617</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 30,980,639	\$ 9,628,575	\$ 40,609,214
<b>Restricted for:</b>			
Restricted other purposes	3,596,254	5,572,065	9,168,319
Unrestricted	(4,726,069)	1,639,572	(3,086,497)
<b>TOTAL NET POSITION</b>	<b>\$ 29,850,824</b>	<b>\$ 16,840,212</b>	<b>\$ 46,691,036</b>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Statement of Activities**

**For the Year Ended December 31, 2019**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		<u>Total</u>
					<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General government support	\$ 2,737,697	\$ 465,146	\$ 18,852	\$ -	\$ (2,253,699)	\$ -	\$ (2,253,699)
Public safety	6,769,652	1,171,436	4,985	-	(5,593,231)	-	(5,593,231)
Transportation	3,100,700	6,493	271,131	83,208	(2,739,868)	-	(2,739,868)
Economic assistance and development	1,712,494	2,500	1,500,000	-	(209,994)	-	(209,994)
Culture and recreation	1,384,623	212,721	-	24,546	(1,147,356)	-	(1,147,356)
Home and community services	1,921,847	644,300	326,603	-	(950,944)	-	(950,944)
Interest on long-term debt	298,385	-	-	-	(298,385)	-	(298,385)
<b>Total Governmental Activities</b>	<b>\$ 17,925,398</b>	<b>\$ 2,502,596</b>	<b>\$ 2,121,571</b>	<b>\$ 107,754</b>	<b>\$ (13,193,477)</b>	<b>\$ -</b>	<b>\$ (13,193,477)</b>
<b>Business-Type Activities:</b>							
Water fund	\$ 2,875,667	\$ 3,398,368	\$ -	\$ 7,500	\$ -	\$ 530,201	\$ 530,201
Sewer fund	2,824,667	2,546,858	-	328,625	-	50,816	50,816
<b>Total Business-Type Activities</b>	<b>\$ 5,700,334</b>	<b>\$ 5,945,226</b>	<b>\$ -</b>	<b>\$ 336,125</b>	<b>\$ -</b>	<b>\$ 581,017</b>	<b>\$ 581,017</b>
<b>Total Primary Government</b>	<b>\$ 23,625,732</b>	<b>\$ 8,447,822</b>	<b>\$ 2,121,571</b>	<b>\$ 443,879</b>	<b>\$ (13,193,477)</b>	<b>\$ 581,017</b>	<b>\$ (12,612,460)</b>
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property taxes					\$ 5,464,397	\$ -	\$ 5,464,397
Non-property taxes					5,060,977	-	5,060,977
Mortgage tax					292,502	-	292,502
Unallocated state and federal aid					1,119,304	-	1,119,304
Use of money and property					391,953	155,938	547,891
Miscellaneous					200,938	12,572	213,510
<b>Total General Revenues</b>					<b>\$ 12,530,071</b>	<b>\$ 168,510</b>	<b>\$ 12,698,581</b>
<b>Special Items and Transfers:</b>							
Transfers					\$ 290,000	\$ (290,000)	\$ -
<b>Total Special Items and Transfers</b>					<b>\$ 290,000</b>	<b>\$ (290,000)</b>	<b>\$ -</b>
<b>Total General Revenues and Special Items and Transfers</b>					<b>\$ 12,820,071</b>	<b>\$ (121,490)</b>	<b>\$ 12,698,581</b>
Change in Net Position					\$ (373,406)	\$ 459,527	\$ 86,121
<b>Net Position - Beginning (restated)</b>					<b>30,224,230</b>	<b>16,380,685</b>	<b>46,604,915</b>
<b>Net Position - Ending</b>					<b>\$ 29,850,824</b>	<b>\$ 16,840,212</b>	<b>\$ 46,691,036</b>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Balance Sheet**

**Governmental Funds**

**December 31, 2019**

	<u>Major</u>			
	<u>General</u>	<u>Capital</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>Fund</u>	<u>Projects</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 6,474,038	\$ 1,089,399	\$ 926,808	\$ 8,490,245
Receivables, net	283,032	21,099	192,808	496,939
Due from other governments, net	769,234	-	-	769,234
State and federal aid receivable	239,584	-	-	239,584
Prepaid items	393,919	-	3,968	397,887
<b>Total Assets</b>	<u>\$ 8,159,807</u>	<u>\$ 1,110,498</u>	<u>\$ 1,123,584</u>	<u>\$ 10,393,889</u>
<b>Liabilities, Deferred Inflows, and Fund Balances</b>				
<b>Liabilities:</b>				
Accounts payable and other current liabilities	\$ 181,589	\$ 579,250	\$ 46,745	\$ 807,584
Accrued liabilities	311,804	-	5,466	317,270
Due to other governments	3,618	-	-	3,618
<b>Total Liabilities</b>	<u>\$ 497,011</u>	<u>\$ 579,250</u>	<u>\$ 52,211</u>	<u>\$ 1,128,472</u>
<b>Deferred Inflows:</b>				
Deferred Inflows of Resources	\$ 34,803	\$ -	\$ 170,820	\$ 205,623
<b>Fund Balances:</b>				
Nonspendable	\$ 393,919	\$ -	\$ 3,968	\$ 397,887
Restricted	2,437,434	531,248	627,572	3,596,254
Assigned	751,421	-	269,013	1,020,434
Unassigned	4,045,219	-	-	4,045,219
<b>Total Fund Balances</b>	<u>\$ 7,627,993</u>	<u>\$ 531,248</u>	<u>\$ 900,553</u>	<u>\$ 9,059,794</u>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 8,159,807</u>	<u>\$ 1,110,498</u>	<u>\$ 1,123,584</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	41,875,989
Interest is accrued on outstanding bonds in the statement of net assets but not in the funds.	(14,761)
Accounts receivable - HUD loans	170,820
The following long-term obligations are not due and payable in the current period, therefore are not reported in the governmental funds:	
Serial Bonds Payable	(10,895,350)
Deferred Inflows - Pensions	(723,378)
Deferred Outflows - Pensions	1,914,633
Deferred Inflows - OPEB	(760,726)
Deferred Outflows - OPEB	962,901
Pension Liability	(1,859,397)
OPEB Liability	(9,210,157)
Compensated absences are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position.	(669,544)
<b>Net Position of Governmental Activities</b>	<u><u>\$ 29,850,824</u></u>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2019**

	<b>Major</b>			<b>Total Governmental Funds</b>
	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	
<b>Revenues:</b>				
Real property and tax items	\$ 5,464,397	\$ -	\$ -	\$ 5,464,397
Non-property taxes	5,060,977	-	-	5,060,977
Departmental income	764,947	-	28,802	793,749
Intergovernmental charges	681,800	24,546	150,570	856,916
Use of money and property	213,719	27,146	151,088	391,953
Licenses and permits	299,858	-	-	299,858
Fines and forfeitures	207,162	-	-	207,162
Sale of property and compensation for loss	179,053	-	-	179,053
Miscellaneous	18,538	3,047	200	21,785
Interfund revenues	369,557	-	-	369,557
State and county aid	1,706,774	83,208	1,700,158	3,490,140
Federal aid	-	-	149,889	149,889
<b>Total Revenues</b>	<b>\$ 14,966,782</b>	<b>\$ 137,947</b>	<b>\$ 2,180,707</b>	<b>\$ 17,285,436</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government support	\$ 1,816,773	\$ 609,897	\$ 187,831	\$ 2,614,501
Public safety	4,136,287	516,404	-	4,652,691
Transportation	1,277,930	2,601,862	-	3,879,792
Economic assistance and development	201,516	-	1,500,000	1,701,516
Culture and recreation	813,706	104,163	-	917,869
Home and community services	958,125	257,640	665,335	1,881,100
Employee benefits	3,458,260	-	34,455	3,492,715
<b>Debt Service:</b>				
Debt service - principal	-	-	1,084,600	1,084,600
Debt service - interest and other charges	-	-	295,492	295,492
<b>Total Expenditures</b>	<b>\$ 12,662,597</b>	<b>\$ 4,089,966</b>	<b>\$ 3,767,713</b>	<b>\$ 20,520,276</b>
Excess (deficiency) of revenue over expenditures	\$ 2,304,185	\$ (3,952,019)	\$ (1,587,006)	\$ (3,234,840)
<b>Other Financing Sources and Uses:</b>				
Transfers - in	\$ 290,000	\$ 808,901	\$ 1,477,265	\$ 2,576,166
Transfers - out	(2,168,166)	(118,000)	-	(2,286,166)
Serial bonds	-	1,430,000	-	1,430,000
<b>Total Other Financing Sources and Uses</b>	<b>\$ (1,878,166)</b>	<b>\$ 2,120,901</b>	<b>\$ 1,477,265</b>	<b>\$ 1,720,000</b>
Net change in fund balances	\$ 426,019	\$ (1,831,118)	\$ (109,741)	\$ (1,514,840)
<b>Fund Balance - Beginning (restated)</b>	<b>7,201,974</b>	<b>2,362,366</b>	<b>1,010,294</b>	<b>10,574,634</b>
<b>Fund Balance - Ending</b>	<b>\$ 7,627,993</b>	<b>\$ 531,248</b>	<b>\$ 900,553</b>	<b>\$ 9,059,794</b>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2019**

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,514,840)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	\$ 3,395,430	
Addition of assets	846,730	
Depreciation	(2,502,977)	
Gain/(Loss) on sale of assets	<u>(31,669)</u>	
		1,707,514

Bond and installment purchase debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. The following details these items as they effect the governmental activities:

Debt repayment	\$ 1,084,600	
Proceeds from serial bonds	<u>(1,430,000)</u>	
		(345,400)

The net OPEB liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds. (103,356)

Amounts received from borrowers on the City's HUD loan program are recorded as revenues in the governmental funds, but are recorded against the loan recievable balance in the statement of net position 76,556

(Increase) decrease in proportionate share of net pension asset/liability reported in the statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues and expenditures in the governmental funds:

Employees' Retirement System		(55,861)
Police and Fire Retirement System		(133,080)

Compensated absences represents the value of the earned and unused portion of the liability for vacation and compensatory time. They are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change of compensated absences. (2,046)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (2,893)

**Change in Net Position of Governmental Activities** \$ (373,406)

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Statement of Net Position**

**Proprietary Funds**

**December 31, 2019**

	<u>Business-Type Activities</u>		<u>Total Business-Type Activities</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,158,450	\$ 2,085,095	\$ 7,243,545
Accounts receivable, net	435,246	849,935	1,285,181
Due from other governments	464,485	-	464,485
Prepaid items	35,850	37,532	73,382
<b>Capital assets:</b>			
Land and work in progress	773,119	802,264	1,575,383
Other capital assets, net of depreciation	10,433,906	8,443,936	18,877,842
<b>TOTAL ASSETS</b>	<b>\$ 17,301,056</b>	<b>\$ 12,218,762</b>	<b>\$ 29,519,818</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow of resources	<b>\$ 147,077</b>	<b>\$ 266,995</b>	<b>\$ 414,072</b>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	\$ 151,789	\$ 130,056	\$ 281,845
Accrued liabilities	20,859	38,143	59,002
<b>Noncurrent liabilities:</b>			
Due in one year	598,130	391,540	989,670
Due in more than one year	5,936,968	5,561,483	11,498,451
<b>TOTAL LIABILITIES</b>	<b>\$ 6,707,746</b>	<b>\$ 6,121,222</b>	<b>\$ 12,828,968</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources	<b>\$ 41,807</b>	<b>\$ 222,903</b>	<b>\$ 264,710</b>
<b>NET POSITION</b>			
Net investment in capital assets	\$ 5,164,775	\$ 4,463,800	9,628,575
<b>Restricted for:</b>			
Capital reserve	4,483,297	1,088,768	5,572,065
Unrestricted	1,050,508	589,064	1,639,572
<b>TOTAL NET POSITION</b>	<b>\$ 10,698,580</b>	<b>\$ 6,141,632</b>	<b>\$ 16,840,212</b>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Statement of Revenues, Expenditures and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2019**

	<u>Business-Type Activities</u>		<u>Total Business-Type Activities</u>
	<u>Sewer Fund</u>	<u>Water Fund</u>	
<b><u>Operating Revenues:</u></b>			
Charges for services	\$ 2,544,316	\$ 3,395,691	\$ 5,940,007
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 2,544,316</b>	<b>\$ 3,395,691</b>	<b>\$ 5,940,007</b>
<b><u>Operating Expenses:</u></b>			
Salaries	\$ 550,442	\$ 779,529	\$ 1,329,971
Benefits	258,254	447,708	705,962
Purchased services	853,985	1,022,028	1,876,013
Depreciation	1,020,036	434,155	1,454,191
Other expenses	16,753	41,891	58,644
<b>TOTAL OPERATING EXPENSE</b>	<b>\$ 2,699,470</b>	<b>\$ 2,725,311</b>	<b>\$ 5,424,781</b>
<b>OPERATING INCOME OR (LOSS)</b>	<b>\$ (155,154)</b>	<b>\$ 670,380</b>	<b>\$ 515,226</b>
<b><u>Nonoperating Revenue (Expense):</u></b>			
Intergovernmental Revenue	\$ 328,625	\$ -	\$ 328,625
Interest	104,900	51,038	155,938
Sale of Property and compensation for loss	10,350	2,222	12,572
Miscellaneous	2,542	10,177	12,719
Debt service interest	(125,197)	(150,356)	(275,553)
<b>TOTAL NONOPERATING REVENUE (EXPENSE)</b>	<b>\$ 321,220</b>	<b>\$ (86,919)</b>	<b>\$ 234,301</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>\$ 166,066</b>	<b>\$ 583,461</b>	<b>\$ 749,527</b>
Transfers out (to governmental funds)	-	(290,000)	(290,000)
<b>CHANGE IN NET POSITION</b>	<b>\$ 166,066</b>	<b>\$ 293,461</b>	<b>\$ 459,527</b>
<b>TOTAL NET POSITION, BEGINNING</b>	<b>10,532,514</b>	<b>5,848,171</b>	<b>16,380,685</b>
<b>TOTAL NET POSITION, ENDING</b>	<b>\$ 10,698,580</b>	<b>\$ 6,141,632</b>	<b>\$ 16,840,212</b>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Statement of Cash Flows**

**Proprietary Funds**

**For the Year Ended December 31, 2019**

	<b>Business-Type Activities</b>		<b>Total</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Business-Type Activities</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Cash received for services provided	\$ 2,422,615	\$ 3,455,416	\$ 5,878,031
Cash payments to suppliers for goods and services	(759,728)	(1,031,939)	(1,791,667)
Cash payments to employees	(877,023)	(1,179,220)	(2,056,243)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 785,864</b>	<b>\$ 1,244,257</b>	<b>\$ 2,030,121</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>			
County capital contribution	\$ 328,625	\$ -	\$ 328,625
Interfund Transfer	-	(290,000)	(290,000)
Interest expense	(125,197)	(150,356)	(275,553)
(Purchase) or sale of property and equipment	(796,785)	(997,813)	(1,794,598)
Principal payments on bonds	166,000	358,600	524,600
Other Receipts	2,542	10,177	12,719
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>\$ (424,815)</b>	<b>\$ (1,069,392)</b>	<b>\$ (1,506,926)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
Interest income	\$ 104,900	\$ 51,038	\$ 155,938
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>\$ 465,949</b>	<b>\$ 225,903</b>	<b>\$ 691,852</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>	<b>4,692,501</b>	<b>1,859,192</b>	<b>6,551,693</b>
<b>CASH AND CASH EQUIVALENTS - ENDING</b>	<b>\$ 5,158,450</b>	<b>\$ 2,085,095</b>	<b>\$ 7,243,545</b>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ (155,154)</b>	<b>\$ 670,380</b>	<b>\$ 515,226</b>
<b><u>ADJUSTMENT TO RECONCILE INCOME TO NET CASH BY OPERATING ACTIVITIES -</u></b>			
Depreciation	\$ 1,020,036	\$ 434,155	\$ 1,454,191
(Increase) decrease in accounts receivable	(121,701)	59,725	(61,976)
(Increase) decrease in prepaid items	(751)	(139)	(890)
(Increase) decrease in deferred outflow	78,248	30,542	108,790
Increase (decrease) in accounts payable and accrued liabilities	86,003	20,035	106,038
Increase (decrease) in deferred inflow	(130,701)	(61,912)	(192,613)
Increase (decrease) in net OPEB liability	(61,709)	(5,504)	(67,213)
Increase (decrease) in net pension liability	71,593	96,975	168,568
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 941,018</b>	<b>\$ 573,877</b>	<b>\$ 1,514,895</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 785,864</b>	<b>\$ 1,244,257</b>	<b>\$ 2,030,121</b>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Statement of Fiduciary Net Position**

**Fiduciary Funds**

**December 31, 2019**

	<b>Custodial Funds</b>
	<u>                    </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 487,084
	<u>                    </u>
<b>TOTAL ASSETS</b>	<u><u>\$ 487,084</u></u>
<b>LIABILITIES</b>	
Other liabilities	\$ 487,084
	<u>                    </u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 487,084</u></u>

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

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Funds**

**For the Year Ended December 31, 2019**

	<b>Custodial Funds</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Fees collected for New York State	\$ 5,802
Taxes collected for other municipalities	<u>5,146,161</u>
<b>TOTAL ADDITIONS</b>	<u>\$ 5,151,963</u>
<b>DEDUCTIONS</b>	
Fees collected for New York State	\$ 5,802
Taxes distributed to County	4,702,374
Taxes distributed to School District	<u>443,787</u>
<b>TOTAL DEDUCTIONS</b>	<u>\$ 5,151,963</u>
Change in net position	\$ -
<b>NET POSITION - BEGINNING</b>	<u>-</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ -</u></u>

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

# CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK

## Notes To The Basic Financial Statements

December 31, 2019

### **I. Summary of Significant Accounting Policies:**

The financial statements of the City of Canandaigua, Ontario County, New York (the City) have been prepared in conformity with generally accepted accounting principles (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 City's accounting policies are described below.

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

The City is governed by its charter of the City of Canandaigua, the General City Law, other general laws of the State of New York and various local laws and ordinances. The City Council, which is the legislative body responsible for the overall operation of the City, consists of the Mayor and eight Councilpersons. The City manager serves as Chief Administrative Officer and Chief Fiscal Officer of the City.

The City provides the following basic services to all residents of the City: police protection and law enforcement, firefighting and prevention, a water treatment plant and distribution system, a sewage treatment plant and collection system, a traffic control system, street lighting, a street maintenance force (including construction, repair and snow/ice removal), recreation facilities and programs, refuse and garbage removal, community development and a staff to provide the necessary support for these services.

All governmental activities and functions performed by the City are its direct responsibility, no other governmental organizations have been included or excluded from the reporting entity.

The City defines its reporting entity in accordance with GASB Statement No. 14 as amended by GASB Statement No. 39 of the Governmental Accounting Standards Board (GASB), *Financial Reporting Entity*. The statements define the primary government, and redefine and establish the criteria for which potential component units are included in the reporting entity. They also define financial accountability of the primary government as being determined on the basis of fiscal dependency, appointment of a voting majority of a governing board, ability to impose its will or potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. Based on the criteria under this Statement, there are no component units required to be included in the reporting entity.

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

##### **1. Government-Wide Statements**

The Statement of Net Position and the Statement of Activities display information about the City as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds.

( I. ) (Continued)

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the Proprietary Fund Financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government –wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the City’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which governmental function is self-financing or draws from the general operating fund.

**2. Fund Financial Statements**

Fund financial statements report detailed information about the City. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column. Business-type activities are aggregated and presented in a single column on the face of the Proprietary Fund Statements. Fiduciary Funds are reported by fund type.

The Governmental Funds are accounted for on the “flow of current financial resources” measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The Proprietary Fund is accounted for on an “economic resources” measurement focus. Accordingly, the Statement of Revenues, Expenses and Changes in Fund Net Position for the Proprietary Fund Reports increases and decreases in total economic net worth. The private purpose trust fund is reported using the economic resources measurement focus.

**a. Governmental Funds** - Governmental funds are those major and non-major funds through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the City's governmental fund types.

**1. Major Governmental Funds**

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

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

( I. ) (Continued)

2. **Non-Major Governmental Funds**

The other funds which do not meet the major fund criteria are aggregated and reported as non-major other governmental funds. The following are reported as non-major other governmental funds.

**Debt Service Fund** - used to account for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

**Special Revenue Funds** - used to account for taxes, user fees, or other revenues which are raised or received to provide special services to areas that may or may not encompass the whole City. The following are non-major special revenue funds utilized by the City:

Watershed Program	Technology	Cemetery
Parks & Open Spaces	Community Development	
Refuse		

b. **Fiduciary Funds**

Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity.

**Custodial Fund** – is custodial in nature and does not present results of operations or have measurement focus. The Custodial Fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

c. **Proprietary Funds**

Proprietary funds are used to account for ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Funds' principal ongoing operations. Operating expenses include salaries, benefits, administrative expenses, claims paid. All items not meeting this definition are reported as nonoperating revenues and expenses.

**Enterprise Funds** – are used to account for those operations that provide a service and are financed primarily by a user charge for that service. The City's Enterprise Fund includes the Water and Sewer Funds.

3. **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and Fiduciary Funds also use the accrual basis of accounting.

( I. ) (Continued)

a. **Modified Accrual**

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both available and measurable. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable-type grants, City clerk fees and snow and ice reimbursements. The City considers all revenues as available if collected within one year from the balance sheet date. Property taxes are recognized when taxes are received. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due and compensated absences which are recorded when due/paid.

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the City will receive any amounts; therefore, revenues are recognized based upon the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In all cases, monies received before the revenue recognition criteria have been met are reported as deferred revenue.

b. **Accrual**

Proprietary and Fiduciary Funds are accounted for using the accrual basis of accounting. Under this basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred regardless of the timing of cash inflows and outflows. Capital assets, the related debt and other long-term liabilities related to activities of the Proprietary and Fiduciary fund types are recorded within these funds.

Operating revenues and expenses generally result from the proprietary funds’ principal operations, providing services and producing and delivering goods. Non-operating revenues and expenses are reported as capital and related financing activities, noncapital financing activities, or investing activities which normally would not be reported as components of operating income.

C. **Assets, Liabilities, and Equity**

1. **Cash and Investments**

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments are stated at cost, which approximates market value.

( I. ) (Continued)

2. **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include taxes, sales tax, and state aid.

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

3. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. **Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the City. Purchased assets are recorded as expenditures in the fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets (back to January 1, 1974) have been valued at estimated historical cost.

A capitalization threshold of \$10,000 is used to report capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<b><u>Class</u></b>	<b><u>Estimated Useful Life</u></b>
Buildings	40 Years
Water & Sewer System/Infrastructure	50 Years
Equipment	4-20 Years

5. **Unearned Revenue/Overpayments**

The City reports unearned revenues in its basic financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the City has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

( I. ) (Continued)

**6. Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The government may have three items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the City-wide Statement of Net Position. This represents the effect of the net change in the City's proportion of the collective net pension asset or liability and difference during the measurement period between the City's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Lastly is the City's contributions to the pension systems (ERS and PFRS Systems) subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City may have two items that qualify for reporting in this category. First arises only under a modified accrual basis of accounting and is reported as unavailable revenue-property taxes. The second item is related to pensions reported in the City-wide Statement of Net Position. This represents the effect of the net change in the City's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the City's contributions and its proportion share of total contributions to the pension systems not included in pension expense.

**7. Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities and long-term obligations are reported in the City-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the City's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

**a. Compensatory Absences**

City employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

( I. ) (Continued)

Compensated absences for governmental fund type employees are reported as a liability and expenditure in the government-wide financial statements are dependent on many factors; therefore, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

Compensated absences are accrued when incurred in the proprietary funds and are recognized when paid in the governmental funds.

**b. Postemployment Benefits**

In addition to providing pension benefits, the City provides certain health care benefits to retired employees. Retired employees with at least 15 years of service are allowed to participate in the City's group medical insurance plan until they reach the age of 65. Retired employees reaching age 65 may continue participation in the plan but must reimburse the City for the premium. The City recognizes the cost of providing these benefits by expensing the annual insurance premiums which totaled \$514,487 for 27 retirees and/or their surviving spouses for the year ended December 31, 2019.

**8. Encumbrances**

For financial reporting purposes encumbrances have been reclassified to assigned fund balance on the governmental funds for general fund and assigned or restricted fund balance in the capital fund. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, City-wide capital improvement project and nonmajor funds.

**9. Equity Classifications**

**a. Government-Wide and Proprietary Fund Statements**

Equity is classified as net position and displayed in three components:

1. **Net investment in capital assets** - consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Additionally, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
2. **Restricted net position** - consists of restricted assets (i.e. restrictions imposed by (1). external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enable legislation) reduced by liabilities and deferred inflows related to those assets.

( I. ) (Continued)

3. **Unrestricted net position** - consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

b. **Financial Statements –Fund Balance**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

2. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.
3. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
4. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
5. **Unassigned fund balance** – Amounts that are available for City purposes pursuant to any Municipal Law restrictions. Any positive amounts are reported only in the general fund.

c. The Board has passed the following policies that relate to GASB No. 54:

1. **Assigned fund balance** – The purchasing agent is responsible for all of the purchasing activities of the City and therefore, is designated as having the authority to assign amounts intended to be used for a specific purpose. (Encumbrances at year-end will now be considered assigned funds.)

The City Council has the authority to assign fund balance for the purpose of tax reduction on an annual basis. (Appropriation of fund balance for ensuing year's budget)

2. **Spending policy** – Resources will generally be spent from Budgetary Appropriations first. Utilization of reserve funds will be determined based on the legal appropriation of such funds which require either the City Board and/or City voter approval. Furthermore, assigned amounts will be considered expended when the transaction for which the assignment was made does occur.
3. **Order of fund balance** – The City's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

( I. ) (Continued)

For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Special revenue fund balances are classified as assigned, and any remaining fund balance amounts other than the General Fund are classified as restricted.

In the General Fund, assigned fund balance is determined before the remaining amounts which are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

It is possible for the funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance.

**D. Revenues, Expenditures/Expenses**

**1. Revenues**

*Real property taxes* are levied annually no later than December 15 and become a lien on May 1. Taxes are collected during the period May 1 to December 17. Taxes which remain unpaid after the collection period are enforced pursuant to the tax sale provisions in the City charter.

In addition to the liens for taxes levied for City purposes, the City assumes full enforcement responsibility for taxes levied by the County of Ontario and the Canandaigua City School District on properties within the City. The City pays to the County the full amount of the taxes to be collected on their behalf. Unpaid County and School District liens are added to liens for City taxes at the time of tax sales.

The City is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full assessed valuations for general governmental services other than the payment of debt service and capital expenditures. The City utilizes a full value system, assessing all properties at 100% of full market value. For the year ended December 31, 2019, the City had a legal margin of approximately \$12,613,425.

No allowance for uncollectible taxes is recorded since such amounts, if any, are considered to be immaterial in nature. Taxes not collected within 60 days of year-end are recorded as unearned revenues. These amounts will be recognized as revenue when they are received.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

**2. Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities.



( I. ) (Continued)

**F. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**G. New Accounting Standards**

The City has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2019, the City implemented the following new standards issued by GASB:

GASB has issued Statement 83, *Certain Asset Retirement Obligations*.

GASB has issued Statement 84, *Fiduciary Activities*.

GASB has issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*.

GASB has issued Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*.

**H. Future Changes in Accounting Standards**

GASB has issued Statement 87, *Leases*, which will be effective for the periods beginning after December 15, 2019.

GASB has issued Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning after December 15, 2019.

GASB has issued Statement 91 *Conduit Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2020.

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

**II. Restatement of Net Position**

For the year ended December 31, 2019, the City implemented GASB Statement No. 84, *Fiduciary Activities*. The City's net position has been restated as follows:

	<b>Government-Wide <u>Statements</u></b>	<b>Governmental <u>Funds</u></b>
Net position beginning of year, as previously stated	\$ 30,173,648	\$ 10,524,050
Adjustments for activities previously recorded in Agency Fund:		
Donations for community projects	<u>50,582</u>	<u>50,582</u>
Net position beginning of year, as restated	<u>\$ 30,224,230</u>	<u>\$ 10,574,632</u>

### **III. Changes in Accounting Principles**

For the year ended December 31, 2019, the City implemented GASB Statement No. 84, Fiduciary Activity. The implementation of the statement changes the reporting for certain activity previously reported in the Fiduciary Fund. The City is now required to report some or all of that activity in the Governmental funds. See Note II for the financial statement impact of implementation of the Statement.

### **IV. Stewardship, Compliance and Accountability:**

By its nature as a local government unit, the City is subject to various federal, state and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows:

#### **A. Budgetary Data**

Annual budgets are adopted for the general, tech, capital, and enterprise funds only. Formal annual budgets are not prepared for the City's remaining special revenue, debt service and capital projects funds.

##### **1. Budget Policies - The budget policies are as follows:**

- a.** No later than November 1, the budget officer submits a tentative budget to the City Council the following year commencing the following January 1. The tentative budget includes appropriations and the proposed means of financing them. The general fund's budget is prepared on a departmental basis in which expenditures may not legally exceed appropriations on a departmental level.
- b.** After public hearings are conducted to obtain taxpayer comments, no later than December 15, the City Council adopts the budget.
- c.** All modifications of the budget must be approved by the City Council.
- d.** Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects which remain in effect for the life of the project.

##### **2. Budget Basis of Accounting**

Budget(s) are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgetary comparison schedules are presented in the financial statements.

##### **3. Revenue Restrictions**

The City has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are those revenues raised for the special district special revenue funds.

( IV. ) (Continued)

**B. Deposit and Investment Laws and Regulations**

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

New York State Law governs the City's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit 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 Districts.

**V. Detail Notes on All Funds and Account Groups:**

**A. Cash and Cash Equivalents**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. While the City does not have a specific policy for custodial credit risk, New York State statutes govern the City's investment policies, as discussed previously in these notes.

The City's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		6,533,849
<b>Total</b>	<b>\$</b>	<b><u>6,533,849</u></b>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$3,556,033 within the governmental funds, and \$5,572,065 in the proprietary funds.

**B. Investment Pool**

The City participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year end are \$6,636,344, which consisted of \$495,735 in repurchase agreements, \$5,167,057 in U.S. Treasury Securities, and \$973,552 in collateralized bank deposits, with various interest rates and due dates.

( V. ) (Continued)

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Type of Investment</u>
General Fund	\$ 3,122,320	\$ 3,122,320	CLASS
Business-Type-Sewer Fund	2,502,492	2,502,492	CLASS
Business-Type-Water Fund	1,011,531	1,011,532	CLASS
<b>Total</b>	<b><u>\$ 6,636,343</u></b>	<b><u>\$ 6,636,344</u></b>	

C. Receivables

Receivables at December 31, 2019 for individual major and non-major funds consisted of the following, which are stated at net realizable value. City management has deemed the amounts to be fully collectible:

<u>Description</u>	<u>Government Funds</u>						<u>Business-Type Activities</u>		
	<u>General</u>	<u>Capital</u>	<u>Community Development</u>	<u>Watershed Program</u>	<u>Technology</u>	<u>Total</u>	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
<b>Receivables -</b>									
Taxes receivable	\$ 103,713	\$ -	\$ -	\$ -	\$ -	\$ 103,713	\$ -	\$ -	\$ -
Rents receivable	-	-	-	-	-	-	252,084	731,155	983,239
Accounts receivable	193,313	21,099	170,820	5,000	16,988	407,220	212,399	118,780	331,179
Allowance for uncollectables	(13,994)	-	-	-	-	(13,994)	(29,237)	-	(29,237)
<b>Total Receivables, net</b>	<b><u>\$ 283,032</u></b>	<b><u>\$ 21,099</u></b>	<b><u>\$ 170,820</u></b>	<b><u>\$ 5,000</u></b>	<b><u>\$ 16,988</u></b>	<b><u>\$ 496,939</u></b>	<b><u>\$ 435,246</u></b>	<b><u>\$ 849,935</u></b>	<b><u>\$1,285,181</u></b>
<b>State and Federal -</b>									
Due from state and federal	\$ 239,584	\$ -	\$ -	\$ -	\$ -	\$ 239,584	\$ -	\$ -	\$ -
<b>Other Governments -</b>									
Due from other governments	\$ 769,234	\$ -	\$ -	\$ -	\$ -	\$ 769,234	\$ 464,485	\$ -	\$ 464,485
<b>Total Receivables</b>	<b><u>\$1,291,850</u></b>	<b><u>\$ 21,099</u></b>	<b><u>\$ 170,820</u></b>	<b><u>\$ 5,000</u></b>	<b><u>\$ 16,988</u></b>	<b><u>\$1,505,757</u></b>	<b><u>\$ 899,731</u></b>	<b><u>\$ 849,935</u></b>	<b><u>\$1,749,666</u></b>

D. Tax Abatement

The County of Ontario IDA, and the City enter into various property tax and sales tax abatement programs for the purpose of Economic Development. As a result, the City property tax revenue was reduced \$244,330. The City received payment in lieu of tax (PILOT) payment totaling \$115,016 to help offset the property tax reduction.

( V. ) (Continued)

E. **Interfund Receivables, Payables, Revenues, and Expenditures**

Interfund revenues and expenditures at December 31, 2019 were as follows:

	<u>Interfund</u>	
	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 290,000	\$ 2,168,166
Business-Type - Water Fund	-	290,000
Capital Fund	808,901	118,000
Debt Service Fund	1,477,265	-
<b>Total</b>	<b><u>\$ 2,576,166</u></b>	<b><u>\$ 2,576,166</u></b>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The City typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain capital project expenditures and debt service expenditures.

F. **Changes In Capital Assets**

1. **Governmental Activities**

A summary of governmental changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/19</u>
<b><u>Governmental Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 4,446,402	\$ -	\$ -	\$ 4,446,402
Work in progress	4,586,577	3,395,430	5,025,804	2,956,203
<b>Total Nondepreciable</b>	<b><u>\$ 9,032,979</u></b>	<b><u>\$ 3,395,430</u></b>	<b><u>\$ 5,025,804</u></b>	<b><u>\$ 7,402,605</u></b>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 20,595,871	\$ 5,248,686	\$ -	\$ 25,844,557
Machinery and equipment	8,726,138	570,075	415,679	8,880,534
Infrastructure	58,514,633	53,773	-	58,568,406
<b>Total Depreciated Assets</b>	<b><u>\$ 87,836,642</u></b>	<b><u>\$ 5,872,534</u></b>	<b><u>\$ 415,679</u></b>	<b><u>\$ 93,293,497</u></b>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 11,350,051	\$ 621,815	\$ -	\$ 11,971,866
Machinery and equipment	5,049,768	616,425	384,010	5,282,183
Infrastructure	40,301,327	1,264,737	-	41,566,064
<b>Total Accumulated Depreciation</b>	<b><u>\$ 56,701,146</u></b>	<b><u>\$ 2,502,977</u></b>	<b><u>\$ 384,010</u></b>	<b><u>\$ 58,820,113</u></b>
<b>Total Capital Assets Depreciated, Net of Accumulated Depreciation</b>	<b><u>\$ 31,135,496</u></b>	<b><u>\$ 3,369,557</u></b>	<b><u>\$ 31,669</u></b>	<b><u>\$ 34,473,384</u></b>
<b>Total Capital Assets</b>	<b><u>\$ 40,168,475</u></b>	<b><u>\$ 6,764,987</u></b>	<b><u>\$ 5,057,473</u></b>	<b><u>\$ 41,875,989</u></b>

( V. ) (Continued)

Depreciation expense for the period was charged to functions/programs as follows:

<b><u>Governmental Activities:</u></b>	
General Government	\$ 240,540
Public Safety	360,577
Transportation	1,590,020
Economic Opportunity	10,978
Culture and Recreation	212,158
Home and Community Services	88,704
<b>Total Depreciation Expense</b>	<b><u><u>\$ 2,502,977</u></u></b>

2. **Business-Type Activities**

A summary of business-type activity changes in capital assets follows:

<b><u>Type</u></b>	<b><u>Balance</u></b> <b><u>1/1/19</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance</u></b> <b><u>12/31/19</u></b>
<b><u>Business-Type Activities:</u></b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 164,072	\$ -	\$ -	\$ 164,072
Work in progress	490,339	1,544,160	623,188	1,411,311
<b>Total Nondepreciable</b>	<b><u>\$ 654,411</u></b>	<b><u>\$ 1,544,160</u></b>	<b><u>\$ 623,188</u></b>	<b><u>\$ 1,575,383</u></b>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 35,960,847	\$ 236,820	\$ -	\$ 36,197,667
Machinery and equipment	4,927,428	318,350	-	5,245,778
Infrastructure	21,517,993	331,028	-	21,849,021
<b>Total Depreciated Assets</b>	<b><u>\$ 62,406,268</u></b>	<b><u>\$ 886,198</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 63,292,466</u></b>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 22,953,363	\$ 997,569	\$ -	\$ 23,950,932
Machinery and equipment	2,986,717	247,946	-	3,234,663
Infrastructure	17,020,352	208,677	-	17,229,029
<b>Total Accumulated Depreciation</b>	<b><u>\$ 42,960,432</u></b>	<b><u>\$ 1,454,192</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 44,414,624</u></b>
<b>Total Capital Assets Depreciated, Net of Accumulated Depreciation</b>	<b><u>\$ 19,445,836</u></b>	<b><u>\$ (567,994)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 18,877,842</u></b>
<b>Total Capital Assets</b>	<b><u><u>\$ 20,100,247</u></u></b>	<b><u><u>\$ 976,166</u></u></b>	<b><u><u>\$ 623,188</u></u></b>	<b><u><u>\$ 20,453,225</u></u></b>

Depreciation expense totaling \$1,454,192 was charged to home and community services.

G. **Long-Term Debt**

At December 31, 2019 the total outstanding obligations of the City aggregated \$35,122,569 as follows:

( V. ) (Continued)

1. **Serial Bonds**

The City, borrows money in order to acquire land, high cost equipment, to construct buildings and improvements, and for infrastructure development and maintenance. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are supported by the full faith and credit debt of the City. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

2. **Interest Reconciliation**

A summary of the long-term interest expense as of December 31, 2019 is as follows:

<b><u>Governmental Activities:</u></b>	
Interest Paid	\$ 295,492
Less: Interest Accrued in the Prior Year	(11,868)
Plus: Interest Accrued in the Current Year	14,761
<b>Total Long-Term Interest Expense - Governmental Activities</b>	<b>\$ 298,385</b>
<b><u>Business-Type Activities:</u></b>	
Interest Paid	\$ 275,553
<b>Total Long-Term Interest Expense - Business-Type Activities</b>	<b>\$ 275,553</b>

3. **Other Long-Term Obligations**

In addition to long-term bonded debt the City had the following other obligations:

Compensated Absences - represents the value of earned and unused vacation leave and compensatory time.

OPEB Liability- represents health insurance benefits provided to employees upon retirement.

Net Pension Liability – represents long-term pension liability.

4. **Summary of Debt**

The following is a summary of obligations outstanding at December 31, 2019:

( V. ) (Continued)

	<b>Balance 1/1/19</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 12/31/19</b>	<b>Due Within One Year</b>
<b><u>Governmental Activities:</u></b>					
Serial Bonds	\$ 10,549,950	\$ 1,430,000	\$ 1,084,600	\$ 10,895,350	\$ 1,137,750
Net Pension Liability	1,027,787	831,610	-	1,859,397	-
Compensated Absences	667,498	2,046	-	669,544	167,386
OPEB	8,799,972	410,185	-	9,210,157	-
<b>Total Governmental Activities</b>	<b>\$ 21,045,207</b>	<b>\$ 2,673,841</b>	<b>\$ 1,084,600</b>	<b>\$ 22,634,448</b>	<b>\$ 1,305,136</b>
<b><u>Business-Type Activities:</u></b>					
Serial Bonds	\$ 10,300,050	\$ 1,430,000	\$ 905,400	\$ 10,824,650	\$ 957,250
Net Pension Liability	130,734	168,568	-	299,302	-
Compensated Absences	172,888	-	43,210	129,678	32,420
OPEB	1,301,704	-	67,213	1,234,491	-
<b>Total Business-Type Activities</b>	<b>\$ 11,905,376</b>	<b>\$ 1,598,568</b>	<b>\$ 1,015,823</b>	<b>\$ 12,488,121</b>	<b>\$ 989,670</b>
<b>Total Long-Term Obligations</b>	<b>\$ 32,950,583</b>	<b>\$ 4,272,409</b>	<b>\$ 2,100,423</b>	<b>\$ 35,122,569</b>	<b>\$ 2,294,806</b>

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately.

5. **Debt Maturity Schedule**

The following is a statement of bonds with corresponding maturity schedules:

<b>Description</b>	<b>Original Amount</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate</b>	<b>Amount Outstanding 12/31/19</b>
<b><u>Governmental Activities:</u></b>					
<b><u>General Fund -</u></b>					
Serial Bonds	\$ 8,130,500	2012	2026	1.250%-2.125%	\$ 440,000
Serial Bonds	\$ 1,613,000	2015	2025	2.00%-2.25%	1,005,000
Serial Bonds	\$ 1,988,950	2015	2027	3.01%	1,135,350
Serial Bonds	\$ 7,320,000	2018	2033	3.00%-3.50%	6,885,000
Serial Bonds	\$ 1,430,000	2019	2034	1.75%-2.00%	1,430,000
<b><u>Business-Type Activities:</u></b>					
<b><u>Water Fund -</u></b>					
Serial Bonds	\$ 2,800,000	2009	2028	3.50%-4.50%	1,350,000
Serial Bonds	\$ 335,000	2012	2031	1.25%-2.50%	230,000
Serial Bonds	\$ 666,500	2015	2025	2.00%-2.25%	420,000
Serial Bonds	\$ 2,371,800	2015	2046	3.01%	2,067,400
Serial Bonds	\$ 715,000	2019	2034	1.75%-2.00%	715,000
<b><u>Sewer Fund -</u></b>					
NYS EFC Bonds	\$ 1,105,000	2013	2023	0.721%-4.500%	355,000
Serial Bonds	\$ 8,130,500	2012	2031	1.25%-2.50%	4,225,000
Serial Bonds	\$ 620,500	2015	2025	2.00%-2.25%	390,000
Serial Bonds	\$ 554,250	2015	2027	3.01%	357,250
Serial Bonds	\$ 715,000	2019	2034	1.75%-2.00%	715,000
<b>Total</b>					<b>\$ 21,720,000</b>

( V. ) (Continued)

6. The following table summarizes the City's future debt service requirements as of December 31, 2019:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,137,750	\$ 300,101	\$ 957,250	\$ 283,225
2021	1,163,600	273,315	961,400	262,340
2022	849,000	245,768	991,000	240,851
2023	870,000	224,038	865,000	220,431
2024	890,000	199,738	860,000	197,331
2025-29	3,545,000	653,605	3,605,000	664,290
2030-34	2,440,000	195,141	1,715,000	265,463
3035-39	-	-	375,000	139,969
3040-44	-	-	355,000	70,200
2045-46	-	-	140,000	8,400
<b>Total</b>	<b>\$ 10,895,350</b>	<b>\$ 2,091,706</b>	<b>\$ 10,824,650</b>	<b>\$ 2,352,500</b>

7. In prior years, the City defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. \$3,520,000 of bonds outstanding are considered defeased.

8. **Deferred Outflow and Inflow of Resources**

The City has the following deferred outflow and Inflow of resources:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 1,914,633	\$ 723,378	\$ 316,239	\$ 99,247
OPEB	962,901	760,726	97,833	165,463
<b>Total</b>	<b>\$ 2,877,534</b>	<b>\$ 1,484,104</b>	<b>\$ 414,072</b>	<b>\$ 264,710</b>

H. **Fund Balances/Net Position**

1. **Fund Balances**

a. **Nonspendable**

The City has the following nonspendable funds:

**Nonspendable Prepaid Items** - The City has prepaid various items and the cash is no longer available therefore those funds are nonspendable.

b. **Restricted**

Currently, New York State laws still use the terminology reserves. The City currently utilizes the following reserves which are classified as restricted funds:

1. **Governmental Funds**

- a. **Insurance Reserve** – Established to provide for deductibles and uninsured claims. The balance at December 31, 2019 is \$35,351.
- b. **Capital Reserve** – Established to be used for the construction, reconstruction or acquisition of general types of the capital improvements or the acquisition of general types of items or types of equipment. The balance at December 31, 2019 is \$2,388,714.
- c. **General Reserve** – Represents amounts held in reserve by contributors for a specific purpose. The balance at December 31, 2019 is \$13,369.
- d. **Debt Service Fund – Reserve For Debt** - In accordance with General Municipal Law, Section 6-1, the City has established a reserve to provide funding for the outstanding balance due on serial bonds and bond anticipation notes which were issued for various building and reconstruction projects. This reserve is recorded in the Debt Service Fund and may be reduced each year until the serial bonds and bond anticipation notes are paid in full. The balance at December 31, 2019 is \$117,728.
- e. **Special Districts** - City special districts fund balance is considered restricted as the revenues are raised by a specific taxing jurisdiction and can only be expended for that purpose. The City has the community development fund, the technology fund, the parks & open spaces fund, and the watershed program fund as special districts.

2. **Enterprise Funds**

- a. **Reserve for Water Distribution System** - Established for maintenance and future construction of the water distribution system.
- b. **Reserve for Water Treatment Plant** – Established for maintenance and future improvements to the water treatment plant that provides drinking water to the City of Canandaigua and the surrounding water districts.
- c. **Reserve for Waste Water Treatment Plant** – Established for the operation and maintenance of the sewage treatment plant that serves the City of Canandaigua and Ontario County/Canandaigua Lake Sewer District.
- d. **Reserve for Sewer Collection** – Established for the operation and maintenance of all sanitary sewer lines.

c. **Assigned**

The City has the following assigned funds:

- General Fund –
  - 1. Appropriated for Taxes
  - 2. Encumbrances
  - 3. Kershaw Park Reserve
- Technology Fund –
  - 1. Year End Equity

( V. ) (Continued)

Encumbrances represent purchase commitments made by the City’s purchasing agent through their authorization of a purchase order prior to year end. The City assignment is based on the functional level of expenditures.

Management has determined that amounts in excess of \$24,000 are considered significant, the City does not have any significant encumbrances.

**d. Unassigned**

Unassigned funds include the residual classification for the City’s general fund and all spendable amounts not contained in other classifications.

The following table summarizes the City’s fund balance according to the descriptions above:

<b>FUND BALANCE:</b>	<b>General Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Special District Funds</b>	<b>Total</b>
<u>Nonspendable -</u>					
Inventory	\$ 12,908	\$ -	\$ -	\$ -	\$ 12,908
Prepaid items	381,011	-	-	3,968	384,979
<b>Total Nonspendable</b>	<b>\$ 393,919</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,968</b>	<b>\$ 397,887</b>
<u>Restricted -</u>					
Capital reserves	\$2,388,714	\$ -	\$ -	\$ -	\$2,388,714
Insurance reserve	35,351	-	-	-	35,351
Debt reserve	-	-	117,728	-	117,728
Capital improvements	-	531,248	-	-	531,248
General reserve	13,369	-	-	-	13,369
Special districts -					
Community development fund	-	-	-	306,525	306,525
Cemetery fund	-	-	-	32,817	32,817
Parks & open spaces fund	-	-	-	42,249	42,249
Refuse fund	-	-	-	47,916	47,916
Canadaigua lake watershed council	-	-	-	80,337	80,337
<b>Total Restricted</b>	<b>\$2,437,434</b>	<b>\$ 531,248</b>	<b>\$ 117,728</b>	<b>\$ 509,844</b>	<b>\$3,596,254</b>
<u>Assigned -</u>					
Appropriated for taxes	\$ 667,402	\$ -	\$ -	\$ -	\$ 667,402
Kershaw park reserve	55,297	-	-	-	55,297
General government support	13,640	-	-	-	13,640
Public safety	13,767	-	-	-	13,767
Transportation	1,315	-	-	-	1,315
Technology fund	-	-	-	269,013	269,013
<b>Total Assigned</b>	<b>\$ 751,421</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 269,013</b>	<b>\$1,020,434</b>
<b>Unassigned</b>	<b>\$4,045,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$4,045,219</b>
<b>TOTAL FUND BALANCE</b>	<b>\$7,627,993</b>	<b>\$ 531,248</b>	<b>\$ 117,728</b>	<b>\$ 782,825</b>	<b>\$9,059,794</b>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which assigned or unassigned fund balances are available, the City considers amounts to have been spent first out of assigned funds and then unassigned funds, as needed, unless the City has provided otherwise in its commitment actions.

( V. ) ( Continued )

2. **Net Position - Restricted for Other Purposes**

Represents those amounts which have been restricted by enabling legislation or Board Resolutions.

Debt	\$	117,728
Watershed		80,337
Parks & Open Spaces		42,249
Refuse Fund		47,916
Cemetery		32,817
Community Development		306,525
Capital Improvements		531,248
Capital Reserves		2,388,714
Insurance Reserve		35,351
Other		13,369
<b>Total Net Position - Restricted for Other Purposes</b>	<b>\$</b>	<b><u>3,596,254</u></b>

VI. **General Information and Pension Plans:**

A. **General Information About Pension Plan**

1. **Plan Description**

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

2. **Benefits Provided**

The Systems provide retirement benefits as well as death and disability benefits.

**( VI. ) (Continued)**

*Tier 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 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 the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

*Tier 3, 4, 5*

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, 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 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.

*Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age of Tier 6 is 63 and ERS members and 62 for PFRS members.

**( VI. ) (Continued)**

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 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

*Special Plans*

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

*Ordinary Disability Benefits*

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

*Accidental Disability Benefits*

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members 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 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.

( VI. ) (Continued)

3. Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 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. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 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' financial 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:

<u>Prepayment</u>				
<u>Due Date</u>		<u>ERS</u>		<u>PFRS</u>
12/15/2019	\$	551,083	\$	668,173
12/15/2018	\$	548,116	\$	620,349
12/15/2017	\$	556,844	\$	640,643

The City's contributions made to the System were equal to 100 percent of the contributions required for each year.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2019, the City reported a liability of \$2,158,698 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2019, the City's proportion was 0.0125312 percent for ERS and 0.0757769 percent for PFRS.

For the year ended December 31, 2019 the City recognized pension expense of \$1,441,085. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>		<u>Deferred Inflows</u>	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expensed and actual experience	\$ 174,840	\$ 308,719	\$ 59,601	\$ 135,682
Changes of assumptions	223,175	461,725	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	227,877	254,516
Changes in proportion and differences between the District's contributions and proportionate share of contributions	126,790	21,182	6,937	138,012
Subtotal	\$ 524,805	\$ 791,626	\$ 294,415	\$ 528,210
Town's contributions subsequent to the measurement date	413,312	501,130	-	-
<b>Grand Total</b>	<b>\$ 938,117</b>	<b>\$ 1,292,756</b>	<b>\$ 294,415</b>	<b>\$ 528,210</b>

( VI. ) (Continued)

	Deferred Outflows of Resources						
	Governmental		Total	Proprietary		Total	Grand
	<u>PFRS</u>	<u>ERS</u>	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Proprietary</u>	<u>Total</u>
Differences between expected and actual experience	\$ 308,719	\$ 115,900	\$ 424,619	\$ 34,111	\$ 24,828	\$ 58,939	\$ 483,558
Changes of assumptions	461,725	147,943	609,668	43,541	31,691	75,232	684,900
Changes in proportion and differences between the City's contributions and proportionate share of contributions	21,182	84,049	105,231	24,737	18,004	42,741	147,972
<b>SubTotal</b>	<b>\$ 791,626</b>	<b>\$ 347,892</b>	<b>\$1,139,518</b>	<b>\$102,389</b>	<b>\$ 74,523</b>	<b>\$176,912</b>	<b>\$1,316,430</b>
City's contributions subsequent to the measurement date	501,130	273,985	775,115	80,637	58,690	139,327	914,442
<b>Grand Total</b>	<b><u>\$1,292,756</u></b>	<b><u>\$ 621,877</u></b>	<b><u>\$1,914,633</u></b>	<b><u>\$183,026</u></b>	<b><u>\$133,213</u></b>	<b><u>\$316,239</u></b>	<b><u>\$2,230,872</u></b>

	Deferred Inflows of Resources						
	Governmental		Total	Proprietary		Total	Grand
	<u>PFRS</u>	<u>ERS</u>	<u>Governmental</u>	<u>Water</u>	<u>Sewer</u>	<u>Proprietary</u>	<u>Total</u>
Differences between expected and actual experience	\$ 135,682	\$ 39,510	\$ 175,192	\$ 11,628	\$ 8,463	\$ 20,091	\$ 195,283
Net difference between projected and actual earnings on pension plan investments	254,516	151,059	405,575	44,459	32,359	76,818	482,393
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	138,012	4,599	142,611	1,353	985	2,338	144,949
<b>Grand Total</b>	<b><u>\$ 528,210</u></b>	<b><u>\$ 195,168</u></b>	<b><u>\$ 723,378</u></b>	<b><u>\$ 57,440</u></b>	<b><u>\$ 41,807</u></b>	<b><u>\$ 99,247</u></b>	<b><u>\$ 822,625</u></b>

( VI. ) (Continued)

The City reported \$914,442 as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2020	\$ 234,968	\$ 210,902
2021	(139,863)	(86,954)
2022	5,667	(22,821)
2023	129,618	135,872
2024	-	26,417
<b>Total</b>	<b>\$ 230,390</b>	<b>\$ 263,416</b>

1. Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2019	April 1, 2018
Interest rate	7.00%	7.00%
Salary scale	4.20%	5.00%
Decrement tables	April 1 2010 - 31-Mar-15 System's Experience	April 1 2010 - 31-Mar-15 System's Experience
Inflation rate	2.50%	2.50%
COLA's	1.30%	1.30%

Annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System's experience with adjustments for mortality improvements based on MP-2019.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

( VI. ) (Continued)

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.55%
International equity	6.35%
Global equity	0.00%
Private equity	7.50%
Real estate	5.55%
Absolute return strategies *	3.75%
Opportunistic portfolios	5.68%
Real assets	5.29%
Bonds and mortgages	1.31%
Cash	-0.25%
Inflation-indexed bonds	1.25%
Private debt	0.00%
Real estate debt	0.00%
High-yield fixed income securities	0.00%
Domestic fixed income securities	0.00%
Global fixed income securities	0.00%
Short-term	0.00%

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

\* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and internal equity.

**2. Discount Rate**

The discount rate used to calculate the total pension liability was 7%. 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 Systems' 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.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the City's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (6%) or 1-percentagepoint higher (8%) than the current rate:

( VI. ) (Continued)

<u>ERS</u>	<u>1% Decrease (6%)</u>	<u>Current Assumption (7%)</u>	<u>1% Increase (8%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (3,881,915)	\$ (887,871)	\$ 1,627,338

<u>PFRS</u>	<u>1% Decrease (6%)</u>	<u>Current Assumption (7%)</u>	<u>1% Increase (8%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (4,592,578)	\$ (1,270,827)	\$ 1,503,221

4. **Pension Plan Fiduciary Net Position**

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

**(In Thousands)**

	<u>ERS</u>	<u>PFRS</u>
Employers' total pension liability	\$ 189,803,429	\$ 34,128,100
Plan net position	182,718,124	32,451,037
Employers' net pension asset/(liability)	<u>\$ (7,085,305)</u>	<u>\$ (1,677,063)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	96.27%	95.09%

VII. **Postemployment Benefits**

A. **General Information About the OPEB Plan**

*Plan Description* – The City’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the City. The plan is a single-employer defined benefit OPEB plan administered by the City. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the City Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

*Benefits Provided* – The City provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the City offices and are available upon request.

( VII. ) (Continued)

*Employees Covered by Benefit Terms* – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	44
Active Employees	94
<b>Total</b>	<b>138</b>

**B. Total OPEB Liability**

The City's total OPEB liability of \$10,444,648 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.36 percent
Salary Increases	3.22 percent, average, including inflation
Discount Rate	2.75 percent
Healthcare Cost Trend Rates	5.20 percent for 2019, decreasing to an ultimate rate of 4.18 percent for 2075 and later years
Retirees' Share of Benefit-Related Costs	Various percent of projected health insurance premiums for retirees

The discount rate was based on Fidelity General Obligation AA-20 Year Municipal Bond rate.

Mortality rates were based on the RP-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale MP-2014.

**C. Changes in the Total OPEB Liability**

Balance at December 31, 2018	\$ 10,101,676
<u>Changes for the Year -</u>	
Service cost	\$ 278,425
Interest	377,853
Changes of benefit terms	(25,931)
Differences between expected and actual experience	(962,561)
Changes in assumptions or other inputs	1,189,673
Benefit payments	(514,487)
Net Changes	\$ 342,972
<b>Balance at December 31, 2019</b>	<b>\$ 10,444,648</b>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 percent in 2017 to 3.83 percent in 2019.

( VII. ) (Continued)

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75 percent) or 1-percentage-point higher (3.75 percent) than the current discount rate:

	<b>1% Decrease (1.75%)</b>	<b>Discount Rate (2.75%)</b>	<b>1% Increase (3.75%)</b>
Total OPEB Liability	\$ 11,322,811	\$ 10,444,648	\$ 9,649,782

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.18 percent) or 1-percentage-point higher (5.18 percent) than the current healthcare cost trend rate:

	<b>1% Decrease (4.20% Decreasing to 3.18%)</b>	<b>Healthcare Cost Trend Rates (5.20% Decreasing to 4.18%)</b>	<b>1% Increase (6.20% Increasing to 5.18%)</b>
Total OPEB Liability	\$ 9,365,928	\$ 10,444,648	\$ 11,695,509

**D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2019, the City recognized OPEB expense of \$594,354. At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expended and actual experience	\$ -	\$ 622,525
Changes of assumptions	848,499	138,201
City's contributions subsequent to the measurement date	114,402	-
<b>Total</b>	<b>\$ 962,901</b>	<b>\$ 760,726</b>

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

<b>Year</b>	
2020	\$ 5,950
2021	5,950
2022	29,862
2023	46,011
<b>Total</b>	<b>\$ 87,773</b>

## **VIII. Deferred Compensation Plan:**

The City maintains a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code for which City employees have the option to participate.

## **IX. Risk Management**

### **A. General Information**

The City is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

### **B. Insurance Reserve**

The City is exposed to various risks of loss related to torts; theft or damage to, or destruction of assets; and natural disasters. Under the City's self insurance plan, self-insurance coverage is provided for deductibles and for uninsured claims. The City purchases commercial insurance for claims in excess of the self-insurance coverage and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past four years.

There were no estimated accrued claims for the years ended December 31, 2019 and 2018 as defined by GASB Statement #10, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. However, as referred to in Note III (2b.), the City has established and maintains an insurance reserve having a balance of \$35,351 at December 31, 2019.

### **C. Workers' Compensation**

The City of Canandaigua, Ontario County, New York is a member of the Ontario County Workers' Compensation Self-Insurance Plan (the Plan). Current membership of the Plan includes various municipal entities. The Plan is administered by Ontario County and utilizes a third party administrator who is responsible for processing claims, estimating liabilities and providing actuarial services.

The Plan states that participants are charged an annual assessment on the basis of their five year experience (60%), exposure (20%), and assessed value (20%). The County does not have excess insurance coverage above the funding provided by this self-insurance program.

The Plan establishes a liability for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. However, because actual claims costs depend on complex factors, the process used in computing claims liabilities does not necessarily result in an exact amount. Such claims are based on the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and claims that have been incurred but not reported. Adjustments to claims liabilities are charged or credited to expense in the period in which they are made. During the year ended December 31, 2019, the City of Canandaigua, Ontario County, New York incurred premiums or contribution expenditures totaling \$224,174 which were collected through the County's tax levy.

**X. Commitments and Contingencies**

**A. Litigation**

The City has several claims and notice of claims filed against it as of the date of this report which management believes will be covered under the City's insurance policy or will not be material to the financial statements. In addition, there are pending tax certiorari claims requesting reduction of assessments in which the financial impact cannot be determined at this time.

**B. Grants**

The City participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**XI. Lease Agreements**

**A. System Site Lease Agreement**

On May 8, 2015 the City entered into a system site lease agreement to lease approximately ten (10) acres of land for solar panel use. The City will receive a one-time payment of \$1 for the lease of this property over the twenty-five year term of this agreement. The commercial operation date of the solar panels was January 1, 2019.

**B. Power Purchase Agreement**

On May 8, 2015 the City (purchaser) entered into a power purchase agreement with a third party (seller) to purchase energy generated by the solar system located on the ten (10) acres in the system site lease agreement noted above. The City pays an annual fixed rate that increases each year from .092/kwh in year 1 to .14798/kwh in year 25. Any energy generated that exceeds the City's needs will be sold to a utility in accordance with the net metering rules or enter into other arrangements to deliver or exchange excess energy to another buyer. Any excess energy sold to a utility will offset cost to the City and then be maintained as a credit to offset future utility cost of the City. The commercial operation date of the solar panels was January 1, 2019. As of December 31, 2019 the City had a solar credit balance totaling \$15,156.

**XII. Rental of Real Property**

The City has entered into agreements to lease City property for the following:

**A. Cellular Towers**

The total rental income received for the year ended December 31, 2019 totaled \$141,300 which is reported in the Technology Fund.

**B. Muar House**

The total rental income received for the year ended December 31, 2019 totaled \$13,200 which is reported in the General Fund.

**( XII. ) (Continued)**

**C. West Lake Road**

The total rental income received for the year ended December 31, 2019 totaled \$9,600 which is reported in the Water Fund.

**D. Solar Farm**

The total rental income received for the year ended December 31, 2019 totaled \$31,625 which is reported in the General Fund.

**XIII. Subsequent Event**

On January 30,2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for fiscal year 2020.

**Required Supplemental Information**  
**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Schedule of Changes in Town's Total OPEB Liability and Related Ratio**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

<b>TOTAL OPEB LIABILITY</b>		
	<u><b>2019</b></u>	<u><b>2018</b></u>
Service cost	\$ 278,425	\$ 296,837
Interest	377,853	351,215
Changes in benefit terms	(25,931)	-
Differences between expected and actual experiences	(962,561)	(14,335)
Changes of assumptions or other inputs	1,189,673	(269,936)
Benefit payments	(514,487)	(496,416)
<b>Net Change in Total OPEB Liability</b>	<b>\$ 342,972</b>	<b>\$ (132,635)</b>
 <b>Total OPEB Liability - Beginning</b>	 <b>\$ 10,101,676</b>	 <b>\$ 10,234,311</b>
 <b>Total OPEB Liability - Ending</b>	 <b>\$ 10,444,648</b>	 <b>\$ 10,101,676</b>
 Covered Employee Payroll	 \$ 5,845,368	 \$ 5,845,368
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 178.68%	 172.82%

10 years of historical information is not available and will be reported each year going forward

**Required Supplemental Information**  
**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

**NYSERS Pension Plan**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0125312%	0.0126691%	0.0125921%	0.0120560%	0.0122275%
Proportionate share of the net pension liability (assets)	\$ 887,871	\$ 408,888	\$ 1,183,184	\$ 1,935,021	\$ 413,076
Covered-employee payroll	\$ 3,857,951	\$ 3,773,084	\$ 3,760,142	\$ 3,577,704	\$ 3,650,025
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	23.014%	10.837%	31.466%	54.086%	11.317%
Plan fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.70%	90.70%	97.90%

**NYSPPRS Pension Plan**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0757769%	0.0741655%	0.0770643%	0.0915745%	0.0740655%
Proportionate share of the net pension liability (assets)	\$ 1,270,827	\$ 749,633	\$ 1,597,275	\$ 2,711,325	\$ 203,872
Covered-employee payroll	\$ 2,965,135	\$ 2,756,805	\$ 2,782,060	\$ 2,690,048	\$ 2,756,062
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	42.859%	27.192%	57.413%	100.791%	7.397%
Plan fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	93.50%	90.20%	99.00%

10 years of historical information is not available and will be reported each year going forward

**Required Supplemental Information**  
**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Schedule of Town Contributions**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

**NYSERS Pension Plan**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 548,116	\$ 556,844	\$ 538,374	\$ 607,902	\$ 693,834
Contributions in relation to the contractually required contribution	<u>(548,116)</u>	<u>(556,844)</u>	<u>(538,374)</u>	<u>(607,902)</u>	<u>(693,834)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 3,857,951	\$ 3,773,084	\$ 3,760,142	\$ 3,577,704	\$ 3,650,025
Contributions as a percentage of covered-employee payroll	14.21%	14.76%	14.32%	16.99%	19.01%

**NYSPFRS Pension Plan**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 620,349	\$ 640,643	\$ 609,334	\$ 617,316	\$ 619,951
Contributions in relation to the contractually required contribution	<u>(620,349)</u>	<u>(640,643)</u>	<u>(609,334)</u>	<u>(617,316)</u>	<u>(619,951)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 2,965,135	\$ 2,756,805	\$ 2,782,060	\$ 2,690,048	\$ 2,756,062
Contributions as a percentage of covered-employee payroll	20.92%	23.24%	21.90%	22.95%	22.49%

10 years of historical information is not available and will be reported each year going forward

**Required Supplemental Information**  
**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types**  
**(Unaudited)**  
**For the Year Ended December 31, 2019**

	<b>GENERAL FUND</b>				
	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Encumbrances</b>	<b>Variance</b>
<b>Revenues:</b>					
Real property and tax items	\$ 5,478,516	\$ 5,478,516	\$ 5,464,397	\$ -	\$ (14,119)
Non-property taxes	4,867,956	4,867,956	5,060,977	-	193,021
Departmental income	922,894	925,394	764,947	-	(160,447)
Intergovernmental charges	673,903	695,139	681,800	-	(13,339)
Use of money and property	146,540	146,540	213,719	-	67,179
Licenses and permits	150,300	255,176	299,858	-	44,682
Fines and forfeitures	192,200	192,200	207,162	-	14,962
Sale of property and compensation for loss	20,000	58,785	179,053	-	120,268
Miscellaneous	8,181	12,606	18,538	-	5,932
Interfund revenues	369,557	369,557	369,557	-	-
State and county aid	1,501,422	1,609,235	1,706,774	-	97,539
<b>Total Revenues</b>	<b>\$ 14,331,469</b>	<b>\$ 14,611,104</b>	<b>\$ 14,966,782</b>	<b>\$ -</b>	<b>\$ 355,678</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government support	\$ 1,892,962	\$ 1,951,693	\$ 1,816,773	\$ 13,640	\$ 121,280
Public safety	4,245,018	4,386,496	4,136,287	13,767	236,442
Transportation	1,242,136	1,302,379	1,277,930	1,315	23,134
Economic assistance and development	199,016	201,516	201,516	-	-
Culture and recreation	935,659	906,995	813,706	-	93,289
Home and community services	1,048,572	1,018,094	958,125	-	59,969
Employee benefits	3,676,453	3,635,422	3,458,260	-	177,162
<b>Total Expenditures</b>	<b>\$ 13,239,816</b>	<b>\$ 13,402,595</b>	<b>\$ 12,662,597</b>	<b>\$ 28,722</b>	<b>\$ 711,276</b>
Excess (deficiency) of revenue over expenditures	<b>\$ 1,091,653</b>	<b>\$ 1,208,509</b>	<b>\$ 2,304,185</b>	<b>\$ (28,722)</b>	<b>\$ 1,066,954</b>
<b>Other Financing Sources and Uses:</b>					
Transfers - in	\$ 290,000	\$ 290,000	\$ 290,000	\$ -	\$ -
Transfers - out	(2,827,434)	(3,143,345)	(2,168,166)	-	975,179
<b>Total Other Financing Sources and Uses</b>	<b>\$ (2,537,434)</b>	<b>\$ (2,853,345)</b>	<b>\$ (1,878,166)</b>	<b>\$ -</b>	<b>\$ 975,179</b>
Net change in fund balances	\$ (1,445,781)	\$ (1,644,836)	\$ 426,019	\$ (28,722)	\$ 2,042,133
<b>Fund Balance - Beginning</b>	<b>7,201,974</b>	<b>7,201,974</b>	<b>7,201,974</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 5,756,193</b>	<b>\$ 5,557,138</b>	<b>\$ 7,627,993</b>	<b>\$ (28,722)</b>	<b>\$ 2,042,133</b>

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**December 31, 2019**

	<b>Debt Service Fund</b>	<b>Watershed Program Fund</b>	<b>Technology Fund</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 118,024	\$ 85,074	\$ 280,904
Receivables, net	-	5,000	16,988
Prepaid items	-	3,968	-
<b>Total Assets</b>	<u><u>\$ 118,024</u></u>	<u><u>\$ 94,042</u></u>	<u><u>\$ 297,892</u></u>
 <b>Liabilities, Deferred Inflows, and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable and other current liabilities	\$ 296	\$ 6,996	\$ 28,879
Accrued liabilities	-	2,741	-
<b>Total Liabilities</b>	<u><u>\$ 296</u></u>	<u><u>\$ 9,737</u></u>	<u><u>\$ 28,879</u></u>
<b>Deferred Inflows:</b>			
Deferred Inflows of Resources	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<b>Fund Balances:</b>			
Nonspendable	\$ -	\$ 3,968	\$ -
Restricted	117,728	80,337	-
Assigned	-	-	269,013
<b>Total Fund Balances</b>	<u><u>\$ 117,728</u></u>	<u><u>\$ 84,305</u></u>	<u><u>\$ 269,013</u></u>
 <b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u><u>\$ 118,024</u></u>	<u><u>\$ 94,042</u></u>	<u><u>\$ 297,892</u></u>

(See Independent Auditors' Report)

<b>Park &amp; Open Spaces Fund</b>	<b>Refuse Fund</b>	<b>Cemetery Fund</b>	<b>Community Development Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 42,249	\$ 56,860	\$ 32,817	\$ 310,880	\$ 926,808
-	-	-	170,820	192,808
-	-	-	-	3,968
<u>\$ 42,249</u>	<u>\$ 56,860</u>	<u>\$ 32,817</u>	<u>\$ 481,700</u>	<u>\$ 1,123,584</u>
\$ -	\$ 8,944	\$ -	\$ 1,630	\$ 46,745
-	-	-	2,725	5,466
<u>\$ -</u>	<u>\$ 8,944</u>	<u>\$ -</u>	<u>\$ 4,355</u>	<u>\$ 52,211</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,820</u>	<u>\$ 170,820</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,968
42,249	47,916	32,817	306,525	627,572
-	-	-	-	269,013
<u>\$ 42,249</u>	<u>\$ 47,916</u>	<u>\$ 32,817</u>	<u>\$ 306,525</u>	<u>\$ 900,553</u>
<u>\$ 42,249</u>	<u>\$ 56,860</u>	<u>\$ 32,817</u>	<u>\$ 481,700</u>	<u>\$ 1,123,584</u>

**CITY OF CANANDAIGUA, ONTARIO COUNTY, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	<b>Debt Service Fund</b>	<b>Watershed Program Fund</b>	<b>Technology Fund</b>
<b>Revenues:</b>			
Departmental income	\$ -	\$ -	\$ -
Intergovernmental charges	-	150,570	-
Use of money and property	-	2,215	146,819
Miscellaneous	-	-	200
State and county aid	-	200,158	-
Federal aid	-	-	-
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 352,943</b>	<b>\$ 147,019</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government support	\$ 1,621	\$ -	\$ 186,210
Economic assistance and development	-	-	-
Home and community services	-	362,983	-
Employee benefits	-	34,455	-
<b>Debt Service:</b>			
Debt service - principal	1,084,600	-	-
Debt service - interest and other charges	295,492	-	-
<b>Total Expenditures</b>	<b>\$ 1,381,713</b>	<b>\$ 397,438</b>	<b>\$ 186,210</b>
Excess (deficiency) of revenue over expenditures	\$ (1,381,713)	\$ (44,495)	\$ (39,191)
<b>Other Financing Sources and Uses:</b>			
Transfers - in	\$ 1,477,265	\$ -	\$ -
<b>Total Other Financing Sources and Uses</b>	<b>\$ 1,477,265</b>	<b>\$ -</b>	<b>\$ -</b>
Net change in fund balances	\$ 95,552	\$ (44,495)	\$ (39,191)
<b>Fund Balance - Beginning</b>	<b>22,176</b>	<b>128,800</b>	<b>308,204</b>
<b>Fund Balance - Ending</b>	<b>\$ 117,728</b>	<b>\$ 84,305</b>	<b>\$ 269,013</b>

(See Independent Auditors' Report)

<b>Park &amp; Open Spaces Fund</b>	<b>Refuse Fund</b>	<b>Cemetery Fund</b>	<b>Community Development Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 3,000	\$ -	\$ -	\$ 25,802	\$ 28,802
-	-	-	-	150,570
778	1,225	13	38	151,088
-	-	-	-	200
-	-	-	1,500,000	1,700,158
-	-	-	149,889	149,889
<u>\$ 3,778</u>	<u>\$ 1,225</u>	<u>\$ 13</u>	<u>\$ 1,675,729</u>	<u>\$ 2,180,707</u>
\$ -	\$ -	\$ -	\$ -	\$ 187,831
-	-	-	1,500,000	1,500,000
-	26,725	-	275,627	665,335
-	-	-	-	34,455
-	-	-	-	1,084,600
-	-	-	-	295,492
<u>\$ -</u>	<u>\$ 26,725</u>	<u>\$ -</u>	<u>\$ 1,775,627</u>	<u>\$ 3,767,713</u>
\$ 3,778	\$ (25,500)	\$ 13	\$ (99,898)	\$ (1,587,006)
\$ -	\$ -	\$ -	\$ -	\$ 1,477,265
\$ -	\$ -	\$ -	\$ -	\$ 1,477,265
\$ 3,778	\$ (25,500)	\$ 13	\$ (99,898)	\$ (109,741)
38,471	73,416	32,804	406,423	1,010,294
<u><b>\$ 42,249</b></u>	<u><b>\$ 47,916</b></u>	<u><b>\$ 32,817</b></u>	<u><b>\$ 306,525</b></u>	<u><b>\$ 900,553</b></u>