

TOWN OF GLENVILLE, NEW YORK

**Financial Statements
As of
December 31, 2018
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

TOWN OF GLENVILLE, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

February 7, 2020

To the Town Board of
Town of Glenville, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Glenville, New York (the Town) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 unmodified and adverse audit opinions.

6 Wembley Court
Albany, New York 12205
p (518) 464-4080
f (518) 464-4087

www.bonadio.com

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Adverse
General Town - Wide	Unmodified
General - Outside	Unmodified
Highway Part Town	Unmodified
Water	Unmodified
Sewer Fund	Unmodified
Capital Projects	Unmodified
Non - Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 2 to the financial statements, the Town records capital assets at cost or estimated historical cost with no allowance for depreciation. In addition, the Town has not recorded certain general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that capital assets, including general infrastructure assets, be recorded at cost and depreciated over their estimated useful lives which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Adverse Opinion

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Governmental Activities* paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the Town, as of December 31, 2018, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town as of December 31, 2018 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.

Change in Accounting Principle

As discussed in Note 4 to the financial statements, in 2018 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinions are not modified with respect to this matter.

(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of contributions – pension plans and proportionate share of the net pension liability(asset) 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

Bonadio & Co., LLP

TOWN OF GLENVILLE, NEW YORK**STATEMENT OF NET POSITION
DECEMBER 31, 2018****ASSETS****CURRENT ASSETS:**

Cash and cash equivalents - unrestricted	\$ 5,209,352
Cash and cash equivalents - restricted	6,176,149
Accounts and loans receivable	674,247
Due from other governments	1,799,662
Due from fiduciary fund	2,000
Other current assets	4,259
Prepaid expenses	<u>246,366</u>

Total current assets 14,112,035

NONCURRENT ASSETS:

Capital assets	<u>13,997,274</u>
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Total assets 28,109,309

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources - ERS pension	1,106,334
Deferred outflows of resources - PFRS pension	1,738,139
Deferred outflows of resources - OPEB	<u>6,133,601</u>

Total deferred outflows of resources 8,978,074

LIABILITIES**CURRENT LIABILITIES:**

Accounts payable	574,727
Accrued liabilities	170,577
Due to other governments	181,205
Bond anticipation note payable	3,631,600
Current portion of long term debt	<u>977,393</u>

Total current liabilities 5,535,502

LONG-TERM LIABILITIES:

Long-term debt, net of current portion	9,177,170
Total OPEB liability	20,463,278
Net pension liability - ERS	317,069
Net pension liability - PFRS	685,868
Compensated absences	1,764,090
Landfill post-closure costs	<u>24,770</u>

Total long-term liabilities 32,432,245

TOTAL LIABILITIES 37,967,747

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources - ERS pension	1,093,475
Deferred inflows of resources - PFRS pension	1,485,148
Deferred inflows - Other	<u>12,653</u>

Total deferred inflows of resources 2,591,276

NET POSITION

Net investment in capital assets	211,111
Restricted	6,176,149
Unrestricted	<u>(9,858,900)</u>

Total net position \$ (3,471,640)

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities -				
General governmental support	\$ 3,625,831	\$ 343,674	\$ -	\$ (3,282,157)
Public safety	4,424,471	218,337	13,001	(4,193,133)
Public health	2,050	18,100	-	16,050
Transportation	4,318,407	100,848	602,158	(3,615,401)
Economic assistance and opportunity	138,634	-	-	(138,634)
Culture and recreation	805,897	3,204	225,000	(577,693)
Home and community services	4,330,441	2,298,625	437,882	(1,593,934)
Interest on long-term debt	274,568	-	-	(274,568)
Total governmental activities	\$ 17,920,299	\$ 2,982,788	\$ 1,278,041	\$ (13,659,470)
GENERAL REVENUES:				
Real property taxes and real property tax items				8,988,978
Nonproperty tax items				3,103,698
Use of money and property				142,134
Sale of property and compensation for loss				217,397
Miscellaneous				837,094
State aid				1,003,190
Total general revenues				14,292,491
Change in net position				633,021
Net position - beginning of year (Note 3)				(4,104,661)
Net position - end of year				\$ (3,471,640)

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General Town-Wide	Major Funds					Non-Major Funds	Total
		General Town-Outside	Highway Part-Town	Water	Sewer	Capital Projects		
ASSETS								
Cash	\$ 648,099	\$ 744,398	\$ 451,169	\$ 1,186,803	\$ 900,044	\$ 497,641	\$ 781,198	\$ 5,209,352
Cash, restricted	712,483	721,203	1,586,238	917,847	2,238,378	-	-	6,176,149
Accounts receivable	95,643	272,281	3,230	234,180	61,080	-	-	666,414
Loans receivable	-	-	-	-	-	-	7,833	7,833
Due from other governments	211,362	290,851	921,894	150,555	-	-	225,000	1,799,662
Due from other funds	97,194	10,633	42,038	-	-	-	-	149,865
Prepaid expenditures	36,258	141,310	48,040	17,155	3,603	-	-	246,366
Other current assets	-	-	4,259	-	-	-	-	4,259
Total assets	\$ 1,801,039	\$ 2,180,676	\$ 3,056,868	\$ 2,506,540	\$ 3,203,105	\$ 497,641	\$ 1,014,031	\$ 14,259,900
LIABILITIES								
Accounts payable and accrued liabilities	\$ 86,279	\$ 90,396	\$ 231,188	\$ 58,912	\$ 67,416	\$ 128,625	\$ 37,905	\$ 700,721
Due to other governments	21,075	827	934	-	158,369	-	-	181,205
Due to other funds	31,572	16,083	-	4,266	750	-	95,194	147,865
Bond anticipation notes payable	-	-	-	-	-	3,631,600	-	3,631,600
Total liabilities	138,926	107,306	232,122	63,178	226,535	3,760,225	133,099	4,661,391

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

**BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2018
(Continued)**

	General Town-Wide	General Town-Outside	Major Funds				Capital Projects	Non-Major Funds	Governmental Funds
			Highway Part-Town	Water	Sewer				
DEFERRED INFLOWS OF RESOURCES									
Unearned revenue	126,202	168	279,797	-	-	-	-	237,653	643,820
TOTAL DEFERRED INFLOWS OF RESOURCES	126,202	168	279,797	-	-	-	-	237,653	643,820
FUND BALANCE									
Non-spendable	36,258	141,310	48,040	17,155	3,603	-	-	-	246,366
Restricted									
Debt service	210,565	-	522,582	574,729	1,359,251	-	-	-	2,667,127
Employee benefits and accrued liabilities	-	100,421	-	-	-	-	-	-	100,421
Capital reserve	501,918	602,401	1,063,656	313,043	785,315	-	-	-	3,266,333
Repairs reserve	-	-	-	30,075	93,812	-	-	-	123,887
Asset forfeiture funds	-	18,381	-	-	-	-	-	-	18,381
Total restricted fund balance	712,483	721,203	1,586,238	917,847	2,238,378	-	-	-	6,176,149
Assigned									
Appropriated for subsequent year's expenditures	155,000	-	185,000	375,700	2,950	-	-	12,280	730,930
Operations of other governmental funds	-	1,210,689	725,671	1,132,660	731,639	-	-	760,111	4,560,770
Total assigned fund balance	155,000	1,210,689	910,671	1,508,360	734,589	-	-	772,391	5,291,700
Unassigned	632,170	-	-	-	-	-	(3,262,584)	(129,112)	(2,759,526)
TOTAL FUND BALANCE (DEFICIT)	1,535,911	2,073,202	2,544,949	2,443,362	2,976,570	(3,262,584)	643,279	8,954,689	
Total liabilities, deferred inflows of resources, and fund balance (deficit)	\$ 1,801,039	\$ 2,180,676	\$ 3,056,868	\$ 2,506,540	\$ 3,203,105	\$ 497,641	\$ 1,014,031	\$ 14,259,900	

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION DECEMBER 31, 2018

Total fund balance - governmental funds	\$ 8,954,689
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	13,997,274
Pension related government-wide activity	
Deferred outflows of resources - ERS	1,106,334
Deferred outflows of resources - PFRS	1,738,139
Net pension liability - ERS	(317,069)
Net pension liability - PFRS	(685,868)
Deferred inflows of resources - ERS	(1,093,475)
Deferred inflows of resources - PFRS	(1,485,148)
Deferred outflow - OPEB	6,133,601
Revenue not received within 90-days of year-end is not recognized in the governmental funds but is recognized in the statement of activities	631,167
Bonds payable and other noncurrent liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
OPEB liability	(20,463,278)
Bonds payable	(10,154,563)
Compensated absences	(1,764,090)
Landfill post-closure costs	(24,770)
Accrued interest on long-term debt is an expense in the funds when paid, but a liability in the statement of net position when incurred.	<u>(44,583)</u>
Total net position of governmental activities	<u>\$ (3,471,640)</u>

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Major Funds						Capital Projects	Non-Major Funds	Total
	General Town-Wide	General Town-Outside	Highway Part-Town	Water	Sewer				
REVENUE:									
Real property taxes and tax items	\$ 2,426,039	\$ 3,128,087	\$ 1,440,659	\$ 600,035	\$ 871,630	\$ -	\$ -	\$ 522,528	\$ 8,988,978
Nonproperty tax items	-	1,685,124	1,418,574	-	-	-	-	-	3,103,698
Departmental income	19,296	249,512	-	1,442,048	434,742	-	-	30,753	2,176,351
Intergovernmental charges	-	21,879	85,058	373,877	56,844	-	-	-	537,658
Use of money and property	85,699	16,098	13,373	12,976	10,653	43	-	3,292	142,134
Licenses and permits	41,344	13,040	8,987	-	-	-	-	-	63,371
Fines and forfeitures	201,783	2,445	1,180	-	-	-	-	-	205,408
Sale of property and compensation of loss	24,721	8,888	173,457	8,261	2,070	-	-	-	217,397
Miscellaneous local sources	93,813	55,993	51,736	14,879	4,534	8,231	2,828	-	232,014
Interfund revenues	357,529	10,633	167,898	-	69,020	-	-	-	605,080
State aid	876,988	13,001	329,415	-	-	-	-	41,170	1,260,574
Federal aid	-	-	-	-	-	-	-	389,832	389,832
Total revenue	4,127,212	5,204,700	3,690,337	2,452,076	1,449,493	8,274	990,403	17,922,495	
EXPENDITURES:									
General governmental support	1,204,132	58,701	41,868	5,195	5,247	63,694	955	1,379,792	
Public safety	807,500	2,872,615	-	-	-	-	452,922	4,133,037	
Health	-	2,050	-	-	-	-	-	2,050	
Transportation	304,438	-	2,851,721	-	-	372,896	41,377	3,570,432	
Economic assistance and opportunity	138,634	-	-	-	-	-	-	138,634	
Culture and recreation	423,800	1,000	-	-	-	-	453,063	877,863	
Home and community services	1,552	265,993	-	1,195,257	843,913	925,567	457,956	3,690,238	
Employee benefits	655,438	1,639,113	868,798	243,318	42,251	-	-	3,448,918	
Debt service - principal	254,284	-	171,167	744,800	312,558	-	-	1,482,809	
Debt service - interest	22,247	-	14,394	175,082	59,951	-	-	271,674	
Total expenditures	3,812,025	4,839,472	3,947,948	2,363,652	1,263,920	1,362,157	1,406,273	18,995,447	
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	315,187	365,228	(257,611)	88,424	185,573	(1,353,883)	(415,870)	(1,072,952)	
OTHER FINANCING SOURCES (USES):									
BANs redeemed from appropriations	-	-	-	-	-	335,415	-	335,415	
Total other financing sources (uses)	-	-	-	-	-	335,415	-	335,415	
CHANGE IN FUND BALANCE	315,187	365,228	(257,611)	88,424	185,573	(1,018,468)	(415,870)	(737,537)	
FUND BALANCE (DEFICIT) - beginning of year	1,220,724	1,707,974	2,802,560	2,354,938	2,790,997	(2,244,116)	1,059,149	9,692,226	
FUND BALANCE (DEFICIT) - end of year	\$ 1,535,911	\$ 2,073,202	\$ 2,544,949	\$ 2,443,362	\$ 2,976,570	\$ (3,262,584)	\$ 643,279	\$ 8,954,689	

TOWN OF GLENVILLE, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

Net change in fund balances - governmental funds	\$ (737,537)
Capital outlays, net of disposals, are expenditures in governmental funds, but are capitalized in the statement of net position, net of disposals	663,253
Pension expense resulting from the GASB 68 related pension reporting is not recorded as an expenditure in the government funds but is recorded in the statement of activities	(43,866)
Other postemployment expense resulting from GASB 75 related OPEB actuarial reporting is not recorded as an expenditure in the governmental funds but is recorded in the statement of activities	(1,050,359)
Repayments of long-term debt are recorded as expenditures in the governmental funds, but are recorded as payments of liabilities in the statement of net position	1,482,809
BANs redeemed from appropriations are recorded as revenues in the governmental funds but are recorded as payments of liabilities in the statement of activities	(335,415)
Revenue not received within 90-days of year-end is not recognized in the governmental funds but is recognized in the statement of activities	631,167
Amortization of the landfill post-closure liability is recorded as an expenditure in the governmental funds, but is recorded as a decrease in the post-closure liability in the statement of net position	9,908
Certain expenses in the statement of activities do not require the expenditure of current resources and are, therefore not reported as changes to expenditures in the governmental funds:	
Accrued interest payable	(2,894)
Compensated absences	<u>15,955</u>
Change in net position of governmental activities	<u>\$ 633,021</u>

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2018

	<u>Agency</u>
ASSETS:	
Cash	\$ 143,561
Cash - Restricted	<u>5,190</u>
Total assets	<u>\$ 148,751</u>
LIABILITIES:	
Agency liabilities	\$ 146,751
Due to governmental funds	<u>2,000</u>
Total liabilities	<u>\$ 148,751</u>

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 1 - ORGANIZATION

Organization

The Town of Glenville, New York (Town) in Schenectady County, was incorporated in 1821. The Town is governed by its Charter, Town Law and other general laws of the State of New York, as well as various local laws and ordinances. The Town Board is the legislative body responsible for overall operations of the Town and consists of the Town Supervisor and four board members. The Town Supervisor serves as chief executive officer and chief fiscal officer.

The Town provides the following basic services to its residents: general government support, public safety, transportation, parks and recreation, sewer, water, lighting and highway maintenance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

With the exception of accounting for capital assets, the financial statements of the Town have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Town records capital assets at cost or estimated historical cost with no allowance for depreciation. In addition, the Town has not recorded certain general infrastructure assets in governmental activities and, accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that capital assets, including general infrastructure assets, be recorded at cost and depreciated over their estimated useful lives. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

Financial Reporting Entity

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability. A component unit is included in the Town's reporting entity if it is both fiscally dependent on the Town and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based on the application of these criteria, the Town has determined that there are no component units to be included in the Town's reporting entity.

Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Town's services are classified as governmental activities.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide Statements (Continued)

In the government-wide statement of net position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first uses restricted resources to finance qualifying activities.

The government-wide statement of activities reports both the gross and net cost of each of the Town's functions, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (restricted purposes and agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

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

Fund Financial Statements

The Town uses funds to maintain its accounting records. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The accounts of the Town are organized into funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenue, and expenditures. The various funds are summarized by type in the financial statements. Significant transactions between funds within a fund type have been eliminated. The fund types and account groups used by the Town are as follows:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Major Funds

- **General Fund** - The General Fund is the primary operating fund of the Town. It includes all revenues and expenditures not required by law to be accounted for in other funds.
- **General Town Outside** - used to account for transactions which by statute effect only those areas outside the boundaries of the Village located within the Town.
- **Highway Part-Town Fund** - used to account for taxes, revenues and expenditures for highway services to areas throughout the Town.
- **Water** - used to account for taxes, user fees and other revenues to provide water services throughout the Town.
- **Sewer** - used to account for taxes, user fees, or other revenues which are raised or received to provide sewer services throughout the Town.
- **Capital Projects Fund** - used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Non-major Funds

- **Special Grant Fund** – used principally to account for the use of federal monies received under the Community Development and other Department of Housing and Urban Development Funds.
- **Drainage Fund** - used to account for taxes, user fees and other revenues to provide drainage services throughout the Town.
- **Lighting Fund** - used to account for taxes, user fees and other revenues to provide lighting throughout the Town.
- **Park Fund** – used to account for revenues and expenditures incurred to maintain park districts throughout the Town.
- **Recreation Fund** – used to account for revenue and expenditures for the improvements of certain recreation areas throughout the Town.
- **Fire Protection Fund** – used to account for taxes and other revenues to provide fire protection services in one fire district in the Town.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the Town as an agent for individuals, private organizations, other governmental units, and/or other funds. The Town's fiduciary funds are presented in the fiduciary fund financial statements. By definition these assets are being held for the benefit of a third party (other local governments, private parties, deferred compensation participants, etc.) and cannot be used to address activities or obligations of the government, accordingly, these funds are not incorporated into the government-wide statements. The Town utilizes one fiduciary fund:

- **Agency Fund** - is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Town holds for others in an agency capacity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured, whereas basis of accounting refers to when revenues and expenditures are recognized. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual basis of accounting

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources focus means all assets and all liabilities associated with the operation (whether current or non-current) of the Town are included in the statement of net position and the statement of activities presents increases (revenues) and decreases (expenses) in total assets. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions in which the Town gives or receives value without directly receiving or giving equal value in exchange include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified accrual basis of accounting

The governmental funds are accounted for using the modified accrual basis with a current financial resources focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet.

Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter, within 90 days, to be used to pay liabilities of the current period.

Expenditures are recorded when incurred except that:

- Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursement.
- Principal and interest on indebtedness are not recognized as an expenditure until due and paid.
- Compensated absences, such as sick and compensatory time which vests or accumulates, are charged as an expenditure when paid.

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

Sales tax is recorded when it is susceptible to accrual. Fines and forfeitures and miscellaneous local source revenues are recorded when received in cash because they are generally not measurable until received. Inter-governmental revenues are accrued when their receipt occurs within 90 days of the end of the accounting period and such amounts relate to the current period. Departmental income, which consists principally of revenues generated from providing Town water and sewer services, are recorded annually when the meters are read, and billings are generated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified accrual basis of accounting (Continued)

The Town reports unearned revenue revenues other than property taxes. Unearned revenues arise when potential revenue does not meet both of the measurable and available criteria for recognition in the current period. Unearned revenues also arise when the Town receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the combining balance sheet and revenue is recognized.

Budgets

General Budget Process - Prior to September 30 of each year, the Town Supervisor submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. No later than November 20, the budget is adopted by the Town Board. Any revisions to the budget are approved by the Town Board and are incorporated into the Town's modified budget.

Budgetary controls for certain special grants are established in accordance with the applicable grant agreements, which may cover a period other than the Town's fiscal year.

All budget modifications must be approved by the governing body.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgeting control purposes to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are recorded as reservations of fund balances since the commitments do not constitute expenditures or liabilities. Open encumbrances, after review by the Town Council, are added to the subsequent year's budget to provide the modified budget presented in the combining financial statements. Expenditures for such commitments are recorded in the period in which the liability is incurred.

The budget is developed on the basis generally consistent with accounting principles generally accepted in the United States of America. The only significant difference is that the budget treats encumbrances as expenditures, whereas accounting principles generally accepted in the United States of America treat them as reservations of fund balances.

Real Property Taxes

Town real property taxes are levied together with Schenectady County property taxes annually no later than January 1 and become a lien on January 1. Taxes for Schenectady County purposes are levied together with taxes for Town and special districts purposes as a single bill.

The Town is responsible for collecting Town and County taxes; however, the Town is authorized to satisfy its entire tax roll from the first taxes collected. The Town collects taxes from January 1 through April 30. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

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

All deposits shall be fully secured by insurance of the FDIC or collateralized by obligations of the United States, federal agencies and obligations of the State of New York or its local governments.

Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Receivables are stated at net realizable value. Town management has deemed the amounts to be fully collectible for the year ended December 31, 2018.

Prepaid Expenditures/Expenses

Prepaid expenditures represent payments made by the Town for which benefits extend beyond year-end.

Interfund Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. Permanent transfers of funds include the transfer of expenditures and revenues to provide other services.

The amounts reported on the balance sheet - governmental funds, fiduciary fund, and account groups for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the balance sheet - governmental funds, fiduciary fund, and account groups when it is the Town's practice to settle these amounts at a net balance based upon the right of legal offset.

Capital Assets

Capital assets are reported at historical cost or estimated historical cost. Contributed capital assets are recorded at fair market value at the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. Depreciation is not calculated or recorded on these assets.

The Town capitalizes all assets with a value greater than \$10,000 for land, buildings and improvements, and machinery and equipment. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are not depreciated. The Town does not record general infrastructure assets.

Compensated Absences

Town employees are granted vacation, sick leave and earn compensatory absences in varying amounts. Vacation leave must be taken in the year earned unless approved by a supervisor. In most cases, upon separation of service, an employee with ten years or more of service is entitled to cash payment for accumulated sick leave and unused compensatory absences at various rates subject to certain maximum limitations. The cash payment of accumulated sick leave upon separation of service no longer applies for most employees hired after September 16, 2015.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences (Continued)

The Town recognizes a liability for compensatory absences and additional salary-related items as the benefits are earned by the employees based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes compensatory absences that were earned but not used during the current or prior periods and for which employees can receive compensation in a future period.

In addition, the Town recognizes a liability for vesting sick leave and additional salary-related items as employees earn benefits and to the extent it is probable that the Town will compensate the employees for the benefits through cash payments.

Payment of sick leave and compensatory absences recorded in the statement of net position is dependent upon many factors; therefore, timing of future payments is not readily determinable.

However, management believes that sufficient resources will be made available for the payment of sick leave and compensatory absences when such payment becomes due.

Deferred Outflows and 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.

Fund Balance

There are five allowable classifications of fund balance:

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed - Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority, i.e., the Town Board. The Town has no committed fund balance at December 31, 2018.

Assigned - Includes amounts that are constrained by the Town's intent to be used for specific purposes but are neither restricted nor committed.

Unassigned - Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town.

Order of Fund Balance Spending Policy

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the general fund are classified as assigned fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

Government-Wide Statements

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

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of another government; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Self-Insurance

The Town participates in a public entity risk pool to cover losses under the Worker's Compensation Law. Other cities, towns, villages, fire districts, youth commissions and public benefit corporations can participate. Each participant is billed by the Plan for their share of the estimated costs for the ensuing year. Any deficiencies in the amount billed are added to the next year's bill.

In addition, the Town is self-insured for certain vehicle liability risks.

The Town is required to cover a portion of costs under Section 207-C of the General Municipal Law for police officers. Officers are entitled to their full pay when out on Workers Compensation leave. The Town is required to cover any amount of costs not reimbursed by Workers' Compensation.

The Town has no reported liability at December 31, 2018 for insured and uninsured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

Landfill Post-Closure Costs

Landfill post-closure costs represent the remaining estimated non-current portion of future landfill monitoring and maintenance costs at December 31, 2018. The estimated costs are amortized on a straight-line basis through the year 2021, the anticipated conclusion of the post-closure monitoring requirements. Actual costs may vary due to inflation, changes in technology, or changes in regulations.

Other Postemployment Benefits

In addition to providing the retirement benefits described, the Town provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the Town and its employees. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working in the Town. The Town pays a variable percentage of the cost of premiums to various insurance companies.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Benefits

Retirement Systems

The Town's employees participate in the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

Deferred Compensation Plan

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Under the terms of the amended Plan agreement, these monies are not subject to the claims of the Town's general creditors after they are paid to the Plan's Trustee.

NOTE 3 – CHANGE IN ACCOUNTING BASIS

For the year ended December 31, 2018, the Town has elected to prepare its financial statements in accordance with generally accepted accounting principles (GAAP). Previously, the Town prepared its financial statements using an other basis of accounting as allowed by the New York State Office of the State Comptroller. The primary differences in GAAP reporting and the other basis of accounting previously followed are that under the other basis of accounting government-wide statements are not prepared and certain required supplementary information is not prepared.

Generally accepted accounting principles require towns to prepare government-wide financial statements using the accrual basis of accounting and the economic resources measurement focus.

The implementation of GAAP resulted in the need to determine government wide net position as of January 1, 2018. A reconciliation of governmental fund balance as of January 1, 2018 to net position as of January 1, 2018 follows:

Governmental fund balance at January 1, 2018	\$ 9,692,226
Adjustments to determine beginning net position for the statement of activities:	
Capital assets	13,334,021
Total other postemployment benefits	(20,193,476)
Deferred outflows - OPEB	6,914,158
Deferred outflows - ERS	836,125
Deferred outflows - PFRS	1,457,784
Deferred inflows - ERS	(277,929)
Deferred inflows - PFRS	(387,755)
Net pension liability - ERS	(923,418)
Net pension liability - PFRS	(1,398,028)
Bonds Payable	(11,301,957)
Compensated absences	(1,780,045)
Accrued interest	(41,689)
Landfill closure and postclosure liability	(34,678)
Total	<u>(13,796,887)</u>
Net position at January 1, 2018	<u>\$ (4,104,661)</u>

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLE

The Town adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to certain postemployment benefits. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accordingly, beginning net position and total other postemployment benefits on the Statement of Net Position were adjusted as part of the change in accounting basis as discussed in Note 3. Details of the OPEB calculation are described in Note 14.

NOTE 5 – CASH

Restricted cash has its use limited by legal requirements. These assets represent amounts required by local or state statute to be restricted for various purposes. Restricted cash consisted of the following at December 31, 2018:

General Fund

Debt service	\$ 210,565
Capital reserve	501,918
	<u>712,483</u>

Other Governmental Funds

General Town Outside:

Employee benefits and accrued liabilities	100,421
Capital reserve	602,401
Asset forfeiture funds	18,381
	<u>721,203</u>

Highway:

Debt service	522,582
Capital reserve	1,063,656
	<u>1,586,238</u>

Water:

Debt service	574,729
Capital reserve	313,043
Repairs reserve	30,075
	<u>917,847</u>

Sewer:

Debt service	1,359,251
Capital reserve	785,315
Repairs reserve	93,812
	<u>2,238,378</u>

Total restricted cash	<u><u>\$ 6,176,149</u></u>
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NOTE 5 — CASH (Continued)

Deposits are exposed to custodial credit risk if they are not covered by depository insurance or collateral. At December 31, 2018, all of the Town's cash balances were either insured or collateralized with securities held by the pledging financial institutions' trust department, or through qualifying letters of credit issued by the Federal Home Loan Bank, in the Town's name, as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash, including agency fund	<u>\$ 11,803,825</u>	<u>\$ 11,531,871</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in		
	\$ 12,433	
Irrevocable letter of credit issued by the Federal Home Loan Bank	10,853,394	
Covered by FDIC insurance	<u>937,998</u>	
Total	<u>\$ 11,803,825</u>	

NOTE 6 — CAPITAL ASSETS

A summary of changes in capital assets for the year ended December 31, 2018 is as follows:

	January 1, 2018 <u>Balance</u>	Additions & <u>Adjustments</u>	Disposals & <u>Adjustments</u>	December 31, 2018 <u>Balance</u>
Land	\$ 1,101,891	\$ 466,773	\$ -	\$ 1,568,664
Buildings and improvements	5,726,276	18,413	-	5,744,689
Improvements other than buildings	233,548	-	-	233,548
Machinery and equipment	<u>6,272,306</u>	<u>725,592</u>	<u>547,525</u>	<u>6,450,373</u>
Total general fixed assets	<u>\$ 13,334,021</u>	<u>\$ 1,210,778</u>	<u>\$ 547,525</u>	<u>\$ 13,997,274</u>

NOTE 7 — BOND ANTICIPATION NOTES PAYABLE

Liabilities for bond anticipation notes (BANs) are accounted for in the capital projects fund. Debt service expenditures are recorded in the fund benefitting from the capital project financed by the note. State law required that BANs issued for capital purposes be paid off or converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable public improvement projects (e.g. water or sewer improvements) may be renewed for periods equivalent to the maximum life of the permanent financing, providing that stipulated annual reductions of principal are made.

Bond anticipation notes are comprised of the following at December 31, 2018:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN matured 03/23/2018 1.36%	\$ 44,000	\$ -	\$ 44,000	\$ -
BAN matured 03/23/2018 1.36%	49,000	-	49,000	-
BAN maturing 03/22/2019 1.79%	421,600	-	27,000	394,600
BAN maturing 03/22/2019 1.79%	200,415	-	10,415	190,000
BAN maturing 03/22/2019 1.79%	151,000	-	12,000	139,000
BAN maturing 03/22/2019 1.79%	450,000	-	25,000	425,000
BAN maturing 03/22/2019 1.79%	906,000	-	31,500	874,500
BAN maturing 03/22/2019 1.79%	100,000	-	25,000	75,000
BAN maturing 03/22/2019 1.79%	210,000	-	42,000	168,000
BAN maturing 03/22/2019 1.79%	110,000	-	22,000	88,000
BAN maturing 03/22/2019 1.79%	950,000	-	47,500	902,500
BAN maturing 03/22/2019 1.79%	-	375,000	-	375,000
	<u>\$ 3,592,015</u>	<u>\$ 375,000</u>	<u>\$ 335,415</u>	<u>\$ 3,631,600</u>

NOTE 8 — LONG-TERM DEBT

The following is a summary of changes in long-term liabilities outstanding in the general long-term debt account group at December 31, 2018:

	Beginning Balance	Issued	Redeemed	Ending Balance	Due within One Year
Bonds payable	\$ 11,301,957	\$ -	\$ 1,147,394	\$ 10,154,563	\$ 977,393
Compensated absences (*)	1,780,045	-	15,955	1,764,090	-
Landfill closure/postclosure costs	34,678	-	9,908	24,770	-
Other postemployment benefits	20,193,476	1,115,089	845,287	20,463,278	-
Net pension liability - ERS (*)	923,418	-	606,349	317,069	-
Net pension liability - PFRS (*)	<u>1,398,028</u>	<u>-</u>	<u>712,160</u>	<u>685,868</u>	<u>-</u>
Total long-term liabilities	<u>\$ 35,631,602</u>	<u>\$ 1,115,089</u>	<u>\$ 3,337,053</u>	<u>\$ 33,409,638</u>	<u>\$ 977,393</u>

(*) Additions and deletions to compensated absences and net pension liability balances are shown net because it is impracticable to determine these amounts separately.

NOTE 8 — LONG-TERM DEBT (Continued)

Bonds Payable

The Town borrows money in order to construct infrastructure and perform improvements. This enables the cost of capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are secured by the full faith and credit of the Town, are recorded in the statement of net position.

The following is a summary of bonds outstanding at December 31, 2018:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
Serial Bonds - Sewer Fund	2002	2031	0.8-4.9%	\$ 4,494,464	\$ 2,015,000
Statutory Installment Bonds - Sewer Excess	2007	2026	4.69%	386,667	162,807
Serial Bonds - Sewer Fund	2010	2036	0.00%	2,133,100	1,476,756
Serial Bonds - Refunding 2002 Serial Bonds	2012	2027	2.0-4.0%	3,375,000	1,830,000
Serial Bonds - Refunding 2005 Serial Bonds	2013	2026	2.0-3.0%	6,825,000	4,670,000
				<u>\$ 17,214,231</u>	<u>\$ 10,154,563</u>

The following is a summary of the maturity of bonds payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending December 31,			
2019	\$ 977,393	\$ 250,721	\$ 1,228,114
2020	992,393	230,139	1,222,532
2021	1,012,393	208,673	1,221,066
2022	1,027,393	185,852	1,213,245
2023	1,052,393	160,472	1,212,865
2024-2028	3,971,262	375,723	4,346,985
2029-2033	875,210	34,534	909,744
2034-2037	246,126	-	246,126
Totals	<u>\$ 10,154,563</u>	<u>\$ 1,446,114</u>	<u>\$ 11,600,677</u>

Interest on all debt for the year was composed of:

Interest paid - long-term debt	\$ 228,651
Interest paid - short-term debt	43,023
Less: Interest accrued in the prior year	(41,689)
Plus: Interest accrued in the current year	<u>44,583</u>
Total expense	<u>\$ 274,568</u>

NOTE 9 — INTERFUND ACTIVITY

Interfund receivables and payables at December 31, 2018 were as follows:

	Interfund	
	<u>Receivable</u>	<u>Payable</u>
General fund - town-wide	\$ 97,194	\$ 31,572
General fund - town-outside	10,633	16,083
Highway part-town fund	42,038	-
Sewer fund	-	750
Water fund	-	4,266
Park improvement fund	-	95,194
Trust & agency	-	2,000
Total interfund activity	<u>\$ 149,865</u>	<u>\$ 149,865</u>

NOTE 10 — SALES TAX

The Town is a beneficiary of a sales tax agreement with the County and City of Schenectady, effective December 1, 2012, for the period December 1, 2012 through November 30, 2020, wherein the County reauthorized a 3.0% countywide sales tax to be allocated and distributed as follows:

<u>Sales Tax Periods</u>	<u>City</u>	<u>Towns as a Unit</u>
December 1, 2012 – November 30, 2013	\$11,700,000	\$7,772,064
December 1, 2013 – November 30, 2020	same % as '12/'13	\$7,772,064 / year

Per the terms of the agreement, the Town of Glenville is scheduled to receive approximately \$1,790,000 per year for each of the years covered by this agreement. In addition, the Town also receives a portion of a 0.5% countywide sales tax imposed to fund the Schenectady Metroplex Development Authority. The Authority retains 70% of all monies collected through this source and distributes the other 30% to the towns and villages of Schenectady County. The towns and villages split this revenue proportionately based upon their populations as stated in the most recent federal decennial census. In 2018, the Town received \$933,494 from this sales tax source.

NOTE 11 — TAX ABATEMENTS

All real property in New York is subject to taxation unless specific legal provisions grant it exempt status. Real property tax exemptions are granted on the basis of many different criteria, including the use to which the property is put, the owner's ability to pay taxes, the desire of the state and local governments to encourage certain economic or social activities, and other such considerations. Most exemptions are granted under Article 4 of the Real Property Tax Law, but others are authorized by a wide variety of statutes ranging from Article 18-A of the real property tax law, the Agriculture and Markets Law to the Transportation Law. Certain exemptions provide full relief from taxation (wholly exempt property) and others reduce the taxes which would otherwise be payable by varying degrees (partially exempt property). Some exemptions apply to taxes levied for District, city/town, and school purposes, whereas others pertain only to some of these purposes. Yet another difference involves the extent of local government autonomy: while some exemptions are mandated by state law, others are subject to local option and/or local determination of eligibility criteria.

NOTE 11 — TAX ABATEMENTS (Continued)

In 2018, the Town was subject to seven tax abatement agreements entered into by the Schenectady County Industrial Development Authority (IDA). These six agreements resulted in Payment In Lieu of Taxes (PILOT) revenues of \$124,847 to the Town for the year ended December 31, 2018. Four of these agreements resulted in abated Town property taxes, net of PILOT payments received, of \$27,965 for the year ended December 31, 2018. The remaining three IDA agreements assign fixed assessed values to the affected properties which prevent the ability to calculate the abated Town property taxes.

In 2018, the Town was also subject to two tax abatement agreements entered into by the Schenectady Metroplex Development Authority. These two agreements resulted in PILOT revenues of \$23,573 to the Town for the year ended December 31, 2018. The two agreements also resulted in abated Town property taxes, net of PILOT payments received, of \$34,576 for the year ended December 31, 2018.

NOTE 12 — DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources for the governmental funds at December 31, 2018 are as follows:

General Fund		
Mortgage Tax	\$	126,202
General Town-Outside		
Employee contributions received in advance	\$	168
Highway Part-Town		
Deferred grant revenue	\$	279,623
Employee contributions received in advance	\$	174
Special Revenue Fund		
HAP received in advance	\$	4,820
Small cities grant fund received in advance	\$	7,833
Recreation Fund		
Deferred grant revenue	\$	225,000

NOTE 13 — PENSION PLANS

Plan Description

The Town 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 (Systems). These are cost-sharing multiple-employer retirement system. 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 adopts 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 Systems, 110 State Street, Albany, NY 12244 or on their website at www.osc.state.ny.us/retire.

NOTE 13 — 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 Retirement 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 System is noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010 (ERS) or January 9, 2010 (PFRS), employees in the System generally contribute 3% of their salary throughout their active membership. Employees who join on or after April 1, 2012 will contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members will vary based on each member's annual compensation varying between 3-6%. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly as used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

The Town is required to contribute at an actuarially determined rate. The required contribution for the current year and two preceding years were:

	ERS	PFRS
2018	\$ 400,406	\$ 504,319
2017	\$ 407,017	\$ 502,459
2016	\$ 397,914	\$ 487,687

The Town's contribution made to the Systems was equal to 100 percent of the contributions required for each year.

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

At December 31, 2018, the Town reported a net pension liability of \$317,069 and \$685,868 for its proportionate share of the ERS and PFRS net pension liability, respectively. The net pension liability was measured as of March 31, 2018, and the total pension liability was determined by an actuarial valuation as of April 1, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined.

NOTE 13 — PENSION PLANS (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

At December 31, 2018, the Town's proportionate shares were 0.0098241% and 0.0678569% for ERS and PFRS, respectively, which was a decrease of .0000034% for ERS and an increase of .0004057% for PFRS from the proportionate share at December 31, 2017. At December 31, 2018, the Town recognized deferred outflows of resources and deferred inflows of resources from the following sources:

<u>ERS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 113,088	\$ 93,452
Changes of Assumptions	210,243	-
Net difference between projected and actual earnings on pension plan investments	460,518	909,016
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	21,033	91,007
Contributions subsequent to the measurement date	301,452	-
Total	<u>\$ 1,106,334</u>	<u>\$ 1,093,475</u>

<u>PFRS</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 282,297	\$ 182,251
Changes of Assumptions	519,670	-
Net difference between projected and actual earnings on pension plan investments	555,130	1,118,002
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	2,800	184,895
Contributions subsequent to the measurement date	378,242	-
Total	<u>\$ 1,738,139</u>	<u>\$ 1,485,148</u>

For the year ended December 31, 2018, the Town recognized pension expense of \$342,192 and \$608,735 for ERS and PFRS, respectively.

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:

<u>ERS</u>		<u>PFRS</u>	
Plan's Year Ending March 31:		Plan's Year Ending March 31:	
2019	\$ 26,747	2019	\$ 93,994
2020	18,332	2020	78,316
2021	(230,743)	2021	(181,212)
2022	(102,929)	2022	(129,171)
2023	-	2023	12,822
Thereafter	-	Thereafter	-
	<u>\$ (288,593)</u>		<u>\$ (125,251)</u>

NOTE 13 — PENSION PLANS (Continued)

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

The Town recognized \$301,452 and \$378,242 for ERS and PFRS, respectively, as deferred outflows of resources related to pensions from contributions made subsequent to the measurement date of March 31, 2018, which will be recognized as a reduction of the net pension liability in the year ending December 31, 2019.

Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with the update procedures used to roll forward the total pension liability to March 31, 2018.

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

Actuarial cost method:	Entry age normal
Inflation:	2.5%
Salary scale:	3.8% ERS, 4.5% PFRS, indexed by service
Projected COLAs:	1.3% annually
Decrement:	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-2014Based on ERS and PFRS
Investment rate of return:	7.0% compounded annually, net of investment expenses

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic of real rates of return for each major asset class are summarized as of March 31, 2018 in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	36%	4.55%
International Equity	14%	6.35%
Private Equity	10%	7.50%
Real Estate	10%	5.55%
Absolute Return Strategy	2%	3.75%
Opportunistic Portfolio	3%	5.68%
Real Assets	3%	5.29%
Bonds & Mortgages	17%	1.31%
Cash	1%	-0.25%
Inflation-indexed Bonds	4%	1.25%
	<u>100.0%</u>	

NOTE 13 — PENSION PLANS (Continued)

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

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

ERS

Sensitivity of the Proportionate Share of the net Pension Liability (Asset) to the Discount Rate Assumption

	1 % Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability (asset)	\$ 2,399,029	\$ 317,069	\$ (1,444,186)

PFRS

Sensitivity of the Proportionate Share of the net Pension Liability (Asset) to the Discount Rate Assumption

	1 % Decrease (6.0%)	Current Rate (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability (asset)	\$ 3,359,569	\$ 685,868	\$ (1,566,739)

NOTE 13 — PENSION PLANS (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2018, were as follows:

	Pension Plan's	Town's Proportionate Share of Plan's Fiduciary Net Position	Town's Allocation Percentage as Determined by the Plan
<u>ERS</u>	<u>Fiduciary Net Position</u>		
Total pension liability	183,400,590,000	18,017,457	0.0098241%
Net position	(180,173,145,000)	(17,700,388)	0.0098241%
Net pension liability (asset)	<u>3,227,445,000</u>	<u>317,069</u>	0.0098241%
Fiduciary net position as a percentage of total pension liability	98.24%	98.24%	

	Pension Plan's	Town's Proportionate Share of Plan's Fiduciary Net Position	Town's Allocation Percentage as Determined by the Plan
<u>PFRS</u>	<u>Fiduciary Net Position</u>		
Total pension liability	32,914,423,000	22,334,707	0.0678569%
Net position	(31,903,666,000)	(21,648,839)	0.0678569%
Net pension liability (asset)	<u>1,010,757,000</u>	<u>685,868</u>	0.0678569%
Fiduciary net position as a percentage of total pension liability	96.93%	96.93%	

NOTE 14 – TOTAL OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for certain qualifying retirees, who have reached the age of 55 and have a certain number of years of service, and their eligible dependents. The benefits, benefit levels, employee contributions and employer contributions are governed by the Town through its personnel manual and through labor negotiations. The Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets all of the criteria in GASB 75, paragraph 4.

Benefits Provided

The Town provides healthcare benefits for retirees and their dependents. Retirees are required to contribute between 0 - 20% of such costs, dependent on their date of hire. Depending on their date of hire, retirees are covered either for life or until becoming Medicare-eligible. Eligible dependents are covered while the retiree is covered (either lifetime or until Medicare eligibility) and are required to pay between 0 - 50% of costs.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees or beneficiaries entitled to but not yet receiving benefits	-
Active employees	<u>70</u>
Total participants	<u><u>131</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$20,463,278 was measured as of January 1, 2018, and was determined by an actuarial valuation as of January 1, 2018.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Cost Method	Entry Age Normal
Inflation	Pre-65 Year 1 - 10%; Post-65 Year 1 - 10%; Year 2 - 9.50%
Payroll Growth	2.00%
Discount Rate	3.44%
Healthcare Cost Trend Rates	10.00% for 2018, 9.50% for Year 2, decreasing annually to an ultimate rate of 5% for 2028.
Share of Benefit-Related Costs	The Town pays from 100% to 80% of the retirees medical benefits depending on the employee group. The Town pays from 100% to 50% of the cost of eligible spouses during the retiree's lifetime. The Town reimburses employees who retired before 2010 a portion of their out-of-pocket costs for prescription drug co-payments. The current annual amount of reimbursement is \$178.59.

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20-year general obligation AA municipal bond rate or higher as of January 1, 2018.

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Mortality rates were based on the RP-2000 Combined Healthy Participant Table Projected 10 Years using Projection Scale AA SOA RP-2014 Total Dataset Mortality with Scale MP-2017.

Changes in the Total OPEB Liability

Balance at December 31, 2017	\$ 20,193,476
Changes for the Year:	
Service cost	288,302
Interest cost	680,117
Changes of benefit terms	-
Differences between expected and actual experience	146,670
Assumption changes	-
Benefit payments	<u>(845,287)</u>
Balance at December 31, 2018	<u>\$ 20,463,278</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% in 2017 to 3.44% in 2018.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current discount rate:

	1% Decrease <u>(2.44%)</u>	Current Discount <u>(3.44%)</u>	1% Increase <u>(4.44%)</u>
Total OPEB Liability	<u>\$ 20,967,810</u>	<u>\$ 20,463,278</u>	<u>\$ 19,529,523</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease <u>(9.00%)</u>	Healthcare Baseline <u>(10.00%)</u>	1% Increase <u>(11.00%)</u>
Total OPEB Liability	<u>\$ 18,188,187</u>	<u>\$ 20,463,278</u>	<u>\$ 23,193,285</u>

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

For the year ended December 31, 2018, the Town recognized OPEB expense of \$1,911,816. At December 31, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Actual vs. expected experience	\$ 2,489,038	\$ -
Changes of assumptions	2,783,106	-
Benefit payments after measurement date	<u>861,457</u>	<u>-</u>
Total	<u>\$ 6,133,601</u>	<u>\$ -</u>

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

Fiscal year ending December 31:

2019	\$ 943,397
2020	943,397
2021	943,397
2022	943,397
2023	943,397
Thereafter	<u>555,159</u>
	<u>\$ 5,272,144</u>

NOTE 15 — COMMITMENTS AND CONTINGENCIES

Lawsuits

The Town has been named in several lawsuits arising in the ordinary course of the Town's operations. These claims and lawsuits, in the opinion of management, after considering all relevant facts, are either adequately covered by insurance or will not result in material judgments against the Town and, therefore, are not expected to have a material effect on the financial statements.

Grant Programs

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

Joint Venture

The Towns of Glenville, Niskayuna, Rotterdam, the City of Schenectady and the Village of Scotia, New York, jointly comprise the Intermunicipal Watershed Rules and Regulations Board. The venture operates under the terms of an agreement dated July 11, 1991. The agreement is for a period of five years with an option for renewal in increments of five-year periods. Separate financial statements are issued for the joint venture.

NOTE 15 — COMMITMENTS AND CONTINGENCIES (Continued)

Labor Relations

Town employees are represented by three bargaining units with the balance by Town rules and regulations. There are three bargaining unit contracts. One contract expired on December 31, 2018, one expires on December 31, 2021, while the third expires on December 31, 2023.

NOTE 16 – SUBSEQUENT EVENTS

On March 6, 2019, the Town and the Civil Service Employees Association, Inc., Local 1000 AFSCME, AFL-CIO, Glenville Town Hall Unit ratified a new union contract to replace the contract which expired on December 31, 2018. The new contract is effective from January 1, 2019 through December 31, 2023.

The BAN outstanding as of December 31, 2018 matured on March 22, 2019. On the maturity date, \$794,100 in principal was paid down with the remaining BAN balance renewed. The Town also received \$955,000 additional BAN proceeds for the acquisition of highway equipment and major park improvements on the renewal date. As of the renewal date, the Town has one overall BAN outstanding in the amount of \$3,792,500.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL TOWN-WIDE FUND - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE:				
Real property taxes and tax items	\$ 2,424,259	\$ 2,427,259	\$ 2,426,039	\$ (1,220)
Departmental income	18,000	18,800	19,296	496
Use of money and property	48,600	56,000	85,699	29,699
Licenses and permits	34,620	40,320	41,344	1,024
Fines and forfeitures	195,000	198,000	201,783	3,783
Sale of property and compensation for loss	320	24,620	24,721	101
Miscellaneous local sources	38,967	85,867	93,813	7,946
Interfund revenues	357,529	357,529	357,529	-
State aid	721,465	876,965	876,988	23
Total revenue	3,838,760	4,085,360	4,127,212	41,852
EXPENDITURES:				
General governmental support	1,308,324	1,292,224	1,204,132	88,092
Public safety	895,463	894,463	807,500	86,963
Transportation	285,949	326,649	304,438	22,211
Economic assistance and opportunity	41,700	131,500	138,634	(7,134)
Culture and recreation	395,299	527,499	423,800	103,699
Home and community services	2,700	3,700	1,552	2,148
Employee benefits	797,792	797,792	655,438	142,354
Debt service - principal	254,284	254,284	254,284	-
Debt service - interest	22,249	22,249	22,247	2
Total expenditures	4,003,760	4,250,360	3,812,025	438,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(165,000)	(165,000)	315,187	480,187
CHANGE IN FUND BALANCE	(165,000)	(165,000)	315,187	480,187
FUND BALANCE - beginning of year	1,220,724	1,220,724	1,220,724	-
FUND BALANCE - end of year	\$ 1,055,724	\$ 1,055,724	\$ 1,535,911	\$ 480,187

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL TOWN-OUTSIDE FUND - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE:				
Real property taxes and tax items	\$ 3,125,810	\$ 3,129,810	\$ 3,128,087	\$ (1,723)
Nonproperty tax items	1,613,560	1,649,860	1,685,124	35,264
Departmental income	171,600	270,200	249,512	(20,688)
Intergovernmental charges	15,000	25,000	21,879	(3,121)
Use of money and property	3,500	16,000	16,098	98
Licenses and permits	12,000	13,000	13,040	40
Fines and forfeitures	-	2,400	2,445	45
Sale of property and compensation for loss	4,000	12,900	8,888	(4,012)
Miscellaneous local sources	53,513	53,513	55,993	2,480
Interfund revenues	18,000	18,000	10,633	(7,367)
State aid	5,000	12,300	13,001	701
Total revenue	5,021,983	5,202,983	5,204,700	1,717
EXPENDITURES:				
General governmental support	101,600	75,300	58,701	16,599
Public safety	2,730,372	2,952,172	2,872,615	79,557
Health	4,000	3,500	2,050	1,450
Culture and recreation	1,000	1,000	1,000	-
Home and community services	275,850	261,850	265,993	(4,143)
Employee benefits	1,909,161	1,909,161	1,639,113	270,048
Total expenditures	5,021,983	5,202,983	4,839,472	363,511
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	365,228	365,228
CHANGE IN FUND BALANCE	-	-	365,228	365,228
FUND BALANCE - beginning of year	1,707,974	1,707,974	1,707,974	-
FUND BALANCE - end of year	\$ 1,707,974	\$ 1,707,974	\$ 2,073,202	\$ 365,228

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
HIGHWAY PART-TOWN FUND - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE:				
Real property taxes and tax items	\$ 1,439,600	\$ 1,441,400	\$ 1,440,659	\$ (741)
Nonproperty tax items	1,389,440	1,389,440	1,418,574	29,134
Departmental income	3,000	3,000	-	(3,000)
Intergovernmental charges	66,200	79,100	85,058	5,958
Use of money and property	2,000	13,000	13,373	373
Licenses and permits	900	9,000	8,987	(13)
Fines and forfeitures	-	1,100	1,180	80
Sale of property and compensation for loss	17,000	183,000	173,457	(9,543)
Miscellaneous local sources	47,708	47,708	51,736	4,028
Interfund revenues	217,850	217,850	167,898	(49,952)
State aid	251,000	418,400	329,415	(88,985)
Total revenue	3,434,698	3,802,998	3,690,337	(112,661)
EXPENDITURES:				
General governmental support	107,600	41,900	41,868	32
Transportation	2,464,433	2,898,433	2,851,721	46,712
Employee benefits	1,022,101	1,022,101	868,798	153,303
Debt service - principal	171,167	171,167	171,167	-
Debt service - interest	14,397	14,397	14,394	3
Total expenditures	3,779,698	4,147,998	3,947,948	200,050
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(345,000)	(345,000)	(257,611)	87,389
CHANGE IN FUND BALANCE	(345,000)	(345,000)	(257,611)	87,389
FUND BALANCE - beginning of year	2,802,560	2,802,560	2,802,560	-
FUND BALANCE - end of year	\$ 2,457,560	\$ 2,457,560	\$ 2,544,949	\$ 87,389

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
WATER FUND - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE:				
Real property taxes and tax items	\$ 600,034	\$ 600,034	\$ 600,035	\$ 1
Departmental income	1,272,000	1,374,000	1,442,048	68,048
Intergovernmental charges	223,438	223,438	373,877	150,439
Use of money and property	3,435	3,435	12,976	9,541
Sale of property and compensation for loss	6,000	6,000	8,261	2,261
Miscellaneous local sources	14,081	14,081	14,879	798
Interfund revenues	15,652	15,652	-	(15,652)
Total revenue	2,134,640	2,236,640	2,452,076	215,436
EXPENDITURES:				
General governmental support	50,000	50,550	5,195	45,355
Home and community services	1,334,013	1,438,013	1,195,257	242,756
Employee benefits	285,340	285,340	243,318	42,022
Debt service - principal	744,800	744,800	744,800	-
Debt service - interest	175,087	175,087	175,082	5
Total expenditures	2,589,240	2,693,790	2,363,652	330,138
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(454,600)	(457,150)	88,424	545,574
CHANGE IN FUND BALANCE	(454,600)	(457,150)	88,424	545,574
FUND BALANCE - beginning of year	2,354,938	2,354,938	2,354,938	-
FUND BALANCE - end of year	\$ 1,900,338	\$ 1,897,788	\$ 2,443,362	\$ 545,574

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
SEWER FUND - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE:				
Real property taxes and tax items	\$ 871,630	\$ 871,630	\$ 871,630	\$ -
Departmental income	351,000	351,000	434,742	83,742
Intergovernmental charges	51,282	51,282	56,844	
Use of money and property	2,975	3,675	10,653	6,978
Sale of property and compensation for loss	-	-	2,070	2,070
Miscellaneous local sources	3,750	3,750	4,534	784
Interfund revenues	84,304	84,304	69,020	(15,284)
Total revenue	1,364,941	1,365,641	1,449,493	78,290
EXPENDITURES:				
General governmental support	11,000	7,000	5,247	1,753
Public safety	-	-	-	-
Transportation	-	-	-	-
Economic assistance and opportunity	-	-	-	-
Culture and recreation	-	-	-	-
Home and community services	996,611	1,003,511	843,913	159,598
Employee benefits	59,980	59,980	42,251	17,729
Debt service - principal	312,558	312,558	312,558	-
Debt service - interest	59,942	59,942	59,951	(9)
Total expenditures	1,440,091	1,442,991	1,263,920	179,071
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(75,150)	(77,350)	185,573	257,361
CHANGE IN FUND BALANCE	(75,150)	(77,350)	185,573	257,361
FUND BALANCE - beginning of year	2,790,997	2,790,997	2,790,997	-
FUND BALANCE - end of year	\$ 2,715,847	\$ 2,713,647	\$ 2,976,570	\$ 257,361

TOWN OF GLENVILLE, NEW YORK

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2018

	2018
Measurement date	January 1, 2018
Total other postemployment benefits (OPEB) liability	
Service cost	\$ 288,302
Interest	680,117
Changes in benefit terms	-
Differences between expected and actual experience in the measurement of the total OPEB liability	146,670
Changes of assumptions or other inputs	-
Change in actuarial cost method	-
Benefit payments	<u>(845,287)</u>
Net change in in total OPEB liability	269,802
Total OPEB liability - beginning	<u>20,193,476</u>
Total OPEB liability - ending	<u><u>\$ 20,463,278</u></u>
Covered payroll	<u>\$ 4,277,182</u>
Total OPEB liability as a percentage of covered payroll	478.43%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to schedule:

Changes of assumptions: Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

	<u>2018</u>	<u>2017</u>
Discount rate	3.44%	4.00%

Plan Assets: No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits.

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the plan administrator and plan members

TOWN OF GLENVILLE, NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.0098241%	0.0098275%	0.0105425%	0.0133712%						
Proportionate share of the net pension liability (asset)	\$ 317.1	\$ 923.4	\$ 1,692.1	\$ 451.7						
Covered-employee payroll	\$ 2,839.2	\$ 2,814.0	\$ 2,706.4	\$ 2,817.3						
Proportionate share of the net pension liability (asset)	11.17%	32.82%	62.52%	16.03%						
as a percentage of its covered-employee payroll	98.2%	94.7%	90.7%	97.9%						
Plan fiduciary net position as a percentage of the total pension liability (asset)										

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NEW YORK STATE LOCAL POLICE AND FIRE RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.0678569%	0.0674512%	0.0702259%	0.0707230%						
Proportionate share of the net pension liability (asset)	\$ 685.9	\$ 1,398.0	\$ 2,079.2	\$ 194.7						
Covered-employee payroll	\$ 1,969.4	\$ 1,880.5	\$ 1,782.3	\$ 1,839.5						
Proportionate share of the net pension liability (asset)	34.83%	74.34%	116.66%	10.58%						
as a percentage of its covered-employee payroll	96.9%	93.5%	90.7%	97.9%						
Plan fiduciary net position as a percentage of the total pension liability (asset)										

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

TOWN OF GLENVILLE, NEW YORK

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS - (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2018**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 400.4	\$ 407.0	\$ 397.9	\$ 372.4						
Contributions in relation to the contractually required contribution	400.4	407.0	397.9	372.4						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 2,839	\$ 2,814	\$ 2,706	\$ 2,817						
Contributions as a percentage of covered-employee payroll	14.10%	14.46%	14.70%	13.22%						

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

NEW YORK STATE LOCAL POLICE AND FIRE RETIREMENT SYSTEM PLAN

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 504.3	\$ 502.5	\$ 487.7	\$ 516.0						
Contributions in relation to the contractually required contribution	504.3	502.5	487.7	516.0						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 1,969	\$ 1,881	\$ 1,782	\$ 1,840						
Contributions as a percentage of covered-employee payroll	25.61%	26.72%	27.36%	28.04%						

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

OTHER INFORMATION

TOWN OF GLENVILLE, NEW YORK

SCHEDULE OF COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018

	Special Grant	Drainage	Lighting	Park	Recreation	Fire Protection	Total
ASSETS							
Cash	\$ 485,465	\$ 155,666	\$ 125,207	\$ 11,982	\$ -	\$ 2,878	\$ 781,198
Due from other governments	-	-	-	-	225,000	-	225,000
Loans receivable	7,833	-	-	-	-	-	7,833
TOTAL ASSETS	\$ 493,298	\$ 155,666	\$ 125,207	\$ 11,982	\$ 225,000	\$ 2,878	\$ 1,014,031
LIABILITIES							
Accounts payable and accrued liabilities							
Due to other funds	\$ -	\$ 156	\$ 3,831	\$ -	\$ 33,918	\$ -	\$ 37,905
	-	-	-	-	95,194	-	95,194
TOTAL LIABILITIES	-	156	3,831	-	129,112	-	133,099
DEFERRED INFLOWS OF RESOURCES							
Unearned revenue	12,653	-	-	-	225,000	-	237,653
TOTAL DEFERRED INFLOWS OF RESOURCES	12,653	-	-	-	225,000	-	237,653
FUND BALANCE							
Assigned:							
Appropriated for ensuing year's budget	-	3,080	9,200	-	-	-	12,280
Operations of other governmental funds	480,645	152,430	112,176	11,982	-	2,878	760,111
	480,645	155,510	121,376	11,982	-	2,878	772,391
Unassigned	-	-	-	-	(129,112)	-	(129,112)
TOTAL FUND BALANCE	480,645	155,510	121,376	11,982	(129,112)	2,878	643,279
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 493,298	\$ 155,666	\$ 125,207	\$ 11,982	\$ 225,000	\$ 2,878	\$ 1,014,031

TOWN OF GLENVILLE, NEW YORK

**SCHEDULE OF COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Special Grant	Drainage	Lighting	Park	Recreation	Fire Protection	Total
REVENUE:							
Real property taxes and tax items	\$ -	\$ 24,983	41,581	2,594	\$ -	453,370	\$ 522,528
Departmental income	30,753	-	-	-	-	-	30,753
Use of money and property	1,945	447	376	33	454	37	3,292
Miscellaneous local sources	2,500	-	328	-	-	-	2,828
State aid	41,170	-	-	-	-	-	41,170
Federal aid	389,832	-	-	-	-	-	389,832
Total revenue	<u>466,200</u>	<u>25,430</u>	<u>42,285</u>	<u>2,627</u>	<u>454</u>	<u>453,407</u>	<u>990,403</u>
EXPENDITURES:							
General governmental support	-	-	3	-	-	952	955
Public safety	-	-	-	-	-	452,922	452,922
Transportation	-	-	41,377	-	-	-	41,377
Culture and recreation	-	-	-	671	452,392	-	453,063
Home and community services	433,504	24,452	-	-	-	-	457,956
Total expenditures	<u>433,504</u>	<u>24,452</u>	<u>41,380</u>	<u>671</u>	<u>452,392</u>	<u>453,874</u>	<u>1,406,273</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	32,696	978	905	1,956	(451,938)	(467)	(415,870)
FUND BALANCE - BEGINNING OF YEAR	<u>447,949</u>	<u>154,532</u>	<u>120,471</u>	<u>10,026</u>	<u>322,826</u>	<u>3,345</u>	<u>1,059,149</u>
FUND BALANCE - END OF YEAR	<u>\$ 480,645</u>	<u>\$ 155,510</u>	<u>\$ 121,376</u>	<u>\$ 11,982</u>	<u>\$ (129,112)</u>	<u>\$ 2,878</u>	<u>\$ 643,279</u>

The accompanying notes are integral part of these schedules.