VILLAGE OF PERRY
VILLAGE BOARD MEETING
DECEMBER 18, 2017

The Regular Board Meeting of the Village of Perry was held at the Village Hall 46 North main Street, Perry, New York at 7:30 p.m. on the 18th day of December 2017.

PRESENT:	Rick Hauser	Mayor
	Jacquie Billings	Trustee
	Dariel Draper	Trustee
	Eleanor Jacobs	Trustee
	Bonnie Matson	Trustee
ALSO PRESENT:	Matt Jensen	Village Administrator
	Gail Vosburg	Village Clerk
GUESTS:	Mary Syberg	Bill Bark

Mayor Hauser called the meeting to order at 7:30 pm and led in the pledge to the flag.

MINUTES

December 4, 2017 minutes approved – Several corrections were noted and corrected. Motion by Trustee Billings, seconded by Trustee Matson to approve the minutes as corrected. Motion carried with all voting aye.

ANNOUNCEMENTS

- The Village Board meeting will be Tuesday, January 2, 2018

PUBLIC COMMENT

No one from the public spoke

UPDATES

BIRCHWOOD ACRES WATER SERVICE BID AWARD

There were a total of seven bids received for the Birchwood Acres Water Services. Bids ranged from $49,050 to $129,947. 716 Site Contracting was the apparent low bidder and Chatfield Engineers has confirmed their bid proposal and quality of past work. Chatfield Engineers recommends that the Village award the bid to the lowest bidder. The project should be completed by the end of May. The revised budget estimate is $ 73,707,50 (original estimate was $115,000).

716 Site Contracting awarded bid – Motion by Trustee Matson, seconded by Trustee Jacobs, to award the Birchwood Acres Water Services bid to 716 Site Contracting for the amount of $ 49,050. Motion carried with all voting aye.

WWTF DEC RECYCLE GRANT

Administrator Jensen reminded board members that CPL presented three options for the DEC recycle grant (sludge treatment): stick with current system, dryer system or composting. Options 2 & 3 would require the use of insurance monies that was received when the sewer dome collapsed. Board members did not exhibit a desire to move ahead at the last meeting. Trustee Jacobs is not comfortable with the compost/storage building and noted that composting is very labor intensive. Trustee Matson hopes that in for future that there are better ways to dispose of the sludge and there could be the possibility of another grant cycle.

ZONING LAW UPDATE

Administrator Jensen reported that the draft law was sent out to the various agencies and the Village attorney. He had a conference call with the consultant to discuss the comments the Village attorney and the County Planning Board had. The consultants will be working on clarifying several items. The committee should review the final red-line document after the revisions have been made. The final draft document should be back from the consultant by January 10th with the plan to hold a public hearing at either the last meeting in February or the first meeting in March. No feedback was received from the VOP Planning Board or the Zoning Board of Appeals.

FYE 2017 AUDIT REPORT

FYE 2017 Audit Report accepted – No further comments or feedback were received concerning the FYE 2017 audit report. Motion by Trustee Matson, seconded by Trustee Billings, to accept the FYE 2017 Audit Report as presented. Motion carried with the following vote

Ayes	4	Hauser, Billings, Draper, Matson
Nays	0	
Abstain	1	Jacobs

DRAFT - AMEND ANIMAL CONTROL LAW

Administrator Jensen reviewed the change in the Animal Control Law. The change is that the Board of Trustees will not be granting permission, a permit will be issued by the Zoning Officer.

Public Hearing scheduled -

VILLAGE OF PERRY
RESOLUTION

WHEREAS, all Board Members, having due notice of said meeting, and that pursuant to Article 7, §104 of the Public Officers Law, said meeting was open to the general public and due and proper notice of the time and place whereof was given as required by law; and

WHEREAS, Article II of Chapter 160 of the Code of the Village of Perry requires residents to obtain permission of the Board of Trustees to "keep or harbor horses, cattle, sheep, swine, chickens or any other animal other than cats, dogs, or similar household pets within the Village of Perry"; and

WHEREAS, the Board of Trustees would like to implement a more formal process for residents to obtain permission to keep the animals within the Village of Perry; and

WHEREAS, therefore, the Village Board of the Village of Perry is considering a Local Law entitled "Amending the Code of the Village of Perry, specifically Chapter 160, Article II – Animal Control Permission Required" to change the process to allow horses, cattle, sheep, swine, chickens or any other animal other than cats, dogs, or similar household pets within the Village from permission granted by the Board of Trustees to requiring a permit issued by the Code Enforcement Officer; and

WHEREAS, pursuant to and in accordance with the provision of § 617.5(c)(20), this action is a SEQR Type II action which does not have significant adverse impacts on the environment and is statutorily exempted from SEQR review, and

WHEREAS, the Village Board of the Village of Perry finds it in the best interest of the Village to hold a public hearing to consider the adoption of said local law.

NOW ON MOTION OF Trustee Matson which has been duly seconded by Trustee Billings, be it

RESOLVED, by the Village Board of the Perry will hold a public hearing on the proposed adoption of said local law on the 16th day of January 2018 at 8:00 p.m., at which time all interested parties and citizens for or against the proposed law will be heard.

Ayes: _5_
Nays: _0_

CLERK/DEPUTY TREASURER REPORT

Vouchers approved for payment – Clerk Vosburg presented the following vouchers for payment:

Vouchers #181276 – 181385

General Fund	$ 71,991.54
CD Spec Grant Fund	$ 4,716.44
CD Spec Grant Fund #2	$ 12,170.00
Water Fund	$ 20,801.28
Sewer Fund	$ 12,475.13
WWTF Project fund	$ 524.53
SLWC	$ 58.89
Trust & Agency Fund	$ 63,569.26
TOTAL	$186,307.07

Trustee Billings has audited the vouchers. Motion by Trustee Jacobs, seconded by Trustee Matson that all vouchers are ordered to be paid.

October's Treasurer's report is attached.

Clerk/Deputy Treasurer's Report approved – Motion by Mayor Hauser, seconded by Trustee Matson, to approve the clerk/deputy treasurer's report as presented. Motion carried with all voting aye.

DEPARTMENT REPORTS

The following department reports were presented:

Water & Sewer
Police
Department of Public Works
Parks & Recreation

Trustee Jacobs asked for a copy of the report on violations of Watershed Rules from the water department.

TRUSTEE REPORTS

TRUSTEE BILLINGS

Trustee Billings said that more work needs to be done by Chief Grover on the cost of an additional full time police officer. She would like to have the justification before year end with no change to the budget.

Trustee Draper
Trustee Draper said that he has received a draft copy of the food cart law. There are some minor revisions that need to be made.

Trustee Matson
Trustee Matson asked what items is the board looking for in the new budget. Trustee Billings said that revisions are being made to the purchasing policy. She has suggested that an inventory of goods/items be done at the beginning of each budget year.

Trustee Jacobs
Trustee Jacobs said that she and the Village Administrator had a conference call with the DEC to discuss the Village's Urban Forestry Grant that was denied. They pointed out some areas where the Village scored low. Letters of support for the grant were not effective enough. Trustee Jacobs expressed her disappointment and had higher expectations of Wendel for the Forestry Grant application. There is a website meeting next Wednesday.

OTHER BUSINESS

Snow Plow Truck
Trustee Draper asked about the new plow truck. Administrator Jensen said that we should have the truck next week.

Snow Removal
Mayor Hauser thanked the DPW for their quick response to cleaning up the snow after the most recent snow storm. Mary Syberg said that Tom Bush, owner of Bush Hill Florist, was impressed with the improved way the DPW cleans the sidewalks off downtown.

Signs for downtown
Administrator Jensen said that Sign Language will be installing new signed downtown as part of the NY Main St program. We are awaiting verification from NYSDOT for approval of the plaque on the water trough.

Motion to adjourn the meeting at 8:10 pm was made by Trustee Draper, which was seconded by Trustee Billings. Motion carried with all voting aye.

Gail I. Vosburg

Gail I. Vosburg
Village Clerk

Village Board Agenda
December 18, 2017

1) Call Meeting to order & pledge to flag
2) Approval of minutes
   a) December 4, 2017
3) Upcoming
   a) Next Board meeting - January 2, 2018
4) Public Comment
5) Update items
   a) Birchwood Acres water services bid award
      i) Board to award bid
      ii) Budget for project
   b) NYS DEC WWRR Recycling Grant
      i) Board to decide if submitting final application - composting or dryer system
   c) Zoning Law update
   d) Audit Report
   e) Draft - Amend Animal Control Law
6) Clerk's Report
7) Department Head reports
8) Trustee Reports
9) Other Business
10) Executive Session

VILLAGE OF PERRY, NEW YORK

Financial Statements
for the Year Ended May 31, 2017
Together with
Independent Auditor's Report

Bonadio & Co., LLP
Certified Public Accountants

VILLAGE OF PERRY, NEW YORK

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Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

December 4, 2017

To the Board of Trustees of the
Village of Perry, New York:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Perry, New York (the Village) as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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(Continued)

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Village, as of May 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, the schedule of proportionate share of net pension liability (asset), and the schedule of contributions – pension plans 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Bonadio & Co., LLP

Our discussion and analysis of the Village of Perry, New York's (the Village's) financial performance provides an overview of the Village's financial activities for the year ended May 31, 2017. This discussion and analysis should be read in conjunction with the Village's financial statements.

FINANCIAL HIGHLIGHTS

- The Village's net position increased by $1,630,746 as a result of this year's operations.
- The assets/deferred outflows of resources of the primary government of the Village exceeded its liabilities/deferred inflows of resources by $12,228,289 at May 31, 2017.
- The General fund reported a decrease in fund balance of $223,856.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Village as a whole and present a longer-term view of the Village's finances. Fund financial statements for governmental activities tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Village's operations in more detail than the government-wide statements by providing information about the Village's most significant funds. The remaining statements provide financial information about activities for which the Village acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities report information about the Village as a whole and about its activities. These statements include all assets/deferred outflows of resources and liabilities/deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Village's net position and changes in net position. The Village's net position, the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources, is one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net position is one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other nonfinancial factors, such as changes in the Village's property tax base and the condition of the Village's infrastructure, to assess the overall health of the Village.

The Statement of Net Position and the Statement of Activities are both composed of governmental activities. The governmental activities include the Village's basic services, such as public safety and general administration. Property taxes fund most of these activities. The Village does not consider any of its activities to be business-type activities. At the same time, there are no other entities that the Village considers to be component units that would be included in the Village's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

The fund financial statements provide detailed information about the Village's most significant funds, not the Village as a whole. However, the Village Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money, such as funding received from the U.S. Department of Housing and Urban Development. The Village has two types of funds - governmental and fiduciary.

- **Governmental Funds**
  Most of the Village's basic services are reported in governmental funds. These funds focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs. The Village's governmental activities (reported in the Statement of Net Position and the Statement of Activities) are reconciled to the governmental funds.

- **Fiduciary Funds**
  The Village is the trustee, or fiduciary, for its private-purpose trust and agency funds. All of the Village's fiduciary activities are reported separately in the statements of fiduciary net position and change in fiduciary net position. These activities are excluded from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to Basic Financial Statements

The financial statements also include notes that explain some of the information in the financial statements and provide detailed data. They are essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information follows the basic financial statements and includes budgetary comparison schedules to demonstrate compliance with legally adopted and modified budgets.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The tables below summarize the net position (Table 1) and changes in net position (Table 2) of the Village's governmental activities.

Table 1 - Net Position

	2017	2016
Assets:		
Current assets	$ 3,505,189	$ 3,131,329
Notes receivable	15,627	17,537
Capital assets, net of accumulated depreciation	12,695,791	9,423,671
Total assets	16,216,607	12,572,537
Deferred outflows of resources:		
Pension related	341,083	797,953
Total deferred outflows of resources	341,083	797,953
Liabilities:		
Other liabilities	2,244,740	413,948
Long-term serial bonds	1,381,681	1,319,500
Net pension liability	450,291	796,215
Compensated absences	80,209	76,352
Total liabilities	4,156,921	2,606,015
Deferred inflows of resources:		
Pension related	155,202	166,932
Grant revenue	17,278	-
Total deferred inflows of resources	172,480	166,932
Net position:		
Net investment in capital assets	9,287,627	7,929,171
Restricted	969,319	1,007,354
Unrestricted	1,971,343	1,661,018
Total net position	$ 12,228,289	$ 10,597,543

At May 31, 2017, the Village's assets exceeded its liabilities by $12,228,289. A portion of the Village's net position, 16%, is unrestricted and may be used to meet the Village's ongoing obligations to its citizens and creditors. The Village also has 7.9% of its net position restricted for use by capital reserves, reserves for repairs, and reserves for employee benefits and accrued liabilities. The remaining portion of the Village's net position, 76%, reflects the Village's investment in capital assets (i.e., land, buildings, infrastructure, and equipment), less any related debt used to acquire those assets that is outstanding. The Village uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Capital assets, net of accumulated depreciation, increased approximately $3.3 million as the Village expended approximately $3.6 million on capital assets, including electrical improvements on the WWTF Project, sanitary system improvements for the WWTF Project, and Main Street infrastructure. The additions were offset by approximately $412 thousand of depreciation on capital assets.

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (Continued)

Table 2 shows the change in net position for the years ended May 31.

Table 2 - Change in Net Position

	2017	2016
Program revenues:		
Charges for services	$ 1,686,731	$ 1,515,866
Operating grants and contributions	249,911	422,186
Capital grants and contributions	1,088,508	-
Total program revenues	3,025,150	1,938,052
General revenues:		
Property taxes	2,027,604	1,981,942
Non-property tax items	31,118	29,266
Sale of property and compensation for loss	14,591	10,792
Use of money and property	3,450	35,414
Miscellaneous	78,653	9,525
Total general revenues	2,155,416	2,066,939
Total revenues	5,180,566	4,004,991
Governmental expenses:		
General governmental support	935,860	782,312
Public safety	758,451	765,252
Public health	7,479	6,544
Transportation	376,464	802,281
Culture and recreation	182,701	164,011
Home and community services	1,220,869	1,566,965
Economic assistance and opportunity	40,201	11,963
Interest	27,795	59,551
Total governmental expenses	3,549,820	4,158,879
Change in net position	1,630,746	(153,888)
Net position - beginning of year, restated	10,597,543	10,751,431
Net position - end of year	$12,228,289	$ 10,597,543

FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE (Continued)

During the year ended May 31, 2017, the Village's total revenues increased by $1,175,575. This increase was mainly due to increased New York State Transportation grant revenue in the Village's Capital Project fund for the TEP Grant in the current year of approximately $1 million.

The Village's total expenses decreased $609,059 during the year ended May 31, 2017. The main reason for this decrease was due to expenses related to home and community service expenses, primarily for the WWTP Grant Project during the current year, along with the TEP grant expenditures that were capitalized, offset by the change in the valuation of pension liabilities related to GASB 68.

Table 3 - Sources of Revenue - Primary Government

Table 3 presents the Village's sources of revenue as a percent of total revenue for the years ended May 31:

	2017	2016
Charges for services	33%	38%
Operating grants and contributions	5%	11%
Capital grants and contributions	21%	0%
Property taxes and other tax items	39%	50%
Use of money and property	0%	1%
Sale of property and compensation for loss	0%	0%
Miscellaneous	2%	0%
	100%	100%

Table 4 - Expenses - Primary Government

Table 4 presents the expenses of the Village's programs as a percentage of the Village's total expenses for the year ended May 31:

	2017	2016
General governmental support	26%	19%
Public safety	21%	18%
Public health	0%	0%
Transportation	11%	19%
Culture and recreation	5%	4%
Home and community services	34%	38%
Economic assistance and opportunity	2%	1%
Interest	1%	1%
	100%	100%

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Budget and Actual Highlights

The Village's governmental funds reported a combined fund balance of $1,270,050 and $2,934,058 at May 31, 2017 and 2016, respectively. The governmental funds had total revenues of $5,235,335 and $4,004,991 and total expenditures of $6,899,343 and $3,949,437 for the years ended May 31, 2017 and 2016, respectively. The Village's General fund reported a deficit of $223,856 and a surplus of $36,207 in 2017 and 2016, respectively. The General Fund had a fund balance of $1,646,832 at May 31, 2017.

During the fiscal year, the Village's Board of Trustees revised the budget through adopting budget modifications. These were used to reflect appropriation changes approved after the budget year began and to increase specific appropriation lines to prevent budget deficiencies for unexpected expenditures.

Several specific categories showed variances with the planned budget. Public Safety was under budget $62,076 due to the implementation of a restructured police schedule that reduced double coverage shifts. Transportation costs were under budgeted as a paving project of $65,000 was deferred to the next year. Employee benefits were under budget by $180,647 due to lower NYS Retirement costs. Health insurance benefits categories are under budget by $88,864. The reason for this is twofold. First, actual insurance plan cost increases were less than anticipated. Secondly, new employees opted for lower cost coverage plans than what was projected. Transfer to other funds increased significantly due to the Village of Perry's share of a CDBG Drainage project, $87,500, and the balance of the Village's share of the TEP Grant (Main St project) of $293,611.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets (net of accumulated depreciation) at May 31, 2017 was $12,695,791. This investment in capital assets includes land and land improvements, infrastructure, buildings, vehicles, and equipment.

All depreciable assets were depreciated as outlined in the Village's capital asset policy.

Capital Assets, net of accumulated depreciation, for the governmental activities are presented below:

Table 5 - Summary of Capital Assets at May 31, 2017 and 2016 (Net accumulated depreciation)

	2017	2016
Land	$ 4,457,800	$4,457,800
Construction in progress	1,478,383	-
Buildings	354,741	377,244
Land improvements	117,289	131,542
Equipment and vehicles	1,474,953	1,446,576
Infrastructure	4,812,625	3,010,509
	$ 12,695,791	$9,423,671

The Village's infrastructure assets are recorded at historical cost in the government-wide financial statements. The Village has elected to depreciate its infrastructure assets.

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Debt

The Village had $1,275,000 outstanding in serial bonds at May 31, 2017. The Village refunded $679,500 of serial bonds related to the water fund. The Village also made $185,000 of principal payments.

More detailed information about the Village's debt is presented in Note 7 to the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For Fiscal Year 2017-18, the Village of Perry property tax rate was standardized at $15.43 for all property owners within the Village limits. In the previous fiscal years there was a rate difference based on whether property owners were in the Town of Perry or the Town of Castile. The new rate reflects a decrease for all property owners – 0.58% for Town of Perry residents and 2.59% for Town of Castile residents. The Village Board and appointed officials considered many factors when setting the new rates in order to remain fiscally responsible, and to be more transparent and equitable.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and to show the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Village Mayor, Mr. Fredric Hauser, at (585) 237-2216, 46 North Main Street, Perry, New York.

VILLAGE OF PERRY, NEW YORK

STATEMENT OF NET POSITION
MAY 31, 2017

ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	$ 2,177,745
Restricted cash	1,000,558
Accounts receivable	200,651
Due from state and federal	87,832
Due from other governments	38,403
Total current assets	3,505,189
NON-CURRENT ASSETS:	
Notes receivable	15,627
Capital assets, net of accumulated depreciation	12,695,791
Total non-current assets	12,711,418
Total assets	16,216,607
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	341,083
Total deferred outflows of resources	341,083
LIABILITIES	
CURRENT LIABILITIES:	
Bond anticipation notes	2,026,483
Accrued interest on bonds	11,252
Accounts payable	190,747
Accrued liabilities	16,258
Current portion of serial bonds	190,000
Total current liabilities	2,434,740
NON-CURRENT LIABILITIES:	
Serial bonds, net of current portion	1,191,681
Net pension liability	450,291
Compensated absences	80,209
Total non-current liabilities	1,722,181
Total liabilities	4,156,921
DEFERRED INFLOWS OF RESOURCES	
Pension related	155,202
Grant revenue	17,278
Total deferred inflows of resources	172,480
NET POSITION	
Net investment in capital assets	9,287,627
Restricted	969,319
Unrestricted	1,971,343
Total net position	$ 12,228,289

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MAY 31, 2017

Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue, and Change in Net Position: Governmental Activities
GOVERNMENTAL:					
General governmental support	$ 935,860	$ 1,605,905	$ 48,977	$ -	$ 719,022
Public safety	758,451	41,318	-	-	(717,133)
Health services	7,479	606	-	-	(6,873)
Transportation	376,464	-	-	1,002,275	625,811
Culture and recreation	182,701	7,200	-	-	(175,501)
Home and community services	1,220,869	10,932	191,007	86,233	(932,697)
Economic assistance and opportunity	40,201	20,770	9,927	-	(9,504)
Interest expense	27,795	-	-	-	(27,795)
Total governmental activities	$ 3,549,820	$ 1,686,731	$ 249,911	$ 1,088,508	(524,670)
		GENERAL REVENUES:			
		Property taxes			2,027,604
		Non-property taxes			31,118
		Miscellaneous			78,653
		Sale of property			14,591
		Use of money and property			3,450
		Total general revenues			2,155,416
		CHANGE IN NET POSITION			1,630,746
		NET POSITION - beginning of year			10,597,543
		NET POSITION - end of year			$ 12,228,289

SSETS	General Fund	Water Fund	Sewer Fund	Special Grants	Capital Projects	Total Governmenta Funds
Cash and cash equivalents	$ 1,215,644	$ 359,344	$ 312,740	$ 118,745	$ 171,272	$ 2,177,745
Accounts receivable,net	5,108	106,303	89,240	-	-	200,651
Due from other funds	33,655	-	17,278	-	52,882	103,815
Due from other governments	-	9,000	29,403	-	-	38,403
Due from State and Federal	-	-	-	18,012	69,820	87,832
Notes receivable, net	-	-	-	15,627	-	15,627
Restricted cash	501,623	85,148	413,787	-	-	1,000,558
Total assets	$ 1,756,030	$ 559,795	$ 862,448	$ 152,384	$ 293,974	$ 3,624,631
IABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES						
ABILITIES:						
Accounts payable	$ 44,623	$ 44,082	$ 20,690	$ 9,529	$ 71,823	$ 190,747
Due to other funds	52,882	8,090	7,363	18,202	17,278	103,815
Bond anticipation notes payable	-	-	-	-	2,026,483	2,026,483
Accrued liabilities	11,693	2,597	1,968	-	-	16,258
Total liabilities	109,198	54,769	30,021	27,731	2,115,584	2,337,303
EFERRED INFLOW OF RESOURCES						
Deferred revenue - grant revenue	-	-	-	-	17,278	17,278
Total deferred inflow of resources	-	-	-	-	17,278	17,278
UND BALANCES:						
Nonspendable -						
Notes receivable	-	-	-	15,627	-	15,627
Restricted for -						
Equipment	75,040	-	-	-	-	
Capital	248,439	85,148	413,787	-	-	747,374
Repairs	178,143	-	-	-	-	178,143
Employee benefits and accrued liabilities	43,802	-	-	-	-	43,802
Assigned	200,000	419,878	418,640	109,026	-	1,147,544
Unassigned	901,408	-	-	-	(1,838,888)	(937,480)

VILLAGE OF PERRY, NEW YORK

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION FOR THE YEAR ENDED MAY 31, 2017

TOTAL FUND BALANCES OF GOVERNMENTAL FUNDS	$ 1,270,050
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	12,695,791
Long-term debt is not due and payable in the current period and, therefore, is not reported as fund liabilities but rather recognized as liabilities in the statement of net position.	(1,275,000)
Premium on the refunding bond is recorded as revenue in the governmental funds, but is amortized in the governmental funds.	(106,681)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as a liability in the statement of net position.	(11,252)
Net pension liabilities are not due and payable in the current period and; therefore, are not reported in the funds.	(450,291)
Deferred outflows/inflows of resources related to pensions are applicable to future periods and; therefore are not reported in the funds.	
Deferred outflows of resources - pension related	341,083
Deferred inflows of resources - pension related	(155,202)
Compensated absences are not reported in the funds under fund accounting, but are accrued as the liability is incurred in the statement of net position.	(80,209)
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 12,228,289

The accompanying notes are an integral part of these statements.

	General	Water District	Sewer District	Special Grants	Capital Projects	Gov
:						
axes and other tax items	$ 2,027,604	$ -	$ -	$ -	$ -	$
erty taxes	31,118	-	-	-	-	
rtmental charges	72,648	-	71,010	-	-	
ntal income	10,932	817,639	647,538	229	-	
oney and property	2,567	234	563	67	19	
and permits	75	-	-	-	-	
forfeitures	66,660	-	-	-	-	
operty and compensation for loss	14,591	-	-	-	-	
revenues	54,769	-	-	-	-	
id	-	-	-	150,036	1,044,382	
	43,904	-	15,000	40,971	44,126	
eous	42,574	16,413	1,550	18,116	-	
otal revenues	2,367,442	834,286	735,661	209,419	1,088,527	
JRES:						
overnmental support	456,359	15,322	11,598	-	174,539	
ety	523,285	-	-	-	-	
alth	7,479	-	-	-	-	
ation	535,329	-	-	-	1,040,975	
nd recreation	113,433	-	-	-	42,107	
d community services	82,817	530,468	409,648	203,909	1,976,681	
assistance and opportunity	14,322	-	-	-	-	
benefits	381,803	101,049	52,537	-	-	
ice -						
al	80,000	55,000	50,000	-	-	
t	15,360	19,515	5,808	-	-	
otal expenditures	2,210,187	721,354	529,591	203,909	3,234,302	
EFICIENCY) OF REVENUE OVER EXPENDITURES	157,255	112,932	206,070	5,510	(2,145,775)	
ANCING SOURCES:						
from refunding	-	645,000	-	-	-	
to escrow agent	-	(687,483)	-	-	-	
on refunding	-	106,681	-	-	-	
ance costs	-	(64,198)	-	-	-	
- in	-	-	-	-	381,111	
- out	(381,111)	-	-	-	-	
otal other financing sources	(381,111)	-	-	-	381,111	
FUND BALANCE	(223,856)	112,932	206,070	5,510	(1,764,664)	
NCE - beginning of year	1,870,688	392,094	626,357	119,143	(74,224)	
NCE - end of year	$ 1,646,832	$ 505,026	$ 832,427	$ 124,653	$ (1,838,888)	$

VILLAGE OF PERRY, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED MAY 31, 2017

NET CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS	$ (1,664,008)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. Such expenditures are not recorded in the statement of activities because they are recorded as capital assets.	3,684,480
Depreciation is recorded in the statement of activities, but not recorded as a change in fund balance of the governmental funds.	(412,360)
Repayment of long-term debt are recorded as expendiutres in the governmental funds, but are recorded as payments of liabilities in the statement of net position.	
Payments to escrow agent from refunding	679,500
Principal expenditures	185,000
Proceeds from long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(645,000)
Premiums on the issuance of debt recorded as revenue in the governmental funds, but are amortized in the governmental activities.	(106,681)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions, is reported as pension expense.	
Pension contributions	157,880
Cost of benefits earned, net of employee contributions	(257,095)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures and are accrued as liabilities in the governmental funds.	
Change in accrued interest	12,888
Change in accrual for compensated absences	(3,858)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 1,630,746

VILLAGE OF PERRY, NEW YORK

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED MAY 31, 2017

		Agency Funds
ASSETS		
Cash and cash equivalents - unrestricted	$	140,975
Cash and cash equivalents - restricted		713
Total assets	$	141,688
LIABILITIES		
Accounts payable	$	16
Agency liabilities		141,672
Total liabilities	$	141,688

The accompanying notes are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Village of Perry, New York (the Village) are prepared in accordance with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Village's significant accounting policies are described below.

Reporting Entity
The Village is governed by Village Law and other general laws of the State of New York and various local laws and ordinances. The Village Board of Trustees, the legislative body responsible for the overall operation of the Village, consists of the Mayor and four Village Trustees. The Mayor serves as Chief Executive Officer and the Village Administrator serves as the Treasurer and Chief Fiscal Officer of the Village.

The Village provides its residents the following basic services: highway maintenance, recreation facilities and programs, environmental services, water facilities, and emergency services, such as police and fire.

The accompanying financial statements present the activities of the Village as well as the component units and other entities determined to be includable in the Village's financial reporting entity. The Village is not a component unit of another reporting entity. The decision to include a potential component unit in the Village's reporting entity is based on several criteria, including legal standing, fiscal dependency, and financial accountability.

Basic Financial Statements
The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's water, sewer, special grant, and capital projects are classified as governmental activities. The Village does not have any activity that would be classified as business-type activities as defined by GAAP. Additionally, Fiduciary Funds are excluded from the government-wide financial statements.

Government-Wide Financial Statements
The government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of activities for the primary government. Government-wide financial statements do not include the activities reported in the Fiduciary Funds. This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

The government-wide statement of net position presents the governmental activities of the Village on a consolidated basis, after eliminations of internal activity, and recognizes all non-current assets and receivables and long-term debt of the Village. In addition, the Village's net position is reported in three components: net investment in capital assets, restricted, and unrestricted net position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Financial Statements (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions. The functions are supported by general government revenues (certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues must be directly associated with a specific function.

The Village's net costs are normally covered by general revenues (property taxes; federal, state, and county aid; and investment earnings). The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues, and expenditures. Separate statements for each fund category - governmental and fiduciary - are presented.

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 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 Village's governmental fund types:

- **General Fund**
  This is the principal operating fund of the Village. It is used to account for all revenues and expenditures not required to be accounted for in another fund.

- **Special Revenue Funds**
  These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village uses the following special purpose funds:

  - Special Grant
  - Water District
  - Sewer District

- **Capital Projects Fund**
  This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Major Funds

The emphasis in fund financial statements is on the major funds in the governmental activities categories. GAAP sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of the either fund category or the governmental and enterprise combined) for the determination of major funds. All of the Village's funds are considered major funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds
Fiduciary funds are used to report assets held in an agency capacity for others and are not available to support Village programs. The reporting focus is on net position and changes in net position, which is reported using accounting principles similar to proprietary funds. Since these assets are being held for the benefit of a third-party and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Basis of Accounting/Measurement Focus
Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

- **Accrual Basis**
  The government-wide statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

- **Modified Accrual Basis**
  The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the fiscal year.

Cash and Cash Equivalents
The Village has defined cash and cash equivalents to include cash on hand, demand deposits, time and savings deposits, and cash with fiscal agent.

Certificates of Deposit
The Village maintains certain certificates of deposit with an original maturity in excess of three months with various banks which are reported at cost plus interest earned, which approximates fair value.

Accounts Receivable
Accounts receivable are shown net of an allowance for uncollectible accounts. The Village establishes an allowance for doubtful accounts based on historical collection experience and a review of amounts outstanding.

Capital Assets
Capital assets purchased or acquired with an original cost of $1,000 or more and a useful life exceeding four years are capitalized. Contributed assets are reported at fair value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Depreciation on a depreciable assets is provided on the straight-line basis over the following estimated useful lives:

	Estimated Useful Lives
Buildings	20 - 50 years
Land improvements	10 - 20 years
Equipment and vehicles	5 - 10 years
Infrastructure:	
Water and sewer system	30 - 50 years
Other infrastructure	10 - 50 years

Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The separate financial statement element, *deferred outflows of resources,* represents a use of resources that applies to a future period and so will not be recognized as an outflow (expense/expenditure) until then. The separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Revenues

Substantially all governmental fund revenues are recorded in the period they are earned. Property taxes are billed and collected within the same period in which the taxes are levied. Grant revenues and expenses are recognized as a receivable and revenue and expense when the applicable eligibility requirements, including time requirements, are met. The Village reports resources received before the eligibility requirements are met as unearned revenue.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred except that:

- Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- Principal and interest on indebtedness are not recognized as expenditures until due.
- Expenditures for compensated absences, such as vacation and compensation in lieu of overtime, which vest or accumulate, are recognized as expenditures when paid.

Compensated Absences

The Village provides employees with a certain amount of vacation and sick leave during the year. The Village permits vacation and sick leave to be carried into the subsequent year. The Village's government-wide financial statements provide for an accrual for compensated absences at year-end. The Village's fund financial statements do not reflect the accrual because the Village does not anticipate that the liability will be recognized currently.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Activity

Interfund activity is reported as loans, services provided reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. Transfers between governmental funds and fiduciary funds are not offset in the government-wide financial statements since fiduciary funds are not included in the government-wide financial statements.

Property Taxes

The Village's real property taxes are levied annually on or before June 1 and collected by the Receiver of Taxes without interest through July 1. Thereafter, penalties for late payment are added at 5% from July 2 through August 2 with an additional 1% penalty added each month. No payments will be received after November 1 of each year. Uncollected taxes at November 1 are turned over to Wyoming County for collection with an additional 7% penalty.

Fund Balances – Fund Financial Statements

GAAP provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable Fund Balances**
  These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balance includes the long term portion of notes receivable recorded in the special grants fund.

- **Restricted Fund Balances**
  These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

- **Committed Fund Balances**
  These are amounts that can be used only for specific purposes determined by a formal action of the Board of Trustees prior to year-end. The Board of Trustees is the highest level of decision-making authority for the Village. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Trustees.

  Assigned Fund Balances
  These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. It is at the discretion of the Board of Trustees to make assignments as it sees fit.

- **Unassigned Fund Balances**
  These are all other spendable amounts.

Absent an approved policy, it is assumed that when an expenditure is incurred for which restricted, committed, assigned, or unassigned fund balances are available, the Village will consider amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances – Fund Financial Statements (Continued)

Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. BUDGETS

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to March 31, the Village Clerk presents a tentative budget to the Village Board for the following fiscal year commencing June 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

2. The full Village Board reviews the tentative budget and may adjust it before calling for a public hearing.

3. Following the public hearing, revisions may again be made by the Village Board before adopting the budget by May 1.

4. Formal annual budgetary accounts are employed as a management control device for the General Fund and each individual Special Revenue Fund.

5. During the fiscal year, the Village Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for departmental budgetary control. All budget amendments and budget transfers require Village Board approval.

6. Annual budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP, except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. All unencumbered appropriations, except for Special Grant-related appropriations, lapse at the end of the fiscal year. Budgetary comparisons presented in this report are on the budgetary basis and represent the budget as modified.

7. Capital Projects Fund appropriations are not included in the Village's annual budget. Budgetary controls are established for the Capital Projects Fund through resolutions authorizing individual projects that remain in effect for the life of the project. Accordingly, the Capital Projects Fund budget is not presented in the combined statement of revenues, expenditures, and changes in fund balance – budget and actual, since a comparison of the budgeted amounts with the current year's expenditures would not be meaningful.

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

State statutes govern the Village's investment policies. Village funds must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within New York State. The Village Treasurer is authorized to deposit cash in demand accounts and purchase certificates of deposit. Permissible investments include obligations of the United States Treasury and its agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for deposits and certificates of deposit at 105% of all deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

At May 31, 2017, the Village's cash and cash equivalents were covered by either FDIC insurance or be eligible securities held in the Village's name by a third-party custodial bank or by the trading partner's trust department. The Village's deposits, including the Village's fiduciary funds, consisted of the following at May 31, 2017:

Description	Bank Balance	Carrying Amount
Cash and cash equivalents, including fiduciary funds	$3,450,279	$3,319,991
Collateralized with securities held by the pledging financial institution's trust department or agent in the Village's name	3,003,215	
Covered by FDIC insurance	863,851	
Total	$3,867,066	

4. NOTES RECEIVABLE

The Village has extended unsecured loans to qualified individuals that bear interest at rates ranging from 0% - 2% for economic development within the Village. At May 31, 2017, $15,627 of notes receivable was outstanding at year end. Based on past collection history and management estimate of future collections, management has recorded an allowance of $2,500 at May 31, 2017.

5. CAPITAL ASSETS

Capital asset activity for the year ended May 31, 2017 was as follows:

	Balance 6/1/2016	Additions	Deletions	Balance 5/31/2017
Capital assets not being depreciated:				
Land	$ 4,457,800	$ -	$ -	$ 4,457,800
Construction in progress	-	1,478,383	-	1,478,383
Total capital assets not being depreciated	4,457,800	1,478,383	-	5,936,183
Capital assets being depreciated				
Buildings	1,456,634	-	-	1,456,634
Land improvements	477,540	-	-	477,540
Equipment and vehicles	4,024,785	240,787	(18,996)	4,246,576
Infrastructure	15,650,257	1,965,310	-	17,615,567
Total capital assets being depreciated	21,609,216	2,206,097	(18,996)	23,796,317
Less accumulated depreciation for:				
Buildings	(1,079,390)	(22,503)	-	(1,101,893)
Land improvements	(345,998)	(14,253)	-	(360,251)
Equipment and vehicles	(2,578,209)	(212,410)	18,996	(2,771,623)
Infrastructure	(12,639,748)	(163,194)	-	(12,802,942)
Total accumulated depreciation	(16,643,345)	(412,360)	18,996	(17,036,709)
Total capital assets being depreciated, net	4,965,871	1,793,737	-	6,759,608
Capital assets, net	$ 9,423,671	$ 3,272,120	$ -	$ 12,695,791

Depreciation expense was charged to functions of the primary government for the year ended May 31, 2017 as follows:

General Governmental Support	$ 99,975
Transportation	138,416
Home and Community Services	99,975
Public Safety	73,994
	$ 412,360

6. INTERFUND ACTIVITY

Interfund receivables, payables, revenues and expenditures at May 31, 2017 were as follows:

	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
General Fund	$ 33,655	$ 52,882	$ -	$381,111
Special Grant Fund	-	18,202	-	-
Water Fund	-	8,090	-	-
Capital Projects Fund	52,882	17,278	381,111	-
Sewer Fund	17,278	7,363	-	-
	$ 103,815	$ 103,815	$381,111	$381,111

Interfund transactions between governmental activities are eliminated on the Statement of Net Position. The Village typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issued. All interfund payables are expected to be repaid within one year.

Transfers
During the year ended May 31, 2017, the Village made transfers from the General Fund to the Capital Projects Fund of $381,111 related to the Village's share of the TEP and CDBG grants.

7. SHORT-TERM DEBT

The Village issued short-term debt in the form of a bond anticipation note (BAN) related to a project funded by the New York State Environmental Facilities Corporation. The debt carries an interest rate of 0%, issued on July 7, 2016 for $5,395,550. The outstanding balance at May 31, 2017 was $2,026,483.

The following is a summary of changes in short-term debt for the year ended May 31, 2017:

Balance, June 1, 2016	$ 104,244
Increases	1,922,239
Balance, May 31, 2017	$ 2,026,483

8. SERIAL BONDS

The Village borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. 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.

Serial bond activity for the year ended May 31, 2017 was as follows:

	Balance 6/1/2016	Additions	Payments	Balance 6/1/2017	Due within One year
Serial Bonds	$ 1,494,500	$ 645,000	$ (864,500)	$ 1,275,000	$ 190,000
Premium on refunding	-	106,681	-	106,681	-
Total long-term debt	$ 1,494,500	$ 751,681	$ (864,500)	$ 1,381,681	$ 190,000

8. SERIAL BONDS (Continued)

The Village's future debt service requirements related to the serial bonds are as follows for the years ending May 31:

	Principal	Interest	Total
2018	$ 190,000	$ 44,303	$ 234,303
2019	185,000	39,808	224,808
2020	185,000	35,157	220,157
2021	185,000	30,292	215,292
2022	95,000	24,395	119,395
2023-2027	260,000	74,015	334,015
2028-2032	160,000	22,750	182,750
2033-2037	15,000	625	15,625
	$1,275,000	$ 271,345	$1,546,345

In 2017, the Village issued serial bond for $645,000 with interest rates ranging from 1.00% to 5%.for a premium of $106,681. This retired $679,500 of serial bonds with interest rates ranging from 4.750% to 5.250%. The Village is expected to have an estimated budgetary savings of $92,598.

9. COMPENSATED ABSENCES

The Village has recorded a liability for compensated absences that represents the value of employees' earned and unused vacation. Additions and deletions to compensated absences in the following summary have been shown net since it is impractical to determine these amounts separately. A summary of the activity related to this liability is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Compensated absences	$ 76,351	$ 3,858	$ -	$ 80,209

10. PENSION PLANS

Plan Description

The Village participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (collectively, the Systems). These are cost-sharing multiple-employer, public employee retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System or the Local Police and Fire Retirement System, Gov. Alfred E. Smith Office Building, 110 State Street, Albany, NY 12244.

10. PENSION PLANS (Continued)

Funding Policies

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the System. They are as follows:

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

Contributions

The Systems are noncontributory for employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% percent of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in ERS contribute 3% of their salary throughout their active membership. For ERS the Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who joined on or after April 1, 2012, contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members are based on each member's annual compensation varying between 3-6%.

The Systems cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York State Legislation. The Village is required to contribute to the Systems at an actuarially determined rate. The required contributions for 2017 and the two preceding years were as follows:

	ERS	PFRS
2017	$106,351	$51,529
2016	$171,444	$43,544
2015	$149,490	$70,969

The Village's contributions to the Systems were equal to 100% of the contributions required for each year.

10. PENSION PLANS (Continued)

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

At May 31, 2017, the Village reported a net pension liability of $250,195 and $200,096 for its proportionate share of the ERS and PFRS net pension liability, respectively. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of that date. The Village's proportion of the net pension liability was based on a projection of the Village's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At May 31, 2017, the Village's proportionate share was .0026627% and .0096541% for ERS and PFRS, respectively, which was a decrease from its proportionate share measured at May 31, 2016 of .0026706% and .0124148% for ERS and PFRS, respectively.

For the year ended May 31, 2017, the Village recognized pension expense of $158,652 and $98,444 for ERS and PFRS, respectively. At May 31, 2017, the Village reported deferred outflows/inflows of resources related to pensions from the following sources:

ERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,270	$ 37,994
Changes of assumptions	85,476	-
Net difference between projected and actual earnings on pension plan investments	49,974	-
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	42,553	256
Contributions subsequent to the measurement date	-	-
Total	$ 184,273	$ 38,250

PFRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 26,249	$ 34,572
Changes of assumptions	98,579	-
Net difference between projected and actual earnings on pension plan investments	29,884	-
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	2,098	82,380
Contributions subsequent to the measurement date	-	-
Total	$ 156,810	$ 116,952

10. PENSION PLANS (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for ERS and PFRS, respectively:

Plan's Year Ended March 31:	ERS	PFRS
2018	$ 62,692	$ 20,424
2019	62,692	20,424
2020	54,061	18,193
2021	(33,422)	(17,112)
Thereafter	-	(2,071)
	$ 146,023	$ 39,858

Actuarial Assumptions

The total pension liability at March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017.

The actuarial valuation used the following actuarial assumptions for both the ERS and PFRS:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	3.8% in ERS, 4.5% in PFRS, indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

Long-term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

10. PENSION PLANS (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	36	4.55
International Equity	14	6.35
Private Equity	10	7.75
Real Estate	10	5.80
Absolute Return Strategies	2	4.00
Opportunistic Portfolio	3	5.89
Real Asset	3	5.54
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation-Indexed Bonds	4	1.50
	100%	

Discount Rate
The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Plan'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 Village's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Village'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% higher (8.0%) than the current rate:

	1% Decrease 6.00%	Current Discount 7.00%	1% Increase 8.00%
ERS Proportionate Share of Net Pension liability (asset)	$ 799,075	$ 250,195	$ (213,881)
PFRS Proportionate Share of Net Pension liability (asset)	$ 567,259	$ 200,096	$ (107,865)

10. PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position (000's)
The components of the current-year net pension liability of the employers as of March 31, 2017 for ERS and PFRS respectively follow:

	ERS	PFRS
Total pension liability	$ 177,400,586	$31,670,483
Net position	(168,004,363)	(29,597,830)
Net pension liability (asset)	$ 9,396,223	$ 2,072,653
Net position as a percentage of total pension liability	94.7%	93.5%

11. WORKERS' COMPENSATION

The Village is a member of the Wyoming County Workers' Compensation Plan (the Plan). The Plan was established to provide workers' compensation benefits on a group, self-insured basis, whereby risk of loss is transferred from the members to the Plan. Through effective risk management techniques, promotion of safety, and proactive claims administration, the Plan intends to provide the aforementioned benefits, substantially at cost. Premiums, which are based upon members' payroll and experience factors and administrative costs, are subject to prospective adjustment. The Village records the expense for workers' compensation in the period the payments to the Plan are due. The Village has not recorded any additional accrual for workers' compensation expense due to the fact that the estimation for unpaid claims incurred but not reported is built into its annual premium payments to the Plan. Historical experience has shown that the Plan's calculation of premiums has been adequate to cover claims incurred, but not reported.

12. JOINT VENTURES

The following activities are undertaken jointly with other municipalities and are excluded from the accompanying financial statements of the Village.

Silver Lake Watershed Commission
The Towns of Perry and Castile and the Villages of Perry, Castile, and Mt. Morris jointly operate the Silver Lake Watershed Commission (The Watershed Commission) under the terms of an agreement dated June 1, 1989. The agreement extends from year to year unless terminated by any of these municipalities. Significant provisions of the agreement are as follows:

- The governing body of the Watershed Commission consists of one voting member and one alternate member from each municipality.

- Control of the watershed dam was relegated to the Department of Public Works of the Village of Perry in 1985.

- All applicable expenses of the Watershed Commission are apportioned annually as follows:

Village of Perry	30%
Town of Castile	30%
Village of Mt. Morris	24%
Town of Perry	10%
Village of Castile	6%

- The modified accrual basis of accounting is used to account for the operations of the Watershed Commission.

- Unaudited summarized financial information of the Watershed Commission as of and for the year ended May 31, 2017 was as follows:

Balance Sheet

Assets:	
Cash	$ 42,616
Due from other governments	22
Total assets:	$ 42,638
Liabilities:	
Accounts payable	$ 59
Total liabilities	$ 59
Fund balance - unassigned	$ 42,579
Total liabilities and fund balance	$ 42,638

12. JOINT VENTURES (Continued)

Silver Lake Watershed Commission (Continued)

Statement of Revenues, Expenditures, and Change in Fund Balance

Revenues:		
Charges for services to other governments	$	8,320
Contribution from the Village of Perry		3,900
Use of money and property		19
Total revenues		12,239
Expenditures:		
Home and community services		6,670
Total expenditures		6,670
Excess of revenues over expenses		5,569
Fund balance - beginning of year		37,010
Fund balance - end of year	$	42,579

Cable Television Commission

In 1982, the Towns of Perry and Castile and the Villages of Perry and Castile entered into an agreement to form a Cable Television Commission to serve as liaison between their municipalities and the Letchworth Cable T.V. Access (Access), which includes their communities and the area cable company franchise. Access was formed to act on behalf of the participating municipalities in all matters relating to public access on cable television channels. The objective is to provide local television coverage and programming featuring educational and other matters of local area public interest. The Cable Television Commission consists of one member from each of the following municipalities as appointed by the respective governing bodies: Town of Perry, Town of Castile, Village of Perry, Village of Castile, Town of Pike, Village of Pike and Town of Gainesville.

Each of the municipalities contributes a 3% franchise fee generated from the cable company's gross billing revenue to fund Access.

13. TRUST AND AGENCY FUNDS

The Trust and Agency funds consisted of the following at May 31, 2017:

Utility tax	$	39,574
Payroll reserve		47,269
Perry health insurance premiums		23,973
Perry chalk art festival		9,122
Employee health contributions		9,963
Holiday lights committee		1,781
Men's softball league fund		2,566
Union dues		242
Surety fee		1,213
Tour de Perry		3,459
Shake on the lake		226
Other		2,300
	$	141,688

14. LITIGATION

The Village is the defendant in various actions, all of which are either within the limits of the Village's insurance coverage or are being vigorously defended by the Village's counsel. Counsel has indicated that the insurance companies are also vigorously defending those claims and that here is adequate insurance to cover any contingencies. In the opinion of the counsel, the potential loss in the non-insured proceeding will be limited to the cost of litigation.

15. IMPACT OF FUTURE GASB PRONOUNCEMENTS

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefore. The Village is required to adopt the provisions of this Statement for the year ending May 31, 2020.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement apply to the financial statements of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Village is required to adopt the provisions of this Statement for the year ending May 31, 2020.

15. IMPACT OF FUTURE GASB PRONOUNCEMENTS (Continued)

In March 2017, the GASB issued Statement No. 85, *Omnibus*. This Statement establishes practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The Village is required to adopt the provisions of this Statement for the year ending May 31, 2019.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This Statement establishes consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Village is required to adopt the provisions of this Statement for the year ending May 31, 2019.

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement establishes accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Village is required to adopt the provisions of this Statement for the year ending May 31, 2021.

16. TAX ABATEMENTS

The Village has three real property tax abatement agreements entered into by the Wyoming County Industrial Development Agency (WCIDA) under Article 18-A of the real property tax law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT).

The following information relates to the aforementioned PILOT agreements:

	Year Began	Agreement / Property	Total Assessed Value	Pilot Taxable Value	Current Assessment Greater then PILOT tax. Value	Abatement Rate	Current Assessment Greater then PILOT tax. Value	Village Tax Rate / 1000	Regular Taxable Amount	Pilot Payment Received	Taxes Abated
1	2010	Perry NY LLC	$ 168,000.00	$ 42,400.00	$ 125,600.00	0%	$ -	15.526	$ 2,608.37	$ 658.30	$ 1,950.07
2	2008	Perry NY LLC	$ 121,400.00	$ 78,000.00	$ 43,400.00	60%	$ 26,040	15.526	$ 1,884.86	$ 1,615.33	$ 269.53
3	2010	InSite Enterprises LLC	$ 112,000.00	$ 67,900.00	$ 44,100.00	20%	$ 8,820	15.526	$ 1,736.91	$ 1,191.15	$ 547.76

The Village has one real property tax abatement agreement with a housing development and redevelopment company organized pursuant to Article V or Article XI of the Private Housing Finance Law of the State of New York ("PHFL") for the purpose of creating or preserving affordable housing in the City.

Generally, these agreements provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) based on a percentage of shelter rents, and continue until the property no longer provides the required affordable housing or no longer complies with the requirements of the PHFL. The Village has entered into an agreement with the Town of Perry, and the Silver Lake Housing Group, L.P, in which the Village will receive 30% of a payment in lieu of taxes. The payment will be $800 per unit or ten percent of gross rents, whichever is greater. The Village's portion of the 2017 PILOT was $12,480 and the amount of taxes abated by the agreement was $6,010.

The Village is also subject to Mortgage tax abatements granted by WCIDA in order to increase business activity and employment in the region. The amount of mortgage tax abated in the Village for the year ended May 31, 2017 was $68,625.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF PERRY, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED) FOR THE YEAR ENDED MAY 31, 2017

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Property taxes and other tax items	$ 2,003,490	$ 2,003,490	$ 2,027,604	$ 24,114
Non-property taxes	30,000	30,000	31,118	1,118
Interdepartmental charges	65,850	65,850	72,648	6,798
Departmental income	3,000	3,000	10,932	7,932
Use of money and property	8,150	8,150	2,567	(5,583)
Licenses and permits	30	30	75	45
Fines and forfeitures	65,000	65,000	66,660	1,660
Sale of property and compensation for loss	1,500	1,500	14,591	13,091
Interfund revenues	52,000	52,000	54,769	2,769
State aid	89,730	89,730	43,904	(45,826)
Miscellaneous	9,000	9,000	42,574	33,574
Total revenues	2,327,750	2,327,750	2,367,442	39,692
EXPENDITURES:				
General governmental support	529,710	542,125	456,359	85,766
Public safety	503,000	585,361	523,285	62,076
Health	6,075	7,575	7,479	96
Transportation	547,000	613,135	535,329	77,806
Culture and recreation	109,090	119,138	113,433	5,705
Home and community services	104,425	89,322	82,817	6,505
Economic assistance and opportunity	19,400	19,400	14,322	5,078
Employee benefits	598,700	562,450	381,803	180,647
Debt service	95,350	95,360	95,360	-
Total expenditures	2,512,750	2,633,866	2,210,187	423,679
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(185,000)	(306,116)	157,255	463,371
OTHER FINANCING SOURCES (USES):				
Operating transfers - out	-	(87,500)	(381,111)	(293,611)
Total other financing sources	-	(87,500)	(381,111)	(293,611)
NET CHANGE IN FUND BALANCES	$ (185,000)	$ (393,616)	(223,856)	$ 169,760
FUND BALANCES - beginning of year			1,870,688	
FUND BALANCES - end of year			$ 1,646,832	

VILLAGE OF PERRY, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES - BUDGET AND ACTUAL - WATER DISTRICT FUND (UNAUDITED) FOR THE YEAR ENDED MAY 31, 2017

	Water District			
	Original Budget	Final Budget	(Budgetary Basis) Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Departmental income	$ 718,800	$ 718,800	$ 817,639	$ 98,839
Interdepartmental charges	8,900	8,900	-	(8,900)
Miscellaneous	-	-	16,413	16,413
Use of money and property	180	180	234	54
Total revenues	727,880	727,880	834,286	106,406
EXPENDITURES:				
General governmental support	35,500	30,500	15,322	15,178
Home and community services	553,100	603,100	530,468	72,632
Employee benefits	160,200	127,200	101,049	26,151
Debt service	79,186	113,686	74,515	39,171
Total expenditures	827,986	874,486	721,354	153,132
EXCESS OF REVENUES OVER EXPENDITURES	(100,106)	(146,606)	112,932	259,538
OTHER FINANCING SOURCES (USES):				
Payments to escrow agent	-	-	(687,483)	(687,483)
Proceeds from refunding	-	-	645,000	645,000
Premium on refunding	-	-	106,681	106,681
Bond issuance costs	-	-	(64,198)	(64,198)
Total other financing sources (uses)	-	-	-	-
NET CHANGE IN FUND BALANCES	$ (100,106)	$ (146,606)	112,932	$ 259,538
FUND BALANCES - beginning of year			392,094	
FUND BALANCES - end of year			$ 505,026	

TATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES -
UDGET AND ACTUAL - SEWER DISTRICT FUND (UNAUDITED)
OR THE YEAR ENDED MAY 31, 2017

	Sewer District			
	Original Budget	Final Budget	Actual	Variance wit Final Budge Positive (Negative)
EVENUES:				
Interdepartmental income	$ 48,000	$ 48,000	$ 71,010	$ 23,01
Departmental income	617,000	617,000	647,538	30,53
State aid	-	-	15,000	15,00
Use of money and property	200	200	563	36
Miscellaneous	-	-	1,550	1,55
Total revenues	665,200	665,200	735,661	70,46
XPENDITURES:				
General governmental support	60,000	60,000	11,598	48,40
Home and community services	461,000	465,000	409,648	55,35
Employee benefits	83,250	79,250	52,537	26,71
Debt service	158,203	158,203	55,808	102,39
Total expenditures	762,453	762,453	529,591	232,86
XCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(97,253)	(97,253)	206,070	303,32
ET CHANGE IN FUND BALANCES	$ (97,253)	$ (97,253)	206,070	$ 303,32
JND BALANCES - beginning of year			626,357	
JND BALANCES - end of year			$ 832,427	

	2017	2016	
nsion liability (asset)	$ 250,195	$ 428,638	Information for the periods prior to implementation
	$ 737,552	$ 759,698	unavailable and will be completed for each year goin
nsion liability (asset)			they become available.
employee payroll	33.92%	56.42%	
rcentage of the total pension liability (asset)	94.70%	90.77%	

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

S' RETIREMENT SYSTEM PLAN - PFRS	2017	2016	2015	2014	2013	2012	2011	2010
lity (asset)	0.0096541%	0.0124148%	Information for the periods prior to implementation					
nsion liability (asset)	$ 200,096	$ 367,577	unavailable and will be completed for each year goin					
	$ 260,383	$ 261,006	they become available.					
nsion liability (asset)								
employee payroll	76.85%	140.83%						
rcentage of the total pension liability (asset)	93.50%	90.20%						

)YEES' RETIREMENT SYSTEM PLAN - ERS

	2017	2016	2015	2014	2013	2012	2011	2010	200
ɔution	$ 106,351	$ 171,443	Information for the periods prior to implementation of G unavailable and will be completed for each year going forw become available.						
e contractually required contribution	106,351	171,443							
ss)	$ -	$ -							
	$ 737,552	$ 759,698							
ıe of covered-employee payroll	14.42%	22.57%							

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

)YEES' RETIREMENT SYSTEM PLAN - PFRS

	2017	2016	2015	2014	2013	2012	2011	2010	200
ɔution	$ 51,529	$ 43,543	Information for the periods prior to implementation of G unavailable and will be completed for each year going forw become available.						
e contractually required contribution	51,529	43,543							
ss)	$ -	$ -							
	$ 260,383	$ 261,006							
ıe of covered-employee payroll	19.79%	16.68%							

Bonadio & Co., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 4, 2017

To the Village Board of the
Village of Perry, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Village of Perry, New York (the Village) as of and for the year ended May 31, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 4, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bonadio & Co., LLP

VILLAGE OF PERRY
RESOLUTION
Adopted: December 18, 2017

WHEREAS, the Village Board of the Village of Perry met at a regular board meeting at the Village Offices located in the Village of Perry, New York on the 18th of December 2017, commencing at 7:30 p.m., at which time and place the following members were:

Present:	Mayor	Rick Hauser
	Trustee	Jacquie Billings
	Trustee	Dariel Draper
	Trustee	Eleanor Jacobs
	Trustee	Bonnie Matson

WHEREAS, all Board Members, having due notice of said meeting, and that pursuant to Article 7, §104 of the Public Officers Law, said meeting was open to the general public and due and proper notice of the time and place whereof was given as required by law; and

WHEREAS, Article II of Chapter 160 of the Code of the Village of Perry requires residents to obtain permission of the Board of Trustees to "keep or harbor horses, cattle, sheep, swine, chickens or any other animal other than cats, dogs, or similar household pets within the Village of Perry"; and

WHEREAS, the Board of Trustees would like to implement a more formal process for residents to obtain permission to keep the animals within the Village of Perry; and

WHEREAS, therefore, the Village Board of the Village of Perry is considering a Local Law entitled "Amending the Code of the Village of Perry, specifically Chapter 160, Article II – Animal Control Permission Required" to change the process to allow horses, cattle, sheep, swine, chickens or any other animal other than cats, dogs, or similar household pets within the Village from permission granted by the Board of Trustees to requiring a permit issued by the Code Enforcement Officer; and

WHEREAS, pursuant to and in accordance with the provision of § 617.5(c)(20), this action is a SEQR Type II action which does not have significant adverse impacts on the environment and is statutorily exempted from SEQR review, and

WHEREAS, the Village Board of the Village of Perry finds it in the best interest of the Village to hold a public hearing to consider the adoption of said local law.

NOW ON MOTION OF Trustee Matson which has been duly seconded by Trustee Billings, be it

RESOLVED, by the Village Board of the Perry will hold a public hearing on the proposed adoption of said local law on the 16th day of January 2018 at 8:00 p.m., at which time all interested parties and citizens for or against the proposed law will be heard.

Ayes: _5_
Nays: _0_
Quorum Present: _X_ Yes __ No
Dated: December 18, 2017

[SEAL]

Gail Vosburg
Gail Vosburg Clerk
Village of Perry

LOCAL LAW No. __ of 20__ ENTITLED,
"AMENDING THE CODE OF THE VILLAGE OF PERRY, SPECIFICALLY CHAPTER 160, ARTICLE II – ANIMAL CONTROL PERMISSION REQUIRED"

DRAFT

Be it enacted by the Village Board of the Village of Perry, as follows:

SECTION I. STATUTORY AUTHORITY; TITLE

This local law is adopted pursuant to the authority of Municipal Home Rule Law of the State of New York and shall be known as "Amending the Code of the Village of Perry, specifically Chapter 160, Article II – Animal Control Permission Required."

SECTION II. PURPOSE AND INTENT

Section 160-14 of Article II of Chapter 160 of the Code of the Village of Perry requires residents to obtain permission from the Board of Trustees to "keep or harbor horses, cattle, sheep, swine, chickens or any other animal other than cats, dogs, or similar household pets within the Village of Perry."

The Board of Trustees would like to formalize the process to allow horses, cattle, sheep, swine chickens or any other animal other than cats, dogs, or similar household pets within the Village from permission granted by the Board of Trustees to requiring a permit issued by the Code Enforcement Officer.

SECTION III. ENACTMENT

The Village Board of the Village of Perry hereby adopts the following changes to the Code of the Village of Perry:

§ 160-14: Permission required to keep certain animals

Replace: A. No person shall hereafter keep or harbor horses, cattle, sheep, swine, fowl, or any animal other than cats, dogs, or similar household pets within the Village of Perry without a permit issued by the Code Enforcement Officer. The permit shall be revocable at any time if it appears that the keeping of the animals in question is objectionable or offensive by reason of noise, smell, or other cause. This section shall not apply to any public pound or animal hospital operated by a New York licensed veterinarian located within the Village nor to any person who operates a farm pursuant to the definition of "farm" in this article.

SECTION IV. SEVERABILITY/VALIDITY

If any part or provision of this local law, or the application thereof, to any person or circumstance be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision or application directly involved in the controversy in which such judgment shall have been rendered, and shall not affect or impair the validity of the remainder of this local law, or application thereof to other persons or circumstances, and the Village Board of the Village of Perry hereby declares that it would have passed this Local Law or the remainder thereof, had such invalid application or invalid provision been apparent.

SECTION V. REPEAL

All ordinances, local laws and parts thereof inconsistent with this local law are hereby repealed.

SECTION VI. EFFECTIVENESS

This local law shall take effect immediately upon filing in the office of the Secretary of State in accordance with § 27 of the Municipal Home Rule Law of the State of New York.

DRAFT

CLERK-TREASURER REPORT
12/18/2017

1. **Vouchers:**
VOUCHERS OF ALL FUNDS AS SET FORTH #181276 - #181385

General Fund	$ 71,991.54
Spec. Grant Fund	$ 4,716.44
Spec. Grant Fund #2	$ 12,170.00
Water Fund	$ 20,801.28
Sewer Fund	$ 12,475.13
WWTF Project Fund	$ 524.53
SLWC	$ 58.89
Trust & Agency	$ 63,569.26
TOTAL	$186,307.07

All vouchers have been audited by Trustee Billings.

(Need Board motion to pay vouchers).

2. Treasurer's reports for October.

MONTHLY REPORT OF TREASURER

TO THE VILLAGE BOARD OF THE VILLAGE OF PERRY:

The following is a detailed statement of all moneys received AND desbursed BY me during the month of October 2017.

DATED: December 7, 2017

Gail I. Vosburg, Treasurer

	Balance 9/30/2017	Increases	Decreases	Balance 10/31/2017
A GENERAL FUND				
CASH - CHECKING	123,493.37	162,502.10	162,502.10	123,493.37
CASH - SAVINGS	200,504.45	225,357.74	164,543.16	261,319.03
CERTIFICATES OF DEPOSIT	2,026,550.31	390.69	150,181.55	1,876,759.45
PETTY CASH	50.00	-	-	50.00
SPECIAL RESERVE FIRE APPARATUS	75,052.69	3.18	-	75,055.87
SPECIAL REPAIR RESERVE	109,678.04	8.81	-	109,686.85
SPECIAL RESERVE - EQUIPMENT	248,464.38	6.33	-	248,470.71
EMPLOYEE BENEFITS ACCRD LIABIL	43,808.84	1.87	-	43,810.71
			-	
TOTAL	$ 2,827,602.08	$ 388,270.72	$ 477,226.81	$ 2,738,645.99
CD SPECIAL GRANT FUND				
CASH - CHECKING	358.23	5,308.65	5,308.65	358.23
CASH - SAVINGS	115,645.70	350.82	-	115,996.52
CASH - SAVING - LGV	1,989.61	-	5,308.65	(3,319.04)
CASH - HOUSING GRANT PROGRAM	-	-	-	-
TOTAL	$ 117,993.54	$ 5,659.47	$ 10,617.30	$ 113,035.71
CE SPECIAL GRANT FUND 2				
CASH - CHECKING	-	2,041.06	2,041.06	-
CASH - SAVINGs - NYMS GRANT	-	2,041.06	2,041.06	-
TOTAL	-	4,082.12	4,082.12	-
F WATER FUND				
CASH - CHECKING	52,180.71	33,937.92	33,937.92	52,180.71
CASH - SAVINGS	283,560.50	100,428.16	33,937.92	350,050.74
PETTY CASH	50.00			50.00
WATER RESERVE	85,170.56	5.79		85,176.35
TOTAL	$ 420,961.77	$ 134,371.87	$ 67,875.84	$ 487,457.80
G SEWER FUND				
CASH - CHECKING	50,799.93	28,870.66	28,870.66	50,799.93
CASH - SAVINGS	340,366.77	$ 77,702.66	29,115.66	388,953.77
PETTY CASH	50.00			50.00
SEWER RESERVE	413,925.46	35.16		413,960.62
TOTAL	$ 805,142.16	$ 106,608.48	$ 57,986.32	$ 853,764.32

H CAPITAL PROJECTS FUND				
CASH - CHECKING	1,775.70	20,923.40	20,923.40	1,775.70
CASH - SC DRAINAGE CKING	1.00			1.00
CASH - SC SAVINGS	220,754.21	7,998.00	11,193.40	217,558.81
CASH - SAVINGS - SPLASH PAD	-	-	-	-
CASH - TEP GRANT PROGRAM	17,660.09	11,138.00	-	28,798.09
CASH - SL TRAIL STUDY	-	1,732.00	1,732.00	-
TOTAL	$ 240,191.00	$ 41,791.40	$ 33,848.80	$ 248,133.60
HS CAPITAL PROJECT - WWTF				
CASH - CHECKING	-	0.20	0.20	-
CASH - SAVINGS	(244.80)	10,245.00	0.20	10,000.00
TOTAL	(244.80)	10,245.20	0.40	10,000.00
JA SILVER LAKE WATERSHED				
CASH - CHECKING	118.91	74.89	74.89	118.91
CASH - SAVINGS	45,110.48	1.92	74.89	45,037.51
TOTAL	$ 45,229.39	$ 76.81	$ 149.78	$ 45,156.42
TA TRUST & AGENCY				
CASH - CHECKING	149,902.85	160,053.00	141,669.59	168,286.26
CASH - SAVINGS- SURETY FEE	713.44	0.03		713.47
CASH - CHALK ART FESTIVAL	-			-
CASH - SAVINGS - P&R IMPROVE	0.11	-	-	0.11
TOTAL	$ 150,616.40	$ 160,053.03	$ 141,669.59	$ 168,999.84
TOTAL ALL FUNDS	$ 4,607,491.54	$ 851,159.10	$ 793,456.96	$ 4,665,193.68 $ 4,665,193.68

2017 December Village Board Report

WTP

1. Collect all monthly water samples including THM, HAA5's, Toluene and E.coli for VOP and TOP.
2. Mow WTP, Swim Beach and 750 Tower one more time.
3. Flush "dead-end" water mains.
4. Check and record all individual house pressures for Birchwood Acres residents.
5. Operator Jeff Drain attended a Cyber Security Training class in Batavia in order to complete Vulnerability Assessment Plan.
6. GIS New TOC Fire Hydrants.
7. Replace pulley and belt on Village Hall generator.
8. Attend contractor meeting for Birchwood Acres project, open Bids for project.
9. Revise Emergency Response Plan and Vulnerability Assessment Plan and turned into Wyoming County DOH.
10. Find and repair water service leak at 16 Birchwood Acres.
11. Grease drives for Up Flow Clarifier.
12. Drive dump truck to haul gabion stones from WTP to dump.
13. Service trash pump.
14. Clean up mowers, service and put in storage building for winter
15. Shovel snow at WTP.....................first time of the year.
16. Complete Annual Report on Violations of Watershed Rules and Regulations for 2017 and turn in to Wyoming County DOH.
17. Replace light in shop
18. Total gallons of water treated for the month of November was 8,167,900 for a daily average of 272,263 GPD.

WWTP

1. Complete all monthly wastewater samples including cake sample for VOP.
2. Mow WWTP, dump, roadside and Lake Street PS one more time.
3. Suck up leaves around WWTP.
4. Run sludge press to de-water sludge.
5. Camera sewer mains and storm lines to check for I & I.
6. GIS sewer manholes.
7. Smoke test sewers on Park Avenue, Park Place, Walnut Street and old Sedams Building, checking for I & I.
8. Dye test Handley St., Park St., Benedict St., Watkins and Covington St. to check for I & I.
9. Help DPW jet sewer lines at CFI.
10. Re-build polymer pump for sludge press.
11. Unplug check valve at 'B' Station at WWTP.
12. Gave Aaron Bissell from MRB Group a tour of the WWTP.
13. Clean out Effluent chamber at the contact tank.
14. Adjust Effluent meter, put sensor inside effluent pipe about 10 feet.
15. Clean Trickling Filter arms and jet trickling filter for annual maintenance.
16. Take down Contact tank, clean, install new pump and put back on line.

17. Pull pump at Lake St. pump station and unclog pump.
18. Clean up mowers, service and put in storage building for winter.
19. Install new thermostat in Press room at WWTP.
20. Plow snow at WWTP and WTP.
21. The Village of Perry's monthly flow was 44,100,000 gallons for a daily average of 1,470,000 GPD
22. The Town of Castile's monthly flow was 3,770,600 gallons for a daily average of 121,632 GPD.

Respectfully Submitted,

Jeff Drain

DPW REPORT
DECEMBER 11, 2017

1. Visone drainage done for season. Will finish in the Spring.
2. DPW added to drainage project, two catch basins by D. Murphy's and one by the car wash
3. Jetted all sewer in the Village
4. 95% of leaves are picked up
5. New water service on Lake Street is completed
6. Power & Construction still working on sidewalks, restoration on Center Street
7. Still waiting for new plow truck, maybe by Christmas

Park and Recreation Update

Board Meeting December 18, 2017

1. The 9th Annual Holiday Delights Festival was a big success thanks to committee chair, Tammy Kelsey. Along with the logistics and driving to Buffalo twice to get the toys from the Marine Toys for Tots Foundation, Tammy also made eight angels and a nativity scene from Plywood. Ed Koziel and DPW workers were also a big help as their time spent calculated out to saving Parks two weeks of work. Steve Laraby and the Perry Fire Department, as always, did an awesome job.

2. Orchard Street Park restrooms were winterized and closed for the season on December 5th.

3. November 11th the Splash Park restrooms had a water line break on the men's sink due to temperature drops that were not forecasted. Shane Harding scheduled to quote repairs the week of December 11th.

4. Both the North and the South Pavilion metal roofs are completed along with gable sides.

5. Skate Cabin has one side to be completed. The cedar shakes used have been back ordered and are scheduled to be delivered December 12th.

6. Annual Senior Christmas Party at the Fireman's Building is December 20th currently has 64 people signed up with a final count due December 15th. Thank you to John and Sarah's Restaurant for providing a free meal.

7. December 29th the Parks Supervisor will be out on medical leave between 2 and 4 weeks.

8. 2018-2019 Budget will be prepared prior to departure.

9. Downtown medians have been pruned, but parks and beach flowerbeds still need to be done. Leaf clean up at the park, beach, and Park Avenue have to be done along with breaking down the ball fields for winter.

PERRY POLICE DEPARTMENT
2017 REPORT

	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Total Calls	265	276	359	326	329	375	333	391	384	411	253		3702
Domestics	11	3	7	4	12	7	6	5	14	6	2		77
Vehicle Accidents	1	2	5	3	0	9	4	5	2	5	5		41
(vehicle injury)	0	0	0	0	0	2	0	2	0	1	0		5
Gasoline	472	407	436	408	426	420	418	390	373	457	418		4625
Value of Stolen Property/larceny	$580	$2,740	$172	$4,162	$1,588	$1,010	$1,430	$1,150	$100	$1,171	$1,200		$15,303
Loss Due Mischief	$140	$45,000	$200	$0	$1,700	$66,600	$0	$1,250	$1,050	$25	$1,500		$117,465
Value of Recovered Property	$300	$50	$0	$20	$500	$420	$0	$350	$100	$67	$0		$1,807
Summons Issued	26	62	66	89	56	78	67	97	95	114	53		803
Arrested Persons	**14**	**12**	**9**	**12**	**9**	**12**	**14**	**13**	**14**	**14**	**12**		135
Misdemeanor (counts)	15	11	14	13	4	12	18	21	17	15	10		150
Felonies (counts)	1	2	0	3	4	1	4	0	4	3	3		25
Violation (counts)	2	2	4	2	3	5	2	13	3	6	5		47
Bench Warrants	2	3	1	2	1	1	2	1	1	2	2		18
MHA Arrest							4	2	4	4	3		17