

TOWN OF GLENVILLE, NEW YORK

**Statutory Financial Statements
As of
December 31, 2015
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

TOWN OF GLENVILLE, NEW YORK

TABLE OF CONTENTS DECEMBER 31, 2015

INDEPENDENT AUDITOR'S REPORT	1-2
STATUTORY FINANCIAL STATEMENTS:	
Balance sheet – Governmental funds, fiduciary fund, and account groups.....	3-4
Statement of revenue, expenditures and changes in fund balance – governmental funds.....	5
Notes to financial statements.....	6-23
SUPPLEMENTARY INFORMATION	
Combining balance sheet – Other governmental funds.....	24
Combining statement of revenue, expenditures, and changes in fund balance – Other governmental funds.....	25
OTHER INFORMATION	
Statement of revenue, expenditures, and changes in fund balance – budget and actual – General town-wide fund (Unaudited).....	26
Schedule of funding progress – other post-employment benefits plan (Unaudited)	27
Schedule of proportionate share of net pension liability (asset) (Unaudited).....	28
Schedule of contributions – pension plans (Unaudited).....	29

INDEPENDENT AUDITOR'S REPORT

November 9, 2016

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

We have audited the accompanying financial statements of the Town of Glenville, New York (Town), which comprise the balance sheet – governmental funds, fiduciary fund, and account groups – statutory basis, and the statement of revenue, expenditures and changes in fund balance – governmental funds – statutory basis as of and for the year ended December 31, 2015, and the related notes to the financial statements which collectively comprise the statutory financial statements 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 the statutory basis of accounting as described in Note 1; this includes determining that the statutory basis of accounting is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for 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 audit opinion.

(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance sheet – governmental funds, fiduciary fund, and account groups – statutory basis of the Town of Glenville, New York, as of December 31, 2015, and the statement of revenue, expenditures and changes in fund balance – governmental funds for the year then ended, in accordance with the statutory basis of the accounting described in Note 1.

Change in Accounting Principle

As discussed in the notes to the financial statements, during 2015 the Town adopted new accounting guidance, GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the statutory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements referred to above as a whole. The combining balance sheet – other governmental funds and combining statement of revenue, expenditures, and changes in fund balance – other governmental funds are presented for the purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – other governmental funds and combining statement of revenues, expenditures, and changes in fund balance – other governmental funds are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements referred to above as a whole. The budgetary comparison information, schedule of funding progress – other postemployment benefits plan, schedule of proportionate share of net pension liability, and schedule of contributions – pension plans, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

TOWN OF GLENVILLE, NEW YORK

**BALANCE SHEET - GOVERNMENTAL FUNDS, FIDUCIARY FUND, AND ACCOUNT GROUPS
DECEMBER 31, 2015**

	Governmental Funds				Fiduciary Fund	Account Groups		<i>Total (Memorandum Only)</i>
	<i>General Town-Wide</i>	<i>Other Governmental Funds</i>	<i>Capital Projects</i>	<i>Debt Service</i>	<i>Trust & Agency</i>	<i>General Fixed Assets</i>	<i>General Long- Term Debt</i>	
ASSETS								
Cash	\$ 1,136,148	\$ 7,149,401	\$ 1,264,201	\$ -	\$ 176,791	\$ -	\$ -	\$ 9,726,541
Cash, restricted	136,198	1,722,155	-	-	-	-	-	1,858,353
Accounts receivable	32,961	412,897	-	-	-	-	-	445,858
Loans receivable	-	99,772	-	-	-	-	-	99,772
State and federal receivable	-	4,400	-	-	-	-	-	4,400
Due from other governments	276,623	636,424	-	-	-	-	-	913,047
Due from other funds	11,253	48,572	-	-	-	-	-	59,825
Prepaid expenditures	44,031	314,555	-	-	-	-	-	358,586
Other current assets	-	85,346	-	-	-	-	-	85,346
General fixed assets	-	-	-	-	-	12,379,128	-	12,379,128
Amounts to be provided for long-term obligations	-	-	-	-	-	-	19,488,572	19,488,572
Total assets	1,637,214	10,473,522	1,264,201	-	176,791	12,379,128	19,488,572	45,419,428
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows - pension related	-	-	-	-	-	1,070,123	-	1,070,123
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	1,070,123	-	1,070,123
Total assets and deferred outflows of resources	\$ 1,637,214	\$ 10,473,522	\$ 1,264,201	\$ -	\$ 176,791	\$ 13,449,251	\$ 19,488,572	\$ 46,489,551
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)								
LIABILITIES								
Accounts payable and accrued liabilities	39,583	255,210	1,105	-	131,826	-	-	427,724
Deposits for future projects	-	-	-	-	42,965	-	-	42,965
Due to other governments	38,503	159,535	-	-	-	-	-	198,038
Due to other funds	29,457	19,115	9,253	-	2,000	-	-	59,825
Bond anticipation notes payable	-	-	2,979,855	-	-	-	-	2,979,855
Bonds payable	-	-	-	-	-	-	13,726,245	13,726,245
Compensated absences	-	-	-	-	-	-	1,859,370	1,859,370
Landfill closure/post-closure costs	-	-	-	-	-	-	54,494	54,494
Installment purchase debt	-	-	-	-	-	-	48,121	48,121
Other postemployment benefits	-	-	-	-	-	-	3,045,833	3,045,833
Net pension liability	-	-	-	-	-	-	646,385	646,385
Total noncurrent governmental assets	-	-	-	-	-	13,449,251	-	13,449,251
TOTAL LIABILITIES	107,543	433,860	2,990,213	-	176,791	13,449,251	19,380,448	36,538,106

The accompanying notes are an integral part of these statements.

BALANCE SHEET - GOVERNMENTAL FUNDS, FIDUCIARY FUND, AND ACCOUNT GROUPS
DECEMBER 31, 2015
(Continued)

	Governmental Funds				Fiduciary Fund	Account Groups		Total
	<i>General Town-Wide</i>	<i>Other Governmental Funds</i>	<i>Capital Projects</i>	<i>Debt Service</i>	<i>Trust & Agency</i>	<i>General Fixed Assets</i>	<i>General Long- Term Debt</i>	<i>(Memorandum Only)</i>
DEFERRED INFLOWS OF RESOURCES								
HAP payments received in advance	-	5,736	-	-	-	-	-	5,736
Retiree health insurance received in advance	-	149	-	-	-	-	-	149
Small cities grant funding received in advance	-	99,772	-	-	-	-	-	99,772
Unearned revenue - mortgage tax	136,080	-	-	-	-	-	-	136,080
Deferred inflows - pension related	-	-	-	-	-	-	108,124	108,124
TOTAL DEFERRED INFLOWS OF RESOURCES	136,080	105,657	-	-	-	-	108,124	349,861
FUND BALANCE								
Non-spendable	44,031	314,555	-	-	-	-	-	358,586
Restricted								
Debt service	20,198	1,354,802	-	-	-	-	-	1,375,000
Capital reserve	-	134,443	-	-	-	-	-	134,443
Repairs reserve	-	133,237	-	-	-	-	-	133,237
Technology reserve	116,000	84,000	-	-	-	-	-	200,000
Asset forfeiture funds	-	15,673	-	-	-	-	-	15,673
Total restricted fund balance	136,198	1,722,155	-	-	-	-	-	1,858,353
								-
Assigned								
Appropriated for subsequent year's expenditures	231,000	781,021	-	-	-	-	-	1,012,021
Operations of other governmental funds	-	7,116,274	-	-	-	-	-	7,116,274
Total assigned fund balance	231,000	7,897,295	-	-	-	-	-	8,128,295
Unassigned	982,362	-	(1,726,012)	-	-	-	-	(743,650)
TOTAL FUND BALANCE (DEFICIT)	1,393,591	9,934,005	(1,726,012)	-	-	-	-	9,601,584
Total liabilities, deferred inflows of resources, and fund balance (deficit)	\$ 1,637,214	\$ 10,473,522	\$ 1,264,201	\$ -	\$ 176,791	\$ 13,449,251	\$ 19,488,572	\$ 46,489,551

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 FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Governmental Funds				<i>Total Governmental Funds</i>
	<i>General Town-Wide</i>	<i>Other Governmental Funds</i>	<i>Capital Projects</i>	<i>Debt Service</i>	
REVENUE:					
Real property taxes and tax items	\$ 2,164,620	\$ 6,500,043	\$ -	\$ -	\$ 8,664,663
Nonproperty tax items	-	3,001,889	-	-	3,001,889
Departmental income	18,040	1,723,610	-	-	1,741,650
Intergovernmental charges	13,849	319,963	-	-	333,812
Use of money and property	43,568	13,397	37	-	57,002
Licenses and permits	33,889	14,897	-	-	48,786
Fines and forfeitures	142,208	220	-	-	142,428
Sale of property and compensation of loss	20,658	82,419	-	-	103,077
Miscellaneous local sources	36,391	104,555	25,000	-	165,946
Interfund revenues	340,167	247,593	-	-	587,760
State aid	700,677	70,181	-	-	770,858
Federal aid	-	322,905	-	-	322,905
Total revenue	<u>3,514,067</u>	<u>12,401,672</u>	<u>25,037</u>	<u>-</u>	<u>15,940,776</u>
EXPENDITURES:					
General governmental support	1,171,650	188,142	-	-	1,359,792
Public safety	773,276	3,038,269	-	-	3,811,545
Health	-	4,532	-	-	4,532
Transportation	175,510	2,348,681	143,419	-	2,667,610
Economic assistance and opportunity	19,009	-	-	-	19,009
Culture and recreation	331,567	74,679	234,350	-	640,596
Home and community services	4,188	2,437,280	-	-	2,441,468
Employee benefits	502,660	2,764,132	-	-	3,266,792
Debt service - principal	313,318	1,085,782	-	-	1,399,100
Debt service - interest	32,961	295,422	-	-	328,383
Total expenditures	<u>3,324,139</u>	<u>12,236,919</u>	<u>377,769</u>	<u>-</u>	<u>15,938,827</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	189,928	164,753	(352,732)	-	1,949
OTHER FINANCING SOURCES (USES):					
BANs redeemed from appropriations	-	-	200,665	-	200,665
Installment purchase debt	-	-	56,912	-	56,912
Operating transfers in	-	183,503	-	-	183,503
Operating transfers (out)	-	(180,000)	(3,483)	(20)	(183,503)
Total other financing sources (uses)	<u>-</u>	<u>3,503</u>	<u>254,094</u>	<u>(20)</u>	<u>257,577</u>
CHANGE IN FUND BALANCE	189,928	168,256	(98,638)	(20)	259,526
FUND BALANCE (DEFICIT) - beginning of year	<u>1,203,663</u>	<u>9,765,749</u>	<u>(1,627,374)</u>	<u>20</u>	<u>9,342,058</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ 1,393,591</u>	<u>\$ 9,934,005</u>	<u>\$ (1,726,012)</u>	<u>\$ -</u>	<u>\$ 9,601,584</u>

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2015

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Town of Glenville, New York (Town) located 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: general government support, public safety, transportation, parks and recreation, sewer, water, lighting and highway maintenance.

Financial Statement Presentation

The Town has elected to prepare its financial statements using the statutory basis required by the New York State Office of the State Comptroller for annual reports to that office. This statutory basis is an Other Comprehensive Basis of Accounting (OCBOA) which varies from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The statutory basis under the New York State Office of the Comptroller uses the modified accrual basis of accounting for governmental funds and fiduciary funds; accrual basis accounting is used for the account groups. This basis differs from GAAP primarily in that government wide financial statements are not prepared, nor is a Management's Discussion and Analysis prepared.

Use of Estimates

The preparation of financial statements in conformity with accounting practices described above 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 statutory financial statements follows.

Financial Reporting Entity

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. Based on the application of these criteria, the Town has determined there are no component units to be included in the financial statements.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All 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, other than interest on long-term debt and compensated absences, are recorded when the liability is incurred, if measurable.

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 actually 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.

The Town reports unearned revenue for certain 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.

Governmental fund expenditures are recorded when the fund liability is incurred except that:

- Payment of prepaid expenses and purchase of inventory type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method used in the government-wide financial statements.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Measurement Focus and Basis of Accounting (Continued)

- Principal and interest on indebtedness are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Compensated absences, such as sick leave and compensatory time, which vest or accumulate with eligible employees, are recorded as expenditures in the payroll period that the leave credits are used by employees.
- Costs of acquiring fixed assets are recorded as expenditures when the related acquisition amounts are due and payable.

Fund Types and Account Groups

Governmental funds are those in which most governmental functions of the Town are reported. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon determination of net income. The following are the Town's governmental fund types and account groups:

General Fund – The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The fund operates within the financial limits of an annual budget adopted by the Town Board.

Other Governmental Funds – Other governmental funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes. All funds, with the exception of the Special Grant Fund and the Recreation Fund, operate within the financial limits of an annual budget adopted by the Town Board and consist of the following:

- General Town Outside Village Fund – 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 highway operations.
- Special District Funds – used to account for resources of the special districts. The Town has drainage, water, sewer, park, recreation, fire protection and lighting districts which supply services to portions of the Town.
- Special Grant Fund – used to account for federal monies received to subsidize rental housing and economic development assistance.

Capital Projects Fund – The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital facilities. Financing is generally provided from the proceeds of bond and note sales, transfers from other funds and/or Federal and State grants.

Debt Service Fund – The Debt Service Fund is used to account for proceeds and payments related to the issuance of bond refunding or advanced bond refunding.

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

Account Groups - are used to establish accounting control and accountability for general fixed assets and general long-term debt. An account group is not a "fund." It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Fund Types and Account Groups (Continued)

- General Long-term Debt Account Group – This account group is used to record all long-term debt of the Town, such as compensated absences, other post-employment benefits, and bonds.
- General Fixed Assets Account Group – This account group is used to record all general fixed assets of the Town by asset classification.

Budgetary Data

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. Town taxes are due and payable by January 31 without penalty and interest.

Cash

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within 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 is shown at gross. No allowance for uncollectible accounts has been provided since it is believed that such an allowance would not be material.

Prepaid Expenditures

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

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 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.

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.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Interfund Transactions (Continued)

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.

General Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Donated assets are reported at estimated fair value on the date received.

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. Fixed assets are not depreciated.

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, except the Highway Department employees, who have no years of service requirement, is entitled to payment for accumulated sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

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. Amounts do not include leave expected to lapse and includes leave that new employees will eventually qualify for.

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.

Estimated sick leave and compensatory absences accumulated by governmental fund type employees and additional salary related items have been recorded in the general long-term debt account group.

Payment of sick leave and compensatory absences recorded in the general long-term debt account group 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.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

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, 2015.

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.

Fund Deficit

The capital projects fund has a fund deficit at December 31, 2015 which will be alleviated through the redemption and/or conversion of the bond anticipation notes into long term debt over future years.

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, 2015 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, 2015. 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.

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

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.

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.

Newly Adopted Accounting Standards

During the year ended December 31, 2015 the town adopted GASB Statement No. 68 which establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The Town also adopted GASB Statement No. 71, Pension Transitions for Contributions Made Subsequent to the Transition Date - an amendment of GASB Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

NOTE 2 — CASH

Restricted cash has its use limited by legal requirements. These assets represent amounts required by local or state statute to be reserved for various purposes. Restricted cash consisted of the following at December 31, 2015:

<u>General Fund</u>	
Debt service	\$ 20,198
Technology upgrade	116,000
<u>Other Governmental Funds</u>	
General Town Outside:	
Technology upgrade	50,000
Asset forfeiture funds	15,673
Highway:	
Debt service	181,588
Water:	
Debt service	715,233
Capital reserve	134,443
Repairs reserve	44,821
Technology upgrade	34,000
Sewer:	
Debt service	457,981
Repairs reserve	88,416
Total restricted cash	<u>\$ 1,858,353</u>

Deposits are exposed to custodial credit risk if they are not covered by depository insurance or collateral. At December 31, 2015, 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.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash, including trust and agency funds	<u>\$ 11,622,763</u>	<u>\$ 11,582,769</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in	\$ 3,501,330	
Irrevocable letter of credit issued by the Federal Home Loan Bank	10,000,000	
Covered by FDIC insurance	<u>500,000</u>	
Total	<u>\$ 14,001,330</u>	

The Town does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The Town does not purchase investments denominated in foreign currency, and is therefore, not exposed to foreign credit risk.

NOTE 3 — GENERAL FIXED ASSETS

The Town's general fixed assets are recorded in the general fixed asset account group. In 2015, the Town conducted an inventory of known fixed assets and adjusted the balances to create a corrected listing of fixed assets. The following provides a summary of changes in general fixed assets:

	December 31, 2014 Balance	Additions & Adjustments	Disposals & Adjustments	December 31, 2015 Balance
Land	\$ 1,072,176	\$ -	\$ -	\$ 1,072,176
Buildings and improvements	5,375,868	255,365	-	5,631,233
Improvements other than buildings	573,073	-	356,125	216,948
Machinery and equipment	7,442,621	372,251	2,356,101	5,458,771
Total general fixed assets	<u>\$ 14,463,738</u>	<u>\$ 627,616</u>	<u>\$ 2,712,226</u>	<u>\$ 12,379,128</u>

NOTE 4 — 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 that benefits 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, 2015:

	Beginning Balance	Issued	Redeemed	Converted to Serial Bonds	Ending Balance
BAN matured 08/14/2015 1.29%	\$ 51,200	\$ -	\$ 51,200	\$ -	\$ -
BAN maturing 06/10/2016 0.73%	236,000	-	7,375	-	228,625
BAN maturing 06/10/2016 0.73%	500,000	-	25,000	-	475,000
BAN maturing 06/10/2016 0.88%	230,920	-	10,040	-	220,880
BAN maturing 06/10/2016 0.73%	1,000,000	-	31,250	-	968,750
BAN maturing 06/10/2016 0.85%	146,400	-	36,600	-	109,800
BAN maturing 06/10/2016 0.85%	-	196,000	39,200	-	156,800
BAN maturing 06/10/2016 0.73%	-	145,000	-	-	145,000
BAN maturing 06/10/2016 0.73%	-	175,000	-	-	175,000
BAN maturing 06/10/2016 0.88%	-	500,000	-	-	500,000
	<u>\$ 2,164,520</u>	<u>\$ 1,016,000</u>	<u>\$ 200,665</u>	<u>\$ -</u>	<u>\$ 2,979,855</u>

NOTE 5 — 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, 2015:

	Beginning Balance	Issued	Redeemed	Ending Balance
Bonds payable	\$ 14,915,889	\$ -	\$ 1,189,644	\$ 13,726,245
Compensated absences (A)	1,833,323	26,047	-	1,859,370
Judgment and claims (B)	100,000	-	100,000	-
Landfill closure/postclosure costs	64,402	-	9,908	54,494
Installment purchase debt	-	56,912	8,791	48,121
Other postemployment benefits	2,558,735	487,098	-	3,045,833
Net pension liability	-	646,385	-	646,385
Total long-term liabilities	<u>\$ 19,472,349</u>	<u>\$ 1,216,442</u>	<u>\$ 1,308,343</u>	<u>\$ 19,380,448</u>

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

(B) The judgment against the Town was negotiated to zero through the Civil Appeals Settlement Program. No Town funds were expended and no liability remains.

Bonds Payable

The Town borrows money in order to construct infrastructure and perform improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are secured by the full faith and credit of the Town, are recorded in the General Long-term Debt Account Group. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

On May 8, 2012, \$3,375,000 in general obligation bonds with an average coupon interest rate of 3.16% were issued to advance refund \$3,355,000 of outstanding bonds with an average coupon interest rate of 4.99%. The net proceeds of \$3,474,450 (after \$158,713 of premiums received and payment of \$59,263 in underwriting fees, insurance, and other issuance costs) were used to purchase U. S. Government securities.

Those securities were deposited into an irrevocable trust with an escrow agent to provide for the debt service payment on the call date of June 15, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 15 years by nearly \$612,000 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$510,000.

On April 9, 2013, \$6,825,000 in general obligation bonds with an average coupon interest rate of 2.23% were issued to advance refund \$6,385,000 of outstanding bonds with an average coupon interest rate of 4.03%. The net proceeds of \$6,878,979 (after \$139,334 of premiums received and payment of \$85,335 in underwriting fees, insurance, and other issuance costs) were used to purchase U. S. Government securities.

NOTE 5 — LONG-TERM DEBT (Continued)

Those securities were deposited into an irrevocable trust with an escrow agent to provide for the debt service payment on the call date of April 9, 2014. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 13 years by over \$628,000 resulting in an economic gain of approximately \$556,000.

The following is a summary of bonds outstanding at December 31, 2015:

<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	\$ 2,480,000
Statutory Installment Bonds - BH-BL Baseball	2005	2017	4.35%	147,000	24,500
Statutory Installment Bonds - Sewer Excess	2007	2026	4.69%	386,667	223,860
Serial Bonds - Sewer Fund	2010	2036	0.00%	2,133,100	1,722,885
Serial Bonds - Refunding 2002 Serial Bonds	2012	2027	2.0-4.0%	3,375,000	2,535,000
Serial Bonds - Refunding 2005 Serial Bonds	2013	2026	2.0-3.0%	6,825,000	6,185,000
Public Improvement (Serial) Bonds, 2014	2014	2018	1.85%	775,000	555,000
				<u>\$ 18,136,231</u>	<u>\$ 13,726,245</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,			
2016	\$ 1,199,644	\$ 333,331	\$ 1,532,975
2017	1,224,644	305,730	1,530,374
2018	1,147,394	277,136	1,424,530
2019	977,393	250,721	1,228,114
2020	992,393	230,139	1,222,532
2021-2025	5,241,965	791,077	6,033,042
2026-2030	2,295,560	170,561	2,466,121
2031-2035	565,210	3,615	568,825
2036	<u>82,042</u>	<u>-</u>	<u>82,042</u>
Totals	<u>\$ 13,726,245</u>	<u>\$ 2,362,310</u>	<u>\$ 16,088,555</u>

Capital Lease

In March 2015, the Town acquired Equipment under the terms of a Capital Lease. The leased asset and the related obligation are accounted for in the general fixed asset account group and the general long-term debt account group, respectively. The following is a schedule of future minimum lease payments under the Capital Lease, together with the net present value of the minimum lease payments as of December 31, 2015.

<u>Fiscal Year Ending December 31,</u>	<u>Total</u>
2016	\$ 10,518
2017	10,518
2018	10,518
2019	10,518
2020	<u>10,518</u>
Total minimum lease payments	52,590
Less: Amount representing interest	4,469
Present value - minimum lease payments	<u>\$ 48,121</u>

NOTE 6 — INTERFUND ACTIVITY

Interfund receivables and payables at December 31, 2015 were as follows:

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund - town-wide	\$ 11,253	\$ 29,457	\$ -	\$ -
General fund - town-outside	27,584	14,693	-	180,000
Highway part-town fund	20,988	40	183,485	-
Sewer fund	-	184	1	-
Water fund	-	4,198	17	-
Drainage fund	-	-	-	-
Park fund	-	-	-	-
Capital projects fund	-	9,253	-	3,483
Debt service fund	-	-	-	20
Trust & agency	-	2,000	-	-
Total interfund activity	<u>\$ 59,825</u>	<u>\$ 59,825</u>	<u>\$ 183,503</u>	<u>\$ 183,503</u>

NOTE 7 — 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 imposed a 3.0% county-wide 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

Based on 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% county-wide 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 2015, the Town received \$885,126 from this sales tax source.

NOTE 8 — DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources for the general fund and special revenue funds at December 31, 2015 are as follows:

General Fund	
Mortgage Tax	\$ 136,080
Other Governmental Funds	
Employee contributions received in advance	\$ 149
HAP received in advance	\$ 5,736
Small cities grant fund received in advance	\$ 99,772

NOTE 9 — EMPLOYEE BENEFIT 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 systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller 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 12207 or on their website at www.osc.state.ny.us/retire.

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary for the first ten years of membership and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for the entire length of service. Employees who joined after April 1, 2012, employees contribute 3% to 6% of their salary throughout their active membership. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the systems' fiscal year ending March 31. The Town has no active employees who joined the System before July 27, 1976.

Net Pension Liability and Deferred Outflows and Inflows of Resources

At December 31, 2015, the Town reported a liability of \$451,713 (ERS) and \$194,672 (PFRS) for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2015, and the total pension liability was determined by an actuarial valuation as of April 1, 2014. The Town's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's and PFRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2015 measurement date, the Town's proportions were 0.0133712% for ERS and 0.070723% for PFRS.

At December 31, 2015, the Town reported deferred outflows of resources as follows:

	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 14,460	\$ 23,476
Net difference between projected and actual earnings on pension plan investments	78,457	65,358
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	<u>372,387</u>	<u>515,985</u>
Total	<u>\$ 465,304</u>	<u>\$ 604,819</u>

At December 31, 2015 the Town reported deferred inflows as follows:

	<u>ERS</u>	<u>PFRS</u>
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	<u>\$ 34,610</u>	<u>\$ 73,514</u>

NOTE 9 — EMPLOYEE BENEFIT PLANS (Continued)

Actuarial Assumptions

The actuarial assumptions used in the April 1, 2014 valuation, with the update procedures used to roll forward the total pension liability to March 31, 2015, were based on the results of an actuarial experience study for the period April 1, 2005 to March 31, 2010. The assumptions are:

Inflation – 2.7%

Salary Increases – 4.9% ERS, 6.0% PFRS

Investment rate of return – 7.5% compounded annually, net of investment expense including inflation

Mortality – Based on ERS and PFRS experience from April 1, 2005 – March 31, 2010 with adjustments formortality improvements based on the Society of Actuaries' Scale MP-2014

Discount Rate – 7.5%

The long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard Practice No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major class as well as historical investment data and plan performance.

Investment Asset Allocation

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equities	38.0%	7.3%
International Equities	13.0%	8.5%
Private Equities	10.0%	11.0%
Real Estate	8.0%	8.3%
Domestic Fixed Income Securities	2.0%	4.0%
Bonds and Mortgages	18.0%	4.0%
Short-term	2.0%	2.3%
Other	9.0%	6.8% - 8.6%
	<u>100.0%</u>	

NOTE 9 — EMPLOYEE BENEFIT PLANS (Continued)

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, ERS's and PFRS'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.

The following presents the Town's proportionate share of its net pension liability calculated using the discount rate of 7.5% and the impact of using a discount rate that is 1% higher or lower than the current rate.

ERS

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

	1 % Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Proportionate Share of Net Pension liability (asset)	\$ 3,010,865	\$ 451,713	\$ (1,708,845)

PFRS

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

	1 % Decrease (6.5%)	Current Assumption (7.5%)	1% Increase (8.5%)
Proportionate Share of Net Pension liability (asset)	\$ 2,591,953	\$ 194,672	\$ (1,814,394)

Contributions for the current and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS	PFRS
March 31, 2016	\$ 372,387	\$ 515,985
March 31, 2015	\$ 610,974	\$ 551,687
March 31, 2014	\$ 712,330	\$ 578,541

NOTE 10 – 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. Retirees are required to pay between 0 - 10% of such costs dependent on the date of hire. Depending on the 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 10 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB cost is calculated based on the annual required contribution of the employer, (ARC), an amount actuarially determined in accordance with generally accepted accounting principles. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year plus the amortization of the unfunded actuarial. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the OPEB Plan, and the changes in the Town's net OPEB obligation:

Annual required contribution	\$ 1,197,232
Interest on net OPEB obligation	102,349
Adjustment to ARC	<u>(134,931)</u>
Annual OPEB cost	1,164,650
Expected benefit payments	<u>(677,552)</u>
Increase in net OPEB obligation	487,098
Net OPEB obligation - beginning of year	<u>2,558,735</u>
Net OPEB obligation - end of year	<u><u>\$ 3,045,833</u></u>

Percentage of annual OPEB cost contributed	58.2%
--	-------

Trend information – The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

<u>Year</u> <u>Ended</u>	<u>OPEB</u> <u>Cost</u>	<u>OPEB Cost</u> <u>Contributed</u>	<u>% of ARC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
12/31/15	\$ 1,164,650	\$ 677,552	58.2%	\$ 3,045,833
12/31/14	\$ 903,259	\$ 646,067	71.5%	\$ 2,558,735
12/31/13	\$ 889,301	\$ 596,837	67.1%	\$ 2,301,543

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2015 actuarial valuation, the following methods and assumptions were used:

Actuarial cost method	Projected unit credit
Discount rate*	4.0%
Medical care cost trend rate	9%. The rate is reduced by decrements to an ultimate rate of 5.0% in the year 2020.
Unfunded actuarial accrued liability:	
Amortization period	30 years for active and 15 years for retired employees.
Amortization method	Level dollar
Amortization basis	Open

*As the plan is unfunded, the assumed discount rate considers that the Town's investment assets are low risk in nature, such as money market funds or certificates of deposit.

NOTE 11 — 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.

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 of which will expire on December 31, 2016 and two of which will expire on December 31, 2018.

NOTE 12 - ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. The objective of this Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2016.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2018.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to provide users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2016.

NOTE 13 – SUBSEQUENT EVENTS

The BANs outstanding as of December 31, 2015 matured on June 10, 2016. On the maturity date, \$523,665 in principal was paid down with remaining BAN balance renewed. The Town also received additional BAN proceeds for the acquisition of highway equipment on the renewal date. As of the renewal date, the Town has one overall BAN outstanding in the amount of \$2,680,190.

SUPPLEMENTARY INFORMATION

TOWN OF GLENVILLE, NEW YORK
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Town-Outside	Highway Part-Town	Special Grant	Water	Drainage	Lighting	Park	Sewer	Recreation	Fire Protection	Total Other Governmental
ASSETS											
Cash	\$ 1,446,734	\$ 573,118	\$ 387,248	\$ 2,045,877	\$ 139,655	\$ 126,835	\$ 5,640	\$ 2,080,480	\$ 342,101	\$ 1,713	\$ 7,149,401
Cash, restricted	65,673	181,588	-	928,497	-	-	-	546,397	-	-	1,722,155
Accounts receivable	209,930	11,385	-	191,582	-	-	-	-	-	-	412,897
Loans receivable	-	-	99,772	-	-	-	-	-	-	-	99,772
State and federal receivable	4,400	-	-	-	-	-	-	-	-	-	4,400
Due from other governments	313,046	308,378	-	-	-	-	-	15,000	-	-	636,424
Due from other funds	27,584	20,988	-	-	-	-	-	-	-	-	48,572
Prepaid expenditures	184,732	92,983	-	31,046	-	-	-	5,794	-	-	314,555
Other current assets	-	85,346	-	-	-	-	-	-	-	-	85,346
TOTAL ASSETS	\$ 2,252,099	\$ 1,273,786	\$ 487,020	\$ 3,197,002	\$ 139,655	\$ 126,835	\$ 5,640	\$ 2,647,671	\$ 342,101	\$ 1,713	\$ 10,473,522
LIABILITIES											
Accounts payable and accrued liabilities	57,384	52,941	-	102,622	3,955	2,954	-	6,852	28,502	-	255,210
Due to other governments	130	6,531	-	-	-	-	-	152,874	-	-	159,535
Due to other funds	14,693	40	-	4,198	-	-	-	184	-	-	19,115
TOTAL LIABILITIES	72,207	59,512	-	106,820	3,955	2,954	-	159,910	28,502	-	433,860
DEFERRED INFLOWS OF RESOURCES											
HAP received in advance	-	-	5,736	-	-	-	-	-	-	-	5,736
Retiree health insurance received in advance	149	-	-	-	-	-	-	-	-	-	149
Small Cities grant funding received in advance	-	-	99,772	-	-	-	-	-	-	-	99,772
TOTAL DEFERRED INFLOWS OF RESOURCES	149	-	105,508	-	-	-	-	-	-	-	105,657
FUND BALANCE											
Nonspendable:											
Prepaid expenditures	184,732	92,983	-	31,046	-	-	-	5,794	-	-	314,555
Restricted for:											
Debt service	-	181,588	-	715,233	-	-	-	457,981	-	-	1,354,802
Capital reserve	-	-	-	134,443	-	-	-	-	-	-	134,443
Repairs reserve	-	-	-	44,821	-	-	-	88,416	-	-	133,237
Technology reserve	50,000	-	-	34,000	-	-	-	-	-	-	84,000
Asset Forfeiture funds	15,673	-	-	-	-	-	-	-	-	-	15,673
	65,673	181,588	-	928,497	-	-	-	546,397	-	-	1,722,155
Assigned:											
Appropriated for ensuing year's budget	44,000	275,000	-	449,371	2,650	7,000	-	3,000	-	-	781,021
Operations of other governmental funds	1,885,338	664,703	381,512	1,681,268	133,050	116,881	5,640	1,932,570	313,599	1,713	7,116,274
	1,929,338	939,703	381,512	2,130,639	135,700	123,881	5,640	1,935,570	313,599	1,713	7,897,295
TOTAL FUND BALANCE	2,179,743	1,214,274	381,512	3,090,182	135,700	123,881	5,640	2,487,761	313,599	1,713	9,934,005
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 2,252,099	\$ 1,273,786	\$ 487,020	\$ 3,197,002	\$ 139,655	\$ 126,835	\$ 5,640	\$ 2,647,671	\$ 342,101	\$ 1,713	\$ 10,473,522

The accompanying notes are an integral part these statements.

TOWN OF GLENVILLE, NEW YORK
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Town-Outside	Highway Part-Town	Special Grant	Water	Drainage	Lighting	Park	Sewer	Recreation	Fire Protection	Total Other Governmental
REVENUE:											
Real property taxes and tax items	\$ 2,999,107	\$ 1,432,331	\$ -	\$ 600,792	\$ 28,223	\$ 53,075	\$ 1,874	\$ 957,844	\$ -	\$ 426,797	\$ 6,500,043
Nonproperty tax items	1,664,664	1,337,225	-	-	-	-	-	-	-	-	3,001,889
Departmental income	197,056	4,154	28,040	1,133,225	-	-	-	352,135	9,000	-	1,723,610
Intergovernmental charges	33,011	70,065	-	214,987	-	-	-	1,900	-	-	319,963
Use of money and property	2,278	1,176	3,678	3,380	116	98	7	2,365	298	1	13,397
Licenses and permits	14,297	600	-	-	-	-	-	-	-	-	14,897
Fines and Forfeitures	220	-	-	-	-	-	-	-	-	-	220
Sale of property and compensation of loss	42,989	30,745	-	8,685	-	-	-	-	-	-	82,419
Miscellaneous local sources	47,083	38,685	-	17,262	-	-	-	1,525	-	-	104,555
Interfund revenues	44,906	182,006	-	20,681	-	-	-	-	-	-	247,593
State aid	55,181	-	-	-	-	-	-	15,000	-	-	70,181
Federal aid	-	-	322,905	-	-	-	-	-	-	-	322,905
Total revenue	<u>5,100,792</u>	<u>3,096,987</u>	<u>354,623</u>	<u>1,999,012</u>	<u>28,339</u>	<u>53,173</u>	<u>1,881</u>	<u>1,330,769</u>	<u>9,298</u>	<u>426,798</u>	<u>12,401,672</u>
EXPENDITURES:											
General governmental support	148,339	36,740	-	3,063	-	-	-	-	-	-	188,142
Public safety	2,611,470	-	-	-	-	-	-	-	-	426,799	3,038,269
Health	4,532	-	-	-	-	-	-	-	-	-	4,532
Transportation	-	2,309,106	-	-	-	39,575	-	-	-	-	2,348,681
Culture and recreation	1,000	-	-	-	-	-	3,929	-	69,750	-	74,679
Home and community services	236,764	-	322,906	1,071,892	20,430	-	-	785,288	-	-	2,437,280
Employee benefits	1,652,035	874,088	-	202,319	-	-	-	35,690	-	-	2,764,132
Debt service - principal	-	161,584	-	617,615	-	-	-	306,583	-	-	1,085,782
Debt service - interest	-	14,776	-	213,036	-	-	-	67,610	-	-	295,422
Total expenditures	<u>4,654,140</u>	<u>3,396,294</u>	<u>322,906</u>	<u>2,107,925</u>	<u>20,430</u>	<u>39,575</u>	<u>3,929</u>	<u>1,195,171</u>	<u>69,750</u>	<u>426,799</u>	<u>12,236,919</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>446,652</u>	<u>(299,307)</u>	<u>31,717</u>	<u>(108,913)</u>	<u>7,909</u>	<u>13,598</u>	<u>(2,048)</u>	<u>135,598</u>	<u>(60,452)</u>	<u>(1)</u>	<u>164,753</u>
OTHER FINANCING SOURCES (USES):											
Operating transfers in	-	183,485	-	17	-	-	-	1	-	-	183,503
Operating transfers (out)	(180,000)	-	-	-	-	-	-	-	-	-	(180,000)
Total other financing sources (uses)	<u>(180,000)</u>	<u>183,485</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>3,503</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>266,652</u>	<u>(115,822)</u>	<u>31,717</u>	<u>(108,896)</u>	<u>7,909</u>	<u>13,598</u>	<u>(2,048)</u>	<u>135,599</u>	<u>(60,452)</u>	<u>(1)</u>	<u>168,256</u>
FUND BALANCE - BEGINNING OF YEAR	<u>1,913,091</u>	<u>1,330,096</u>	<u>349,795</u>	<u>3,199,078</u>	<u>127,791</u>	<u>110,283</u>	<u>7,688</u>	<u>2,352,162</u>	<u>374,051</u>	<u>1,714</u>	<u>9,765,749</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,179,743</u>	<u>\$ 1,214,274</u>	<u>\$ 381,512</u>	<u>\$ 3,090,182</u>	<u>\$ 135,700</u>	<u>\$ 123,881</u>	<u>\$ 5,640</u>	<u>\$ 2,487,761</u>	<u>\$ 313,599</u>	<u>\$ 1,713</u>	<u>\$ 9,934,005</u>

The accompanying notes are integral part of these statements.

OTHER INFORMATION

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, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Final Budget Variance with Budgetary Actual</u>
REVENUE:				
Real property taxes and tax items	\$ 2,159,330	\$ 2,159,330	\$ 2,164,620	\$ 5,290
Departmental income	16,200	16,200	18,040	1,840
Intergovernmental charges	-	-	13,849	13,849
Use of money and property	64,324	64,324	43,568	(20,756)
Licenses and permits	33,220	33,220	33,889	669
Fines and forfeitures	200,000	200,000	142,208	(57,792)
Sale of property and compensation for loss	120	6,020	20,658	14,638
Miscellaneous local sources	29,797	32,697	36,391	3,694
Interfund revenues	340,167	340,167	340,167	-
State aid	701,465	707,255	700,677	(6,578)
	<u>3,544,623</u>	<u>3,559,213</u>	<u>3,514,067</u>	<u>(45,146)</u>
Total revenue				
EXPENDITURES:				
General governmental support	1,274,274	1,237,280	1,171,650	65,630
Public safety	887,072	889,772	773,276	116,496
Health	400	400	-	400
Transportation	217,416	217,416	175,510	41,906
Economic assistance and opportunity	42,900	19,900	19,009	891
Culture and recreation	301,961	358,911	331,567	27,344
Home and community services	2,550	3,950	4,188	(238)
Employee benefits	714,274	717,289	502,660	214,629
Debt service - principal	304,527	313,318	313,318	-
Debt service - interest	31,237	32,965	32,961	4
	<u>3,776,611</u>	<u>3,791,201</u>	<u>3,324,139</u>	<u>467,062</u>
Total expenditures				
NET CHANGE IN FUND BALANCE	(231,988)	(231,988)	189,928	421,916
FUND BALANCE - beginning of year	<u>1,203,663</u>	<u>1,203,663</u>	<u>1,203,663</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 971,675</u>	<u>\$ 971,675</u>	<u>\$ 1,393,591</u>	<u>\$ 421,916</u>

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS PLAN (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2015

Actuarial Valuation Date	Actuarial Value of <u>Assets</u>	Actuarial Accrued Liability (AAL) - <u>Entry Age</u>	Unfunded AAL (UAAL)	Funded <u>Ratio</u>	Covered <u>Payroll</u>	UAAL as a percentage of Covered <u>Payroll</u>
January 1, 2015	\$ -	\$ 13,233,850	\$ 13,233,850	N/A	\$ 4,080,448	324.32%
January 1, 2014	\$ -	\$ 13,068,468	\$ 13,068,468	N/A	\$ 4,812,643	271.54%
January 1, 2013	\$ -	\$ 12,730,181	\$ 12,730,181	N/A	\$ 4,718,277	269.81%

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2015**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Proportion of the net pension liability (asset)	0.0133712%									
Proportionate share of the net pension liability (asset)	\$ 451.7									
Covered-employee payroll	\$ 2,817.3									
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	16.03%									
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.9%									

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)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Proportion of the net pension liability (asset)	0.0707230%									
Proportionate share of the net pension liability (asset)	\$ 194.7									
Covered-employee payroll	\$ 1,839.5									
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.58%									
Plan fiduciary net position as a percentage of the total pension liability (asset)	97.9%									

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, 2015**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 372.4									
Contributions in relation to the contractually required contribution	\$ 372.4									
Contribution deficiency (excess)	<u>\$ -</u>									
Covered-employee payroll	\$ 2,817									
Contributions as a percentage of covered-employee payroll	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.

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
NEW YORK STATE LOCAL POLICE AND FIRE RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 516.0									
Contributions in relation to the contractually required contribution	\$ 516.0									
Contribution deficiency (excess)	<u>\$ -</u>									
Covered-employee payroll	\$ 1,840									
Contributions as a percentage of covered-employee payroll	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.