

TOWN OF GLENVILLE, NEW YORK

**Financial Statements – Other Basis
As of
December 31, 2017
Together with
Independent Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

TOWN OF GLENVILLE, NEW YORK

TABLE OF CONTENTS DECEMBER 31, 2017

INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS (OTHER BASIS):	
Balance sheet – all fund types – other basis	3-4
Statement of revenue, expenditures and changes in fund balance – governmental fund types	5
Notes to financial statements	6-24
SUPPLEMENTARY INFORMATION (UNAUDITED) (OTHER BASIS)	
Combining balance sheet – Other governmental funds	25
Combining statement of revenue, expenditures, and changes in fund balance – Other governmental funds	26
Balance sheet – account groups	27
OTHER INFORMATION (UNAUDITED) (OTHER BASIS)	
Statement of revenue, expenditures, and changes in fund balance – budget and actual – General town-wide fund	28
Schedule of funding progress – other post-employment benefits plan	29
Schedule of proportionate share of net pension liability (asset)	30
Schedule of contributions – pension plans	31

INDEPENDENT AUDITOR'S REPORT

September 26, 2018

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 – all fund types – other basis, and the statement of revenue, expenditures and changes in fund balance – governmental funds – other basis as of and for the year ended December 31, 2017, and the related notes to the financial statements which collectively comprise the 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 an other basis of accounting allowed by the New York State Office of the State Comptroller as described in Note 1; this includes determining that this other basis of accounting is an acceptable basis for the preparation of the financial statements under 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 financial position – all fund types of the Town of Glenville, New York as of December 31, 2017, and its revenues, expenditures and changes in fund balance governmental funds the year then ended, in accordance with the other basis of accounting as described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting followed by the Town. The financial statements are prepared on an other basis of accounting as allowed by the New York State Office of the State Comptroller, 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, combining statement of revenue, expenditures, and changes in fund balance – other governmental funds, and balance sheet – account groups (all other basis of accounting) 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, combining statement of revenues, expenditures, and changes in fund balance – other governmental funds and balance sheet – account groups (all other basis of accounting) 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 (all other basis), 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 - ALL FUND TYPES - OTHER BASIS
DECEMBER 31, 2017**

	Governmental Funds				Fiduciary Fund
	<i>General Town-Wide</i>	<i>Other Governmental Funds</i>	<i>Capital Projects</i>	<i>Total Governmental Funds</i>	<i>Trust & Agency</i>
ASSETS					
Cash	\$ 468,006	\$ 4,136,167	\$ 1,851,578	\$ 6,455,751	\$ 2,242,109
Cash, restricted	710,000	5,668,480	-	6,378,480	-
Accounts receivable	25,176	410,795	500	436,471	-
Loans receivable	-	38,587	-	38,587	-
Due from other governments	196,042	682,826	-	878,868	-
Due from other funds	2,013	47,020	-	49,033	-
Prepaid expenditures	46,266	289,747	-	336,013	-
Other current assets	-	4,259	-	4,259	-
	<u>-</u>	<u>4,259</u>	<u>-</u>	<u>4,259</u>	<u>-</u>
Total assets	<u>\$ 1,447,503</u>	<u>\$ 11,277,881</u>	<u>\$ 1,852,078</u>	<u>\$ 14,577,462</u>	<u>\$ 2,242,109</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 46,453	\$ 303,004	\$ 504,179	\$ 853,636	\$ 108,006
Deposits for future projects	-	-	-	-	2,132,103
Due to other governments	20,462	171,716	-	192,178	-
Due to other funds	14,839	32,194	-	47,033	2,000
Bond anticipation notes payable	-	-	3,592,015	3,592,015	-
	<u>-</u>	<u>-</u>	<u>3,592,015</u>	<u>3,592,015</u>	<u>-</u>
Total liabilities	<u>81,754</u>	<u>506,914</u>	<u>4,096,194</u>	<u>4,684,862</u>	<u>2,242,109</u>

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

BALANCE SHEET - ALL FUND TYPES - OTHER COMPREHENSIVE BASIS
DECEMBER 31, 2017
(Continued)

	Governmental Funds				Fiduciary Fund
	<i>General Town-Wide</i>	<i>Other Governmental Funds</i>	<i>Capital Projects</i>	<i>Total Governmental Funds</i>	<i>Trust & Agency</i>
DEFERRED INFLOWS OF RESOURCES					
HAP payments received in advance	-	12,578	-	12,578	-
Unearned revenue	3,143	-	-	3,143	-
Retiree health insurance received in advance	-	4,184	-	4,184	-
Small cities grant funding received in advance	-	38,587	-	38,587	-
Unearned revenue - mortgage tax	141,882	-	-	141,882	-
TOTAL DEFERRED INFLOWS OF RESOURCES	145,025	55,349	-	200,374	-
FUND BALANCE					
Non-spendable	46,266	289,746	-	336,012	-
Restricted					
Debt service	210,000	2,672,589	-	2,882,589	-
Employee benefits and accrued liabilities	-	100,152	-	100,152	-
Capital reserve	500,000	2,756,255	-	3,256,255	-
Repairs reserve	-	123,553	-	123,553	-
Asset forfeiture funds	-	15,931	-	15,931	-
Total restricted fund balance	710,000	5,668,480	-	6,378,480	-
Assigned					
Appropriated for subsequent year's expenditures	165,000	609,375	-	774,375	-
Operations of other governmental funds	-	4,148,017	-	4,148,017	-
Total assigned fund balance	165,000	4,757,392	-	4,922,392	-
Unassigned	299,458	-	(2,244,116)	(1,944,658)	-
TOTAL FUND BALANCE (DEFICIT)	1,220,724	10,715,618	(2,244,116)	9,692,226	-
Total liabilities, deferred inflows of resources, and fund balance (deficit)	\$ 1,447,503	\$ 11,277,881	\$ 1,852,078	\$ 14,577,462	\$ 2,242,109

TOWN OF GLENVILLE, NEW YORK

**STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND TYPES - OTHER BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>General Town-Wide</u>	<u>Other Governmental Funds</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUE:				
Real property taxes and tax items	\$ 2,348,864	\$ 6,528,175	\$ -	\$ 8,877,039
Nonproperty tax items	-	3,092,508	-	3,092,508
Departmental income	19,875	2,108,989	-	2,128,864
Intergovernmental charges	12,783	331,013	-	343,796
Use of money and property	51,554	16,757	3	68,314
Licenses and permits	36,448	14,933	-	51,381
Fines and forfeitures	213,237	-	-	213,237
Sale of property and compensation of loss	3,708	77,819	-	81,527
Miscellaneous local sources	51,211	146,148	100,744	298,103
Interfund revenues	357,529	151,760	-	509,289
State aid	778,467	369,939	-	1,148,406
Federal aid	-	436,380	-	436,380
Total revenue	<u>3,873,676</u>	<u>13,274,421</u>	<u>100,747</u>	<u>17,248,844</u>
EXPENDITURES:				
General governmental support	1,255,278	187,487	83,970	1,526,735
Public safety	827,028	3,007,828	-	3,834,856
Health	-	3,945	-	3,945
Transportation	279,307	2,579,790	315,327	3,174,424
Economic assistance and opportunity	32,926	-	-	32,926
Culture and recreation	456,614	27,795	-	484,409
Home and community services	160	2,576,943	1,480,781	4,057,884
Employee benefits	584,572	2,632,609	-	3,217,181
Debt service - principal	387,423	1,234,459	-	1,621,882
Debt service - interest	26,540	250,486	-	277,026
Total expenditures	<u>3,849,848</u>	<u>12,501,342</u>	<u>1,880,078</u>	<u>18,231,268</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	23,828	773,079	(1,779,331)	(982,424)
OTHER FINANCING SOURCES (USES):				
BANs redeemed from appropriations	-	-	358,175	358,175
Operating transfers in	-	1,029,674	1,375,887	2,405,561
Operating transfers (out)	(390,524)	(2,010,364)	(4,673)	(2,405,561)
Total other financing sources (uses)	<u>(390,524)</u>	<u>(980,690)</u>	<u>1,729,389</u>	<u>358,175</u>
CHANGE IN FUND BALANCE	(366,696)	(207,611)	(49,942)	(624,249)
FUND BALANCE (DEFICIT) - beginning of year	<u>1,587,420</u>	<u>10,923,229</u>	<u>(2,194,174)</u>	<u>10,316,475</u>
FUND BALANCE (DEFICIT) - end of year	<u>\$ 1,220,724</u>	<u>\$ 10,715,618</u>	<u>\$ (2,244,116)</u>	<u>\$ 9,692,226</u>

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2017

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Financial Statement Presentation

The Town has elected to prepare its financial statements using an other comprehensive basis of accounting (OCBOA) allowed by the New York State Office of the State Comptroller for annual reports to that office, which varies from generally accepted accounting principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The other 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.

The Town's basic financial statements include only fund financial statements, which report all of the Town's funds. The financial transactions of the Town are reported in individual funds in the governmental fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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 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.
- 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.

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

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.

Special Revenue Funds - Special revenue 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 the 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 assets. 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.

- 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.

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

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.

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 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.

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.

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

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 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.

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 time 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.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the balance sheet - all fund types and account groups - other basis 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 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.

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, 2017.

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, 2017 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, 2017 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, 2017. 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, 2017, the town adopted GASB Statement No. 74 which replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria.

The Town also adopted GASB Statement No. 82 which addresses certain issues that have been raised with respect to Statement No. 67, Financial Reporting for Pension Plans; Statement No. 68, Accounting and Financial Reporting for Pensions; and Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Prior to the issuance of Statement No. 82, Statements 67 and 68 required presentation of covered-employee payroll, which is the payroll of employees that are provided with pensions through the pension plan, and ratios that use that measure, in schedules of required supplementary information. Statement No. 82 amends Statements 67 and 68 to instead require the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, and ratios that use that measure.

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, 2017:

General Fund

Debt service	\$ 210,000
Capital reserve	500,000
	<u>710,000</u>

Other Governmental Funds

General Town Outside:

Employee benefits and accrued liabilities	100,152
Capital reserve	600,430
Asset forfeiture funds	15,931

Highway:

Debt service	619,583
Capital reserve	1,060,651

Water:

Debt service	625,657
Capital reserve	312,203
Repairs reserve	29,993

Sewer:

Debt service	1,427,349
Capital reserve	782,971
Repairs reserve	93,560

5,668,480

Total restricted cash	<u><u>\$ 6,378,480</u></u>
-----------------------	----------------------------

NOTE 2 — CASH (Continued)

Deposits are exposed to custodial credit risk if they are not covered by depository insurance or collateral. At December 31, 2017, 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 trust and agency funds	<u>\$ 15,358,080</u>	<u>\$ 15,074,398</u>
Collateralized with securities held by the pledging financial institution's trust department or agent in	\$ 1,192,826	
Irrevocable letter of credit issued by the Federal Home Loan Bank	14,000,000	
Covered by FDIC insurance	<u>881,851</u>	
Total	<u>\$ 16,074,677</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. In addition, 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. The following provides a summary of changes in general fixed assets:

	<u>January 1, 2016 Balance</u>	<u>Additions & Adjustments</u>	<u>Disposals & Adjustments</u>	<u>December 31, 2017 Balance</u>
Land	\$ 1,075,176	\$ 26,715	\$ -	\$ 1,101,891
Buildings and improvements	5,631,233	95,043	-	5,726,276
Improvements other than buildings	216,948	16,600	-	233,548
Machinery and equipment	<u>5,739,157</u>	<u>570,774</u>	<u>37,625</u>	<u>6,272,306</u>
Total general fixed assets	<u>\$ 12,662,514</u>	<u>\$ 709,132</u>	<u>\$ 37,625</u>	<u>\$ 13,334,021</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, 2017:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN matured 03/24/2017 0.97%	\$ 44,000	\$ -	\$ 44,000	\$ -
BAN maturing 03/23/2018 1.36%	221,250	-	172,250	49,000
BAN maturing 03/23/2018 1.36%	448,600	-	27,000	421,600
BAN maturing 03/23/2018 1.36%	210,840	-	10,425	200,415
BAN maturing 03/23/2018 1.36%	163,000	-	12,000	151,000
BAN maturing 03/23/2018 1.36%	475,000	-	25,000	450,000
BAN maturing 03/23/2018 1.36%	937,500	-	31,500	906,000
BAN maturing 03/23/2018 1.36%	55,000	-	11,000	44,000
BAN maturing 03/23/2018 1.36%	125,000	-	25,000	100,000
BAN maturing 03/23/2018 1.36%	-	210,000	-	210,000
BAN maturing 03/23/2018 1.36%	-	110,000	-	110,000
BAN maturing 03/23/2018 1.19%	-	950,000	-	950,000
	<u>\$ 2,680,190</u>	<u>\$ 1,270,000</u>	<u>\$ 358,175</u>	<u>\$ 3,592,015</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, 2017:

	Beginning Balance	Issued	Redeemed	Ending Balance
Bonds payable	\$ 12,526,601	\$ -	\$ 1,224,644	\$ 11,301,957
Compensated absences (A)	1,778,910	1,135	-	1,780,045
Landfill closure/postclosure costs	44,586	-	9,908	34,678
Installment purchase debt	39,063	-	39,063	-
Other postemployment benefits	3,613,255	554,077	-	4,167,332
Net pension liability	<u>3,771,347</u>	<u>-</u>	<u>1,449,901</u>	<u>2,321,446</u>
Total long-term liabilities	<u>\$ 21,773,762</u>	<u>\$ 555,212</u>	<u>\$ 2,723,516</u>	<u>\$ 19,605,458</u>

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

NOTE 5 — LONG-TERM DEBT (Continued)

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.

The following is a summary of bonds outstanding at December 31, 2017:

<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	\$ 2,170,000
Statutory Installment Bonds - Sewer Excess	2007	2026	4.69%	386,667	183,158
Serial Bonds - Sewer Fund	2010	2036	0.00%	2,133,100	1,558,799
Serial Bonds - Refunding 2002 Serial Bonds	2012	2027	2.0-4.0%	3,375,000	2,005,000
Serial Bonds - Refunding 2005 Serial Bonds	2013	2026	2.0-3.0%	6,825,000	5,195,000
Public Improvement (Serial) Bonds, 2014	2014	2018	1.85%	775,000	190,000
				<u>\$ 17,989,231</u>	<u>\$ 11,301,957</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,			
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	1,012,393	208,673	1,221,066
2022	1,027,393	185,852	1,213,245
2023-2027	4,786,613	508,837	5,295,450
2028-2032	1,030,210	61,892	1,092,102
2033-2037	328,168	-	328,168
Totals	<u>\$ 11,301,957</u>	<u>\$ 1,723,250</u>	<u>\$ 13,025,207</u>

Capital Lease

In 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. During 2017, the Town exercised the prepayment purchase option for this obligation, thus there is no obligation remaining.

NOTE 6 — INTERFUND ACTIVITY

Interfund receivables and payables at December 31, 2017 were as follows:

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund - town-wide	\$ 2,013	\$ 14,839	\$ -	\$ 390,524
General fund - town-outside	9,960	20,535	-	1,097,297
Highway part-town fund	28,910	8,150	1,029,673	-
Sewer fund	-	293	-	-
Water fund	8,150	3,216	-	913,067
Capital projects fund	-	-	1,375,887	4,673
Special grant fund	-	-	1	-
Trust & agency	-	2,000	-	-
Total interfund activity	<u>\$ 49,033</u>	<u>\$ 49,033</u>	<u>\$ 2,405,561</u>	<u>\$ 2,405,561</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 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

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% 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 2017, the Town received \$931,999 from this sales tax source.

NOTE 8 — TAX ABATEMENTS

Tax abatements are agreements between a government and a taxpayer in which the government agrees to forego tax revenues and the taxpayer agrees to take a specific action that contributes to economic development or achieves a public benefit. The Town had no such agreements in 2017.

In 2017, the Town was subject to six 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 \$117,640 to the Town for the year ended December 31, 2017. Four of these agreements resulted in abated Town property taxes, net of PILOT payments received, of \$32,443 for the year ended December 31, 2017. The remaining two IDA agreements assign fixed assessed values to the affected properties which prevent the ability to calculate the abated Town property taxes.

In 2017, 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 \$23,531 to the Town for the year ended December 31, 2017. The two agreements also resulted in abated Town property taxes, net of PILOT payments received, of \$36,181 for the year ended December 31, 2017.

NOTE 9 — DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources for the governmental funds at December 31, 2017 are as follows:

General Fund

Mortgage Tax	\$	141,882
Rentals received in advance	\$	2,661
Employee contributions received in advance	\$	279
Utility reimbursement	\$	203

Other Governmental Funds

HAP received in advance	\$	12,578
Employee contributions received in advance	\$	4,184
Small cities grant fund received in advance	\$	38,587

NOTE 10 — 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 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 12207 or on their website at www.osc.state.ny.us/retire.

Funding Policy

The systems are noncontributory except for employees who joined ERS after July 27, 1976 who contribute 3% of their salary for the first ten years of membership; employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) and prior to April 1, 2012 who generally contribute 3% of their salary for the entire length of service; and employees who joined after April 1, 2012 who contributed 3% of their salary until April 1, 2013, and then contribute 3% to 6% of their salary throughout their active membership. Under the authority of the NYSRSSL, the State 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.

NOTE 10 — EMPLOYEE BENEFIT PLANS (Continued)

Net Pension Liability

At December 31, 2017, the Town reported a liability of \$923,418 (ERS) and \$1,398,028 (PFRS) for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2017, and the total pension liability was determined by an actuarial valuation as of April 1, 2016. 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, 2017 measurement date, the Town's proportions were 0.0098275% for ERS and 0.0674512% for PFRS.

Actuarial Assumptions

The actuarial assumptions used in the April 1, 2016 valuation, with the update procedures used to roll forward the total pension liability to March 31, 2017, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. The assumptions are:

Inflation – 2.5%

Salary Increases – 3.8% ERS, 4.5% PFRS

Investment rate of return, including inflation – 7.0% compounded annually, net of investment expenses including inflation

Cost of living adjustments – 1.3%

Mortality – Based on ERS and PFRS experience from April 1, 2010 – March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014

Discount Rate – 7.0%

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	36%	4.55%
Bonds & Mortgages	17%	1.31%
International Equities	14%	6.35%
Private Equities	10%	7.75%
Real Estate	10%	5.80%
Inflation Indexed Bonds	4%	1.50%
Opportunistic Portfolio	3%	5.89%
Real Assets	3%	5.54%
Absolute Return Strategies	2%	4.00%
Cash	1%	-0.25%
	<u>100.0%</u>	

NOTE 10 — 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 would 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 7.0% 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 (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability (asset)	\$ 2,949,216	\$ 923,418	\$ (789,389)

PFRS

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

	1 % Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Proportionate share of net pension liability (asset)	\$ 3,963,330	\$ 1,398,028	\$ (753,631)

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

	ERS	PFRS
2017	\$ 407,017	\$ 502,459
2016	\$ 397,914	\$ 487,687
2015	\$ 372,387	\$ 515,985

NOTE 11 – 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 - 20% 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.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with general 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	\$ 1,366,005
Interest on net OPEB obligation	144,530
Adjustment to ARC	<u>(210,829)</u>
Annual OPEB cost	1,299,706
Expected benefit payments	<u>(745,629)</u>
Increase in net OPEB obligation	554,077
Net OPEB obligation - beginning of year	<u>3,613,255</u>
Net OPEB obligation - end of year	<u>\$ 4,167,332</u>

Percentage of annual OPEB cost contributed	57.4%
--	-------

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 Ended</u>	<u>OPEB Cost</u>	<u>OPEB Cost Contributed</u>	<u>% of ARC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/17	\$ 1,299,706	\$ 745,629	57.4%	\$ 4,167,332
12/31/16	\$ 1,263,003	\$ 698,444	55.3%	\$ 3,613,255
12/31/15	\$ 1,167,513	\$ 677,552	58.0%	\$ 3,048,696

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The OPEB Plan is currently not funded.

The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
January 1, 2017	\$ -	\$ 14,503,365	\$ 14,503,365	N/A	\$ 4,245,298	341.63%
January 1, 2016	\$ -	\$ 14,312,997	\$ 14,312,997	N/A	\$ 4,162,057	343.89%
January 1, 2015	\$ -	\$ 13,193,686	\$ 13,193,686	N/A	\$ 4,080,448	323.34%

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 12 — 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 contract expired on December 31, 2016 while the other two are in effect through December 31, 2018.

NOTE 13 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

In June 2015, the GASB issued Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits other than Pensions. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2018.

In November 2016, the GASB issued Statement No. 83 Certain Asset Retirement Obligations. Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2019.

In January 2017, the GASB issued Statement No. 84 Fiduciary Activities. Statement 84 provides guidance regarding the identification of fiduciary activities, and the required reporting of those activities. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2019.

NOTE 13 – ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (Continued)

In March 2017, the GASB issued Statement No. 85 Omnibus 2017. Statement 85 provides for more consistent reporting requirements for many previously issued GASB Statements covering areas such as Goodwill, component units, fair value measurement, and OPEB issues. The Town is required to adopt the provisions of this Statement for the year ended December 31, 2018.

In May 2017, the GASB issued Statement No. 86 Certain Debt Extinguishment Issues. Statement 86 provides for more consistency in accounting and financial reporting for in-substance defeasance of debt, specifically when cash or other assets, other than those from the proceeds of refunding debt, are placed in an irrevocable trust for the sole purpose of extinguishing debt. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2018.

In June 2017 the GASB issued Statement No. 87 Leases. Statement 87 establishes a single model for lease accounting based on the foundational principal that leases are financings of the right to use an underlying asset. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2020.

NOTE 14 – SUBSEQUENT EVENTS

On February 14, 2018, the Town and the Glenville Police Benevolent Association ratified a new union contract to replace the contract which expired on December 31, 2016. The new contract is effective from January 1, 2017 through December 31, 2021.

The BAN outstanding as of December 31, 2017 matured on March 23, 2018. On the maturity date, \$335,415 in principal was paid down with the remaining BAN balance renewed. The Town also received \$375,000 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 \$3,631,600.

**SUPPLEMENTARY INFORMATION
(UNAUDITED) (OTHER BASIS)**

TOWN OF GLENVILLE, NEW YORK
COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS - OTHER BASIS
DECEMBER 31, 2017

	General Town-Outside	Highway Part-Town	Special Grant	Water	Drainage	Lighting	Park	Sewer	Recreation	Fire Protection	Total Other Governmental
ASSETS											
Cash	\$ 382,249	\$ 756,096	\$ 460,527	\$ 1,247,800	\$ 155,134	\$ 124,586	\$ 10,026	\$ 666,654	\$ 329,750	\$ 3,345	\$ 4,136,167
Cash, restricted	716,513	1,680,234	-	967,853	-	-	-	2,303,880	-	-	5,668,480
Accounts receivable	251,903	2,019	-	156,873	-	-	-	-	-	-	410,795
Loans receivable	-	-	38,587	-	-	-	-	-	-	-	38,587
Due from other governments	315,022	367,804	-	-	-	-	-	-	-	-	682,826
Due from other funds	9,960	28,910	-	8,150	-	-	-	-	-	-	47,020
Prepaid expenditures	171,703	82,681	-	30,047	-	-	-	5,316	-	-	289,747
Other current assets	-	4,259	-	-	-	-	-	-	-	-	4,259
TOTAL ASSETS	\$ 1,847,350	\$ 2,922,003	\$ 499,114	\$ 2,410,723	\$ 155,134	\$ 124,586	\$ 10,026	\$ 2,975,850	\$ 329,750	\$ 3,345	\$ 11,277,881
LIABILITIES											
Accounts payable and accrued liabilities	\$ 114,974	\$ 109,737	\$ -	\$ 52,569	\$ 602	\$ 4,115	\$ -	\$ 14,083	\$ 6,924	\$ -	\$ 303,004
Due to other governments	-	1,239	-	-	-	-	-	170,477	-	-	171,716
Due to other funds	20,535	8,150	-	3,216	-	-	-	293	-	-	32,194
TOTAL LIABILITIES	135,509	119,126	-	55,785	602	4,115	-	184,853	6,924	-	506,914
DEFERRED INFLOWS OF RESOURCES											
HAP received in advance	-	-	12,578	-	-	-	-	-	-	-	12,578
Retiree health insurance received in advance	3,867	317	-	-	-	-	-	-	-	-	4,184
Small Cities grant funding received in advance	-	-	38,587	-	-	-	-	-	-	-	38,587
TOTAL DEFERRED INFLOWS OF RESOURCES	3,867	317	51,165	-	-	-	-	-	-	-	55,349
FUND BALANCE											
Nonspendable:											
Prepaid expenditures	171,702	82,681	-	30,047	-	-	-	5,316	-	-	289,746
Restricted for:											
Debt service	-	619,583	-	625,657	-	-	-	1,427,349	-	-	2,672,589
Employee benefits and accrued liabilities	100,152	-	-	-	-	-	-	-	-	-	100,152
Capital reserve	600,430	1,060,651	-	312,203	-	-	-	782,971	-	-	2,756,255
Repairs reserve	-	-	-	29,993	-	-	-	93,560	-	-	123,553
Asset Forfeiture funds	15,931	-	-	-	-	-	-	-	-	-	15,931
	<u>716,513</u>	<u>1,680,234</u>	<u>-</u>	<u>967,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,303,880</u>	<u>-</u>	<u>-</u>	<u>5,668,480</u>
Assigned:											
Appropriated for ensuing year's budget	-	195,000	-	400,500	2,575	8,200	-	3,100	-	-	609,375
Operations of other governmental funds	819,759	844,645	447,949	956,538	151,957	112,271	10,026	478,701	322,826	3,345	4,148,017
	<u>819,759</u>	<u>1,039,645</u>	<u>447,949</u>	<u>1,357,038</u>	<u>154,532</u>	<u>120,471</u>	<u>10,026</u>	<u>481,801</u>	<u>322,826</u>	<u>3,345</u>	<u>4,757,392</u>
TOTAL FUND BALANCE	1,707,974	2,802,560	447,949	2,354,938	154,532	120,471	10,026	2,790,997	322,826	3,345	10,715,618
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	\$ 1,847,350	\$ 2,922,003	\$ 499,114	\$ 2,410,723	\$ 155,134	\$ 124,586	\$ 10,026	\$ 2,975,850	\$ 329,750	\$ 3,345	\$ 11,277,881

TOWN OF GLENVILLE, NEW YORK
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCE - OTHER GOVERNMENTAL FUNDS - OTHER BASIS
FOR THE YEAR ENDED DECEMBER 31, 2017

	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	\$ 3,033,525	\$ 1,434,880	\$ -	\$ 601,824	\$ 26,274	\$ 41,377	\$ 2,496	\$ 942,759	\$ -	\$ 445,040	\$ 6,528,175
Nonproperty tax items	1,730,267	1,362,241	-	-	-	-	-	-	-	-	3,092,508
Departmental income	224,976	38,091	29,845	1,441,550	-	-	-	372,527	2,000	-	2,108,989
Intergovernmental charges	26,048	76,402	-	227,483	-	-	-	1,080	-	-	331,013
Use of money and property	3,581	2,325	2,076	4,585	160	145	10	3,500	343	32	16,757
Licenses and permits	12,583	2,350	-	-	-	-	-	-	-	-	14,933
Sale of property and compensation of loss	23,635	38,865	-	15,319	-	-	-	-	-	-	77,819
Miscellaneous local sources	62,033	64,296	-	17,631	-	-	-	2,188	-	-	146,148
Interfund revenues	9,960	133,650	-	8,150	-	-	-	-	-	-	151,760
State aid	5,082	349,857	-	-	-	-	-	15,000	-	-	369,939
Federal aid	-	41,278	395,102	-	-	-	-	-	-	-	436,380
Total revenue	<u>5,131,690</u>	<u>3,544,235</u>	<u>427,023</u>	<u>2,316,542</u>	<u>26,434</u>	<u>41,522</u>	<u>2,506</u>	<u>1,337,054</u>	<u>2,343</u>	<u>445,072</u>	<u>13,274,421</u>
EXPENDITURES:											
General governmental support	131,940	42,796	-	3,529	-	1,005	-	8,217	-	-	187,487
Public safety	2,563,787	-	-	-	-	-	-	-	-	444,041	3,007,828
Health	3,945	-	-	-	-	-	-	-	-	-	3,945
Transportation	-	2,535,093	-	-	-	44,697	-	-	-	-	2,579,790
Culture and recreation	1,000	-	-	-	-	-	-	-	26,795	-	27,795
Home and community services	246,697	-	395,103	1,082,996	13,483	-	-	838,664	-	-	2,576,943
Employee benefits	1,546,469	830,411	-	223,602	-	-	-	32,127	-	-	2,632,609
Debt service - principal	-	116,421	-	807,270	-	-	-	310,768	-	-	1,234,459
Debt service - interest	-	10,908	-	180,006	-	-	-	59,572	-	-	250,486
Total expenditures	<u>4,493,838</u>	<u>3,535,629</u>	<u>395,103</u>	<u>2,297,403</u>	<u>13,483</u>	<u>45,702</u>	<u>-</u>	<u>1,249,348</u>	<u>26,795</u>	<u>444,041</u>	<u>12,501,342</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>637,852</u>	<u>8,606</u>	<u>31,920</u>	<u>19,139</u>	<u>12,951</u>	<u>(4,180)</u>	<u>2,506</u>	<u>87,706</u>	<u>(24,452)</u>	<u>1,031</u>	<u>773,079</u>
OTHER FINANCING SOURCES (USES):											
Operating transfers in	-	1,029,673	1	-	-	-	-	-	-	-	1,029,674
Operating transfers (out)	(1,097,297)	-	-	(913,067)	-	-	-	-	-	-	(2,010,364)
Total other financing sources (uses)	<u>(1,097,297)</u>	<u>1,029,673</u>	<u>1</u>	<u>(913,067)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(980,690)</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(459,445)</u>	<u>1,038,279</u>	<u>31,921</u>	<u>(893,928)</u>	<u>12,951</u>	<u>(4,180)</u>	<u>2,506</u>	<u>87,706</u>	<u>(24,452)</u>	<u>1,031</u>	<u>(207,611)</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,167,419</u>	<u>1,764,281</u>	<u>416,028</u>	<u>3,248,866</u>	<u>141,581</u>	<u>124,651</u>	<u>7,520</u>	<u>2,703,291</u>	<u>347,278</u>	<u>2,314</u>	<u>10,923,229</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,707,974</u>	<u>\$ 2,802,560</u>	<u>\$ 447,949</u>	<u>\$ 2,354,938</u>	<u>\$ 154,532</u>	<u>\$ 120,471</u>	<u>\$ 10,026</u>	<u>\$ 2,790,997</u>	<u>\$ 322,826</u>	<u>\$ 3,345</u>	<u>\$ 10,715,618</u>

TOWN OF GLENVILLE, NEW YORK

BALANCE SHEET - ACCOUNT GROUPS - OTHER BASIS DECEMBER 31, 2017

	<u>General Fixed Assets</u>	<u>General Long- Term Debt</u>
ASSETS		
General fixed assets	\$ 13,334,021	\$ -
Amounts to be provided for long-term obligations	<u>-</u>	<u>19,605,458</u>
Total assets	<u>\$ 13,334,021</u>	<u>\$ 19,605,458</u>
LIABILITIES		
Bonds payable	\$ -	\$ 11,301,957
Compensated absences	-	1,780,045
Landfill closure/post-closure costs	-	34,678
Other postemployment benefits	-	4,167,332
Net pension liability	-	2,321,446
Total noncurrent governmental assets	<u>13,334,021</u>	<u>-</u>
Total liabilities	<u>\$ 13,334,021</u>	<u>\$ 19,605,458</u>

The accompanying notes are integral part of these statements.

OTHER INFORMATION (UNAUDITED)

TOWN OF GLENVILLE, NEW YORK

**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
GENERAL TOWN-WIDE FUND - (UNAUDITED) (OTHER BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<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	\$ 2,343,677	\$ 2,343,677	\$ 2,348,864	\$ 5,187
Departmental income	15,700	15,700	19,875	4,175
Intergovernmental charges	12,783	12,783	12,783	-
Use of money and property	52,950	52,950	51,554	(1,396)
Licenses and permits	34,320	34,320	36,448	2,128
Fines and forfeitures	185,000	213,000	213,237	237
Sale of property and compensation for loss	320	320	3,708	3,388
Miscellaneous local sources	34,022	43,622	51,211	7,589
Interfund revenues	357,529	357,529	357,529	-
State aid	711,465	778,365	778,467	102
	<u>3,747,766</u>	<u>3,852,266</u>	<u>3,873,676</u>	<u>21,410</u>
Total revenue				
EXPENDITURES:				
General governmental support	1,287,919	1,352,313	1,255,278	97,035
Public safety	889,195	886,095	827,028	59,067
Health	-	-	-	-
Transportation	291,130	299,730	279,307	20,423
Economic assistance and opportunity	41,750	33,750	32,926	824
Culture and recreation	316,856	501,056	456,614	44,442
Home and community services	3,000	3,000	160	2,840
Employee benefits	774,751	774,751	584,572	190,179
Debt service - principal	387,424	387,424	387,423	1
Debt service - interest	26,741	26,741	26,540	201
	<u>4,018,766</u>	<u>4,264,860</u>	<u>3,849,848</u>	<u>415,012</u>
Total expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(271,000)</u>	<u>(412,594)</u>	<u>23,828</u>	<u>436,422</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers out	<u>-</u>	<u>(390,523)</u>	<u>(390,524)</u>	<u>(1)</u>
CHANGE IN FUND BALANCE	<u>(271,000)</u>	<u>(803,117)</u>	<u>(366,696)</u>	<u>436,421</u>
FUND BALANCE - beginning of year	<u>1,587,420</u>	<u>1,587,420</u>	<u>1,587,420</u>	<u>-</u>
FUND BALANCE - end of year	<u>\$ 1,316,420</u>	<u>\$ 784,303</u>	<u>\$ 1,220,724</u>	<u>\$ 436,421</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) (OTHER BASIS) FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
January 1, 2017	\$ -	\$ 14,503,365	\$ 14,503,365	N/A	\$ 4,245,298	341.63%
January 1, 2016	\$ -	\$ 14,312,997	\$ 14,312,997	N/A	\$ 4,162,057	343.89%
January 1, 2015	\$ -	\$ 13,193,686	\$ 13,193,686	N/A	\$ 4,080,448	323.34%

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) (OTHER BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Proportion of the net pension liability (asset)	0.0098275%	0.0105425%	0.0133712%							
Proportionate share of the net pension liability (asset)	\$ 923.4	\$ 1,692.1	\$ 451.7							
Covered-employee payroll	\$ 2,814.0	\$ 2,706.4	\$ 2,817.3							
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	32.82%	62.52%	16.03%							
Plan fiduciary net position as a percentage of the total pension liability (asset)	94.7%	90.7%	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)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Proportion of the net pension liability (asset)	0.0674512%	0.0702259%	0.0707230%							
Proportionate share of the net pension liability (asset)	\$ 1,398.0	\$ 2,079.2	\$ 194.7							
Covered-employee payroll	\$ 1,880.5	\$ 1,782.3	\$ 1,839.5							
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	74.34%	116.66%	10.58%							
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.5%	90.7%	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) (OTHER BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 407.0	\$ 397.9	\$ 372.4							
Contributions in relation to the contractually required contribution	407.0	397.9	372.4							
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
Covered-employee payroll	\$ 2,814	\$ 2,706	\$ 2,817							
Contributions as a percentage of covered-employee payroll	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.

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
NEW YORK STATE LOCAL POLICE AND FIRE RETIREMENT SYSTEM PLAN										
Contractually required contribution	\$ 502.5	\$ 487.7	\$ 516.0							
Contributions in relation to the contractually required contribution	502.5	487.7	516.0							
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>							
Covered-employee payroll	\$ 1,881	\$ 1,782	\$ 1,840							
Contributions as a percentage of covered-employee payroll	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.