

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

ANNUAL FINANCIAL REPORT
UPDATE DOCUMENT
For The
TOWN of Canaan
County of Columbia
For the Fiscal Year Ended 12/31/2016

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

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

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

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

TOWN OF Canaan

*** FINANCIAL SECTION ***

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

- (A) GENERAL
- (CR) RECREATION
- (DA) HIGHWAY-TOWN-WIDE
- (H) CAPITAL PROJECTS
- (SF) FIRE PROTECTION
- (SL) LIGHTING
- (SM) MISCELLANEOUS
- (TA) AGENCY

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

*** SUPPLEMENTAL SECTION ***

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption
- 7) Schedule of Other Post Employment Benefits (OPEB)

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

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

(A) GENERAL

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	246,662	A200	221,485
Petty Cash	200	A210	200
Cash With Fiscal Agent	10,055	A223	8,315
TOTAL Cash	256,917		230,000
Accounts Receivable	14,009	A380	12,710
TOTAL Other Receivables (net)	14,009		12,710
TOTAL Assets and Deferred Outflows of Resources	270,926		242,710

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

(A) GENERAL

Balance Sheet

Code Description	2015	EdpCode	2016
Accrued Liabilities	5,583	A601	7,872
TOTAL Accrued Liabilities	5,583		7,872
TOTAL Liabilities	5,583		7,872
Fund Balance			
Committed Fund Balance	14,860	A913	8,315
TOTAL Committed Fund Balance	14,860		8,315
Assigned Appropriated Fund Balance	77,000	A914	77,000
TOTAL Assigned Fund Balance	77,000		77,000
Unassigned Fund Balance	173,483	A917	149,523
TOTAL Unassigned Fund Balance	173,483		149,523
TOTAL Fund Balance	265,343		234,838
TOTAL Liabilities, Deferred Inflows And Fund Balance	270,926		242,710

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

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	273,515	A1001	268,761
TOTAL Real Property Taxes	273,515		268,761
Interest & Penalties On Real Prop Taxes	9,238	A1090	9,286
TOTAL Real Property Tax Items	9,238		9,286
Franchises	5,726	A1170	5,500
TOTAL Non Property Tax Items	5,726		5,500
Clerk Fees	2,224	A1255	3,189
Zoning Fees	25	A2110	75
Planning Board Fees	725	A2115	725
TOTAL Departmental Income	2,974		3,989
Share of Joint Activity, Other Govts	13,671	A2390	3,956
TOTAL Intergovernmental Charges	13,671		3,956
Interest And Earnings	175	A2401	211
TOTAL Use of Money And Property	175		211
Dog Licenses	2,384	A2544	2,292
Building And Alteration Permits	51,920	A2555	17,143
TOTAL Licenses And Permits	54,304		19,435
Fines And Forfeited Bail	87,431	A2610	52,538
TOTAL Fines And Forfeitures	87,431		52,538
Gifts And Donations	2,782	A2705	1,389
TOTAL Miscellaneous Local Sources	2,782		1,389
St Aid, Revenue Sharing	7,934	A3001	7,934
St Aid, Mortgage Tax	53,671	A3005	60,952
St Aid, Other Health	16,542	A3489	15,609
TOTAL State Aid	78,147		84,495
TOTAL Revenues	527,963		449,560
TOTAL Detail Revenues And Other Sources	527,963		449,560

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

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Legislative Board, Pers Serv	6,300	A10101	7,200
Legislative Board, Contr Expend		A10104	284
TOTAL Legislative Board	6,300		7,484
Municipal Court, Pers Serv	44,861	A11101	44,176
Municipal Court, Contr Expend	6,762	A11104	5,935
TOTAL Municipal Court	51,623		50,111
Supervisor,pers Serv	5,000	A12201	5,000
TOTAL Supervisor	5,000		5,000
Budget, Contr Expend	10,164	A13404	10,317
TOTAL Budget	10,164		10,317
Assessment, Pers Serv	25,446	A13551	27,165
Assessment, Equip & Cap Outlay	420	A13552	
Assessment, Contr Expend	4,262	A13554	3,365
TOTAL Assessment	30,128		30,530
Clerk,pers Serv	46,590	A14101	46,940
Clerk,contr Expend	3,290	A14104	4,553
TOTAL Clerk	49,880		51,493
Law, Contr Expend	2,464	A14204	5,470
TOTAL Law	2,464		5,470
Engineer, Contr Expend	510	A14404	2,748
TOTAL Engineer	510		2,748
Central Services Admin,equip & Cap Outlay	1,484	A16102	
TOTAL Central Services Admin	1,484		0
Buildings, Pers Serv	4,092	A16201	4,325
Buildings, Equip & Cap Outlay		A16202	1,491
Buildings, Contr Expend	24,047	A16204	23,268
TOTAL Buildings	28,139		29,084
Central Print & Mail,contr Expend	3,095	A16704	3,380
TOTAL Central Print & Mail	3,095		3,380
Central Data Process & Cap Outlay	1,891	A16802	
Central Data Process, Contr Expend	9,289	A16804	10,599
TOTAL Central Data Process	11,180		10,599
Unallocated Insurance, Contr Expend	15,806	A19104	16,981
TOTAL Unallocated Insurance	15,806		16,981
Municipal Assn Dues, Contr Expend	700	A19204	700
TOTAL Municipal Assn Dues	700		700
TOTAL General Government Support	216,473		223,897
Traffic Control, Contr Expen	17	A33104	200
TOTAL Traffic Control	17		200
Control of Animals, Pers Serv	3,338	A35101	3,388
Control of Animals, Contr Expend	1,512	A35104	1,991
TOTAL Control of Animals	4,850		5,379
Safety Inspection, Pers Serv	14,481	A36201	15,197

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

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Safety Inspection, Contr Expend	19,002	A36204	5,151
TOTAL Safety Inspection	33,483		20,348
TOTAL Public Safety	38,350		25,927
Registrar of Vital Statistics, Pers Serv	333	A40201	338
TOTAL Registrar of Vital Statistics	333		338
TOTAL Health	333		338
Street Admin, Pers Serv	66,425	A50101	67,417
Street Admin, Contr Expend	2,315	A50104	2,296
TOTAL Street Admin	68,740		69,713
Garage, Contr Expend	16,254	A51324	15,060
TOTAL Garage	16,254		15,060
TOTAL Transportation	84,994		84,773
Veterans Service, Contr Expend	575	A65104	595
TOTAL Veterans Service	575		595
Programs For Aging, Contr Expend	8,075	A67724	7,832
TOTAL Programs For Aging	8,075		7,832
TOTAL Economic Assistance And Opportunity	8,650		8,427
Youth Prog, Pers Serv	4,931	A73101	4,917
Youth Prog, Contr Expend	7,398	A73104	2,316
TOTAL Youth Prog	12,329		7,233
Library, Pers Serv	5,533	A74101	5,586
Library, Contr Expend	1,076	A74104	1,390
TOTAL Library	6,609		6,976
TOTAL Culture And Recreation	18,938		14,209
Zoning, Pers Serv	87	A80101	755
TOTAL Zoning	87		755
Planning, Pers Serv	752	A80201	1,399
Planning, Contr Expend	129	A80204	80
TOTAL Planning	881		1,479
Code Enforcements, Contr Expend		A86644	300
TOTAL Code Enforcements	0		300
Cemetery, Contr Expend	18,100	A88104	21,491
TOTAL Cemetery	18,100		21,491
TOTAL Home And Community Services	19,068		24,025
State Retirement System	44,410	A90108	28,356
Social Security, Employer Cont	17,049	A90308	17,450
Hospital & Medical (dental) Ins, Empl Bnft	18,895	A90608	29,466
TOTAL Employee Benefits	80,354		75,272
TOTAL Expenditures	467,160		456,868
Transfers, Other Funds		A99019	8,197

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

(A) GENERAL

Results of Operation

Code Description	2015	EdpCode	2016
Other Uses			
Transfers, Capital Projects Fund		A99509	15,000
TOTAL Operating Transfers	0		23,197
TOTAL Other Uses	0		23,197
TOTAL Detail Expenditures And Other Uses	467,160		480,065

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

(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	204,540	A8021	265,343
Restated Fund Balance - Beg of Year	204,540	A8022	265,343
ADD - REVENUES AND OTHER SOURCES	527,963		449,560
DEDUCT - EXPENDITURES AND OTHER USES	467,160		480,065
Fund Balance - End of Year	265,343	A8029	234,838

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

(A) GENERAL

Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Tax Items	268,761	A1099N	281,328
Est Rev - Non Property Tax Items	15,600	A1199N	15,500
Est Rev - Departmental Income	4,568	A1299N	5,504
Est Rev - Use of Money And Property	250	A2499N	250
Est Rev - Licenses And Permits	18,000	A2599N	20,000
Est Rev - Fines And Forfeitures	75,000	A2649N	60,000
Est Rev - Miscellaneous Local Sources	3,000	A2799N	1,500
Est Rev - State Aid	78,500	A3099N	83,600
TOTAL Estimated Revenues	463,679		467,682
Appropriated Fund Balance	77,000	A599N	77,000
TOTAL Estimated Other Sources	77,000		77,000
TOTAL Estimated Revenues And Other Sources	540,679		544,682

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

(A) GENERAL

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - General Government Support	289,204	A1999N	291,509
App - Public Safety	28,003	A3999N	28,479
App - Health	338	A4999N	342
App - Transportation	98,316	A5999N	96,559
App - Economic Assistance And Opportunity	9,950	A6999N	9,900
App - Culture And Recreation	18,500	A7999N	18,500
App - Home And Community Services	23,857	A8999N	27,893
App - Employee Benefits	72,511	A9199N	71,500
TOTAL Appropriations	540,679		544,682
TOTAL Appropriations And Other Uses	540,679		544,682

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

(CR) RECREATION

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	2,527	CR200	7,627
TOTAL Cash	2,527		7,627
TOTAL Assets and Deferred Outflows of Resources	2,527		7,627

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

(CR) RECREATION

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Assigned Unappropriated Fund Balance	2,527	CR915	7,627
TOTAL Assigned Fund Balance	2,527		7,627
TOTAL Fund Balance	2,527		7,627
TOTAL Liabilities, Deferred Inflows And Fund Balance	2,527		7,627

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

(CR) RECREATION

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Gifts And Donations	155	CR2705	100
TOTAL Miscellaneous Local Sources	155		100
Interfund Revenues		CR2801	
TOTAL Interfund Revenues	0		0
TOTAL Revenues	155		100
Interfund Transfers		CR5031	5,000
TOTAL Interfund Transfers	0		5,000
TOTAL Other Sources	0		5,000
TOTAL Detail Revenues And Other Sources	155		5,100

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

(CR) RECREATION

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Special Rec Facility Equip & Cap Outlay	5,349	CR71802	
TOTAL Special Rec Facility Equip & Cap Outlay	5,349		0
TOTAL Culture And Recreation	5,349		0
TOTAL Expenditures	5,349		0
TOTAL Detail Expenditures And Other Uses	5,349		0

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

(CR) RECREATION

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	7,721	CR8021	2,527
Restated Fund Balance - Beg of Year	7,721	CR8022	2,527
ADD - REVENUES AND OTHER SOURCES	155		5,100
DEDUCT - EXPENDITURES AND OTHER USES	5,349		
Fund Balance - End of Year	2,527	CR8029	7,627

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

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	301,477	DA200	319,200
Cash With Fiscal Agent	756	DA223	783
TOTAL Cash	302,233		319,983
Accounts Receivable	76,472	DA380	76,049
TOTAL Other Receivables (net)	76,472		76,049
Miscellaneous Current Assets	18,488	DA489	18,717
TOTAL Other	18,488		18,717
TOTAL Assets and Deferred Outflows of Resources	397,193		414,749

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

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2015	EdpCode	2016
Accrued Liabilities	10,561	DA601	11,077
TOTAL Accrued Liabilities	10,561		11,077
Compensated Absences	18,488	DA687	18,717
TOTAL Other Liabilities	18,488		18,717
TOTAL Liabilities	29,049		29,794
Fund Balance			
Committed Fund Balance	77,228	DA913	76,049
TOTAL Committed Fund Balance	77,228		76,049
Assigned Appropriated Fund Balance	90,000	DA914	90,000
Assigned Unappropriated Fund Balance	200,916	DA915	218,906
TOTAL Assigned Fund Balance	290,916		308,906
TOTAL Fund Balance	368,144		384,955
TOTAL Liabilities, Deferred Inflows And Fund Balance	397,193		414,749

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

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	250,470	DA1001	255,122
TOTAL Real Property Taxes	250,470		255,122
Sales Tax (from County)	290,671	DA1120	301,288
TOTAL Non Property Tax Items	290,671		301,288
Interest And Earnings	203	DA2401	263
TOTAL Use of Money And Property	203		263
Sales of Scrap & Excess Materials		DA2650	7,535
TOTAL Sale of Property And Compensation For Loss	0		7,535
Interfund Revenues	1,494	DA2801	
TOTAL Interfund Revenues	1,494		0
St Aid, Consolidated Highway Aid	141,765	DA3501	152,273
TOTAL State Aid	141,765		152,273
TOTAL Revenues	684,603		716,481
Interfund Transfers		DA5031	8,172
TOTAL Interfund Transfers	0		8,172
TOTAL Other Sources	0		8,172
TOTAL Detail Revenues And Other Sources	684,603		724,653

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

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Maint of Streets, Pers Serv	90,885	DA51101	96,189
Maint of Streets, Contr Expend	107,213	DA51104	119,617
TOTAL Maint of Streets	198,098		215,806
Perm Improve Highway, Equip & Cap Outlay	141,765	DA51122	152,264
TOTAL Perm Improve Highway	141,765		152,264
Machinery, Equip & Cap Outlay		DA51302	5,193
Machinery, Contr Expend	31,189	DA51304	45,225
TOTAL Machinery	31,189		50,418
Snow Removal, Pers Serv	85,625	DA51421	85,113
Snow Removal, Contr Expend	75,953	DA51424	38,826
TOTAL Snow Removal	161,578		123,939
TOTAL Transportation	532,630		542,427
State Retirement, Empl Bnfts	32,480	DA90108	27,244
Social Security , Empl Bnfts	13,503	DA90308	13,870
Hospital & Medical (dental) Ins, Empl Bnft	71,205	DA90608	74,301
TOTAL Employee Benefits	117,188		115,415
TOTAL Expenditures	649,818		657,842
Transfers, Capital Projects Fund	25,000	DA99509	50,000
TOTAL Operating Transfers	25,000		50,000
TOTAL Other Uses	25,000		50,000
TOTAL Detail Expenditures And Other Uses	674,818		707,842

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

(DA) HIGHWAY-TOWN-WIDE

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	358,359	DA8021	368,144
Restated Fund Balance - Beg of Year	358,359	DA8022	368,144
ADD - REVENUES AND OTHER SOURCES	684,603		724,653
DEDUCT - EXPENDITURES AND OTHER USES	674,818		707,842
Fund Balance - End of Year	368,144	DA8029	384,955

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

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2016	EdpCode	2017
Estimated Revenues			
Est Rev - Real Property Taxes	255,122	DA1049N	242,190
Est Rev - Non Property Tax Items	295,000	DA1199N	300,000
Est Rev - Use of Money And Property	1,000	DA2499N	1,000
Est Rev - Interfund Revenues	5,000	DA2801N	3,000
Est Rev - State Aid	124,028	DA3099N	152,264
TOTAL Estimated Revenues	680,150		698,454
Appropriated Fund Balance	90,000	DA599N	90,000
TOTAL Estimated Other Sources	90,000		90,000
TOTAL Estimated Revenues And Other Sources	770,150		788,454

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

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2016	EdpCode	2017
Appropriations			
App - Transportation	650,161	DA5999N	667,954
App - Employee Benefits	119,989	DA9199N	120,500
TOTAL Appropriations	770,150		788,454
TOTAL Appropriations And Other Uses	770,150		788,454

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

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	488	H200	4,061
TOTAL Cash	488		4,061
Cash Special Reserves	219,082	H230	269,236
TOTAL Restricted Assets	219,082		269,236
TOTAL Assets and Deferred Outflows of Resources	219,570		273,297

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

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Capital Reserve	488	H878	4,062
Other Restricted Fund Balance	219,082	H899	269,236
TOTAL Restricted Fund Balance	219,570		273,298
TOTAL Fund Balance	219,570		273,298
TOTAL Liabilities, Deferred Inflows And Fund Balance	219,570		273,298

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

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Interest And Earnings	105	H2401	154
TOTAL Use of Money And Property	105		154
TOTAL Revenues	105		154
Interfund Transfers	25,000	H5031	60,000
TOTAL Interfund Transfers	25,000		60,000
TOTAL Other Sources	25,000		60,000
TOTAL Detail Revenues And Other Sources	25,105		60,154

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

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Buildings, Equip & Cap Outlay	2,993	H16202	6,426
TOTAL Buildings	2,993		6,426
Central Garage, Equip & Cap Outlay	39,500	H16402	
TOTAL Central Garage	39,500		0
TOTAL General Government Support	42,493		6,426
TOTAL Expenditures	42,493		6,426
TOTAL Detail Expenditures And Other Uses	42,493		6,426

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

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	236,958	H8021	219,570
Restated Fund Balance - Beg of Year	236,958	H8022	219,570
ADD - REVENUES AND OTHER SOURCES	25,105		60,154
DEDUCT - EXPENDITURES AND OTHER USES	42,493		6,426
Fund Balance - End of Year	219,570	H8029	273,298

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

Balance Sheet

Code Description	2015	EdpCode	2016
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TOWN OF Canaan
Annual Update Document
For the Fiscal Year Ending 2016

Balance Sheet

Code Description	2015	EdpCode	2016
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TOWN OF Canaan
Annual Update Document
For the Fiscal Year Ending 2016

(SF) FIRE PROTECTION

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	95,681	SF1001	98,952
TOTAL Real Property Taxes	95,681		98,952
TOTAL Revenues	95,681		98,952
TOTAL Detail Revenues And Other Sources	95,681		98,952

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

(SF) FIRE PROTECTION

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Fire Protection, Contr Expend	95,681	SF34104	98,952
TOTAL Fire Protection	95,681		98,952
TOTAL Public Safety	95,681		98,952
TOTAL Expenditures	95,681		98,952
TOTAL Detail Expenditures And Other Uses	95,681		98,952

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

(SF) FIRE PROTECTION

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year		SF8021	
Restated Fund Balance - Beg of Year		SF8022	
ADD - REVENUES AND OTHER SOURCES	95,681		98,952
DEDUCT - EXPENDITURES AND OTHER USES	95,681		98,952
Fund Balance - End of Year		SF8029	

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

(SL) LIGHTING

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	818	SL200	493
TOTAL Cash	818		493
TOTAL Assets and Deferred Outflows of Resources	818		493

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

(SL) LIGHTING

Balance Sheet

Code Description	2015	EdpCode	2016
Fund Balance			
Assigned Appropriated Fund Balance	818	SL914	493
TOTAL Assigned Fund Balance	818		493
TOTAL Fund Balance	818		493
TOTAL Liabilities, Deferred Inflows And Fund Balance	818		493

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

(SL) LIGHTING

Results of Operation

Code Description	2015	EdpCode	2016
Revenues			
Real Property Taxes	4,640	SL1001	4,300
TOTAL Real Property Taxes	4,640		4,300
TOTAL Revenues	4,640		4,300
Interfund Transfers		SL5031	25
TOTAL Interfund Transfers	0		25
TOTAL Other Sources	0		25
TOTAL Detail Revenues And Other Sources	4,640		4,325

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

(SL) LIGHTING

Results of Operation

Code Description	2015	EdpCode	2016
Expenditures			
Street Lighting, Contr Expend	4,059	SL51824	4,650
TOTAL Street Lighting	4,059		4,650
TOTAL Transportation	4,059		4,650
TOTAL Expenditures	4,059		4,650
TOTAL Detail Expenditures And Other Uses	4,059		4,650

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

(SL) LIGHTING

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	237	SL8021	818
Restated Fund Balance - Beg of Year	237	SL8022	818
ADD - REVENUES AND OTHER SOURCES	4,640		4,325
DEDUCT - EXPENDITURES AND OTHER USES	4,059		4,650
Fund Balance - End of Year	818	SL8029	493

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

Balance Sheet

Code Description	2015	EdpCode	2016
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TOWN OF Canaan
Annual Update Document
For the Fiscal Year Ending 2016

Balance Sheet

Code Description	2015	EdpCode	2016
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TOWN OF Canaan
Annual Update Document
For the Fiscal Year Ending 2016

Results of Operation

Code Description	2015	EdpCode	2016
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TOWN OF Canaan
Annual Update Document
For the Fiscal Year Ending 2016

Results of Operation

Code Description	2015	EdpCode	2016
------------------	------	---------	------

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

(SM) MISCELLANEOUS

Analysis of Changes in Fund Balance

Code Description	2015	EdpCode	2016
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year		SM8021	
Restated Fund Balance - Beg of Year		SM8022	
Fund Balance - End of Year		SM8029	

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

(TA) AGENCY

Balance Sheet

Code Description	2015	EdpCode	2016
Assets			
Cash	326	TA200	326
TOTAL Cash	326		326
TOTAL Assets and Deferred Outflows of Resources	326		326

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

(TA) AGENCY

Balance Sheet

Code Description	2015	EdpCode	2016
Income Executions	326	TA23	326
TOTAL Agency Liabilities	326		326
TOTAL Liabilities	326		326
TOTAL Liabilities, Deferred Inflows And Fund Balance	326		326

TOWN OF Canaan
Statement of Indebtedness
For the Fiscal Year Ending 2016

2/14/2017

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
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TOWN OF Canaan
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2016

	EDP Code	Amount
CASH:		
On Hand	9Z2001	\$200.00
Demand Deposits	9Z2011	\$831,526.00
Time Deposits	9Z2021	
Total		\$831,726.00
 COLLATERAL:		
- FDIC Insurance	9Z2014	\$250,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$610,602.00
Total		\$860,602.00
 INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

TOWN OF Canaan
Bank Reconciliation
For the Fiscal Year Ending 2016

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-4199	\$3,064	\$0	\$64	\$3,000
****-4207	\$4,031	\$0	\$3,705	\$326
****-4215	\$4,062	\$0	\$0	\$4,062
****-4223	\$7,626	\$0	\$0	\$7,626
****-7309	\$9,098	\$0	\$0	\$9,098
****-5266	\$538,178	\$0	\$0	\$538,178
****-5274	\$269,236	\$0	\$0	\$269,236
Total Adjusted Bank Balance				<u>\$831,526</u>
Petty Cash				<u>\$200.00</u>
Adjustments				<u>\$0.00</u>
Total Cash			9ZCASH *	<u>\$831,726</u>
Total Cash Balance All Funds			9ZCASHB *	<u>\$831,726</u>
* Must be equal				

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

Total Full Time Employees:		7			
Total Part Time Employees:		25			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$55,600.00	6	11	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$31,320.00	7	25	
90408	Worker's Compensation Insurance				
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance	\$103,767.00	6		
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$190,687.00			
Computed Total From Financial Section (comparative purposes only)		\$190,687.00			

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

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$50	24	gallons	
Diesel Fuel	\$12,105	9,482	gallons	
Fuel Oil	\$4,388	3,423	gallons	
Natural Gas			cubic feet	
Electricity	\$8,891	59,273	kilowatt-hours	
Coal			tons	
Propane			gallons	

TOWN OF Canaan
Schedule of Other Post Employment Benefits (OPEB)
For the Fiscal Year Ending 2016

CERTIFICATION OF CHIEF FISCAL OFFICER

I, RICHARD KEAVENEY, hereby certify that I am the Chief Fiscal Officer of the TOWN of CANAAN, and that the information provided in the annual financial report of the TOWN of CANAAN, for the fiscal year ended 12/31/2016, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the TOWN of CANAAN, and adopted by me as my signature for use in conjunction with the filing of the TOWN of CANAAN's annual financial report, I am evidencing my express intent to authenticate my certification of the TOWN of CANAAN's annual financial report for the fiscal year ended 12/31/2016 and filed by means of electronic data transmission.

NELSON FURLANO CPA
Name of Report Preparer if different
than Chief Fiscal Officer

(518) 781-3144
Telephone Number

02/14/2017
Date of Certification

RICHARD KEAVENEY
Name

Town Supervisor
Title

PO Box 459, Canaan NY 12029
Official Address

(518) 781-3144
Official Telephone Number

TOWN OF Canaan
Financial Comments
For the Fiscal Year Ending 2016

Thank you, 100311800000 from the TOWN of CANAAN, for your Submission to the Local Government and School Accountability Data Exchange System on 02/14/2017 04:34:20 PM.

Please note that *this page is not proof that you have submitted the correct file*, only that you have successfully attached a file to the EFSDEX website. If you wish to confirm that you have transmitted the correct report you can contact OSC's Data Management Unit at 1-866-321-8503 option 4.

All submissions are subject to verification by OSC.

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Town of Canaan New York
Notes to Financial Statements

December 31, 2016

I. Summary of Significant Accounting Policies:

The fund financial statements of the Town of Canaan, New York 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 government's accounting policies are described below.

A. Financial Reporting Entity:

The Town of Canaan, New York established in 1788 is governed by its Charter, the Town local law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations; the Supervisor serves as chief executive officer and as chief fiscal officer.

The following basic services are provided: highway and streets, social services, culture and recreation, public improvements, planning and zoning, courts, building and safety inspection, lighting and general administrative services.

All governmental activities and functions performed for the Town of Canaan, New York are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the Town of Canaan, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14, 39 and 61.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency and financial accountability. The Town has no component units based on this criteria included in the 2016 financial statements.

B. Fund Accounting:

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The Town records its transactions in the fund types and account groups described below:

Fund Categories:

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

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

governmental funds. The measurement focus of the governmental funds is upon the determination of financial position and changes in financial position (the sources, uses, and balances of current financial resources). The following are the Town's governmental fund types:

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

- Special Revenue Funds -used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The following Special Revenue Funds are utilized:

- Highway Fund - used to account for the tax revenues used to maintain the highways and streets within the geographic limits of the Town.
- Lighting Fund - used to account for the tax revenues used to supply lighting services to portions of the Town.
- Recreation Fund - used to account for fees generated earmarked to fund recreational projects.
- Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities.

b. Fiduciary Funds - used to account for money and or property received in the capacity of trustee, custodian or agent. These include expendable trusts.

C. Basis of Accounting & Measurement Focus:

Basis of accounting refers to when revenues and expenditures/expenses and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

Modified Accrual Basis -All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected generally within 60 days. Material revenues that are accrued include real property taxes (collectible within 60 days of December 31), State and Federal aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made and the resources are available.

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are recognized as an expenditure as due.

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

c. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as expenditures when paid.

C. GASB Statement No. 34

GASB Statement No. 34 "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" has not been fully implemented by the Town of Canaan, New York through the year ended December 31, 2016. Therefore, the Town is not following GAAP as it relates to GASB 34 in these financial statements for certain portions of this report. The financial statement presentation would be significantly different if full implementation of GASB 34 were to be applied.

The additional minimum financial reporting requirements of GASB 34 for state and local governments not included are:

Management's Discussion and Analysis (MD&A) -The MD&A is a component of required supplementary information (RSI). The MD&A is an introduction to the basic financial statements and an analytical overview of the government's financial activities.

RSI other than MD&A, such as the required budgetary comparison schedule for the general fund and major special revenue funds, generally is included immediately following the notes to the financial statements.

Infrastructure reporting - Capitalizing and depreciating a government's infrastructure assets (e.g., roads, bridges, dams, water and sewer systems, etc.).

Full accrual accounting which includes a Statement of Net Assets and Statement of Activities with a bridge from the modified accrual basis to the full accrual basis for governmental fund types.

E. Fund Balances

In fiscal 2011, the Town of Canaan implemented Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). GASB 54 changed the classification of fund balance to focus on the constraints imposed on resources in governmental funds, instead of the previous focus on availability for appropriation.

Fund balance is now broken down into five different classifications: nonspendable, restricted, committed, assigned, and unassigned.

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

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

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Town Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.

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

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

When resources are available from multiple classifications, the Town spends funds in the following order: restricted, committed, assigned, unassigned.

F. Net Position:

Net position is an element of proprietary fund financial statements, and is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

G. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and 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 Town's General, Highway, and Lighting funds. Encumbrances are reported as restrictions, commitments or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability was incurred.

H. Capital Assets

The Town records capital assets purchased for general government or highway purposes as expenditures in governmental funds and have not been presented as non-current government assets. Capital assets consisting of certain infrastructure type improvements have not been capitalized. Things such as buildings, roads, bridges, curbs and gutters, streets and assets normally are immovable and of value only to the Town. Therefore, the purposes of stewardship for capital expenditures can be satisfied without recording these assets. No depreciation has been provided on general fixed assets, nor has interest on general fixed assets construction in progress been

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

capitalized. GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time

I. Deferred Outflows/Inflows of Resources

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time

J. Insurance:

The Town has purchased insurance for most risk including liability and property coverage. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss not covered by insurance can be reasonable estimated.

K. Compensated Absences:

Town highway employees are granted vacation and sick leave. Estimated vacation and sick leave are accumulated by governmental fund type employees, specifically highway, and have been recorded as non-current government liabilities. There are no proprietary fund employees and therefore, no accrual of compensated absences has been recorded for this fund type.

Highway employees earn 5 sick days per year and may accumulate up to a total of 45 days. Highway employees accrue vacation leave based primarily on the number of years employed up to a maximum of 22 days per year.

In governmental funds, the cost of sick leave is recognized when payments are made to employees.

Vested vacation and sick leave is recorded in proprietary funds as a liability and expense. The liability for compensated absences increased from \$18,488 at the beginning of the year to \$18,717 at the end of the year and has been recorded as a non-current government liability, representing the Town's commitment to fund such costs from future operations.

K. Use of Estimates:

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

The preparation of financial statements in conformity with the GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

II. Stewardship, Compliance, Accountability

A. Budget Policies -The budget policies are as follows:

a. No later than September 30, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January. The tentative budget includes proposed expenditures and the proposed means of financing all funds.

b. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.

c. All modifications of the budget must be approved by the governing board. (However the Supervisor is authorized to transfer certain budgeted amounts within departments).

d. Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenditures.

e. Budgets are adopted annually on a cash basis.

f. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

III. Detail Notes on all Funds:

A. Assets:

1. Cash and cash equivalents:

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

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

The written investment policy requires repurchase agreements to be purchased from banks located within the state and that underlying securities must be obligations of the

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

federal government. Underlying securities must have a market value of at least a percentage provided for by law of the cost of the repurchase agreement. The Town has no repurchase agreement at December 31, 2016.

All deposits, including certificates of deposit, are carried at cost plus accrued interest. Deposits and investments at year-end were covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name in the amounts below.

	Book Balance	Bank Balance	FDIC Insured	Pledged Collateral
Key Bank	\$ 831,526	\$ 835,295	\$ 250,000	\$ 580,000

The Town's cash in bank is comprised of \$24,112 in checking and savings accounts and \$807,414 in money market savings accounts. The Town was fully collateralized as of December 31, 2016.

2. Property Taxes:

Real property taxes are levied annually on January 1. Taxes are collected by the Town through June 1. Unpaid taxes are then turned over to the County for enforcement. The County will then re-levy in the subsequent year. The County pays the Town for all the taxes turned over to them and proceeds with collection and liens on all property, independent of the Town.

The Town is permitted by the Constitution of New York State to levy taxes up to 2% of the five-year average full-assessed valuation for general governmental services other than the payment of debt service and capital expenditures. For the year ended December 31, 2016, the Town was below this legal margin.

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

B. Liabilities:

1. Pension Plans:

Plan Description:

The Town of Canaan participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (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. 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

December 31, 2016

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

Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tiers 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.

Tiers 3, 4, and 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.

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

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

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

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 for Tier 6 is 63 for ERS members and 62 for PFRS members.

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 age 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.

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.

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

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.

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) 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' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2016	\$ 55,600
2015	\$ 76,890
2014	\$ 65,755

Current law requires participating employers to make payments on a current basis, while allowing the option to amortize existing unpaid amounts relating to the System's fiscal years. The Town of Canaan has elected to make the full payments to date.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

At December 31, 2016, the Town of Canaan had a liability of \$ 167,424 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The Town's proportion was 0.0010431% at December 31, 2016 and 0.0009572% at December 31, 2015, which was an increase of 0.0000859%.

For the year ended December 31, 2016, the Town recognized pension expense of \$55,600. At December 31, 2016, the Town was responsible for deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	846	19,845
Changes of Assumptions	44,547	0
Net difference between projected and actual earnings on pension plan investments	99,325	0
Changes in proportion and differences between contributions and proportionate share of contributions	38,438	0
Contributions subsequent to the measurement date	55,600	76,890
Total	\$ 238,756	\$ 96,735

\$55,600 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	\$42,103
2018	\$42,103
2019	\$42,103
2020	\$36,653
2021	\$ 0

Actuarial Assumptions

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

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

	ERS
Inflation	2.5%
Salary increases	3.8%
Investment rate of return (net of investment expense, including inflation)	7.0%

Annuitant mortality rates are based on April 1, 2005 – March 31, 2010 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2014 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 are summarized below

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

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

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

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Town's proportionate share of the net pension liability	\$ 377,528	\$167,424	(\$ 10,106)

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of March 31, 2016, were as follows:

	Employees' Retirement System
Employers' total pension liability	\$ 1,797,336
Plan net position	\$ 1,629,912
Employers' net pension liability	\$ 167,424

Ratio of plan net position to the employers' total pension liability	90.2%
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2. Long-Term Debt:

a. Other Long-Term Liabilities: The local government had the following non-current liabilities - Compensated absences -represents the value of earned and unused portion of the liability for compensated absences equal to \$18,488.

b. The following is a summary of changes in compensated absences:

Payable at:	
Beginning of fiscal year	\$ 18,357
Additions	18,093
Used	(17,962)
Payable at end of fiscal year	\$ 18,488

Town of Canaan New York
Notes to Financial Statements

December 31, 2016

C. Fund Equity:

Allocation of Fund Balance - Certain funds of Town of Canaan apply to areas less than the entire Town. The fund equity at December 31, 2016 is allocated as follows:

General Fund		\$ 234,838
<u>Special Revenue Funds:</u>		
Recreation	\$ 7,627	
Highway	\$ 384,955	
Lighting	<u>\$ 493</u>	
Total Special Revenue Funds		\$ 393,075
Reserves - Highway Capital Fund		\$ 269,236
Reserves - Capital Projects Fund		<u>\$ 4,062</u>
 Total		 \$ 901,211

Reserves

The operating fund equity includes reserve funds established pursuant to State law for the following purposes:

- Capital Projects
- Highway Capital Expenditures

IV. Subsequent Events:

Subsequent events have been evaluated through February 14, 2017, which is the date the financial statements were available to be issued.