

**Town of Colonie, New York**

Financial Report

December 31, 2015

# Town of Colonie, New York

## Financial Report

December 31, 2015

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## Independent Auditor's Report

Supervisor and Town Board  
Town of Colonie, New York  
Newtonville, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Colonie, New York (Town) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Colonie, New York, as of December 31, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the Town adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and No 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as of January 1, 2015. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, other postemployment benefits - schedule of funding progress, schedule of proportionate share of the net pension liability, and the schedule of pension contributions, on pages 4 through 26, 74-75, 76, 77, and 78, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

BST & CO. CPAs, LLP

Albany, New York  
August 30, 2016



# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Description

The Town of Colonie, New York (Town), with a land area of over 57 square miles, is located in northeastern Albany County, immediately north of the City of Albany and about halfway between the Cities of Schenectady and Troy. Its northern and eastern boundaries are the Mohawk and Hudson Rivers, respectively. The Town, which includes two incorporated villages, Colonie and Menands, and such unincorporated communities as Latham, Loudonville, Maplewood, Newtonville, and West Albany, is primarily residential with some industrial and commercial valuations.

Commercial facilities include several shopping centers. The Colonie Center is a covered mall shopping center featuring major outlets of R.H. Macy, Inc., Sears Roebuck & Co., Whole Foods, and LL Bean, as well as specialty shops, restaurants, and parking. The Latham Farms Shopping Center, which includes Dicks, Sam's Club, and Home Depot stores, is situated between Routes 9 and 7, adjacent to the Northway. The Northway Mall complex is also located within the Town and includes Target, Lowe's, and BJ's Wholesale Club. The long dormant Latham Circle Mall has been redeveloped and includes Lowe's, a Walmart supercenter, Burlington Coat Factory, and Bob's Furniture Store. A sizeable portion of recent development in the Town has been devoted to single family residences, townhomes, and to the construction of hotels and multi-story office buildings. The Town is the site of the Albany International Airport, which provides passenger service on most major routes throughout the United States; passenger stations of Amtrak are located nearby in Rensselaer and Schenectady.

The Town provides sanitary sewer and water distribution facilities to its residents. Police protection and emergency medical service are provided by the Town. Fire protection is provided by Fire Districts and Fire Protection Districts located in the Town. The Town is the site of a base station of one of the mutual aid systems in New York State coordinating the operations of volunteers in thirteen fire departments. The Highway Department is charged with maintenance of the paved roads in the Town and is responsible for maintaining more than 310 center-line miles of highway within the Town.

In addition to the "essential services," the Town also owns and operates a variety of recreation facilities. These facilities include a 36-hole golf course, two 125+ acre parks, thirteen pocket parks, three sports complexes, swimming pools, a boat launch, 5.5 miles of bicycle paths, two dog parks, and a library.

The Town is situated in the center of the tri-city area (Albany-Troy-Schenectady) with access to such employment opportunities as the State of New York offices in Albany, the General Electric Company in Schenectady, industrial operations in Troy, and the United States Arsenal in Watervliet.

Highway facilities include the New York State Thruway, with two interchanges leading directly into the Town; Interstate Route 87 (the Northway), Interstate Route 90, New York Routes 5 and 7, and U.S. Route 9. Transportation for freight by rail and water is provided by the Delaware & Hudson, ConRail, and Amtrak railroads, the Hudson and Mohawk Rivers, and the Barge Canal. Air passenger and freight service is available at the Albany International Airport, located in the Town.

### Governmental Organization

The Town was established in 1895 pursuant to enactment of the New York State Legislature. The Town is located in the County of Albany, New York. The County is divided for local government purposes into ten towns and the Cities of Albany, Cohoes, and Watervliet. In turn, some of the towns contain incorporated villages established for purposes of providing certain municipal services and facilities to their residents. The Town is a political subdivision of the State having its own elected legislative body, the Town Board, pursuant to Constitutional provision and, except for certain contractual arrangements for cooperative provisions of some services or facilities, the Town does not rely in any manner upon the County for purposes of providing local government needs.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### **Governmental Organization - Continued**

The legislative body of the Town is its Town Board of seven members elected at large. The presiding officer, the Town Supervisor, is elected for a two-year term, and the six Council members are elected for staggered four-year terms.

The Supervisor is the Chief Executive and Fiscal Officer of the Town. Other elected Town officials are the Town Clerk and the Receiver of Taxes, who are elected at large to two-year and four-year terms, respectively. The three Town Justices are elected to staggered four-year terms. The Town Board appoints the Town Comptroller, Commissioner of Public Works, and Town Attorney for coterminous terms with the Town Supervisor. The Town Assessor and Personnel Officer are appointed by the Town Board for six-year terms.

The Town provides the bulk of municipal services furnished to the residents thereof and for such purpose furnishes water and sewer facilities and builds and maintains Town highways. Police protection is provided by the Town and the County, and fire protection is provided through separate entities: the various fire districts and voluntary fire organizations in the Town. Planning and zoning and the financing of Town courts are provided by the Town. Regulation of building construction and licensing of trades and occupations along with the usual municipal services of recreational facilities and street lighting are all Town functions. Social services and health services, to the extent provided on a public basis, are essentially County responsibilities. The Town also owns a municipal solid waste facility on the borders of the Mohawk River and City of Cohoes. The Town contracted a private company to operate and maintain this facility for a minimum of twenty-five years.

This Management Discussion and Analysis (MD&A) of the Town provides an introduction to the major activities affecting governmental operations and an introduction and overview of the financial performance and statements of the Town for the fiscal year ended December 31, 2015.

Following this MD&A are the basic financial statements of the Town, together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

### **Financial Highlights**

Over the last decade, the Town has overcome a significant deficit net position. At the end of 2007, the Town had a combined deficit fund balance of \$19.7 million when combining the governmental funds and environmental services fund. This deficit was modestly reduced through cost cutting, revenue management, and stringent adherence to the annual budget. Management also began looking at underutilized assets that could be sold, and underperforming assets that could be optimized. In 2011, the Town entered into a service concession arrangement (arrangement) for the operation and maintenance of its solid waste facility. Approximately \$35 million in cash receipts were initially deferred and are being recognized systematically over the life of the arrangement. This arrangement also provided resources to fully cover the solid waste facilities closure and post-closure care costs, which is described in Note 7. These steps substantially reduced the net deficit within the environmental services fund.

These actions in 2011 allowed the Town to begin building fund level surpluses. 2015 marks the fifth year of fund balance growth for the operating governmental funds (excluding capital projects and special revenue funds), and the fourth year where all governmental funds, other than capital projects, have a positive fund balance.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Highlights - Continued

The entity-wide financial statement pages present a significantly different picture of the Town's financial health due to the recognition of several long-term liabilities. The Town is required to recognize its obligation for other postemployment benefits (OPEB), which totals approximately \$43.3 million as of December 31, 2015. While accounting standards require the recognition of this liability on the entity-wide financial statements as of the statement of net position date, it will be paid out over the lifetime of the Town's 809 active and retired employees. Similarly, the Town is required to recognize the compensated absences liability for all active employees as a liability as of the balance sheet date. Again, this \$4.6 million liability will not be paid out in the near term but as the Town's active employees retire or leave Town service.

In 2015, the Town was required to recognize its estimated portion of the New York State and Local Employees' Retirement System's (ERS) and the New York State and Local Police and Fire Retirement System's (PFRS) unfunded pension liability, which total \$3,370,000 and \$1,045,000, respectively, as of December 31, 2015. Like the OPEB and compensated absences liabilities, the pension liability will not be paid out in the near term, but over the term of the employees' service to the Town. Additionally, this required the deferral of certain resources as a net deferred outflow of resources of \$7,905,000 as of December 31, 2015.

If the impact of these reporting requirements were excluded from the government-wide financial statements, the Town would have an unrestricted government-wide surplus of \$11,571,000 as of December 31, 2015, rather than a deficit of approximately \$32,844,000.

Other financial highlights for 2015 are as follows:

- At the end of the fiscal year, the General Fund reported a fund balance of \$1,309,090. This represents an increase in the fund balance of approximately \$108,000 over 2014. Approximately 44% (\$578,000) of this fund balance is restricted by third parties for public safety purposes and the payment of judgments and claims.
- For the fourth consecutive year, all of the governmental operating funds (those other than capital projects) are reporting positive fund balances. The Capital Projects and Environmental Services Department Funds are showing fund deficits as of December 31, 2015. Both of these deficits will be eliminated in future periods through the recognition of future revenues. The Pure Waters Department is also reporting a deficit net position of \$456,373 as of December 31, 2015. This is directly related to the recognition of \$2.2 million in OPEB liability and net pension liabilities, similar to the entity-wide statements.
- For governmental funds, the principal sources of the Town's revenue are real property taxes of \$25.2 million (35.6%), sales and use taxes of \$23.6 million (33.3%), state and federal aid of \$7.3 million (10.3%), and charges for services of \$8.3 million (11.8%), all of which are fairly consistent with 2014.
- The business-type activities (Pure Waters, Latham Water, and the Town Environmental Services Department) derived 58.1% (\$13.4 million) of their operating revenue from charges for services, and 41.4% (\$9.6 million) through ad valorem tax assessments, which like the governmental funds is fairly consistent with 2014. The Environmental Services Department also recognized approximately \$5.5 million in 2015, as compared to \$6.9 million in 2014, as a result of the service concession arrangement and fluctuates based on the waste facility capacity use from year to year.
- The largest expense in the Town continues to be salaries and benefits. In 2015, salaries were \$37,138,159, an increase of \$947,205 (2.55%) from 2014 and benefits, before other postemployment benefit (OPEB) and net pension liability related items, \$21,967,896, an increase of \$93,625 (0.43%) from 2014. Salaries and benefits combined account for 58.9% of expenses, exclusive of the change in OPEB and the net pension liability related items.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Highlights - Continued

- Debt service costs make up approximately \$11,438,000 of the 2015 Town-wide budget, or about 13% of total expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. This annual report consists of four components: Management's Discussion and Analysis; Basic Financial Statements (Government-wide Statements, Fund Financial Statements, Proprietary Funds, and Fiduciary Funds); Notes to the Basic Financial Statements, and Required Supplementary Information.

Figure A-1 summarizes the major features of the Town's financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1  
Major Features of the Town's Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as transportation, culture and recreation, and capital projects	Enterprise Funds of the Town operate similar to private businesses, such as the landfill, water, and sewer systems; the Town's Internal Service Fund administers self insurance obligations on behalf of the other funds	Instances in which the Town is the trustee or agent for someone else's resources
Required financial statements	1. Statement of net position 2. Statement of activities	1. Balance sheet 2. Reconciliation of total fund balance shown in the statement of net position 3. Statement of revenues, expenditures, and changes in fund balances 4. Reconciliation of the statement of revenues, expenditures, and changes in fund balances of Governmental Funds to the statement of activities	1. Statement of net position 2. Statement of revenues, expenses, changes in net position 3. Statement of cash flows	1. Statement of net position 2. Statement of changes in net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Town's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Government-wide Financial Statements

**Government-wide financial statements** - designed to provide a broad overview of the Town's finances, in a manner similar to a private-sector business. These statements include the Statement of Net Position and the Statement of Activities.

### Fund Financial Statements

**Fund financial statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like many other state and local governments, uses fund accounting to ensure and demonstrate finance related legal compliance. These funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

**Proprietary funds** in the Town are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses these enterprise funds to account for the Environmental Services Department, Latham Water Department, Pure Waters Department, and Workers' Compensation Internal Service Fund.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

### Financial Analysis of the Town's Financial Statements

The following pages compare the Town's governmental fund type financial statements using the modified accrual basis of accounting and current financial resources measurement focus and the Town's proprietary fund type financial statements using the full accrual basis of accounting and economic resources measurement focus for years ended December 31, 2015 and 2014.

The amount by which the Town's entity-wide assets and deferred outflows of resources exceed its liabilities and deferred inflows of resources is called net position. At year-end 2015, the Town's net position approximated \$(8,381,000). Of that amount, approximately \$22,062,000 was invested in capital assets, net of related debt, and \$2,400,000 was restricted for other purposes. Therefore, the Town has an entity-wide unrestricted deficit of approximately \$(32,844,000). Total net position decreased \$6,030,000 from the 2014 net position, primarily due to annual depreciation of capital assets, and recognition of the annual change in the OPEB obligation.

Overall, entity-wide expenses increased during 2015 by approximately \$834,000. This was principally the result of an increase in the annual OPEB costs of about \$2,722,000, offset by the decrease in deferred outflow and inflow of resources and net pension liability of \$2,255,000. There were increases of approximately \$947,000, \$94,000, and \$115,000 in salaries/wages, other benefits, and insurances, respectively, offset by decreases of \$149,000 and \$744,000 in interest expenses and depreciation, respectively. Contractual items were essentially flat with only a \$56,000 increase.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

Overall, entity-wide revenues remained stable showing a slight increase of approximately \$1,001,000 (1%); however, there were significant fluctuations in the various types of revenues. Tax revenues (property and ad valorem) and charges for services increased \$1,143,000 and \$958,000, respectively, primarily due to rate increases and additional use of services. Sales tax increased \$441,000 and State aid from mortgage tax increased \$488,000 primarily due to improved economic conditions within the region. These increases were offset by decreases in interfund revenue of \$1,020,000 related to administrative chargebacks to the enterprise funds and use of money and property of \$1,110,000 primarily related to revenue recognized from the service concession arrangement for the solid waste management facility.

An analysis of the overall financial position and results of operations of the Town's major governmental funds and the total of all nonmajor governmental funds (on the modified accrual basis) is presented below.

#### Financial Position

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>General Town-Wide Fund</b>				
Cash and cash equivalents	\$ 1,368,211	\$ 1,198,433	\$ 169,778	14.17%
Receivables/other	7,428,185	7,673,084	(244,899)	-3.19%
Due from other funds	<u>7,030,444</u>	<u>5,963,049</u>	<u>1,067,395</u>	17.90%
Total assets	<u>\$ 15,826,840</u>	<u>\$ 14,834,566</u>	<u>\$ 992,274</u>	6.69%
Accounts payable and accrued expenses	\$ 10,084,386	\$ 8,477,893	\$ 1,606,493	18.95%
Revenue anticipation note	3,200,000	3,200,000	-	0.00%
Due to other funds	<u>1,233,364</u>	<u>1,955,358</u>	<u>(721,994)</u>	-36.92%
Total liabilities	14,517,750	13,633,251	884,499	6.49%
Fund balance	<u>1,309,090</u>	<u>1,201,315</u>	<u>107,775</u>	8.97%
Total liabilities and fund balance	<u>\$ 15,826,840</u>	<u>\$ 14,834,566</u>	<u>\$ 992,274</u>	6.69%
<b>Highway Fund</b>				
Cash and cash equivalents	\$ 1,822,579	\$ 1,379,244	\$ 443,335	32.14%
Receivables	<u>2,517,857</u>	<u>2,041,577</u>	<u>476,280</u>	23.33%
Total assets	<u>\$ 4,340,436</u>	<u>\$ 3,420,821</u>	<u>\$ 919,615</u>	26.88%
Accounts payable and accrued expenses	\$ 587,913	\$ 498,161	\$ 89,752	18.02%
Due to other funds	<u>2,483,261</u>	<u>2,077,098</u>	<u>406,163</u>	19.55%
Total liabilities	3,071,174	2,575,259	495,915	19.26%
Fund balance	<u>1,269,262</u>	<u>845,562</u>	<u>423,700</u>	50.11%
Total liabilities and fund balance	<u>\$ 4,340,436</u>	<u>\$ 3,420,821</u>	<u>\$ 919,615</u>	26.88%

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Financial Position - Continued

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Special Miscellaneous Revenue</b>				
Cash and cash equivalents	\$ 8,212,424	\$ 8,094,873	\$ 117,551	1.45%
Receivables	<u>397,055</u>	<u>-</u>	<u>397,055</u>	100.00%
 Total assets	 <u>\$ 8,609,479</u>	 <u>\$ 8,094,873</u>	 <u>\$ 514,606</u>	 6.36%
Accounts payable and accrued expenses	\$ 245,940	\$ 197,063	\$ 48,877	24.80%
Due to other funds	<u>946,442</u>	<u>8,000</u>	<u>938,442</u>	11730.53%
Total liabilities	<u>1,192,382</u>	<u>205,063</u>	<u>987,319</u>	481.47%
 Fund balance	 <u>7,417,097</u>	 <u>7,889,810</u>	 <u>(472,713)</u>	 -5.99%
 Total liabilities and fund balance	 <u>\$ 8,609,479</u>	 <u>\$ 8,094,873</u>	 <u>\$ 514,606</u>	 6.36%
<b>Capital Projects Fund</b>				
Cash and cash equivalents	\$ 2,506,146	\$ 2,767,803	\$ (261,657)	-9.45%
Due from other funds	<u>830,345</u>	<u>921,103</u>	<u>(90,758)</u>	-9.85%
 Total assets	 <u>\$ 3,336,491</u>	 <u>\$ 3,688,906</u>	 <u>\$ (352,415)</u>	 -9.55%
Accounts payable and accrued expenses	\$ 4,494	\$ 157,859	\$ (153,365)	-97.15%
Bond anticipation notes	10,315,000	5,952,765	4,362,235	73.28%
Due to other funds	<u>56,592</u>	<u>241,594</u>	<u>(185,002)</u>	-76.58%
Total liabilities	<u>10,376,086</u>	<u>6,352,218</u>	<u>4,023,868</u>	63.35%
 Fund deficit	 <u>(7,039,595)</u>	 <u>(2,663,312)</u>	 <u>(4,376,283)</u>	 164.32%
 Total liabilities and fund balance	 <u>\$ 3,336,491</u>	 <u>\$ 3,688,906</u>	 <u>\$ (352,415)</u>	 -9.55%
<b>Other Governmental Funds</b>				
Cash and cash equivalents	\$ 1,433,770	\$ 910,634	\$ 523,136	57.45%
Investments	-	500,000	(500,000)	100.00%
Receivables	646,609	466,618	179,991	38.57%
Due from other funds	<u>386,229</u>	<u>344,641</u>	<u>41,588</u>	12.07%
 Total assets	 <u>\$ 2,466,608</u>	 <u>\$ 2,221,893</u>	 <u>\$ 244,715</u>	 11.01%

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Financial Position - Continued

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Other Governmental Funds- Continued</b>				
Accounts payable and accrued expenses	\$ 677,416	\$ 558,861	\$ 118,555	21.21%
Due to other funds	315,606	256,299	59,307	23.14%
Total liabilities	<u>993,022</u>	<u>815,160</u>	<u>177,862</u>	21.82%
Deferred inflows of resources	4,174	955	3,219	337.07%
Fund balance	<u>1,469,412</u>	<u>1,405,778</u>	<u>63,634</u>	4.53%
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,466,608</u>	<u>\$ 2,221,893</u>	<u>\$ 244,715</u>	11.01%

#### Results of Operations

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>General Town-Wide Fund</b>				
Revenues	\$ 44,960,509	\$ 43,724,948	\$ 1,235,561	2.83%
Expenditures	48,164,265	46,708,614	1,455,651	3.12%
Other financing sources	211,531	35,422	176,109	497.17%
Interfund transfers	<u>3,100,000</u>	<u>3,100,000</u>	-	0.00%
Net change in fund balance	107,775	151,756	(43,981)	-28.98%
Fund balance, <i>beginning of year</i>	<u>1,201,315</u>	<u>1,049,559</u>	<u>151,756</u>	14.46%
Fund balance, <i>end of year</i>	<u>\$ 1,309,090</u>	<u>\$ 1,201,315</u>	<u>\$ 107,775</u>	8.97%
<b>Highway Fund</b>				
Revenues	\$ 9,947,634	\$ 9,253,273	\$ 694,361	7.50%
Expenditures	9,644,117	9,282,172	361,945	3.90%
Other financing sources	<u>120,183</u>	<u>31,580</u>	<u>88,603</u>	280.57%
Net change in fund balance	423,700	2,681	421,019	15703.80%
Fund balance, <i>beginning of year</i>	<u>845,562</u>	<u>842,881</u>	<u>2,681</u>	0.32%
Fund balance, <i>end of year</i>	<u>\$ 1,269,262</u>	<u>\$ 845,562</u>	<u>\$ 423,700</u>	50.11%
<b>Special Miscellaneous Revenue</b>				
Revenues	\$ 1,785,223	\$ 1,342,646	\$ 442,577	32.96%
Expenditures	<u>2,257,936</u>	<u>44,508</u>	<u>2,213,428</u>	4973.10%
Excess of revenues over				
Net change in fund balance	(472,713)	1,298,138	(1,770,851)	-136.41%
Fund balance, <i>beginning of year</i>	<u>7,889,810</u>	<u>6,591,672</u>	<u>1,298,138</u>	19.69%
Fund balance, <i>end of year</i>	<u>\$ 7,417,097</u>	<u>\$ 7,889,810</u>	<u>\$ (472,713)</u>	-5.99%

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Results of Operations - Continued

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Capital Project Funds</b>				
Revenues	\$ 3,294	\$ 560,061	\$ (556,767)	-99.41%
Expenditures	5,135,403	5,776,789	(641,386)	-11.10%
Other financing sources	755,826	7,875,575	(7,119,749)	-90.40%
Net change in fund balance	(4,376,283)	2,658,847	(7,035,130)	-264.59%
Fund deficit, <i>beginning of year</i>	(2,663,312)	(5,322,159)	2,658,847	-49.96%
Fund deficit, <i>end of year</i>	<u>\$ (7,039,595)</u>	<u>\$ (2,663,312)</u>	<u>\$ (4,376,283)</u>	164.32%
<b>Other Governmental Funds</b>				
Revenues	\$ 14,091,977	\$ 13,719,365	\$ 372,612	2.72%
Expenditures	14,045,933	13,729,773	316,160	2.30%
Other financing sources	17,590	3,288,061	(3,270,471)	-99.47%
Other financing uses	-	3,271,282	(3,271,282)	-100.00%
Net change in fund balance	63,634	6,371	57,263	898.81%
Fund balance, <i>beginning of year</i>	1,405,778	1,399,407	6,371	0.46%
Fund balance, <i>end of year</i>	<u>\$ 1,469,412</u>	<u>\$ 1,405,778</u>	<u>\$ 63,634</u>	4.53%

#### General Town-Wide Fund

Total assets increased by approximately \$992,000 due to a combination of increased cash and interfund receivables, offset by decreased third-party receivables. Cash balances increased by \$169,778 and interfund receivables were \$1,067,395 higher than year-end 2014. The decreased third-party receivables were a result of lower sales tax receivables than at year-end 2014. The higher level of due from other funds and conversely the decrease in due to other funds is the result of lower interfund reimbursements related to the timing of accounts payable at year-end.

Liabilities overall increased by \$884,499 from 2014 to 2015, primarily due to the timing of interfund payables as discussed above. Accounts payable and accrued expenses were up \$1,606,000 due to timing of accounts payable at year-end and increased retirement system contributions.

Total revenue increased by \$1,236,000 primarily because of budgeted increases in property tax revenue, \$1,861,000, being offset by the net effect of various other increases and decreases. Allocated sales tax from the County was lower by \$546,000 but was offset by an increased mortgage tax allocation by \$488,000. The use of property was up by \$253,000 due to the settlement of a lease dispute and increased franchise fee payments from Time Warner and Verizon. There was also one-time bond anticipation note proceeds of \$160,000 to finance a large tax certiorari claim. These increases were offset by lower interfund revenues (\$1,020,000) due to lower administrative chargebacks to the enterprise funds.

Like revenues, expenditures were also up for 2015 from 2014 levels by about \$1,455,700. This increase was primarily the result of negotiated salary increases (\$539,000), increased contractual costs (\$216,000), higher employee benefit costs (\$574,000), and a large tax certiorari case (\$160,000) offset by the scheduled pay down of debt (\$298,000). The Town also received additional federal aid during 2015 to finance capital improvements of about \$265,000.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Highway Fund

Total assets increased about \$920,000 from 2014 to 2015, from a combination of \$443,000 more in cash and \$476,000 higher sales tax receivables at year-end 2015. The increased cash position is a direct result of profitable operations for the year and increased reserve balances. The increase in sales tax receivable is the result of reliance on sales tax to balance the budget in 2015, and elimination of the unreserved deficit fund balance.

Overall, liabilities increased about \$496,000 at year-end 2015 from a combination of increases in accounts payable and accrued expenses (\$28,000) and increases due to other funds (\$406,000), refundable deposits (\$18,000), and employee retirement system contributions (\$44,000). The increase in accrued expenses is attributable to the increased accrued payroll. The due to other funds is related to the timing of accounts payable at year-end 2015.

The Highway Fund revenues were up by about \$694,000 for the year ended 2015 as compared to 2014. This was primarily the result of a higher sales tax allocation to the fund to cover its 2015 operations and eliminate the deficit unreserved fund balance. The Town also received \$80,200 more in consolidated highway state aid to finance the repair of roads because of harsh winter weather in 2014.

Operating costs for the Highway Fund increased significantly in 2015 from 2014 by approximately \$362,000. The winter months in 2015 were not as harsh as in 2014, thereby reducing the use of overtime, contractors, and salt, saving approximately \$187,000. Salaries and wages increased \$100,000 as a result of negotiated rate increases, and benefits increased \$142,000. Debt service increased about \$299,000 as a result of the ongoing paving and storm water improvement plan.

#### Special Miscellaneous Revenue Fund

Total assets increased during 2015 by approximately \$515,000 as a result of departmental income offset by sizeable expenditures. Total liabilities increased by \$987,319 primarily as a result of the timing of payments out of the Airport area related to transportation and water infrastructure improvements within the area during 2015. A portion of the revenues within this area can be used by schools and fire companies within the area for reimbursement of eligible costs and increased \$49,000 in 2015.

The annual revenues and expenditures depend on the development within the various mitigation areas and the resulting engineering and improvement projects that result from that development. During 2015, the Airport area financed a portion of the Aviation Road realignment and water tanks within the Vly-Denison Roads service area.

#### Capital Projects Fund

Total assets decreased during 2015 by approximately \$352,000. Cash position and receivables decreased by \$262,000 and \$91,000, respectively, at the end of 2015. This was the result of continuation of the Town's capital plan.

Total liabilities increased by \$4,024,000, as a result of bond anticipation notes in 2015 related to the Town's capital plan. Accounts payable, accrued expenses, and due to other funds were down in 2015 as a result of timing of accounts payable around year-end.

2015 revenues were significantly lower than in 2014 because in 2014 the Town received \$491,000 in state and local aid to finance the construction of a sidewalk along Route 9, and \$64,000 of unbudgeted New York State CHIPS aid was used to offset paving program expenditures.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Capital Projects Fund - Continued

2015 expenditures were relatively consistent with prior years, other than the completion of the Sand Creek Road improvements in 2014. The remaining projects are related to the Town's paving plan or the replacement of equipment and facility improvements within the Information Technology Department, Police, Emergency Medical Services, and Recreation and Highway Departments.

In 2014, the Town also issued serial bonds to provide permanent financing of bond anticipation notes, which did not happen in 2015, which resulted in the decline in other financing revenues.

#### Nonmajor Funds

Overall, the Town's nonmajor funds maintained their path to financial stability in 2015. Assets increased by about \$245,000 primarily related to increased receivables for the allocation of sales tax of \$170,000 and interfund receivables of about \$42,000.

The liabilities increased by \$178,000 primarily related to increased retirement system contributions accrued at year end. Due to other funds was up in 2015 as a result of timing of accounts payable around year-end.

Revenues increased about \$373,000 as a result of increases in property tax and sales tax of \$132,000 and \$341,000, respectively. These were offset by a total reduction in departmental income and licenses and permits of \$170,000. There was also a \$75,000 increase in federal aid within the Community Development fund from increased Community Development Block Grant allocations.

Other financing uses decreased by \$3,271,000 as a result of issuing a current refunding bond in the amount of \$3,235,000 related to the Town's 2002 and 2003 serial bond issuances in 2014. The Library and Community Development funds saw minor operating expense fluctuations of \$56,000 and \$(11,000), respectively, while the General Outside-Village fund experienced an \$188,000 increase in costs for 2015. The Library's increases are normal operating increases and not attributable to any one area. The Community Development decreases are related to program delivery costs. The General Outside-Village increase is related to benefit costs increases of \$92,500, \$40,000 of increased street lighting costs, \$21,000 in legal fees for ongoing litigation, and \$18,000 in administrative costs related to civil service examination and retention of employees.

An analysis of the overall financial position and results of operations of the Town's proprietary funds (on the accrual basis) is presented below:

#### Financial Position

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Pure Waters</b>				
Cash and cash equivalents	\$ 6,022,581	\$ 4,030,905	\$ 1,991,676	49.41%
Receivables	36,761	41,900	(5,139)	-12.26%
Due from other funds	907,135	1,672,984	(765,849)	-45.78%
Capital assets, net	<u>18,742,570</u>	<u>18,615,988</u>	<u>126,582</u>	0.68%
Total assets	\$ 25,709,047	\$ 24,361,777	\$ 1,347,270	5.53%
Deferred outflow of resources	<u>297,766</u>	<u>-</u>	<u>297,766</u>	100.00%
Total assets and deferred outflows of resources	<u>\$ 26,006,813</u>	<u>\$ 24,361,777</u>	<u>\$ 1,645,036</u>	6.75%

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Financial Position - Continued

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Pure Waters - Continued</b>				
Accounts payable and accrued expenses	\$ 1,096,594	\$ 1,233,787	\$ (137,193)	-11.12%
Bond anticipation note	5,610,000	3,216,096	2,393,904	74.44%
Bonds payable	16,728,200	17,771,580	(1,043,380)	-5.87%
Other noncurrent	3,005,765	2,421,830	583,935	24.11%
Due to other funds	20,000	24,081	(4,081)	-16.95%
Total liabilities	<u>26,460,559</u>	<u>24,667,374</u>	<u>1,793,185</u>	7.27%
Deferred inflows of resources	2,627	-	2,627	100.00%
Net position	<u>(456,373)</u>	<u>(305,597)</u>	<u>(150,776)</u>	49.34%
Total liabilities, deferred inflows of resources, and net position	<u>\$ 26,006,813</u>	<u>\$ 24,361,777</u>	<u>\$ 1,645,036</u>	6.75%
<b>Environmental Services Department</b>				
Cash and cash equivalents	\$ 1,326,987	\$ 3,350,876	\$ (2,023,889)	-60.40%
Receivables	114,019	457,444	(343,425)	-75.07%
Management agreement	18,064,017	19,051,944	(987,927)	100.00%
Capital assets, net	<u>7,201,434</u>	<u>9,812,130</u>	<u>(2,610,696)</u>	-26.61%
Total assets	<u>\$ 26,706,457</u>	<u>\$ 32,672,394</u>	<u>\$ (5,965,937)</u>	-18.26%
Accounts payable and accrued expenses	\$ 143,024	\$ 154,148	\$ (11,124)	-7.22%
Bond anticipation note	-	88,589	(88,589)	-100.00%
Bonds payable	14,484,099	15,743,003	(1,258,904)	-8.00%
Landfill closure/post-closure	13,366,541	12,373,422	993,119	8.03%
Due to other funds	590,807	1,240,003	(649,196)	-52.35%
Total liabilities	<u>28,584,471</u>	<u>29,599,165</u>	<u>(1,014,694)</u>	-3.43%
Deferred inflows of resources	7,425,395	11,635,048	(4,209,653)	100.00%
Net position	<u>(9,303,409)</u>	<u>(8,561,819)</u>	<u>(741,590)</u>	8.66%
Total liabilities, deferred inflows of resources, and net position	<u>\$ 26,706,457</u>	<u>\$ 32,672,394</u>	<u>\$ (5,965,937)</u>	-18.26%

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Financial Position - Continued

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Latham Water</b>				
Cash and cash equivalents	\$ 5,756,918	\$ 4,666,577	\$ 1,090,341	23.36%
Receivables	6,694,795	6,493,938	200,857	3.09%
Capital assets, net	<u>39,843,921</u>	<u>39,456,635</u>	<u>387,286</u>	0.98%
Total assets	52,295,634	50,617,150	1,678,484	3.32%
Deferred outflow of resources	<u>645,158</u>	<u>-</u>	<u>645,158</u>	100.00%
Total assets and deferred outflows of resources	<u>\$ 52,940,792</u>	<u>\$ 50,617,150</u>	<u>\$ 2,323,642</u>	4.59%
Accounts payable and accrued expenses	\$ 939,015	\$ 938,402	\$ 613	0.07%
Bond anticipation note	4,611,000	1,883,550	2,727,450	144.80%
Bonds payable	20,142,100	21,911,800	(1,769,700)	-8.08%
Other noncurrent	5,581,911	4,235,477	1,346,434	31.79%
Due to other funds	<u>3,119,135</u>	<u>2,571,243</u>	<u>547,892</u>	21.31%
Total liabilities	34,393,161	31,540,472	2,852,689	9.04%
Deferred inflows of resources	5,693	-	5,693	100.00%
Net position	<u>18,541,938</u>	<u>19,076,678</u>	<u>(534,740)</u>	-2.80%
Total liabilities, deferred inflows of resources, and net position	<u>\$ 52,940,792</u>	<u>\$ 50,617,150</u>	<u>\$ 2,323,642</u>	4.59%

#### Workers' Compensation Internal Service Fund

Accounts payable and accrued expenses	\$ 2,557,635	\$ 1,639,404	\$ 918,231	56.01%
Total liabilities	<u>2,557,635</u>	<u>1,639,404</u>	<u>918,231</u>	56.01%
Net position	<u>(2,557,635)</u>	<u>(1,639,404)</u>	<u>(918,231)</u>	56.01%
Total liabilities and net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.00%

#### Results of Operations

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Pure Waters</b>				
Operating revenue	\$ 8,349,605	\$ 7,923,178	\$ 426,427	5.38%
Operating expenses	<u>7,849,512</u>	<u>7,910,119</u>	<u>(60,607)</u>	-0.77%
Operating income	500,093	13,059	487,034	3729.49%
Non-operating expenses	<u>(643,701)</u>	<u>(676,221)</u>	<u>32,520</u>	-4.81%
Change in net position	(143,608)	(663,162)	519,554	-78.34%
Net position, <i>beginning of year,</i>	<u>(312,765)</u>	<u>357,565</u>	<u>(670,330)</u>	-187.47%
Net position, <i>end of year, as originally reported</i>	(312,765)	(305,597)	(7,168)	2.35%
Effect of adoption of GASB 68 and 71	<u>-</u>	<u>(7,168)</u>	<u>7,168</u>	-100.00%
Net Position, end of year, as restated	<u>\$ (456,373)</u>	<u>\$ (312,765)</u>	<u>\$ (143,608)</u>	45.92%

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Results of Operations - Continued

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
<b>Environmental Services Department</b>				
Operating revenue	\$ 1,381,364	\$ 1,416,684	\$ (35,320)	-2.49%
Operating expenses	<u>3,827,789</u>	<u>5,164,552</u>	<u>(1,336,763)</u>	-25.88%
Operating loss	(2,446,425)	(3,747,868)	1,301,443	-34.72%
Non-operating revenues	4,804,835	6,109,259	(1,304,424)	-21.35%
Transfers out	<u>(3,100,000)</u>	<u>(3,100,000)</u>	-	0.00%
Change in net position	(741,590)	(738,609)	(2,981)	0.40%
Net position, <i>beginning of year</i>	<u>(8,561,819)</u>	<u>(7,823,210)</u>	<u>(738,609)</u>	9.44%
Net position, <i>end of year</i>	<u>\$ (9,303,409)</u>	<u>\$ (8,561,819)</u>	<u>\$ (741,590)</u>	8.66%
<b>Latham Water</b>				
Operating revenue	\$ 13,379,084	\$ 13,648,939	\$ (269,855)	-1.98%
Operating expenses	<u>13,652,082</u>	<u>12,708,046</u>	<u>944,036</u>	7.43%
Operating income (loss)	(272,998)	940,893	(1,213,891)	-129.01%
Non-operating revenue (expense)	<u>(246,212)</u>	<u>(434,535)</u>	<u>188,323</u>	-43.34%
Change in net position	(519,210)	506,358	(1,025,568)	-202.54%
Net position, <i>beginning of year</i>	<u>19,061,148</u>	<u>18,570,320</u>	<u>490,828</u>	2.64%
Net position, <i>end of year, as originally reported</i>	18,541,938	19,076,678	(534,740)	-2.80%
Effect of adoption of GASB 68 and 71	-	<u>(15,530)</u>	<u>15,530</u>	-100.00%
Net position, <i>end of year, as restated</i>	<u>\$ 18,541,938</u>	<u>\$ 19,061,148</u>	<u>\$ (519,210)</u>	-2.72%
<b>Workers' Compensation Internal Service Fund</b>				
Operating revenue	\$ 1,201,583	\$ 1,232,915	\$ (31,332)	-2.54%
Operating expenses	<u>2,119,814</u>	<u>1,779,031</u>	<u>340,783</u>	19.16%
Change in net position	(918,231)	(546,116)	(372,115)	68.14%
Net position, <i>beginning of year</i>	<u>(1,639,404)</u>	<u>(1,093,288)</u>	<u>(546,116)</u>	49.95%
Net position, <i>end of year</i>	<u>\$ (2,557,635)</u>	<u>\$ (1,639,404)</u>	<u>\$ (918,231)</u>	56.01%

#### Pure Waters

Assets increased by approximately \$1,347,000 due to positive cash flow from operations. There was also a positive investment in capital assets of about \$126,000.

Overall, liabilities increased by about \$1,793,000 primarily from the net increase in bonds and bond anticipation notes. This increase was enhanced by a \$357,000 increase in the OPEB liability, and a \$40,000 total increase in compensated absences and long-term pension amortization. Additionally there was a decrease of \$128,000 in accounts payable, accrued expenses, and retainage payable due to timing of payments around year-end. Accrued interest on debt service decreased by \$24,000 which is related to the amount of debt outstanding. Due to the generation of net losses sustained during 2015, net position declined by \$144,000.

Another component of the increase in liabilities is the recognition of the net pension liability beginning in 2015. This liability totaled about \$202,000 as of December 31, 2015, and resulted in the recognition of deferred outflows of resources and deferred inflows of resources of \$297,700 and \$2,600, respectively, as of December 31, 2015. The December 31, 2014 net position was restated by \$7,200, increasing the deficit net position to approximately \$313,000 as a result of adopting Governmental Accounting Standards Board Statements No. 68 and No 71.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Pure Waters - Continued

Overall, revenue increased approximately 5.4% over the prior year, the result of an increase in the ad valorem tax and increased volume and size of user fees. Operating expenses, before the impact of the recognition of the net pension liability, remained stable at 2014 levels with only a \$40,000, or 0.5% increase. The operating expenses overall decreased by \$60,600 because of the reduction of employee benefits costs as a result of recognizing a reduction in the net pension liability and establishing the deferred outflows and inflows from pension related resources. Non-operating expenses, net, declined by \$32,500 primarily due to insurance recoveries on a destroyed piece of equipment.

#### Environmental Services Department

In 2011, the Town entered into a contract with a private company to manage, maintain, and operate the Town's solid waste facility for a period of 25 years with the option to extend the contract for up to five additional five-year renewal periods. The terms of the agreement provided for an upfront payment of \$23 million and quarterly payments of \$575,000 for the first five years and minimum quarterly payments of \$275,000 thereafter for twenty years. Additionally, the company assumed the liability for all future closure and post-closure costs and has established financial assurances as required and verified by the New York State Department of Environmental Conservation. The financial assurances that have been established protect the Town in the event the company were to default on this contract. As a result of this transaction, the Environmental Services Fund deficit has been significantly reduced and will be further reduced in the future. Essentially this is a funded deficit because although the closure and post-closure care liability remains in the Town's records; it is a funded liability. The upfront payment of approximately \$12.9 million was placed in escrow to defease bonds, and the remaining funds were transferred to the General Town-Wide Fund to assist in deficit reduction.

Total assets decreased \$6.0 million in 2015 due to the anticipated repayment of bonds and bond anticipation notes in the amount of \$1.4 million and depreciation of capital assets in the amount of \$2.6 million and transfers to the General Fund. Total liabilities decreased by \$1,014,000 due to the debt repayments discussed but were offset by a current year revision to the landfill closure and post-closure liability of \$993,000. Additionally, approximately \$4.2 million of the deferred inflows from the service concession arrangement were recognized in 2015.

The net deficit has decreased to \$9.3 million. The deficit will continue to decrease as the deferred inflow of resources is recognized due to utilization of the solid waste facility.

Similar to 2014, due to changes in the utility market, the methane gas to energy operation generated poor results and resulted in a \$22,000 decline. There was a decline in the rate of landfill cell capacity used during 2015 which resulted in lower depreciation expense, revision to the landfill closure and post-closure liability, and amount of revenue recognized under the service concession arrangement.

#### Latham Water

Latham Water saw an increase in total assets of \$1,678,000 as a result of a \$387,000 net investment in capital assets, an improvement in overall cash positions of \$1,090,000, and an increase in water usage receivables of \$212,000, related to a rate increase.

The liabilities increased \$2,852,000, primarily as a result of increases in OPEB liability (\$855,000), additional pension obligations (\$57,000), a higher level of due to other funds (\$548,000) because of timing of year-end accounts payable, an increase in the net outstanding debt (\$1,770,000), and increased other accrued expenses (\$93,000), all offset by a reduction in accrued interest (\$139,000).

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Financial Analysis of the Town's Financial Statements - Continued

#### Latham Water - Continued

Another component of the increase in liabilities is the recognition of the net pension liability beginning in 2015. This liability totaled about \$438,000 as of December 31, 2015, and resulted in the recognition of deferred outflows of resources and deferred inflows of resources of \$645,200 and \$5,700, respectively, as of December 31, 2015. The December 31, 2014 net position was restated by \$15,500, increasing the net position to approximately \$19,061,000 as a result of adopting Governmental Accounting Standards Board Statements No. 68 and No. 71.

There was a rate increase during 2015 that was offset by slightly reduced consumption. This resulted in an operating revenue decrease of \$270,000, or 1.98%. Operating expenses, before the impact of the recognition of the net pension liability, increased 8.7%, or \$1,113,000. Salaries increased \$187,000 as a result of negotiated rate increases, employee benefits increased \$157,000, and OPEB costs increased \$316,753. Supplies, materials, and services also increased \$365,000; however, most of that increase is the result of wetland remediation at the water treatment plant. Depreciation also increased by \$83,000 as more is invested in capital assets. The operating expenses overall increased by \$994,000 because of the reduction of employee benefits as a result of recognizing a reduction in the net pension liability and establishing the deferred outflows and inflows from pension related resources. Non-operating expenses decreased by \$188,000 as a result of low interest expense in 2015.

#### Workers' Compensation Internal Service Fund

During the 2014 fiscal year, the Town changed an accounting policy related to its risk financing activities for the Town's self-insured workers' compensation costs. Accounting principles generally accepted in the United States of America (U.S. GAAP) allow for two alternatives in accounting for risk financing and insurance related issues. They can be accounted for in within the general fund or in an internal service fund.

Prior to fiscal year 2014, the Town accounted for these liabilities within each respective fund. Upon review of the policy, it became apparent that it would be preferable from both an accounting and reporting perspective to use an internal service fund. A significant component of the workers' compensation liability is long-term and, therefore, would not be reported under modified accrual accounting. From a reporting perspective, the internal service fund will allow users of the statements a more transparent and centralized reporting of the risk financing activities for workers' compensation costs.

The liability presented includes the liability for workers' compensation claims as determined by the Town's third-party administrator as of the end of the year, less the amount covered by an excess insurance policy for specific claims, plus an estimate for claims incurred but not reported. The incurred but not reported estimate is a minor component because the Town has strong experience with claims being reported timely.

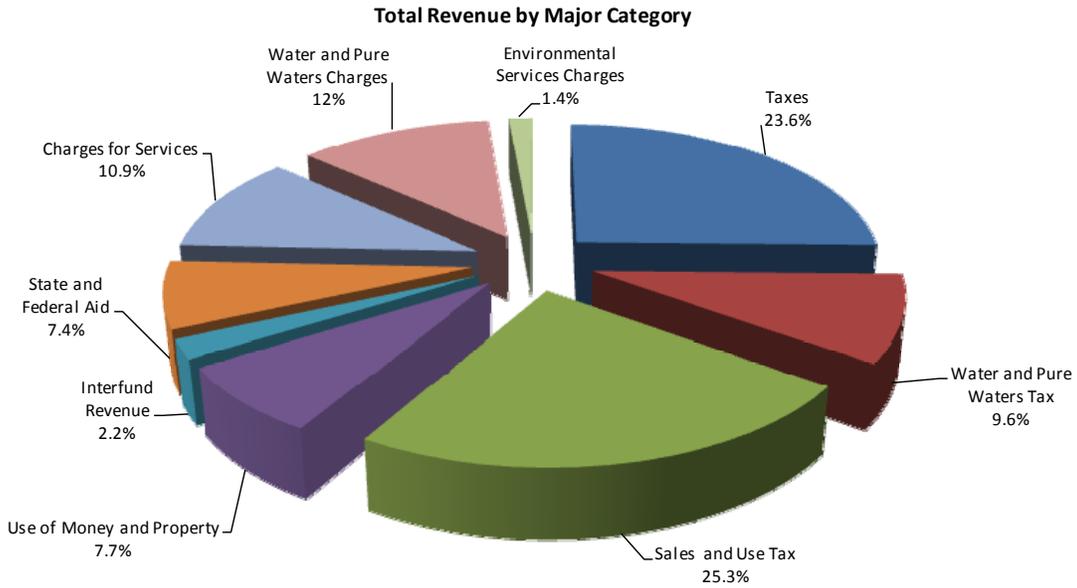
The revenue charged to the operating funds in 2015 was consistent with 2014, and the expenses incurred are up about \$341,000 as a direct correlation to the related liability as of the end of the year.

# Town of Colonie, New York

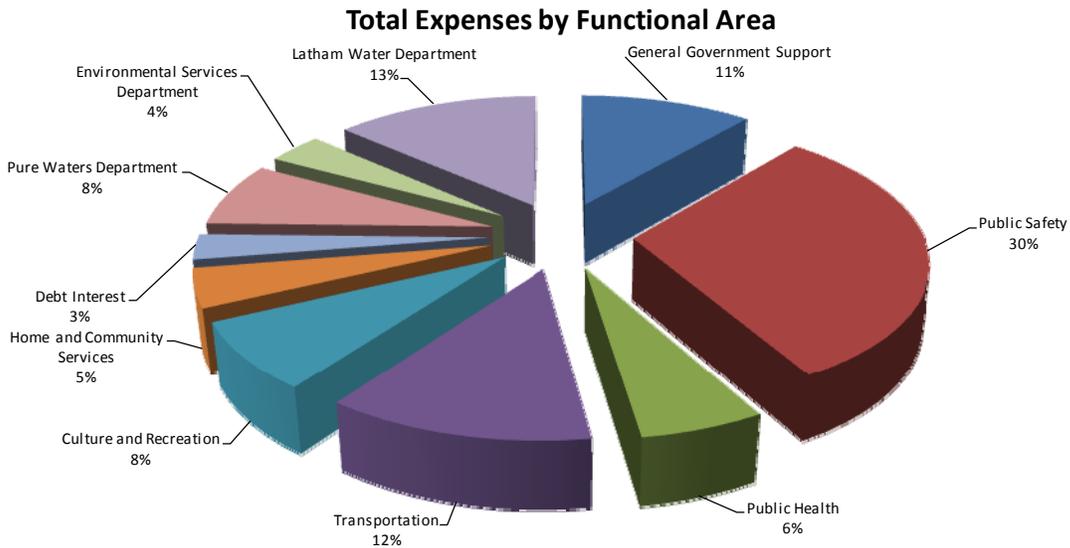
## Management's Discussion and Analysis December 31, 2015

### Statistical Information on Town-Wide, Governmental and Business-Type Entities

#### 2015 Summary of Town-Wide Revenues (accrual basis)



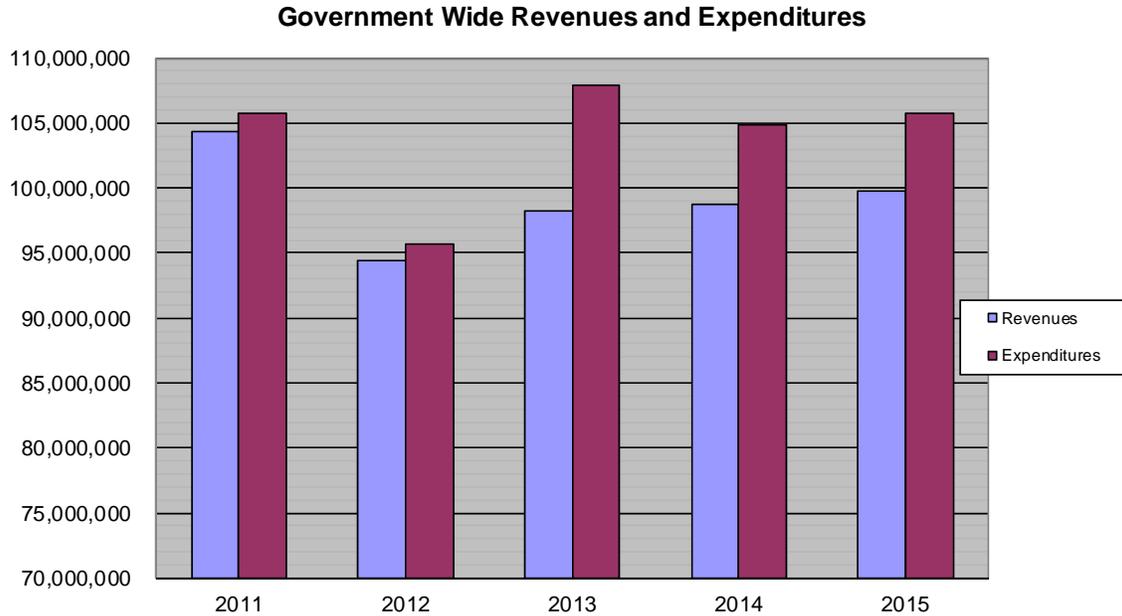
#### 2015 Summary of Town-Wide Expenses (accrual basis)



# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Town-Wide Revenues and Expenditures for the Past Five Years (accrual basis)



The above graph shows the government-wide revenues and expenses over the last five years (accrual basis), which does not reflect expenditures for investment in capital assets or debt principal repayment. Although the Town had significantly improved its financial condition during 2011 with the management contract for the solid waste facility, it still must closely monitor the budget, identify new sources of revenue, and identify areas of savings through restructuring and attrition. This will allow the Town to establish the fund balance levels that are recommended by both the New York State Comptroller's Office and debt rating services.

As discussed in the financial highlights section, the Town annually recognizes the impact of its proportionate share of the net pension liability of the New York Employee and Police and Fire Retirement Systems and obligations from other postemployment benefits within its financial statements. These \$4.4 and 43.3 million dollar liabilities have been systematically recognized since 2008, and significantly skew the comparison of revenue and expenditures.

Over the same time period identified above, outstanding debt decreased from \$102.33 million (total Bonds, BANs, and RANs) to \$98.4 million, or 3.5%. This has been accomplished by implementing a capital review committee which reviews and prioritizes the projects to be financed. This committee attempts to limit new borrowings to a level at or below the principal being paid off in a given year. The committee feels this is a conservative approach and will assist the Town in limiting its overall debt exposure.

# Town of Colonie, New York

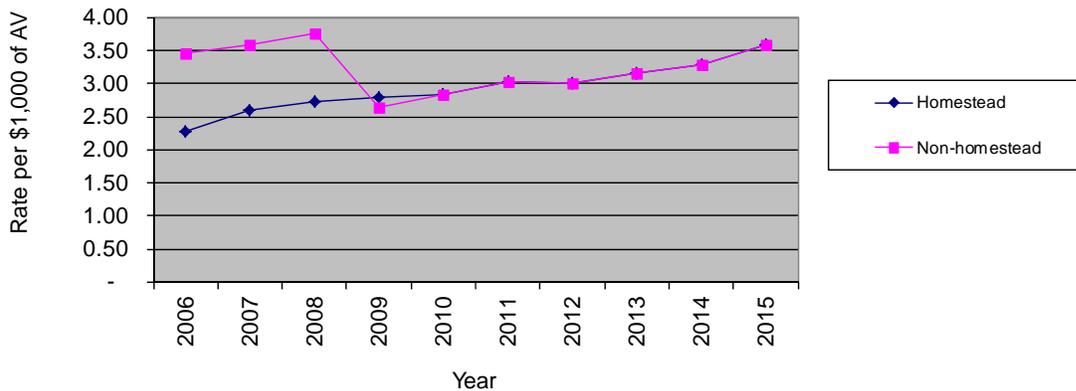
## Management's Discussion and Analysis December 31, 2015

### Town-Wide Revenues and Expenditures for the Past Five Years (accrual basis) - Continued

The graph below shows the real property taxes (levied from 2006 to 2015) for both homestead and non-homestead:

#### Tax Rates

**Property Tax Rate History**



It should be noted that the Town elected to rescind the homestead tax option in 2010, which makes the homestead and non-homestead rates equal.

#### **Budgetary Highlights**

Both the General Town-wide and Highway Fund budget to actual comparisons can be found in the supplementary section of this report on pages 74 and 75. The following are a few significant budgetary items during 2015:

Within the General Town-wide Fund, sales taxes and mortgage tax were higher than originally budgeted by \$686,000 and \$157,000, respectively, due to improved economic conditions during 2015. Within the departmental income area, recreation revenues were significantly less than anticipated due to unfavorable weather conditions over the summer of 2015. While some areas of the expenditures exceeded the originally budgeted amounts, the Town was able to make budget modifications to amend the budget without a negative impact.

The Highway Fund had similar increases in sales tax revenue allocations because of the increased costs primarily associated with benefit costs.

In all funds, any areas of over expenditure were able to be offset by areas that were under budget in 2015.

#### **Capital Assets and Debt**

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounted to \$117,500,000 (net of accumulated depreciation and disposals). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, and construction in progress.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Capital Assets and Debt - Continued

A breakdown of this year's significant investments is as follows:

#### General Fund

\$ 16,100	Town Hall automatic front door replacement
292,000	Public Operations Center roof replacement
106,300	Recreation facility improvements
246,000	Emergency Medical Services ambulances (2)
63,000	Emergency Medical Services vehicle and equipment
68,000	Emergency Medical Services electronic records system
281,000	Police vehicles (11)
50,000	Police fixed license plate readers (4)
308,600	Police shooting range targeting system
86,800	Recreation equipment (2 units)
223,400	Town pool liner installations (2)
37,400	Town pool covers (2)

#### Highway

\$ 71,000	Trackless tractor
153,800	Sand Creek Road reconstruction
1,605,200	Aviation Road/Winners Circle realignment

#### Miscellaneous Special Revenue

\$ 21,100	Adaptive playground equipment
634,700	Aviation Road/Winners Circle realignment
1,538,900	Vly/Denison Road high service area water tank and pumps

#### Pure Waters District

\$ 53,600	Sewer treatment plant screen/grit improvements
668,300	Sewer collection system main improvements
182,600	Sewer pump station improvements
307,500	Vehicles and equipment (5 units)

#### Latham Water District

\$1,076,900	Water pump station improvements
71,800	Water tank rehabilitations
29,700	Water treatment plant laboratory equipment
820,200	Water system security improvements
115,600	Vehicles and equipment (5 units)

Typically, the Town finances most of the annual capital investment through the issuance of bond anticipation notes, which are then rolled into serial bonds and installment purchase debt. The Town's outstanding indebtedness for bonds, bonds anticipation notes, and installment purchase debt within governmental and business-type activities at December 31, 2015, is \$95,597,078, an increase of \$2,268,700 over the previous year.

# Town of Colonie, New York

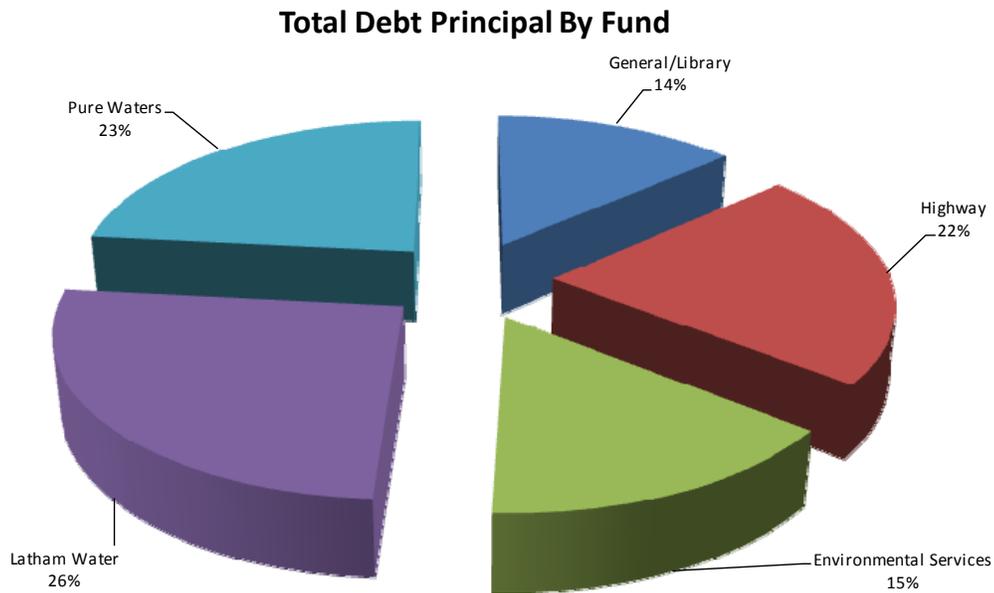
## Management's Discussion and Analysis December 31, 2015

### Capital Assets and Debt - Continued

As of December 31, 2015, a summary of the Town's unused debt limit is as follows:

Town's legal debt limit	\$ 581,780,832
Town's indebtedness	95,597,078
Less legal exclusion	35,839,978
Net indebtedness	59,757,100
 Deduct net indebtedness	 59,757,100
 Town's unused debt limit	 \$ 522,023,732
 Percent of legal indebtedness used	 10.27%

### 2015 Summary of Total Outstanding Debt by Fund



The Town's debt has been rated A- by Standard and Poor's Rating Services as of March 2016. Moody's Investor Service upgraded the Town's Baa1 rating to A3 in April 2016. As of April 2016, both rating services place the Town's debt within the upper medium quality investment grade.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Liquidity and Capital Resources

The Town has experienced fiscal challenges since 2004. At the beginning of 2003, the Town's General Fund had a positive fund balance of \$6.2 million. In each of the succeeding fiscal years, the General Fund experienced operating deficits ranging from \$3.9 million in 2003 to \$11.1 million in 2007. These operating deficits were the direct result of structural imbalances in the annual budget, which were associated with increased costs for the years 2002-2007 for health insurance, employee pension obligations, and escalating energy costs. In January 2008, a new administration took over management of the Town and continues to take steps on its ten-year financial plan to return the Town to financial stability. This plan includes strict monitoring of the annual budget, elimination of unnecessary expenditures within the budget, maximization of revenue opportunities, potential sale of unused/underused Town property, and reducing staffing levels through attrition, all in an attempt to maintain the services provided to our community.

As of December 31, 2012, the Town had successfully established positive fund balances in all operating funds except for the Environmental Services Department Fund, whose deficit will be self-correcting over the next five to ten years. In 2014, the Pure Waters Department Fund began to feel the effects of the recognition of the OPEB liability and is showing a deficit net position of \$456,373 as of December 31, 2015. The remaining Town funds were able to maintain positive fund balances and/or slightly increase them in 2015.

In an effort to reduce health insurance costs, the Town implemented an employee health insurance premium contribution program in 2006 in which all employees pay an equivalent of 10% of premium costs. In 2013, the Town successfully negotiated a 15% health insurance contribution for new Town employees into several of its bargaining unit contracts. Town resources for equipment and capital purchases continue to be strictly monitored to assist with the debt reduction. In 2008, the Town was able to halt the significant growth in debt, and while issuing new debt on an annual basis to finance new projects and equipment acquisitions, it has been able to reduce the total outstanding debt to below 2007 levels. While the Town still must rely on revenue anticipation notes (RAN) to meet short-term cash flow needs, it has worked to reduce the size and number of RANs issued in a given calendar year. In 2015, only one \$3.2 million RAN was issued as opposed to the multiple \$6 million RANs issued in 2006.

As a result of the Town's fiscal distress, the General Town-wide Fund has become dependent on the annual interfund contribution of excess profits from the Environmental Services Department Fund. These contributions have remained at the budgeted level for the past several years and is equal to the management agreement payments discussed below and estimated proceeds from the landfill gas to energy project.

The Town has contracted with Capital Region Landfills, Inc. (Company), a wholly-owned subsidiary of Waste Connections, Inc. to manage the Environmental Services Department. Under the contract, the Company will manage, maintain, and operate the Town's solid waste facility for a period of 25 years. The revenue from this agreement allowed the Town to eliminate a portion of the deficit in the General Fund and the proceeds provided for the necessary future debt services payments. Additionally, any improvements done to the solid waste facility and closure/post-closure care costs will come at no cost to the Town, thereby saving taxpayers in excess of \$20,000,000.

# Town of Colonie, New York

## Management's Discussion and Analysis December 31, 2015

### Economic Factors for Future Budgets

Retirement Costs - The Town of Colonie, New York, like many other towns in New York State, is challenged on a fiscal level by increasing retirement costs. The Town participates in the New York State Retirement System, a cost sharing and multiple public employers system. Due to enhanced benefits offered by the State, coupled with the prolonged market turndown, spending has increased as follows:

2007	\$ 4,510,086
2008	4,673,450
2009	4,380,475
2010	5,173,342
2011	7,516,293
2012	8,513,767
2013	9,590,643
2014	9,765,109
2015	9,203,239

In an effort to mitigate the sizeable increases in costs, the Town has opted into the New York State Retirement System's annual amortization program. This program allows municipalities to amortize annual increases in excess of 1% over a ten-year period. When the costs decrease by more than 1%, the excess contributions made by the municipality will be used by the Retirement System to repay outstanding amortizations and eventually build a cash reserve to offset future amortizations. As of December 31, 2015, the Town has an outstanding debt related to these amortizations totaling approximately \$9,633,700.

In addition to retirement costs, health insurance, inclusive of dental and vision insurance, premiums continue to increase each year due to market pressures and the increasing cost of health care. Since 2001, the Town has shared health insurance premiums with its employees. The Town has seven bargaining units plus non-bargaining employees. The contribution toward the premium is different depending on the bargaining unit the employee is associated with. The contribution is either based on percentage of premium or salary. In addition, the Town has worked to negotiate equal co-pays across all employees at about 10% of premium. During 2013, the Town was successful in negotiating into several of the bargaining unit contracts a 15% co-pay for new employees to the Town. It has also changed to an experience rated plan in order to keep premiums low.

The Town has expended the following premiums:

2007	\$ 5,978,488
2008	6,759,965
2009	6,486,656
2010	7,569,346
2011	7,980,735
2012	8,203,005
2013	7,998,256
2014	8,542,833
2015	8,578,735

### Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have any questions about this report or need additional financial information, contact Town of Colonie Comptroller, Memorial Town Hall, Newtonville, New York 12128.

**Town of Colonie, New York**  
**Government-Wide Financial Statements**  
**Statement of Net Position**

	December 31, 2015		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 12,818,630	\$ 11,284,618	\$ 24,103,248
Other receivables, net	2,551,142	6,423,924	8,975,066
Management agreement proceeds, current portion	-	1,700,000	1,700,000
Internal balances	2,822,807	(2,822,807)	-
Due from fiduciary funds	388,946	-	388,946
State and Federal aid receivables	47,015	-	47,015
Due from other governments	8,381,709	421,651	8,803,360
Other assets	9,840	-	9,840
Cash and cash equivalents, restricted	2,524,500	1,821,868	4,346,368
<b>NONCURRENT ASSETS</b>			
Management agreement proceeds, less current portion	-	16,364,017	16,364,017
Capital assets, net of depreciation	51,711,622	65,787,925	117,499,547
Total assets	<u>81,256,211</u>	<u>100,981,196</u>	<u>182,237,407</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred resources related to pensions	7,129,705	942,924	8,072,629
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	5,633,291	67,355	5,700,646
Accrued liabilities	602,159	148,788	750,947
Retainage payable	9,830	217,517	227,347
Other liabilities	1,843,899	952,022	2,795,921
Unearned revenue	128,653	9,197	137,850
Revenue anticipation note payable	3,200,000	-	3,200,000
Bond anticipation notes payable	10,475,000	10,221,000	20,696,000
Due to other governments	5,076,338	1,104,894	6,181,232
Accrued interest	280,654	504,372	785,026
Current portion of bonds payable	2,732,059	3,887,741	6,619,800
Current portion of installment purchase debts	159,052	-	159,052
Current portion of pension related debt	1,041,376	126,510	1,167,886
<b>NONCURRENT LIABILITIES</b>			
Bonds payable, less current portion	20,458,742	47,466,658	67,925,400
Installment purchase debts, less current portion	196,827	-	196,827
Judgments and claims	70,279	18,225	88,504
Landfill closure and post-closure costs	-	13,366,541	13,366,541
Due to other governments, less current portion	314,314	-	314,314
Pension related debt, less current portion	7,479,043	986,751	8,465,794
Compensated absences	4,051,295	584,552	4,635,847
Net pension liability	3,775,060	640,336	4,415,396
Other postemployment benefits obligation	36,910,707	6,357,812	43,268,519
Total liabilities	<u>104,438,578</u>	<u>86,660,271</u>	<u>191,098,849</u>
<b>DEFERRED INFLOWS</b>			
Deferred resources related to pensions	158,876	8,320	167,196
Deferred service concession arrangement receipts	-	7,425,395	7,425,395
	<u>158,876</u>	<u>7,433,715</u>	<u>7,592,591</u>
<b>COMMITMENTS AND CONTINGENCIES</b>			
<b>NET POSITION</b>			
Net investment in capital assets	17,849,942	4,212,526	22,062,468
Restricted	596,512	1,803,643	2,400,155
Unrestricted (deficit)	<u>(34,657,992)</u>	<u>1,813,965</u>	<u>(32,844,027)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (16,211,538)</u>	<u>\$ 7,830,134</u>	<u>\$ (8,381,404)</u>

See accompanying Notes to Financial Statements.

**Town of Colonie, New York**  
**Government-Wide Financial Statements**  
**Statement of Activities**

Year Ended December 31, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for	Operating	Capital	Governmental	Business-Type	Total
		Services	Grants and Contributions	Grants and Contributions			
Governmental activities							
General government support	\$ 12,066,405	\$ 1,232,710	\$ -	\$ 4,906	\$ (10,828,789)	\$ -	\$ (10,828,789)
Public safety	32,163,648	1,369,878	28,492	443,606	(30,321,672)	-	(30,321,672)
Public health	6,196,841	4,256,019	93	-	(1,940,729)	-	(1,940,729)
Transportation	13,089,503	1,139,849	643,058	-	(11,306,596)	-	(11,306,596)
Economic assistance and opportunity	1,141	-	-	-	(1,141)	-	(1,141)
Culture and recreation	8,387,635	1,749,819	80,308	-	(6,557,508)	-	(6,557,508)
Home and community services	4,753,213	911,114	2,885,019	-	(957,080)	-	(957,080)
Debt interest	1,106,555	-	-	-	(1,106,555)	-	(1,106,555)
Total governmental activities	<u>77,764,941</u>	<u>10,659,389</u>	<u>3,636,970</u>	<u>448,512</u>	<u>(63,020,070)</u>	<u>-</u>	<u>(63,020,070)</u>
Business-type activities							
Pure Waters Department	8,647,531	186,563	-	-	-	(8,460,968)	(8,460,968)
Environmental Services Department	4,530,120	1,381,364	-	-	-	(3,148,756)	(3,148,756)
Latham Water Department	14,795,071	11,977,422	-	-	-	(2,817,649)	(2,817,649)
Total business-type activities	<u>27,972,722</u>	<u>13,545,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,427,373)</u>	<u>(14,427,373)</u>
<b>Total</b>	<b><u>\$ 105,737,663</u></b>	<b><u>\$ 24,204,738</u></b>	<b><u>\$ 3,636,970</u></b>	<b><u>\$ 448,512</u></b>	<b>(63,020,070)</b>	<b>(14,427,373)</b>	<b>(77,447,443)</b>
<b>GENERAL REVENUES</b>							
					25,222,492	9,564,704	34,787,196
					23,558,619	-	23,558,619
					14,980	14,037	29,017
					1,685,562	5,816,647	7,502,209
					(76,716)	1,483	(75,233)
					13,725	82,582	96,307
					2,149,277	-	2,149,277
					99,141	-	99,141
					3,271,116	-	3,271,116
					55,938,196	15,479,453	71,417,649
					3,100,000	(3,100,000)	-
					59,038,196	12,379,453	71,417,649
					<b>(3,981,874)</b>	<b>(2,047,920)</b>	<b>(6,029,794)</b>
					(13,487,312)	9,900,752	(3,586,560)
					1,257,648	(22,698)	1,234,950
					(12,229,664)	9,878,054	(2,351,610)
					<b>\$ (16,211,538)</b>	<b>\$ 7,830,134</b>	<b>\$ (8,381,404)</b>

See accompanying Notes to Financial Statements.

**Town of Colonie, New York**  
**Fund Financial Statements**  
**Balance Sheet - Governmental Funds**

December 31, 2015

	Major Funds					Total Governmental Funds
	General Fund	Special Miscellaneous Revenue Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 357,249	\$ 8,212,424	\$ 568,967	\$ 2,506,146	\$ 1,173,844	\$ 12,818,630
Cash and cash equivalents, restricted	1,010,962	-	1,253,612	-	259,926	2,524,500
State and Federal aid receivables	34,500	-	-	-	12,515	47,015
Due from other governments	5,339,918	-	2,444,345	-	597,446	8,381,709
Other accounts receivable, net	2,043,927	397,055	73,512	-	36,648	2,551,142
Due from other funds	7,030,444	-	-	830,345	386,229	8,247,018
Other assets	9,840	-	-	-	-	9,840
<b>Total assets</b>	<b><u>\$ 15,826,840</u></b>	<b><u>\$ 8,609,479</u></b>	<b><u>\$ 4,340,436</u></b>	<b><u>\$ 3,336,491</u></b>	<b><u>\$ 2,466,608</u></b>	<b><u>\$ 34,579,854</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 5,601,401	\$ -	\$ 13,013	\$ 4,494	\$ 14,383	\$ 5,633,291
Accrued liabilities	475,826	-	53,681	-	72,652	602,159
Other liabilities	5,474	-	151,098	-	81,714	238,286
Revenue anticipation note payable	3,200,000	-	-	-	-	3,200,000
Bond anticipation notes payable	-	-	-	10,315,000	-	10,315,000
Due to other governments	3,944,567	245,940	369,991	-	437,262	4,997,760
Due to other funds	1,233,364	946,442	2,483,261	56,592	315,606	5,035,265
Unearned revenue	57,118	-	130	-	71,405	128,653
Total liabilities	<u>14,517,750</u>	<u>1,192,382</u>	<u>3,071,174</u>	<u>10,376,086</u>	<u>993,022</u>	<u>30,150,414</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Revenue earned but unavailable	-	-	-	-	4,174	4,174
<b>COMMITMENTS AND CONTINGENCIES</b>						
<b>FUND BALANCE (DEFICIT)</b>						
Restricted	577,904	-	-	-	18,608	596,512
Committed, assigned, and unassigned	731,186	7,417,097	1,269,262	(7,039,595)	1,450,804	3,828,754
Total fund balance (deficit)	<u>1,309,090</u>	<u>7,417,097</u>	<u>1,269,262</u>	<u>(7,039,595)</u>	<u>1,469,412</u>	<u>4,425,266</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 15,826,840</u></b>	<b><u>\$ 8,609,479</u></b>	<b><u>\$ 4,340,436</u></b>	<b><u>\$ 3,336,491</u></b>	<b><u>\$ 2,466,608</u></b>	<b><u>\$ 34,579,854</u></b>

See accompanying Notes to Financial Statements.

# Town of Colonie, New York

## Reconciliation of Total Fund Balance Shown in the Governmental Funds to the Statement of Net Position

		<u>December 31, 2015</u>
Total fund balance in the fund financial statements for the governmental funds	\$	4,425,266
This amount differs from the amount of net position shown in the statement of net position due to the following:		
<i>Assets</i>		
Capital assets, net of accumulated depreciation, are included as assets in the government-wide financial statements.		51,711,622
<i>Liabilities</i>		
Current liabilities for interest payable on long-term debt are included in the government-wide financial statements.		(280,654)
Liabilities for retainage payable on construction commitments are included in the government-wide financial statements.		(9,830)
Liabilities for the retirement system for early incentive programs, long-term due to other governments, compensated absences, net pension liabilities, and other postemployment benefit obligations are included in the government-wide financial statements:		
Due to the retirement system for amortization programs	(8,520,419)	
Due to other governments, long-term	(392,892)	
Due to employees for compensated absences	(4,051,295)	
Net pension liability	(3,775,060)	
Due to employees for other postemployment benefits	<u>(36,910,707)</u>	(53,650,373)
Bonded, long-term bond anticipation notes, and installment purchase debt liabilities are included in the government-wide financial statements.		(23,706,680)
Liabilities for judgments and claims are included in the government-wide financial statements.		(70,279)
The internal service fund is used by management to charge the costs of workers' compensation insurance to individual funds. The liabilities of the internal service fund not related to business-type activities are included in governmental activities in the government-wide financial statements.		(1,605,613)
<i>Deferred Outflows and Inflows of Resources</i>		
The valuation of pension obligations can result in changes in actuarial assumptions, differences between expected and actual experiences, differences between projected and actual investment earnings and changes in proportion, and differences between employer contributions and proportionate share of contributions. These items are reported as deferred outflows and inflows of resources:		
Deferred outflows	7,129,705	
Deferred inflows	<u>(158,876)</u>	6,970,829
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		4,174
<i>Interfund Activity</i>		
Amounts due between the various governmental activities are eliminated in the government-wide financial statements:		
Due from other funds	4,128,130	
Due to other funds	<u>(4,128,130)</u>	<u>-</u>
<b>Total net position per statement of net position</b>		<b><u>\$ (16,211,538)</u></b>

See accompanying Notes to Financial Statements.

# Town of Colonie, New York

## Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) - Governmental Funds

Year Ended December 31, 2015

	Major Funds					Total Governmental Funds
	General Fund	Special Miscellaneous Revenue Fund	Highway Fund	Capital Projects Fund	Non-Major Governmental Funds	
<b>REVENUES</b>						
Real property taxes and tax items	\$ 18,564,427	\$ -	\$ -	\$ -	\$ 6,658,065	\$ 25,222,492
Sales and use tax	11,728,754	-	9,145,253	-	2,684,612	23,558,619
Departmental income	6,087,712	1,780,277	133,650	-	327,525	8,329,164
Intergovernmental charges	193,062	-	3,944	-	-	197,006
Interest and use of property	1,688,203	4,946	1,004	3,294	3,095	1,700,542
Licenses and permits	72,758	-	3,900	-	980,230	1,056,888
Fines and forfeitures	1,073,112	-	-	-	-	1,073,112
Miscellaneous	48,277	-	16,825	-	28,978	94,080
Interfund revenues	2,191,843	-	-	-	60,000	2,251,843
State aid	2,933,775	-	643,058	-	479,253	4,056,086
Federal aid	378,586	-	-	-	2,870,219	3,248,805
Total revenues	<u>44,960,509</u>	<u>1,785,223</u>	<u>9,947,634</u>	<u>3,294</u>	<u>14,091,977</u>	<u>70,788,637</u>
<b>EXPENDITURES</b>						
General government support	7,798,559	-	-	137,998	232,583	8,169,140
Public safety	14,819,069	-	-	3,099	5,101,717	19,923,885
Health	3,984,038	-	-	-	4,313	3,988,351
Transportation	544,675	39,300	5,411,771	2,197,318	843,306	9,036,370
Economic assistance and opportunity	1,141	-	-	-	-	1,141
Culture and recreation	3,955,504	-	-	6,483	1,939,403	5,901,390
Home and community services	139,623	-	-	-	3,870,928	4,010,551
Employee benefits	13,452,157	-	2,219,734	-	1,961,689	17,633,580
Debt service, principal	2,554,138	-	1,372,723	-	65,112	3,991,973
Debt service, interest	518,593	-	639,889	-	9,386	1,167,868
Capital outlay	396,768	2,218,636	-	2,790,505	17,496	5,423,405
Total expenditures	<u>48,164,265</u>	<u>2,257,936</u>	<u>9,644,117</u>	<u>5,135,403</u>	<u>14,045,933</u>	<u>79,247,654</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from issuance of bond anticipation notes	160,000	-	-	-	-	160,000
Bond anticipation notes redeemed from appropriations	-	-	-	620,765	-	620,765
Proceeds from issuance of installment purchase debts	-	-	-	78,293	-	78,293
Premium on issuance of debt	-	-	-	56,768	-	56,768
Sale of property and compensation for loss	51,531	-	120,183	-	17,590	189,304
Transfers in from other funds	3,100,000	-	-	-	-	3,100,000
Total other financing sources (uses)	<u>3,311,531</u>	<u>-</u>	<u>120,183</u>	<u>755,826</u>	<u>17,590</u>	<u>4,205,130</u>
<b>NET CHANGE IN FUND BALANCE</b>	<b>107,775</b>	<b>(472,713)</b>	<b>423,700</b>	<b>(4,376,283)</b>	<b>63,634</b>	<b>(4,253,887)</b>
<b>FUND BALANCE (DEFICIT), beginning of year</b>	<u>1,201,315</u>	<u>7,889,810</u>	<u>845,562</u>	<u>(2,663,312)</u>	<u>1,405,778</u>	<u>8,679,153</u>
<b>FUND BALANCE (DEFICIT), end of year</b>	<u>\$ 1,309,090</u>	<u>\$ 7,417,097</u>	<u>\$ 1,269,262</u>	<u>\$ (7,039,595)</u>	<u>\$ 1,469,412</u>	<u>\$ 4,425,266</u>

See accompanying Notes to Financial Statements.

## Town of Colonie, New York

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance (Deficit) of Governmental Funds to the Change in Net Position Shown in the Statement of Activities

	<u>Year Ended December 31, 2015</u>
Net change in fund balance, total governmental funds	\$ (4,253,887)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities those expenditures are reported as capital asset additions.	5,423,405
Governmental funds do not report depreciation expense. This is the total depreciation expense reported in the statement of activities.	(3,463,955)
Governmental funds do not recognize the effects of disposing of capital assets which are not fully depreciated. This is the remaining net book value of capital assets disposed of reported in the statement of activities.	(252,295)
Governmental funds do not recognize the effect of revenues that do not provide current financial resources in the fund financial statements.	3,219
Accrued interest expense on long-term debt is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as an expenditure in governmental funds.	61,313
Bond, long-term bond anticipation notes, and installment purchase debt proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and installment purchased debt principal is an expenditure in the governmental funds, but the repayments reduce the long-term liabilities in the statement of net position. This difference is the net of debt proceeds and principal repayments reported in the governmental funds.	3,054,336
Certain expenses reported in the governmental funds were reclassified as prepaid expenses in the statement of activities, and payables were reported in the statement of activities for expenses that will be recognized in the governmental funds in following years.	124,170
Governmental funds do not recognize the effect of the changes in the net pension liability and other postemployment benefit obligations in the fund financial statements.	
Net pension liability	1,938,121
Other postemployment benefit obligations	(6,341,582)
	(4,403,461)
The internal service fund is used by management to charge the costs of workers' compensation insurance to individual funds. The net expenditures of the internal service fund not applicable to business-type activities is reported within governmental activities in the government-wide financial statements.	(274,719)
<b>Governmental activities changes in net position per statement of activities</b>	<b><u>\$ (3,981,874)</u></b>

See accompanying Notes to Financial Statements.

**Town of Colonie, New York**  
**Fund Financial Statements**  
**Statement of Net Position - Proprietary Funds**

December 31, 2015

	<u>Environmental Services Department</u>	<u>Pure Waters Department</u>	<u>Latham Water Department</u>	<u>Total Business-Type Activities</u>	<u>Workers' Compensation Internal Service Fund</u>
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 70,153	\$ 5,866,611	\$ 5,347,854	\$ 11,284,618	\$ -
Cash and cash equivalents, restricted	1,256,834	155,970	409,064	1,821,868	-
Other receivables, net	101,019	36,761	6,286,144	6,423,924	-
Management agreement proceeds, current portion	1,700,000	-	-	1,700,000	-
Due from other governments	13,000	-	408,651	421,651	-
Due from governmental activities	-	907,135	-	907,135	-
<b>NONCURRENT ASSETS</b>					
Management agreement proceeds, less current portion	16,364,017	-	-	16,364,017	-
Capital assets, net	7,201,434	18,742,570	39,843,921	65,787,925	-
Total assets	<u>26,706,457</u>	<u>25,709,047</u>	<u>52,295,634</u>	<u>104,711,138</u>	<u>-</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Deferred resources related to pensions	-	297,766	645,158	942,924	-
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	-	49,902	17,453	67,355	-
Accrued expenses	-	41,433	107,355	148,788	-
Retainage payable	-	108,905	108,612	217,517	-
Other liabilities	-	-	-	-	2,557,635
Unearned revenue	-	-	9,197	9,197	-
Bond anticipation notes payable	-	5,610,000	4,611,000	10,221,000	-
Due to governmental activities	590,807	20,000	3,119,135	3,729,942	-
Due to other governments	-	667,632	437,262	1,104,894	-
Accrued interest	143,024	188,817	172,531	504,372	-
Current portion of bonds payable	1,227,741	1,059,200	1,600,800	3,887,741	-
Current portion of pension related debt	-	39,905	86,605	126,510	-
<b>NONCURRENT LIABILITIES</b>					
Bonds payable, less current portion	13,256,358	15,669,000	18,541,300	47,466,658	-
Judgments and claims	-	11,580	6,645	18,225	-
Landfill closure and post-closure costs	13,366,541	-	-	13,366,541	-
Pension related debt, less current portion	-	310,204	676,547	986,751	-
Compensated absences	-	245,101	339,451	584,552	-
Net pension liability	-	202,212	438,124	640,336	-
Other postemployment benefits obligation	-	2,236,668	4,121,144	6,357,812	-
Total liabilities	<u>28,584,471</u>	<u>26,460,559</u>	<u>34,393,161</u>	<u>89,438,191</u>	<u>2,557,635</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Deferred resources related to pensions	-	2,627	5,693	8,320	-
Deferred service concession arrangement receipts	7,425,395	-	-	7,425,395	-
Total deferred inflow of resources	<u>7,425,395</u>	<u>2,627</u>	<u>5,693</u>	<u>7,433,715</u>	<u>-</u>
<b>COMMITMENTS AND CONTINGENCIES</b>					
<b>NET POSITION</b>					
Net investment in capital assets	(7,282,665)	(3,595,630)	15,090,821	4,212,526	-
Restricted for other purposes	1,256,834	144,390	402,419	1,803,643	-
Unrestricted (deficit)	<u>(3,277,578)</u>	<u>2,994,867</u>	<u>3,048,698</u>	<u>2,765,987</u>	<u>(2,557,635)</u>
<b>Total net position</b>	<b><u>\$ (9,303,409)</u></b>	<b><u>\$ (456,373)</u></b>	<b><u>\$ 18,541,938</u></b>	<b><u>\$ 8,782,156</u></b>	<b><u>\$ (2,557,635)</u></b>
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities				(952,022)	
Net assets of business-type activities				<b><u>\$ 7,830,134</u></b>	

See accompanying Notes to Financial Statements.

# Town of Colonie, New York

## Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds

	Year Ended December 31, 2015				
	Environmental Services Department	Pure Waters Department	Latham Water Department	Total Business-Type Activities	Workers' Compensation Internal Service Fund
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,367,764	\$ 175,361	\$ 11,892,767	\$ 13,435,892	\$ 1,201,583
Ad valorem tax	-	8,163,042	1,401,662	9,564,704	-
Miscellaneous services	13,600	11,202	84,655	109,457	-
Total operating revenues	1,381,364	8,349,605	13,379,084	23,110,053	1,201,583
<b>OPERATING EXPENSES</b>					
Personal services	-	1,810,610	3,650,471	5,461,081	-
Employee benefits	47,922	928,763	2,191,322	3,168,007	2,119,814
Other postemployment benefits	-	357,353	855,371	1,212,724	-
Supplies, materials, and services	88,047	3,565,264	5,092,318	8,745,629	-
Insurance	88,005	85,704	117,448	291,157	-
Depreciation	2,610,696	1,101,818	1,745,152	5,457,666	-
Closure and post-closure costs	993,119	-	-	993,119	-
Total operating expenses	3,827,789	7,849,512	13,652,082	25,329,383	2,119,814
<b>Operating income (loss)</b>	<b>(2,446,425)</b>	<b>500,093</b>	<b>(272,998)</b>	<b>(2,219,330)</b>	<b>(918,231)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Use of property	5,532,926	-	283,721	5,816,647	-
Gain (loss) on sale of capital assets	-	2,174	(691)	1,483	-
Compensation for losses	-	79,649	2,933	82,582	-
Interest expense	(730,206)	(732,233)	(537,388)	(1,999,827)	-
Interest income	2,115	6,709	5,213	14,037	-
Total nonoperating revenues (expenses)	4,804,835	(643,701)	(246,212)	3,914,922	-
<b>Income (loss) before transfers</b>	<b>2,358,410</b>	<b>(143,608)</b>	<b>(519,210)</b>	<b>1,695,592</b>	<b>(918,231)</b>
<b>TRANSFERS</b>					
Operating transfers out	(3,100,000)	-	-	(3,100,000)	-
<b>CHANGE IN NET POSITION</b>	<b>(741,590)</b>	<b>(143,608)</b>	<b>(519,210)</b>	<b>(1,404,408)</b>	<b>(918,231)</b>
<b>NET POSITION, beginning of year, as originally reported</b>	(8,561,819)	(305,597)	19,076,678		(1,639,404)
Effect of adoption of GASB 68 and 71	-	(7,168)	(15,530)		-
<b>NET POSITION, beginning of year, as restated</b>	<b>(8,561,819)</b>	<b>(312,765)</b>	<b>19,061,148</b>		<b>(1,639,404)</b>
<b>NET POSITION, end of year</b>	<b>\$ (9,303,409)</b>	<b>\$ (456,373)</b>	<b>\$ 18,541,938</b>		<b>\$ (2,557,635)</b>
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities				(643,512)	
Change in net assets of business-type activities				<b>\$ (2,047,920)</b>	

See accompanying Notes to Financial Statements.

**Town of Colonie, New York**  
**Fund Financial Statements**  
**Statement of Cash Flows - Proprietary Funds**

	Year Ended December 31, 2015				
	Environmental Services Department	Pure Waters Department	Latham Water Department	Total Business-Type Activities	Workers' Compensation Internal Service Fund
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Cash received from providing services	\$ 1,712,002	\$ 8,354,744	\$ 13,174,895	\$ 23,241,641	\$ 1,201,583
Cash paid for contractual expenses	(163,265)	(3,767,566)	(5,179,493)	(9,110,324)	-
Cash paid for personal services and employee benefits	(47,922)	(2,784,253)	(5,963,574)	(8,795,749)	(1,201,583)
	<u>1,500,815</u>	<u>1,802,925</u>	<u>2,031,828</u>	<u>5,335,568</u>	<u>-</u>
<b>NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES</b>					
Interfund transfers out	(3,100,000)	-	-	(3,100,000)	-
Compensation for losses	-	79,649	2,933	82,582	-
Change in due from/to other funds	(649,196)	761,768	547,892	660,464	-
	<u>(3,749,196)</u>	<u>841,417</u>	<u>550,825</u>	<u>(2,356,954)</u>	<u>-</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	-	(1,255,255)	(2,064,488)	(3,319,743)	-
Proceeds from sale of capital assets, net	-	2,174	1,710	3,884	-
Proceeds from the issuance of bond anticipation notes	-	2,490,000	2,777,000	5,267,000	-
Payments of debt principal (BANs, Bonds, and installment purchase debts)	(1,347,493)	(1,139,476)	(1,819,250)	(4,306,219)	-
Interest paid	(741,330)	(756,818)	(676,218)	(2,174,366)	-
Use of property	2,311,200	-	283,721	2,594,921	-
	<u>222,377</u>	<u>(659,375)</u>	<u>(1,497,525)</u>	<u>(1,934,523)</u>	<u>-</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>					
Interest income	2,115	6,709	5,213	14,037	-
	<u>2,115</u>	<u>6,709</u>	<u>5,213</u>	<u>14,037</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,023,889)</b>	<b>1,991,676</b>	<b>1,090,341</b>	<b>1,058,128</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>3,350,876</b>	<b>4,030,905</b>	<b>4,666,577</b>	<b>12,048,358</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 1,326,987</b>	<b>\$ 6,022,581</b>	<b>\$ 5,756,918</b>	<b>\$ 13,106,486</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (2,446,425)	\$ 500,093	\$ (272,998)	\$ (2,219,330)	\$ (918,231)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	2,610,696	1,101,818	1,745,152	5,457,666	-
(Increase) decrease in					
Accounts receivable, net	330,638	5,139	(281,735)	54,042	-
Due from other governments	12,787	-	80,878	93,665	-
Deferred outflow of resources	-	(34,449)	(74,638)	(109,087)	-
Increase (decrease) in					
Accounts payable	-	(130,953)	(14,897)	(145,850)	-
Accrued expenses	-	14,831	61,474	76,305	-
Other liabilities	-	-	-	-	918,231
Due to other governments	-	42,036	51,466	93,502	-
Deferred revenue	-	-	(3,332)	(3,332)	-
Landfill closure and post-closure costs	993,119	-	-	993,119	-
Judgments and claims	-	(3,929)	(3,042)	(6,971)	-
Pension related debt	-	2,917	5,932	8,849	-
Compensated absences	-	13,715	24,430	38,145	-
Net pension liability	-	(68,273)	(147,926)	(216,199)	-
Other postemployment benefits obligation	-	357,353	855,371	1,212,724	-
Deferred inflow of resources	-	2,627	5,693	8,320	-
	<u>\$ 1,500,815</u>	<u>\$ 1,802,925</u>	<u>\$ 2,031,828</u>	<u>\$ 5,335,568</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

# Town of Colonie, New York

## Fund Financial Statements Statement of Net Position - Fiduciary Funds

	December 31, 2015		
	Benefit Trusts	Private Purpose Trust	Agency
<b>ASSETS</b>			
Cash and cash equivalents	\$ 94,011	\$ 7,771	\$ 3,117,643
Letters of credit	-	-	164,340
Investments	2,752,435	-	-
Contributions receivable	395,092	-	-
Due from other governments	-	-	19,850
Prepaid benefits	6,595	-	-
	3,248,133	7,771	3,301,833
<b>LIABILITIES</b>			
Benefits payable	2,325	-	-
Due to other governments	-	-	4,550
Due to other activities	-	-	388,946
Developer escrow funds	-	-	2,701,266
Bail deposits	-	-	98,878
Other liabilities	-	-	108,193
	2,325	-	3,301,833
<b>NET POSITION</b>			
Restricted			
Assets held in trust	\$ 3,245,808	\$ 7,771	\$ -

See accompanying Notes to Financial Statements.

# Town of Colonie, New York

## Fund Financial Statements Statement of Changes in Net Position - Fiduciary Funds

	<b>Year Ended December 31, 2015</b>	
	<b>Benefit Trusts</b>	<b>Private Purpose Trust</b>
<b>ADDITIONS</b>		
Employer contributions	\$ 312,029	\$ -
Interest and earnings	98,925	-
Investment fees	(18,113)	-
	392,841	-
<b>DEDUCTIONS</b>		
Benefits	208,546	-
Management fees	18,607	-
Net decrease in the fair value of investments	221,724	-
	448,877	-
<b>CHANGE IN NET POSITION</b>	<b>(56,036)</b>	<b>-</b>
<b>NET POSITION, <i>beginning of year</i></b>	3,301,844	7,771
<b>NET POSITION, <i>end of year</i></b>	<b>\$ 3,245,808</b>	<b>\$ 7,771</b>

See accompanying Notes to Financial Statements.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies

The financial statements of the Town of Colonie, New York (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### *a. Reporting Entity*

The Town is a municipal corporation which performs local governmental functions within its jurisdiction, including public safety, public works, highway, sewer, water, landfill, recreation, health and planning, and economic assistance and opportunity. The Town charter was adopted in 1895. The Town is governed by an elected Town Supervisor and a six member Town Board.

The financial reporting entity consists of: (a) the primary government, which is the Town of Colonie, (b) organizations for which the primary government is financially accountable, and (c) organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Town and/or its citizens, or whether the activity is conducted within geographic boundaries of the Town and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities.

Based on the application of these criteria, the Town has no component units that should be included in the reporting entity.

The following organizations are not part of the Town and are thus excluded from the Town's financial reporting entity:

#### *i. Town of Colonie Industrial Development Agency*

The Town of Colonie Industrial Development Agency (IDA) was created in 1977 by the Town under the provisions of Chapter 232 of the 1977 Laws of New York State for the purpose of encouraging economic growth in the Town. The IDA is a legally separate organization for which the Town, by statute, appoints the members of the IDA Board. IDA Board members have complete responsibility for management of the IDA and accountability for fiscal matters. Neither the Town nor the IDA is liable for IDA bonds or notes.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### a. Reporting Entity - Continued

##### i. Town of Colonie Industrial Development Agency - Continued

Town Departments provide staff support and office space to the IDA. Under the terms of an annual agreement, the IDA paid the Town \$68,927 in support services provided during the year ended December 31, 2015.

##### ii. Town of Colonie Local Development Corporation

The Town of Colonie Local Development Corporation (LDC) was created in 2010 by the Town under Sections 402 and 1411 of the Not-For-Profit Corporation Laws of New York State for the purpose of encouraging growth in the Town. The LDC is a legally separate organization for which the Town, by statute, appoints the members of the LDC Board. LDC Board members have complete responsibility for management of the LDC and accountability for fiscal matters. Neither the Town nor the LDC is liable for LDC bonds or notes.

Town Departments provide staff support and office space to the LDC. Under the terms of an annual agreement, the LDC paid the Town \$2,000 in support services provided during the year ended December 31, 2015.

##### iii. School Boards and Districts

The five School Boards and Districts within the geographical limits of the Town are not considered part of the Town's reporting entity. The School Boards' members are elected by the general public, and the Town does not provide funding to the Districts. The Districts report their activities independently.

##### iv. Fire Districts

The six Fire Districts within the geographical limits of the Town are not considered part of the Town's reporting entity. The Fire Commission members are elected by the general public, and the Town does not provide funding to the Districts. The Districts report their activities independently.

The Town's significant accounting policies are described below.

#### b. Government-wide and Fund Financial Statements

The government-wide statements include the statement of net position and the statement of activities and report information on all the non-fiduciary activities of the primary government. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, and (b) grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *b. Government-wide and Fund Financial Statements - Continued*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

#### *c. Basis of Accounting - Measurement Focus*

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Sales tax is recognized in the period in which it is earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. With this measurement focus, all assets and liabilities are included on the statement of net position. Operating statements present increases and decreases in net position.

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax, sales tax, and other tax revenue reported in the governmental funds to be available if collected within 60 days, and other revenues to be available if collected within 180 days, after the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and judgments and claims, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Latham Water, Environmental Services, and Pure Waters Funds are ad valorem tax and charges to customers for sales and services. The revenues within the Workers' Compensation Internal Service Fund are interfund charges for self-insured workers' compensation costs paid. Operating expenses for these proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Basis of Accounting - Measurement Focus - Continued*

The Town reports the following major governmental funds:

General Fund - is the general operating fund of the Town. All financial transactions related to revenues and expenditures for delivery of those services traditionally provided by municipal governments, which are not accounted for in other funds, are accounted for in the General Fund.

Highway Fund - is for maintenance of the Town's roadways and their infrastructure costs, such as paving, storm sewer management, snow removal, and leaf and brush.

Miscellaneous Special Revenue Fund - is used to account for the receipt and disbursement of resources related to the Town's four mitigation areas.

Capital Projects Fund - is used to account for the receipt and disbursement of resources for the construction of capital assets.

The Town reports the following proprietary funds:

#### Major Enterprise Funds

Pure Waters Department - is used to account for the activities of the Town's sewer system.

Environmental Services Department - is used to account for the activities of the Town's landfill.

Latham Water Department - is used to account for the activities of the Town's water department.

#### Internal Service Fund

Workers' Compensation - is used to account for the activities related to the Town's self-insured workers' compensation costs.

Additionally, the Town reports the following fiduciary fund types:

Benefit Trusts Fund - is a fiduciary fund used to account for transactions and funds held in a trustee capacity for the various volunteer firemen's service award programs. This fund does not issue separate statements.

Private Purpose Trust Fund - is a fiduciary fund used to account for transactions related to a memorial fund to send children to summer camp.

Agency Fund - is a fiduciary fund used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments.

#### *d. Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues, expenses/expenditures, and other financing sources (uses) during the reporting year. Actual results could differ from those estimates.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *e. Cash and Cash Equivalents*

The Town's cash and cash equivalents are defined as restricted and unrestricted short-term, highly liquid investments that are readily convertible to known amounts of cash at maturity (with maturity being no greater than 90 days when purchased).

New York State statutes require that collateral be maintained for cash and cash equivalents at 100% of all deposits not covered by Federal deposit insurance (FDIC). As of December 31, 2015, the Town has adequate coverage for all the available bank balances either through FDIC or securities held by an agent of the Town in the Town's name.

#### *f. Investments*

Investments of the Benefit Trust Fund are for the Town's Length of Service Award Programs (LOSAP) and are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price as of year-end. Cash deposits are reported at carrying amounts which reasonably estimates fair value. The composition of benefit trust investments, investment information, and fair values is presented in Note 12.

Investment policies provide for an investment manager who has full discretion of assets allocated subject to the overall investment policy guidelines. Overall investment guidelines provide for diversification and allow investment in money markets, obligations of the United States government and its agencies, fixed income, and equity mutual funds.

Asset allocation guidelines for the benefit trusts are as follows:

	<u>Limit</u>
Money markets	As needed
Obligations of the United States of America and/or its agencies	0% - 100%
Mutual funds investing in any type of fixed investments	20% - 50%
Mutual funds or trusts investing in blue chip stocks of the United States of America	10% - 30%

The benefit trusts address credit risk and concentration of credit risk with the asset allocation guidelines stated above.

#### *g. Receivables and Payables*

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities, business-type activities, and fiduciary funds are reported in the government-wide financial statements as internal balances.

All accounts receivable are shown net of allowances for uncollectible revenues.

The Town provides for uncollectible accounts for the governmental and proprietary fund types based on a review of accounts by management. In both the fund and government-wide financial statements, allowances of \$2,339,901 and \$22,574 were reported for ambulance and water receivables, respectively, at December 31, 2015. During 2015, \$57,053 of landfill receivables were written off against the previously established allowance.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *h. Capital Assets, Net*

Within the government-wide financial statements, capital assets (property, buildings, improvements other than buildings, machinery and equipment, and infrastructure) are reported in the applicable governmental or business-type columns. For the fund financial statements, capital assets are reported only in the proprietary funds. In the governmental funds, capital asset acquisition and construction costs are reflected as expenditures. Capital assets are valued at historical cost or at an estimated historical cost where no historical records exist. Donated capital assets are valued at the estimated fair value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 5,000	Straight-line	5-40 years
Machinery and equipment	5,000	Straight-line	4-25 years
Infrastructure	100,000	Straight-line	25-40 years
Landfill improvements	100,000	Modified units of production/consumption	Based upon remaining capacity

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over the fair value of the asset. There were no impairments of long-lived assets as of December 31, 2015.

#### *i. Compensated Absences*

Employees earn vacation time as they provide service. Pursuant to collective bargaining agreements, employees may accumulate (subject to certain limitations) unused time earned and upon retirement, termination, or death may be compensated for such accumulated time. Additionally, employees may accumulate compensation pay for overtime to be utilized as paid time off or cash payments at a future date.

For governmental activities, the current portion of leave time that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the governmental fund that will pay it. The long-term portion of leave time is accrued in the government-wide statement of net position as a non-current liability. For business-type funds, the full liability is recognized at both the fund and government-wide level.

#### *j. Long-Term Liabilities*

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position.

In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. The current year's debt principal and interest payments are recognized as expenditures.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *k. Landfill Closure and Post-Closure Costs*

State and federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure costs will be paid only near or after the date that the landfill stops accepting waste, the Town reports a portion of these closure and post-closure costs in the Environmental Services Department Fund as a liability in each period based on landfill capacity used as of each balance sheet date, as determined by the Town's independent engineering firm. The \$13,366,541 accrued as landfill closure and post-closure costs at December 31, 2015, represents the cumulative amount reported to date based on the use of the full capacity of Cells 1 through 4, 92.4% of the estimated capacity of Cell 5, and 88.4% of the estimated capacity of Cell 6 currently being used.

The Town will recognize the remaining estimated cost of closure and post-closure care of \$1,453,599 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

During August 2011, the Town entered into a contract with a private company (Company) to manage, maintain, and operate the Town's solid waste facility for a period of 25 years with the option to extend the contract for up to five additional five-year renewal periods. As outlined in the contract, the Company will assume the liability for all future closure and post-closure care costs, and has established financial assurances (e.g., reserve account, performance bond) as required and verified by the New York State Department of Environmental Conservation. The financial assurances that have been established protect the Town in the event the Company were to default on this contract. See Notes 2b and 7 in conjunction with this footnote.

#### *l. Deferred Inflows Resources*

For the Environmental Services Department, the unrestricted deficit net position amount of \$9,303,409 includes the effect of deferring the recognition of revenue from the solid waste facility service concession arrangement. The \$7,425,395 balance of the deferred inflow of resources at December 31, 2015, will be recognized as the remaining capacity of the solid waste facility is utilized over the term of the agreement. See Note 7 in conjunction with this footnote.

#### *m. Fund Balance*

The Town applies GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes accounting and financial reporting standards for governments that report governmental funds as well as criteria for classifying fund balances into specifically defined classifications. Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

*Nonspendable* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

*Restricted* - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *m. Fund Balance - Continued*

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.

*Assigned* - Amounts that are constrained only by the government's *intent* to be used for a specified purpose, but are not restricted or committed in any manner.

*Unassigned* - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Town is in the process of establishing a formal fund balance policy. Currently, the Town Board is the highest level of decision-making authority, and restricts fund balance through formal resolutions in accordance with General Municipal Law. Assignment of fund balance is done by the Town Supervisor's and Comptroller's authorization.

Note 8 provides details regarding the Town's fund balance classifications.

#### *n Postemployment Benefits*

In addition to providing pension benefits, the Town provides health insurance benefits, in accordance with its union and employee contracts, to retired employees and their families. Substantially all of the Town's employees may become eligible for these benefits, which vary by length of service and type of coverage, if they reach retirement age while working for the Town. For those retirees hired by the Town prior to January 1, 1980, the health insurance premiums borne by the Town vary up to 100% for employees and 75% for families, based upon years of service. For retirees hired subsequent to December 31, 1979, the health insurance premiums are borne by the Town at 50% for employees and 35% for families. The Town's policy is to account for and fund these benefits on a pay-as-you-go basis. The cost to the Town of providing health care benefits to approximately 337 retired participants during 2015 totaled \$2,781,936.

#### *o. Adoption of New Accounting Standards*

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. The statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they related to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this statement.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

*o. Adoption of New Accounting Standards - Continued*

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. This statement addresses an issue regarding the application of the transition provisions of Statement No. 68, *Accounting and 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.

As a result of adopting these accounting standards and guidance, the Town now reports its proportionate share of the net pension liability as determined by the State and Local Employees' Retirement System. This liability, along with deferred outflows and inflows of resources, and pension expense have been allocated between the governmental activities and business-type activities using covered payroll. The adoption of GASB 68 and 71 is retroactive. Accordingly, the Governmental and Business-Type Activities have restated their opening net position as of December 31, 2014, as follows:

	Net Position as Originally Stated	Adjustment	Net Position As Restated
Governmental Activities			
Governmental Funds	\$ (13,487,312)	\$ 1,257,648	\$ (12,229,664)
Business-Type Activities			
Pure Waters Department	\$ (305,597)	\$ (7,168)	\$ (312,765)
Latham Water Department	19,076,678	(15,530)	19,061,148
Total Business-Type Activities	\$ 18,771,081	\$ (22,698)	\$ 18,748,383

*p. Subsequent Events*

The Town has evaluated subsequent events for potential recognition or disclosure through August 30, 2016, the date the financial statements were available to be issued.

### Note 2 - Stewardship, Compliance, and Accountability

*a. Budgetary Information*

Annual budgets are adopted on a basis consistent with U.S. GAAP for all governmental funds except for the Special Miscellaneous Revenue Fund and the Capital Projects Fund, which adopt project-length budgets, and the Special Miscellaneous Revenue Fund, which is not budgeted. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The Town Comptroller may make transfers of appropriations within a department. Town Council approval is required for the transfer of appropriations between departments. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the functional level.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 2 - Stewardship, Compliance, and Accountability - Continued

#### a. *Budgetary Information* - Continued

Encumbrance accounting is employed in governmental funds. Encumbrances, if any, outstanding at year-end are reported as assigned fund balance within the governmental fund financial statements and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no significant encumbrances outstanding at December 31, 2015.

#### b. *Fund Deficit*

The Town has a fund deficit of \$7,039,595 in the Capital Projects Fund as of December 31, 2015, that will be eliminated through future repayment of principal on bond anticipation notes and the issuance of serial bonds.

The Town has a deficit net position of \$9,303,409 in the Environmental Services Department Fund as of December 31, 2015. In August 2011, the Town entered into a contract with a private company (Company) to manage, maintain, and operate the Town's solid waste facility for a period of 25 years with the option to extend the contract for up to five additional five-year renewal periods. The terms of the agreement provided for an upfront payment of \$23 million and quarterly payments of \$575,000 for the first five years and minimum quarterly payments of \$275,000 thereafter for twenty years. Additionally, the Company assumed the liability for all future closure and post-closure costs, and has established financial assurances as required and verified by the New York State Department of Environmental Conservation. The financial assurances that have been established protect the Town in the event the Company were to default on this contract. As a result of this transaction, the Environmental Services Department Fund initially recognized a deferred inflow of resources of approximately \$35 million, which is being recognized as revenue over the life of the agreement. Essentially, this is a funded deficit because as the deferred inflow is recognized as revenue, and the closure and post-closure liability is paid, the deficit will be eliminated.

The Town has a deficit net position of \$456,373 in the Pure Waters Department Fund as of December 31, 2015. This is the result of the required recognition of the other postemployment benefits liability of \$2,236,668. While the Fund is required to report this liability within its financial statements, it pays this liability on a pay-as-you-go basis. The Town does not increase user fees in order to fund pay-as-you-go liabilities.

The Town has a deficit net position of \$2,557,635 in the Workers' Compensation Internal Service Fund as of December 31, 2015. This will be eliminated through future payment of workers' compensation claims as they are incurred.

### Note 3 - Cash and Cash Equivalents

Statutes authorize the Town to invest in obligations of the U.S. Treasury, U.S. government agencies, and New York State, revenue anticipation notes and tax anticipation notes of other local governments, and repurchase agreements. Investments are carried at cost, which approximates market, and consist principally of certificates of deposit. New York State statutes require collateral be maintained for cash, time deposits, and certificates of deposit.

Restricted cash and cash equivalents consist of funds restricted by Town Board action to reserve for future unknown capital purposes and insurance claims; in addition to funds received as contributions for specific purposes which will benefit the Town.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 4 - Capital Assets, Net of Accumulated Depreciation

A summary of changes in the capital assets of the governmental activities is as follows:

	Balance January 1, 2015	Additions	Disposals/ Retirements	Balance December 31, 2015
Capital assets not being depreciated				
Land	\$ 18,556,148	\$ -	\$ -	\$ 18,556,148
Construction in progress	406,659	3,587,537	(2,445,730)	1,548,466
	<u>18,962,807</u>	<u>3,587,537</u>	<u>(2,445,730)</u>	<u>20,104,614</u>
Capital assets, being depreciated				
Buildings and improvements	31,401,668	539,390	(18,482)	31,922,576
Machinery and equipment	36,657,363	1,319,334	(5,408,312)	32,568,385
Infrastructure	12,475,877	2,417,704	-	14,893,581
	<u>80,534,908</u>	<u>4,276,428</u>	<u>(5,426,794)</u>	<u>79,384,542</u>
Less accumulated depreciation for				
Buildings and improvements	(17,087,170)	(874,224)	7,391	(17,954,003)
Machinery and equipment	(28,315,202)	(1,959,374)	5,167,108	(25,107,468)
Infrastructure	(4,085,706)	(630,357)	-	(4,716,063)
	<u>(49,488,078)</u>	<u>(3,463,955)</u>	<u>5,174,499</u>	<u>(47,777,534)</u>
Capital assets being depreciated, net	<u>31,046,830</u>	<u>812,473</u>	<u>(252,295)</u>	<u>31,607,008</u>
	<u>\$ 50,009,637</u>	<u>\$ 4,400,010</u>	<u>\$ (2,698,025)</u>	<u>\$ 51,711,622</u>

A summary of changes in the capital assets of the business-type activities is as follows:

	Balance January 1, 2015	Additions	Disposals/ Retirements	Balance December 31, 2015
Capital assets not being depreciated				
Land	\$ 3,708,251	\$ -	\$ -	\$ 3,708,251
Construction in progress	4,503,064	2,896,121	(1,867,902)	5,531,283
	<u>8,211,315</u>	<u>2,896,121</u>	<u>(1,867,902)</u>	<u>9,239,534</u>
Capital assets being depreciated				
Landfill improvements	30,540,654	-	-	30,540,654
Buildings and improvements	53,049,176	91,523	-	53,140,699
Machinery and equipment	4,456,097	467,117	(45,481)	4,877,733
Infrastructure	40,676,230	1,776,379	-	42,452,609
	<u>128,722,157</u>	<u>2,335,019</u>	<u>(45,481)</u>	<u>131,011,695</u>
Less accumulated depreciation for				
Landfill improvements	(24,982,767)	(2,455,080)	-	(27,437,847)
Buildings and improvements	(25,875,459)	(962,276)	-	(26,837,735)
Machinery and equipment	(2,982,476)	(364,740)	43,081	(3,304,135)
Infrastructure	(15,208,017)	(1,675,570)	-	(16,883,587)
	<u>(69,048,719)</u>	<u>(5,457,666)</u>	<u>43,081</u>	<u>(74,463,304)</u>
Capital assets being depreciated, net	<u>59,673,438</u>	<u>(3,122,647)</u>	<u>(2,400)</u>	<u>56,548,391</u>
	<u>\$ 67,884,753</u>	<u>\$ (226,526)</u>	<u>\$ (1,870,302)</u>	<u>\$ 65,787,925</u>

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 4 - Capital Assets, Net of Accumulated Depreciation - Continued

Depreciation expense was charged to programs as follows:

	Year Ended December 31, 2015
<i>Primary Government</i>	
Governmental activities	
General government	\$ 439,376
Public safety	1,089,285
Health	486,087
Transportation	1,070,964
Culture and recreation	370,721
Home and community services	7,522
Total depreciation expense, governmental activities	\$ 3,463,955
Business-type activities	
Environmental Services Department	\$ 2,610,696
Pure Waters Department	1,101,818
Latham Water Department	1,745,152
Total depreciation expense, business-type activities	\$ 5,457,666

### Note 5 - Interfund Balances and Activity

A summary of interfund receivables and payables is as follows:

	December 31, 2015				
	General	Capital Projects	Non- Major	Pure Waters	Total Payable to
General	\$ -	\$ -	\$ 326,229	\$ 907,135	\$ 1,233,364
Highway	1,652,916	830,345	-	-	2,483,261
Special miscellaneous revenue	946,442	-	-	-	946,442
Capital projects	56,592	-	-	-	56,592
Non-major funds	315,606	-	-	-	315,606
Environmental services	590,807	-	-	-	590,807
Pure Waters	-	-	20,000	-	20,000
Latham Water	3,079,135	-	40,000	-	3,119,135
Agency	388,946	-	-	-	388,946
Total payable from	\$ 7,030,444	\$ 830,345	\$ 386,229	\$ 907,135	\$ 9,154,153

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 5 - Interfund Balances and Activity - Continued

A summary of the interfund transfers in and out are as follows:

	Year Ended December 31, 2015
General Fund, transfer in	\$ 3,100,000
Environmental Services Department, transfer out	<u>(3,100,000)</u>
	<u>\$ -</u>

Interfund receivables and payables result from cash advances made between funds to cover capital expenses and cash flow shortages. The amount transferred to the General Fund was from operating surplus, before depreciation.

### Note 6 - Indebtedness

General long-term debt of the Town is issued principally as serial bonds, which are due at various times through 2033. The bonds are issued primarily to finance acquisition or construction of capital facilities. These bonds are guaranteed by the full faith and credit of the Town and are being repaid from applicable taxes and user charges. Principal and interest payments are included in the expenditures of the related governmental funds. The Town has utilized 10.27% of its constitutional debt limit as of December 31, 2015.

Installment purchase debts (IPDs) represent the remaining principal installments due on the purchase of equipment within the General and the Special Revenue Funds. The IPDs are issued to finance the acquisition of capital equipment. Principal and interest payments are included in the expenditures of the related governmental funds.

Due to other governments represents an amount due to the North Colonie Central School District under a long-term repayment agreement for a payment in lieu of taxes. It is a seven-year agreement with fixed principal payments and bears interest at the prime rate in effect at December 31<sup>st</sup> of each year of the agreement.

Compensated absences, judgments, and claims for governmental activities typically have been liquidated from the General Fund and the Special Revenue Funds.

The pension related debt is the amount of the required annual contribution to the New York State Retirement System that has been deferred under Chapter 260. The contributions will be paid over a ten-year period at interest rates ranging from 3% to 5%. The Town elected to participate in New York State's retirement incentive under Chapter 105 of the Laws of 2010, which is payable over a five-year period, starting in 2011, at an interest rate of 7.5% (see Note 10).

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 6 - Indebtedness - Continued

A summary of the changes in governmental activities' long-term liabilities is as follows:

	Balance January 1, 2015	Issuance/ Additions	Payments/ Decreases	Balance December 31, 2015	Due Within One Year
Revenue anticipation note (RAN)	\$ 3,200,000	\$ 3,200,000	\$ (3,200,000)	\$ 3,200,000	\$ 3,200,000
Bond anticipation notes (BANs)	5,952,765	5,143,000	(620,765)	10,475,000	10,475,000
Installment purchase debts (IPDs)	551,119	78,293	(273,533)	355,879	159,052
General obligation bonds (Bonds)	26,209,897	-	(3,019,096)	23,190,801	2,732,059
Total RAN, BANs, IPDs, and Bonds	35,913,781	8,421,293	(7,113,394)	37,221,680	16,566,111
Judgments and claims	80,781	95,079	(105,581)	70,279	-
Due to other governments	471,471	-	(78,579)	392,892	78,589
Pension related debt (see Note 10)	8,375,929	1,339,403	(1,194,913)	8,520,419	1,041,376
Net pension liability	6,088,882	-	(1,673,486)	4,415,396	-
Compensated absences	4,230,874	299,189	(478,768)	4,051,295	-
	<u>\$ 55,161,718</u>	<u>\$ 10,154,964</u>	<u>\$ (10,644,721)</u>	<u>\$ 54,671,961</u>	<u>\$ 17,686,076</u>

A summary of the governmental activities' indebtedness under bonds, installment purchase debts, bond anticipation notes, and revenue anticipation notes payable is as follows:

Interest Rate	Date Issued	Maturity Date	Amount of Original Issue	Outstanding December 31, 2015	Annual Principal Installments
<b>Revenue Anticipation Notes</b>					
1.04%	Oct. 2015	Jan. 2016	\$ 3,200,000	<u>\$ 3,200,000</u>	\$ 3,200,000
<b>Bond Anticipation Notes</b>					
0.741%	March 2015	March 2016	10,475,000	<u>10,475,000</u>	10,475,000
<b>Installment Purchase Debts</b>					
1.86%	2012	2016	58,279	11,869	11,230 - 12,089
1.98%	2013	2016	28,560	7,209	6,931 - 7,352
2.30%	2013	2016	132,202	33,416	31,934 - 34,184
2.95%	2013	2020	176,990	130,037	23,135 - 27,540
2.69%	2014	2016	36,419	12,137	11,819 - 12,463
2.76%	2014	2017	25,027	12,509	6,004 - 6,515
2.92%	2014	2017	126,757	63,352	30,334 - 33,070
2.74%	2014	2017	32,103	16,046	7,703 - 8,354
2.71%	2014	2017	21,965	10,979	5,273 - 5,713
1.38%	2015	2018	54,111	40,304	13,251 - 13,807
1.28%	2015	2018	24,182	18,021	5,931 - 6,161
				<u>355,879</u>	
<b>General Obligation Bonds</b>					
4.25%	2007	2027	2,630,000	1,291,800	24,900 - 177,900
5.5-6.0%	2008	2033	7,130,000	5,876,900	26,300 - 177,900
5.0-6.125%	2009	2033	6,050,800	883,000	34,000 - 1,185,700
3.0-4.0%	2010	2016	2,009,800	340,900	271,500 - 291,400
3.0-4.5%	2012	2031	8,190,385	6,361,201	804,200 - 75,000
2.0-3.5%	2014	2021	3,235,000	2,295,000	105,000 - 460,000
2.0-4.0%	2014	2033	6,599,200	6,142,000	85,700 - 457,200
				<u>23,190,801</u>	
				<u>\$ 37,221,680</u>	

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 6 - Indebtedness - Continued

A summary of the changes in business-type activities' long-term indebtedness for the year ended December 31, 2015, is as follows:

	Balance January 1, 2015	Issuance/ Additions	Payments	Balance December 31, 2015	Due Within One Year
Bond anticipation notes (BANs)	\$ 5,188,235	\$ 5,267,000	\$ (234,235)	\$ 10,221,000	\$ 10,221,000
General obligation bonds (Bonds)	55,426,383	-	(4,071,984)	51,354,399	3,887,741
Total Bonds and BANs payable	60,614,618	5,267,000	(4,306,219)	61,575,399	14,108,741
Judgments and claims	25,196	22	(6,993)	18,225	-
Landfill closure and post-closure costs (see Note 1k)	12,373,422	1,042,133	(49,014)	13,366,541	48,542
Pension related debt (see Note 10)	1,104,412	172,132	(163,283)	1,113,261	126,510
Compensated absences	546,407	87,296	(49,151)	584,552	-
	<u>\$ 74,664,055</u>	<u>\$ 6,568,583</u>	<u>\$ (4,574,660)</u>	<u>\$ 76,657,978</u>	<u>\$ 14,283,793</u>

A summary of the business-type activities' indebtedness under bonds and bond anticipation notes is as follows:

Interest Rate	Date Issued	Maturity Date	Amount of Original Issue	Outstanding December 31, 2015	Annual Principal Installments
<b>Bond Anticipation Notes</b>					
0.741%	March 2015	March 2016	\$ 10,221,000	\$ 10,221,000	\$ 10,221,000
<b>Bonds Payable</b>					
3.41%	1999/2002	2018	2,440,000	\$ 540,000	135,000 - 185,000
3.41%	1999/2002	2027	6,900,000	3,920,000	210,000 - 395,000
4.125%	2001	2016	3,875,300	1,410,000	226,000 - 307,000
1.20%	2004	2025	19,767,387	10,960,000	1,275,000
1.20%	2004	2025	3,307,082	1,780,000	200,000
4.25%	2007	2027	2,260,000	1,333,200	106,700 - 147,100
5.0-6.0%	2008	2033	9,555,000	7,858,100	151,400 - 451,100
5.0-6.125%	2009	2033	8,815,000	5,167,200	166,200 - 632,100
3.0-4.0%	2010	2016	1,790,200	304,100	271,500 - 291,400
3.0-5.5%	2012	2030	10,117,200	8,475,000	542,000 - 250,000
3.0-4.5%	2012	2031	4,438,815	3,713,799	804,200 - 75,000
2.0-4.0%	2014	2033	6,162,080	5,893,000	269,080 - 367,600
				<u>51,354,399</u>	
				<u>\$ 61,575,399</u>	

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 6 - Indebtedness - Continued

Annual debt service requirements to amortize general long-term debt, exclusive of bond and revenue anticipation notes which are expected to be refinanced during 2015, are as follows:

Year ending December 31,	Governmental Activities		Business-type Activities	
	Bonds and IPDs		Bonds and IPDs	
	Principal	Interest	Principal	Interest
2016	\$ 2,891,111	\$ 890,060	\$ 3,887,741	\$ 1,883,681
2017	2,111,296	799,061	3,645,351	1,750,511
2018	2,086,517	730,053	3,789,471	1,622,132
2019	1,906,668	665,044	3,690,383	1,484,961
2020	1,959,857	596,958	3,782,383	1,341,618
2021 through 2025	7,067,882	2,051,437	20,386,618	4,535,840
2026 through 2030	3,905,848	864,064	9,324,952	1,728,896
2031 through 2033	1,617,501	138,022	2,847,500	225,671
	<u>\$ 23,546,680</u>	<u>\$ 6,734,699</u>	<u>\$ 51,354,399</u>	<u>\$ 14,573,310</u>

### Note 7 - Deferred Service Concession Arrangement Receipts

In August 2011, the Town entered into an agreement with Capital Region Landfills, Inc. (Company) under which the Company will manage, maintain, operate, and retain fees from the Town's solid waste facility for a period of twenty-five years. The Company is required to operate and maintain the solid waste facility in accordance with the terms of this solid waste facility operating agreement; this agreement also regulates the rates at which fees may be charged and increased. The Town received from the Company a lump-sum payment of \$23 million, and will receive quarterly payments of \$575,000 for the first five years of the agreement and minimum quarterly payments of \$275,000 thereafter for twenty years. The Town used the up-front-payment to defease existing bonds related to the solid waste facility in the amount of \$12,938,924, and the balance was transferred to the General Fund to assist in deficit fund balance reduction.

Additionally, under the agreement the Company assumed the liability for all future closure and post-closure costs, and has established financial assurances as required and verified by the New York State Department of Environmental Conservation. The financial assurances that have been established protect the Town in the event the Company were to default on this contract.

The Town reports the solid waste facility within the Environmental Services Department Fund with capital assets reported at a carrying value of \$7,201,434 and a deferred inflow of resources in the amount of \$7,425,395 at December 31, 2015, pursuant to the service concession arrangement. The Town has reported a receivable for the present value of future quarterly payments. At December 31, 2015, \$1,700,000 is reported as a current receivable and \$16,364,017 as a noncurrent receivable. Both the receivable and deferred inflow of resources will decline as payments are received and revenue is recognized. Revenue is recognized based on consumption of the remaining landfill capacity.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 8 - Fund Balance

The specific purposes that comprise the classifications of fund balance at December 31, 2015, are as follows:

	General Fund	Special Misc. Rev. Fund	Highway Fund	Capital Projects Fund	Non-Major Funds	Total
Restricted for						
Police asset forfeiture	\$ 551,477	\$ -	\$ -	\$ -	\$ -	\$ 551,477
DARE program donations	26,427	-	-	-	-	26,427
Community development programs	-	-	-	-	18,608	18,608
Total restricted fund balance	<u>577,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,608</u>	<u>596,512</u>
Committed to						
Capital purposes	240,519	-	-	-	-	240,519
Green space acquisition	-	-	-	-	157,459	157,459
Highway infrastructure	-	-	1,250,793	-	-	1,250,793
Judgment and claims	65,034	-	2,614	-	2,631	70,279
Assigned to						
Youth court program	99,370	-	-	-	-	99,370
Capital improvements	-	-	-	-	20,032	20,032
Operations of the fund	-	7,417,097	15,855	-	1,270,682	8,703,634
Unassigned	326,263	-	-	(7,039,595)	-	(6,713,332)
Total unrestricted fund balance	<u>731,186</u>	<u>7,417,097</u>	<u>1,269,262</u>	<u>(7,039,595)</u>	<u>1,450,804</u>	<u>3,828,754</u>
Total fund balance	<u>\$ 1,309,090</u>	<u>\$ 7,417,097</u>	<u>\$ 1,269,262</u>	<u>\$ (7,039,595)</u>	<u>\$ 1,469,412</u>	<u>\$ 4,425,266</u>

### Note 9 - Property Taxes

Property taxes to be used for general purposes are levied on all properties within the Town. In addition, certain water and refuse services are levied against those properties benefited by this service.

Property taxes are levied by December 31 and are payable in January. The Town's property taxes are levied together with Albany County and certain special districts. The Town and the special districts receive their full levy out of the first amounts collected. Albany County assumes enforcement responsibility for all uncollected taxes levied in the Town. Accordingly, the total levy is considered measurable and available, and there is no allowance for uncollectible property taxes at December 31.

The taxable assessed value of real property included in the general Town-wide tax levy of 2015 is \$5,739,853,943. The effective tax rate on this value is \$3.59 per thousand. The Town utilizes a full value method of assessing property values which is intended to approximate market.

### Note 10 - Retirement Systems

#### *Plan Description*

The Town of Colonie participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multi-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

#### *Plan Description - Continued*

The New York State Constitution provides that pension membership is a contractual relationship, and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute.

The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

#### *Benefits Provided*

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

##### *Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the NYSRSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20% of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20% of the average of the previous two years.

##### *Tiers 3, 4, and 5*

Eligibility: Tiers 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

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

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

#### *Benefits Provided - Continued*

##### *Tiers 3, 4, and 5 - Continued*

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

##### *Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

Benefit Calculation: Generally, the benefit is 1.67% of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75% of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2% of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10% of the average of the previous four years.

##### *Special Plans*

The 25-Year Plans allow retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

##### *Ordinary Disability Benefits*

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

##### *Accidental Disability Benefits*

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75% of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tiers 3, 4, 5, and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

##### *Ordinary Death Benefits*

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

#### *Benefits Provided - Continued*

##### *Post-Retirement Benefit Increases*

A cost-of-living-adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50% of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1% or exceed 3%.

##### *Funding Policy*

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% 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 their entire length of service. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tiers 5 and 6 members are required to contribute for all years of service.

Under the authority of the NYSRSSL, the Comptroller annually certifies the rates expressed in computing the employer's contributions based on salaries paid during the System's fiscal year ending March 31. Each year, the Comptroller renders a billing to participating employers requesting payment of amounts due in advance for the plan year April 1 to March 31. The NYSRSSL allows participating employers to pay their annual contributions on either December 15 of the current year, or February 1 of the following year. The Town elected to pay its contribution billed in 2015 on February 1, 2016.

The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2015	\$ 5,692,677	\$ 3,510,562
2014	5,851,485	3,913,624
2013	5,754,801	3,835,842

Contributions made to the Systems were equal to 100% of the contributions required for each year, less the applicable amortizations.

Chapter 260 of the Laws of 2004 of the State of New York was enacted that allows local employers to bond or amortize a portion of their retirement bill for up to 10 years in accordance with the following schedule:

- For State fiscal year (SFY) 2004-05, the amount in excess of 7% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the bonding/amortization was instituted.
- For SFY 2005-06, the amount in excess of 9.5% of employee's covered pensionable salaries.
- For SFY 2007-08, the amount in excess of 10.5% of employee's covered pensionable salaries.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

#### *Funding Policy - Continued*

Chapter 57 of the Laws of 2010 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year (SFY) 2010-11, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent SFYs, the graded rate will increase or decrease by up to 1% depending on the gap between the increase or decrease in the Systems' average rate and the previous graded rate.
- The interest rate will be set annually, and will be comparable to taxable fixed income investments of a similar duration.
- For SFYs in which the Systems' average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

Chapter 105 of the Laws of 2010 of the State of New York authorizes local governments to make available a retirement benefit incentive program with an estimated total cost of \$1,199,241. The cost of the program will be billed and paid over five years beginning February 1, 2012.

Chapter 57 of the Laws of 2013 of the State of New York was enacted that allows local employers to amortize a portion of their retirement bill for up to 12 years in accordance with the following stipulations:

- The maximum amount an employer can amortize is the difference between the normal annual contribution (total bill, excluding payments for deficiency, group life, previous amortization, incentive costs, and prior year adjustments) and the graded contribution.
- For subsequent SFYs, the graded rate will increase or decrease by up to one-half of 1% depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- The interest rate will be set annually, and will be comparable to a 12-year United States Treasury Bond plus 1%.
- For SFYs in which the Systems' average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and then any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts related to the Systems' fiscal years when the local employer opts to participate in the programs. The total unpaid liability at the end of the fiscal year was \$9,633,680, of which \$1,113,261 is reported in the various proprietary funds and \$8,520,419 on the statement of net position for the governmental activities.

For the years ended December 31, 2004 through 2006 and 2010 through 2015, the Town opted to amortize the allowable portions of the annual ERS and PFRS retirement payment over a ten-year period. The principal amount amortized was \$7,378,047 for the ERS plan and \$5,874,665 for the PFRS plan. The principal and interest payments began in December 2006 and will end in February 2026, with interest ranging from 3% to 5% per annum. The principal amount amortized for the 2010 retirement benefit incentive was \$1,199,241 with principal and interest payments from February 2012 through February 2016, with interest at 7.5% per annum.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

#### *Funding Policy - Continued*

The maturity schedule for this debt is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Payable February 1,			
2017	\$ 1,167,886	\$ 329,101	\$ 1,496,987
2018	1,133,499	287,707	1,421,206
2019	1,172,611	248,598	1,421,209
2020	1,213,092	208,113	1,421,205
2021	1,254,994	166,213	1,421,207
2022	1,239,569	122,840	1,362,409
2023	1,026,568	80,881	1,107,449
2024	796,569	47,049	843,618
2025	455,361	20,008	475,369
2026	173,531	5,571	179,102
	<u>\$ 9,633,680</u>	<u>\$ 1,516,081</u>	<u>\$ 11,149,761</u>

Of the total unpaid principal balance of \$9,633,680 for the above amortizations, \$8,465,794 is included in the statement of net position as a non-current liability, and \$1,167,886 is shown as a current liability as December 31, 2015.

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

At December 31, 2015, the Town reported liabilities of \$3,370,185 and \$1,045,211 for its proportionate share of the net pension liabilities for ERS and PFRS, respectively. The net pension liabilities were measured as of March 31, 2015, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2015, the Town's proportion of the ERS and PFRS was 0.0997614% and 0.3797182%, respectively.

For the year ended December 31, 2015, the Town recognized total pension expense of \$3,039,078 and \$2,116,605 for ERS and PFRS, respectively.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

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

At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 213,431	\$ -
Net difference between projected and actual investment earnings on pension plan investments	825,051	-
Employer contributions made subsequent to the measurement date	6,091,223	
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	158,876
Subtotal	7,129,705	158,876
	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	20,498	-
Net difference between projected and actual investment earnings on pension plan investments	111,219	-
Employer contributions made subsequent to the measurement date	811,207	
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	8,320
Subtotal	942,924	8,320
Total	\$ 8,072,629	\$ 167,196

The amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business Type Activities	Total
For the year ending December 31,			
2016	\$ 6,310,992	\$ 842,057	\$ 7,153,049
2017	219,770	30,849	250,619
2018	219,770	30,849	250,619
2019	219,770	30,849	250,619
2021	528	-	528
	\$ 6,970,830	\$ 934,604	\$ 7,905,434

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

#### *Actuarial Assumptions*

The total pension liability at December 31, 2015, was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to December 31, 2015.

Significant actuarial assumptions used in the April 1, 2014 valuation, which are the same for ERS and PFRS unless noted otherwise, were as follows:

Actuarial Cost Method	Entry age normal
Inflation Rate	2.7%
Salary Scale	4.9% in ERS, 6.0% in PFRS, indexed by service
Investment rate of return, including inflation	7.5% compounded annually, net of investment expenses
Cost of living adjustments	1.4% annually
Decrements	Developed from the Plan's 2010 experience study of the period April 1, 2005 through March 31, 2010
Mortality improvement	Society of Actuaries Scale MP-2014

Annuitant mortality rates are based on April 1, 2015 through March 31, 2010 ERS and PFRS's experience with adjustments for mortality improvements based on MP-2014.

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

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2015, are summarized below.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	38.00%	7.30%
International equity	13.00%	8.55%
Private equity	10.00%	11.00%
Real estate	8.00%	8.25%
Absolute return strategies	3.00%	6.75%
Opportunistic portfolio	3.00%	8.60%
Real assets	3.00%	8.65%
Bonds and mortgages	18.00%	4.00%
Cash	2.00%	2.25%
Inflation-indexed bonds	2.00%	4.00%
	<u>100.00%</u>	

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 10 - Retirement Systems - Continued

#### *Discount Rate*

The discount rate used to calculate the total pension liabilities was 7.5%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made as the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liabilities (assets) calculated using the discount rate of 7.5%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Assumption (7.5%)</u>	<u>1% Increase (8.5%)</u>
Governmental Activities	\$ 32,112,063	\$ 3,775,061	\$ (20,068,754)
Business-Type Activities	<u>4,268,111</u>	<u>640,335</u>	<u>(2,422,407)</u>
Total net pension liability (asset)	<u>\$ 36,380,174</u>	<u>\$ 4,415,396</u>	<u>\$ (22,491,161)</u>

#### *Pension Plan Fiduciary Net Position*

The components of the current year net pension liability of the ERS and PFRS as of March 31, 2015, were as follows (dollars in thousands):

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Employers' total pension liability	\$ 164,591,504	\$ 28,474,417	\$ 193,065,921
Plan net position	<u>(161,213,259)</u>	<u>(28,199,157)</u>	<u>(189,412,416)</u>
Employers' net pension liability	<u>\$ 3,378,245</u>	<u>\$ 275,260</u>	<u>\$ 3,653,505</u>
Ration of plan net position to the employers' total pension liability	97.9%	99.0%	98.1%

### Note 11 - Deferred Compensation Plan

The Town offers its employees a deferred compensation plan (Plan) created in accordance with Internal Revenue Code Section 457. The Plan permits the participants to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### **Note 11 - Deferred Compensation Plan - Continued**

The market value of Plan assets held by the related trust at December 31, 2015 totaling \$38,306,146 is not recorded in these financial statements, as they are not an asset of the Town. The Plan issues a publicly available financial report that includes financial statements and any required supplementary information. That report may be obtained by writing to the Town of Colonie Comptroller, 534 Loudon Road, Latham, New York 12110.

### **Note 12 - Volunteer Firefighter Service Award Programs**

The Town sponsors, and is the program administrator for volunteer firefighter service award programs for four fire protection districts within the Town: Fuller Road, Latham, Maplewood, and Shaker Road-Loudonville Fire Districts.

#### *Length of Service Awards Programs (LOSAP)*

The Town established three separate defined contribution service award programs effective January 1, 1991, for the active volunteer firefighter members of the Fuller Road Fire Department, Inc. (Fuller Road), Shaker Road-Loudonville Fire Department (Shaker Road), and Maplewood Volunteer Fire Department, Inc. (Maplewood). A defined benefit service award program for the active members of the Latham-S.W. Pitts Hose Company, Inc. (Latham) was also established effective January 1, 1991. The programs were established pursuant to Article 11-A of New York State General Municipal Law. The programs provide municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters.

Under Section 457(e)(11) of the Internal Revenue Code, Service Award Programs for volunteer firefighters and EMS volunteers are referred to as "LOSAP" - Length of Service Award Programs.

#### *Defined Contribution Program Description*

##### **(a) Participation, Vesting, and Service Credit**

In a defined contribution LOSAP, each participant has an individual program account. The program account balance of a participation volunteer is credited with a "service award" contribution as of the end of each year during which the volunteer was active enough to earn a year of service award program service credit. The participant is paid his or her account balance upon attainment of the "entitlement age." The amount paid will vary depending upon the number of years of service credit earned by the volunteer and the investment income (less administrative and/or investment expenses not paid by the Town) earned by the program assets and allocated to the participant's program account.

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to be paid their program account balance after being credited with five years of firefighting service or upon attaining the program's entitlement age while an active volunteer. The Fuller Road and Shaker Road programs' entitlement age is 62, and the Maplewood program's entitlement age is 55. An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of Fuller Road, Shaker Road, or Maplewood.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 12 - Volunteer Firefighter Service Award Programs - Continued

#### *Defined Benefit Program Description - Continued*

##### (b) Defined Contribution Benefits

A participant's benefit under the program is his or her program account balance paid upon attainment of the entitlement age in a lump sum to the participant. The annual contribution paid by the Town and credited to the account of a participant who earned fifty points during a calendar year for Fuller Road, Shaker Road, and Maplewood is currently \$700. The maximum number of years of service credit a participant may earn for the Fuller Road and Shaker Road programs is 40 years, and for the Maplewood program, the maximum is 30 years.

Currently, there are two other optional forms of payment of a volunteer's earned service award under the programs (five or ten-year installment payments). Except in the case of death or total and permanent disablement, service awards commence to be paid as of the January next following the date a participant attains the entitlement age. Volunteers who continue to be active after attaining the entitlement age continue to have the opportunity to earn program credit and to thereby be paid additional service awards. The program provides death and disability benefits equal to the participant's program account balance at the time of death or disablement. The program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are "self-insured" and are paid from the program trust fund.

For a complete explanation of the defined contribution program, see the Program Document, a copy of which is available from the Town Attorney.

#### *Defined Benefit Program Description*

##### (a) Participation, Vesting, and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age while an active volunteer. The program's entitlement age is age 60. An active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter member of Latham.

##### (b) Defined Benefit Benefits

A participant's service award benefit is paid as a ten-year certain and continuous monthly payment life annuity. The amount payable each month equals \$10 multiplied by the total number of years of service credit earned under the point system for years prior to 2006 plus \$15 multiplied by the total number of years of service credit earned by the volunteer under the point system for years after 2006. The maximum number of years of service credit a participant may earn is 40 years under the program. Currently, there is one other form of payment of a volunteer's earned service award under the program (an actuarially equivalent lump sum). Except in the case of death or total and permanent disablement, service awards commence to be paid when a participant attains the entitlement age. Volunteers who continue to be active after attaining the entitlement age and beginning to be paid a service award continue to have the opportunity to earn program credit and to thereby increase their service award payments.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 12 - Volunteer Firefighter Service Award Programs - Continued

#### *Defined Benefit Program Description - Continued*

##### (b) Defined Benefit Benefits - Continued

The program provides death and disability benefits equal to the actuarial value of the participant's earned service award at the time of death or disablement (the minimum death benefit payable is \$10,000 if the participant was an active volunteer at death). The program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are "self-insured" and are paid from the program trust fund.

For a complete explanation of the defined benefit program, see the Program Document, a copy of which is available from the Town Attorney.

##### (c) Funding Methodology and Actuarial Assumptions

The assets available for benefits totaled \$1,330,753 and the actuarial present value of accrued benefits was \$1,884,281 at December 31, 2015, for a funding percentage of 70.6%. However, the Plan has an unfunded liability for separately amortized costs for the 2010 program amendments in the amount of \$553,528, which will be amortized over the next fifteen years.

The actuarial valuation methodology used by the actuary to determine the sponsor's contribution is the Attained Age Normal Frozen Initial Liability method. The assumptions used by the actuary to determine the sponsor's contribution and the actuarial present value of benefits are:

Assumed rate of return on program investments	5.0%
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Tables used for:

Post-Entitlement Age mortality	1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2007
Pre-Entitlement Age mortality*	None
Pre-Entitlement Age disability*	None
Pre-Entitlement Age withdrawal*	None
Pre-Entitlement Age service credit accruals	100%

\* For program cost calculation purposes, all pre-entitlement age active volunteer firefighter participants are assumed to: serve to the entitlement age; remain active and earn 50 points each year; and begin to be paid service awards upon attainment of the entitlement age.

#### *Fiduciary Investment and Control*

After the end of each calendar year, each fire department prepares and certifies a list of names of all persons who were active volunteer members of the fire department during the year indicating which volunteers earned 50 points. The certified lists are delivered to the Town for the Town Board's review and approval. The fire departments must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Town Board.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 12 - Volunteer Firefighter Service Award Programs - Continued

#### *Fiduciary Investment and Control - Continued*

The Town Board has retained Penflex, Inc. to assist in the administration of the program. The services provided by Penflex, Inc. are described in an agreement between Penflex, Inc. and the Town, which is available at the Town Attorney's office.

Based on the certified calendar year volunteer firefighter listings, Penflex, Inc. determines and certifies in writing to the Town the amount of the service award to be paid to a participant or to a participant's designated beneficiary. The person(s) authorized by the Town Board then authorizes, in writing, the custodian of the Town's LOSAP trust funds to pay the service award. No service award benefit payment is made without the written certification from Penflex, Inc. and the written directive from the authorized representative of the Town Board.

Penflex, Inc. bills the Town for the services it provides. Invoices are authorized for payment by the Town in the same manner as any other invoice presented to the Town for payment. The Town pays Penflex, Inc.'s invoices from the LOSAP trust fund, in which case the Town reimburses the trust fund for the amounts paid to Penflex, Inc. to provide services for the defined benefit program (there is no reimbursement for Penflex, Inc.'s administrative costs paid under the defined contribution program).

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Town Board created a Service Award Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Town Attorney. The Town Board is the program trustee.

Authority to invest program assets is vested in the program trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the written investment policy statement adopted by the Town Board.

The Town Board is required to retain an actuary to determine the amount of the Town's contributions to the plan. The actuary retained by the Town for this purpose is Tony Fiorillo of Penflex, Inc. Mr. Fiorillo is an Associate of the American Society of Actuaries. Portions of the following information are derived from a report prepared by the actuary dated June 29, 2016.

The Town Board has retained RBC Wealth Management to provide investment management and custodial services. The assets for all four programs are pooled into one investment account.

#### *Contributions*

The Town lags the contributions due to each program by fourteen months. For example, the contribution due for the program year ended December 31, 2014, was paid in February 2016, with interest.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 12 - Volunteer Firefighter Service Award Programs - Continued

#### *Contributions - Continued*

A summary of the sponsor's required contribution for program year ended December 31, 2015, and scheduled to be paid in February 2017, is as follows:

Fuller Road	\$ 36,216
Shaker Road	165,548
Maplewood	21,930
Latham	<u>58,663</u>
	<u>\$ 282,357</u>

#### *Administrative Services*

A summary of the administrative/actuarial services provided allocated to the Departments for the year ended December 31, 2015, is as follows:

Fuller Road	\$ 7,210
Shaker Road	9,965
Maplewood	4,779
Latham	<u>14,766</u>
	<u>\$ 36,720</u>

All of the activity of the LOSAP is reflected in the statement of changes in net position - fiduciary funds on page 37 of the fund financial statements.

A summary of the net assets held in trust for the Departments for the year ended December 31, 2015, is as follows:

Fuller Road	\$ 577,902
Shaker Road	912,489
Maplewood	242,523
Latham	<u>1,512,894</u>
	<u>\$ 3,245,808</u>

All the components of net position for the LOSAP are reflected in the statement of net position - fiduciary funds on page 36 of the fund financial statements.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 12 - Volunteer Firefighter Service Award Programs - Continued

*Assets Held in Trust*

The Town's benefit trust had the following cash, cash equivalents, and investments:

	December 31, 2015		
	Fair Value	Cost	% Total Cost
Cash and cash equivalents	\$ 94,011	\$ 94,011	3.2%
Equities			
United States	449,501	461,812	15.6%
International	444,656	484,950	16.4%
Fixed income securities			
Corporate obligations	5,240	4,968	0.2%
Mutual funds	1,287,963	1,318,115	44.5%
Mixed asset securities			
Mutual funds	565,075	599,985	20.2%
	\$ 2,846,446	\$ 2,963,841	100.0%

### Note 13 - Postemployment Benefits Other Than Pensions

*Plan Description* - The Town provides a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare insurance and prescription drug coverage for eligible retirees and their spouses through the Town's Plan, which covers both active and retired members. Benefit provisions are established through negotiations between the Town and the unions representing employees and are renegotiated at the end of each of the bargaining periods.

*Funding Policy* - Contribution requirements also are negotiated between the Town and union representatives. The Town contributes a percent of the cost of current-year premiums for eligible retired Plan members and their spouses. For the year ended December 31, 2015, the Town contributed \$2,781,936 to the Plan. Plan members receiving benefits contribute a percent of their premium costs. Total member contributions were \$754,607 for the year ended December 31, 2015.

*Annual OPEB Cost and Net OPEB Obligation* - The Town's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation to the Plan:

Annual required contribution	\$ 11,996,303
Interest on net OPEB obligation	1,428,569
Adjustments to annual required contribution	(3,088,630)
Annual OPEB cost	10,336,242
Contributions made	(2,781,936)
Net OPEB obligation, <i>beginning of year</i>	35,714,213
Net OPEB obligation, <i>end of year</i>	\$ 43,268,519

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 13 - Postemployment Benefits Other Than Pensions - Continued

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2015	\$ 10,336,242	26.90%	\$ 43,268,519
12/31/2014	6,627,655	27.10%	35,714,213
12/31/2013	6,333,164	26.40%	30,881,860
12/31/2012	7,376,643	23.50%	26,221,605
12/31/2011	6,503,863	25.85%	20,578,341
12/31/2010	4,844,187	28.70%	15,755,614
12/31/2009	5,329,810	21.10%	12,302,071

*Funded Status and Funding Progress* - As of December 31, 2015, the actuarial accrued liability for benefits was \$93,211,013, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$34,804,599, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 268%.

The projection of future benefit payments 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 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.

*Methods and Assumptions* - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The 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.

The following simplifying assumptions were made:

*Retirement Age for Active Employees* - Rates of decrement due to retirement based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation.

*Marital Status* - It is assumed that 70% of retirees will be married at the time of retirement, with the male spouse assumed to be approximately three years older than the female.

*Mortality* - Life expectancies were based on RPH-2014 Mortality Table for Health Annuitants, sex distinct, with generational mortality.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 13 - Postemployment Benefits Other Than Pensions - Continued

*Turnover* - Rates of decrement due to turnover based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service's actuarial consultant in the report titled, Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation.

*Healthcare Cost Trend Rate* - The expected rate of increase in healthcare insurance premiums was based on projections of medical blended trend rates. A rate of 9.5% initially, reduced to an ultimate rate of 5% after ten years, was used.

*Health Insurance Premiums* - 2015 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Based on the historical and expected returns of the Town's short-term investment portfolio, a discount rate of 4.0% was used. In addition, a projected unit credit actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2015, is 15 years.

### Note 14 - Risk Financing Activities

#### *Workers' Compensation*

The Town is exposed to various risks of losses related to injuries of employees. The Town assumes the risk of loss relating to workers' compensation. The Town has established a liability account in the Internal Service Fund to account for losses, claims, and judgments, relating to this exposure. The Town purchases insurance for claims in excess of \$350,000. Settled claims have not exceeded the annual self-insurance funding in any of the past three fiscal years.

Claims and judgments are recognized when it is probable that a liability has been incurred and the amount of loss can be reasonably estimated. Claim liabilities were \$2,557,635 at December 31, 2015, and are included in other liabilities within the Workers' Compensation Internal Service Fund.

Workers' compensation costs per fund for 2015 were:

	Current Year Claims and Changes in Estimates	Claim Payments	Total
General Fund	\$ 590,380	\$ (301,337)	\$ 289,043
Highway Fund	233,872	(243,306)	(9,434)
Non-major Funds	4,798	(9,688)	(4,890)
Environmental Services Department	20,047	(47,922)	(27,875)
Pure Waters Department	83,339	(17,553)	65,786
Latham Water Department	762,449	(156,848)	605,601
Total	\$ 1,694,885	\$ (776,654)	\$ 918,231

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 15 - Commitments and Contingencies

*a. 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 audits of these programs may be conducted, in accordance with grantor requirements, on a periodic basis. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town believes, based upon its review of current activity and prior experience, the amount of such disallowances, if any, will be minimal.

*b. Construction Commitments*

The Town has active construction and infrastructure improvement projects as of December 31, 2015. These projects include various recreation, sewer plant and pump station, and water plant and pump station improvement projects. At year-end, the Town's commitments with contractors are as follows:

Project	Total Commitment	Remaining Commitment
Capital Projects		
Town Pool improvements	\$ 196,592	\$ 20,170
Pure Waters Department		
Plant screen and grit upgrade project	1,951,442	28,778
Pump station alarm system improvements	349,445	45,018
Latham Water Department		
Mohawk View high lift pump station improvements	1,168,700	105,237
Water system security upgrades	909,063	150,950
Mohawk View Treatment Plant wetland remediation	451,413	100,803
	\$ 5,026,655	\$ 450,956

*c. Litigation*

Various suits and claims against the Town are presently pending involving claims for personal injury, tax appeals, and miscellaneous other cases. The Town is self-insured for up to \$1,000,000 for general liability claims. The Town purchases commercial insurance for claims in excess of the self-insured amount. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Of the pending or threatened litigation as of December 31, 2015, certain cases are covered by insurance: the remainder is self-insured for which the Town has designated a portion of the fund balance of the General, Highway, other nonmajor governmental, and a judgment and claims liability has been recognized. In the opinion of the Town attorney, after considering all relevant facts, including discussions with outside counsel in certain instances, such litigation will not in the aggregate have a material adverse effect on the financial position, results of operations, or cash flows of the Town. The Town estimates the cost of these matters and records a liability for claims if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably estimated. At December 31, 2015, the Town recorded an insurance reserve of \$70,279 in the Governmental Funds and \$18,225 in the caption "Judgments and Claims" in the Proprietary Funds.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 15 - Commitments and Contingencies - Continued

c. *Litigation* - Continued

Changes in the Town's claim liability amount during 2015 were:

Fund	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
General Fund	\$ 63,947	\$ 50,069	\$ (48,981)	\$ 65,035
Highway	14,142	12,508	(24,036)	2,614
Other non-major	2,692	32,502	(32,564)	2,630
Pure Water	15,509	11	(3,940)	11,580
Latham Water	9,687	11	(3,053)	6,645
Total	<u>\$ 105,977</u>	<u>\$ 95,101</u>	<u>\$ (112,574)</u>	<u>\$ 88,504</u>

d. *Environmental Risks*

Certain facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Town expect such compliance to have, any material affect upon the capital expenditures or financial condition of the Town. The Town believes that its current practices and procedures for control and disposition of regulated wastes comply with applicable federal, state, and local requirements.

The Latham Water Department has an active wetland remediation project ongoing related to mercury contamination at the Mohawk View Water Treatment Plant. The total estimated cost of the project, including remediation and ongoing monitoring, is estimated to be approximately \$400,000, of which \$351,000 was incurred during 2015, and the balance is included in accrued expenses on the Latham Water Department's Statement of Net Position. Annual wetland review and reporting is required through December 31, 2018.

### Note 16 - Accounting Standards Issued, But Not Yet Implemented

- a. GASB Statement No. 72, *Fair Value Measurement and Application*. This statement provides guidance for determining a fair value measurement for financial reporting purposes, for applying fair value to certain investments, and disclosures related to all fair value measurements. This statement is effective for periods beginning after June 15, 2015, with early application encouraged.
- b. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB) by replacing 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. It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures, and for defined benefit OPEB it identifies actuarial methods and assumptions to be used. This statement is effective for periods beginning after June 15, 2017, with early application encouraged.

# Town of Colonie, New York

## Notes to Financial Statements December 31, 2015

### Note 16 - Accounting Standards Issued, But Not Yet Implemented - Continued

- c. GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements to inform users about certain limitations on a government's ability to raise resources. This statement is effective for periods beginning after December 15, 2015, with early application encouraged.
- d. GASB Statement No. 80, *Blending Requirements for Certain Component Units - amendment of GASB Statement No. 14*. This statement improves financial reporting by amending the blending requirements for the financial statement presentation of component units of all state and local governments to include additional criterion that requires the blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member, if the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, are met. This statement is effective for periods beginning after June 15, 2016, with early application encouraged.

Management has not estimated the extent of potential impact if these statements, if any, on the Town's financial statements.

### Note 17 - Subsequent Events

- a. The Town fully repaid the revenue anticipation notes outstanding at December 31, 2015, including \$11,556 of accrued interest, when they matured in January 2016.
- b. Bond Anticipation Note 2016A issued on March 17, 2016 in the amount of \$8,468,000, will mature in March 2017 and bears interest at an effective rate of 1.035%. It was issued to refinance \$1,603,000 of existing Bond Anticipation Notes 2015A and provide financing for the purchase of capital equipment and construction/improvement of capital facilities in the amount of \$6,865,000.
- c. Public improvement serial bond Series 2016A were issued on March 17, 2016 in the amount of \$22,532,000. The bonds have principal and interest payments on March 15<sup>th</sup> and September 15<sup>th</sup> from 2017 to 2035, and bear interest at an effective interest rate of 2.73%. They were issued to refinance portions of Bond Anticipation Notes Series 2015A in the amount of \$18,297,000, which was originally issued to provide financing for the purchase of capital equipment and construction/improvement of capital facilities. They also provided \$4,235,000 of financing for the construction/improvement of capital facilities.

# Town of Colonie, New York

## Required Supplementary Information - Statement of Revenues and Expenditures - Budget to Actual - General Fund

	Year Ended December 31, 2015					
	2015 Adopted Budget	2015 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2015 Actual	Variance With Actual vs. Modified Positive (Negative)	2016 Adopted Budget
<b>REVENUES</b>						
Real property taxes and tax items	\$ 18,535,000	\$ 18,535,000	\$ -	\$ 18,564,427	\$ 29,427	\$ 18,750,112
Sales and use tax	11,043,012	11,043,012	-	11,728,754	685,742	11,356,500
Departmental income	6,294,000	6,315,705	21,705	6,087,712	(227,993)	6,278,400
Intergovernmental charges	233,000	233,000	-	193,062	(39,938)	204,000
Interest and use of property	1,360,000	1,360,000	-	1,688,203	328,203	1,344,500
Licenses and permits	65,000	65,000	-	72,758	7,758	65,000
Fines and forfeitures	1,200,000	1,200,000	-	1,073,112	(126,888)	1,200,000
Sale of property and compensation for loss	96,200	96,200	-	51,531	(44,669)	56,000
Miscellaneous	45,682	53,682	8,000	48,277	(5,405)	28,094
Interfund revenues	3,223,000	3,223,000	-	2,191,843	(1,031,157)	3,193,000
State aid	2,767,220	2,923,875	156,655	2,933,775	9,900	2,816,500
Federal aid	-	-	-	378,586	378,586	-
Interfund transfers	3,100,000	3,100,000	-	3,100,000	-	3,100,000
Proceeds from issuance of debt	-	160,000	160,000	160,000	-	-
Encumbrances	-	49,872	49,872	-	(49,872)	-
Total revenues	<u>47,962,114</u>	<u>48,358,346</u>	<u>396,232</u>	<u>48,272,040</u>	<u>(86,306)</u>	<u>48,392,106</u>
<b>EXPENDITURES</b>						
General government support	7,691,690	7,836,835	145,145	7,805,888	30,947	7,651,633
Public safety	15,213,191	15,192,139	(21,052)	15,190,768	1,371	15,435,020
Health	4,028,028	4,037,294	9,266	3,994,778	42,516	4,120,675
Transportation	550,475	549,875	(600)	544,675	5,200	563,950
Economic assistance and opportunity	2,000	2,000	-	1,141	859	2,000
Culture and recreation	4,136,308	4,045,833	(90,475)	3,962,504	83,329	4,191,612
Home and community services	139,122	139,722	600	139,623	99	141,942
Employee benefits	13,481,100	13,481,100	-	13,452,157	28,943	13,825,200
Debt service	2,720,200	3,073,548	353,348	3,072,731	817	2,460,074
Total expenditures	<u>47,962,114</u>	<u>48,358,346</u>	<u>396,232</u>	<u>48,164,265</u>	<u>194,081</u>	<u>48,392,106</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,775</u>	<u>\$ 107,775</u>	<u>\$ -</u>

See Independent Auditor's Report.

## Town of Colonie, New York

### Required Supplementary Information - Statement of Revenues and Expenditures - Budget to Actual - Highway Fund

	Year Ended December 31, 2015					
	2015 Adopted Budget	2015 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2015 Actual	Variance With Actual vs. Modified Positive (Negative)	2016 Adopted Budget
<b>REVENUES</b>						
Sales and use tax	\$ 8,920,253	\$ 8,920,253	\$ -	\$ 9,145,253	\$ 225,000	\$ 9,066,493
Departmental income	2,000	2,000	-	133,650	131,650	1,000
Intergovernmental charges	-	-	-	3,944	3,944	-
Interest and use of property	1,000	1,000	-	1,004	4	1,000
Licenses and permits	3,500	3,500	-	3,900	400	4,500
Sale of property and compensation for loss	25,000	59,000	34,000	120,183	61,183	30,000
Miscellaneous	30,000	30,000	-	16,825	(13,175)	30,000
State aid	562,000	643,000	81,000	643,058	58	562,000
Encumbrances	-	4,304	4,304	-	(4,304)	-
Total revenues	<u>9,543,753</u>	<u>9,663,057</u>	<u>119,304</u>	<u>10,067,817</u>	<u>404,760</u>	<u>9,694,993</u>
<b>EXPENDITURES</b>						
Transportation	5,521,538	5,425,842	(95,696)	5,411,771	14,071	5,627,762
Employee benefits	2,038,000	2,223,000	185,000	2,219,734	3,266	2,215,400
Debt service	1,984,215	2,014,215	30,000	2,012,612	1,603	1,851,831
Total expenditures	<u>9,543,753</u>	<u>9,663,057</u>	<u>119,304</u>	<u>9,644,117</u>	<u>18,940</u>	<u>9,694,993</u>
<b>Excess of revenues over expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 423,700</u>	<u>\$ 423,700</u>	<u>\$ -</u>

## Town of Colonie, New York

### Required Supplementary Information - Other Postemployment Benefits - Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL)- Simplified Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b - a)/c)</u>
12/31/15	<u>\$ -</u>	<u>\$ 93,211,013</u>	<u>\$ 93,211,013</u>	<u>0.00%</u>	<u>\$ 34,804,599</u>	<u>268%</u>
12/31/13	<u>\$ -</u>	<u>\$ 57,578,521</u>	<u>\$ 57,578,521</u>	<u>0.00%</u>	<u>\$ 33,835,815</u>	<u>170%</u>
12/31/11	<u>\$ -</u>	<u>\$ 60,936,469</u>	<u>\$ 60,936,469</u>	<u>0.00%</u>	<u>\$ 34,657,021</u>	<u>176%</u>
12/31/09	<u>\$ -</u>	<u>\$ 46,244,157</u>	<u>\$ 46,244,157</u>	<u>0.00%</u>	<u>\$ 34,783,377</u>	<u>133%</u>

# Town of Colonie, New York

## Required Supplementary Information - Schedule of Proportionate Share of Net Pension Liability

	<u>2015</u>
<b>New York State and Local Employees' Retirement System</b>	
Town's proportion of the net pension liability	0.0997614%
Town's proportionate share of the net pension liability	\$ 3,370,185
Town's covered-employee payroll	\$ 26,548,015
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12.69%
Plan fiduciary net position as a percentage of the total pension liability	97.95%
<b>New York State and Local Police and Fire Retirement System</b>	
Town's proportion of the net pension liability	0.3797182%
Town's proportionate share of the net pension liability	\$ 1,045,211
Town's covered-employee payroll	\$ 10,901,149
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	9.59%
Plan fiduciary net position as a percentage of the total pension liability	99.00%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

## Town of Colonie, New York

### Required Supplementary Information - Schedule of Pension Contributions

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>New York State and Local Employees' Retirement System</b>										
Contractually required contribution	\$5,692,677	\$5,851,485	\$5,754,801	\$5,128,227	\$4,934,048	\$3,026,457	\$2,210,160	\$2,223,241	\$2,510,505	\$2,621,772
Contributions in relation to the contractually required contribution	5,692,677	5,851,485	5,754,801	5,128,227	4,934,048	3,026,457	2,210,160	2,223,241	2,510,505	2,621,772
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	26,548,015	24,847,159	24,829,042	25,408,353	26,990,499	27,527,758	26,414,837	26,908,752	25,746,336	24,912,839
Contribution as a percentage of covered-employee payroll	21.4%	23.5%	23.2%	20.2%	18.3%	11.0%	8.4%	8.3%	9.8%	10.5%
<b>New York State and Local Police and Fire Retirement System</b>										
Contractually required contribution	\$3,510,652	\$3,913,624	\$3,835,842	\$3,385,540	\$3,027,083	\$2,471,081	\$2,109,293	\$2,450,209	\$1,999,581	\$1,925,251
Contributions in relation to the contractually required contribution	3,510,652	3,913,624	3,835,842	3,385,540	3,027,083	2,471,081	2,109,293	2,450,209	1,999,581	1,925,251
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	10,901,149	10,161,966	10,034,899	9,433,133	9,639,197	9,510,819	9,264,178	8,882,929	8,625,914	7,737,514
Contribution as a percentage of covered-employee payroll	32.2%	38.5%	38.2%	35.9%	31.4%	26.0%	22.8%	27.6%	23.2%	24.9%

See Independent Auditor's Report.

## Town of Colonie, New York

### Supplementary Information - Nonmajor Governmental Funds

The Town maintains eight special revenue funds that are not considered major governmental funds. These nonmajor special revenue funds include the following:

- The General-Town Outside Villages Fund was created to account for the assets, liabilities, fund balance, and activities of certain services provided to residents who are not located within one of the two villages contained in the Town and is funded primarily by sales taxes.
- The Community Development Special Grant Fund was created to account for the assets, liabilities, fund balance, and activities of the Town's Section 8 Housing Choice Voucher, HOME, Community Development Block Grant, and Housing Development Programs and is funded by various state and federal grants.
- The Library Fund was created to account for the assets, liabilities, fund balance, and activities of the William K. Sanford Town Library and is funded principally through property taxes.
- The Drainage District Fund was created to account for the assets, liabilities, fund balance, and activities of the Albany Street Drainage District for a drainage project and is funded through a special assessment on the property owners in the District.
- The Fire Protection District Funds were created to account for the activities of fire protection service contracts between the Town and four nonprofit fire companies and is funded through property taxes.
- The Refuse and Garbage District Fund was created to account for the assets, liabilities, fund balance, and activities of the Maplewood portion of the Town for separate refuse and garbage collection services and is funded through a special assessment on the property owners in the District.
- The Water District Fund was created to account for the assets, liabilities, fund balance, and activities of the Maplewood portion of the Town for separate water transmission services and is funded through a special assessment on the property owners in the District.

The following are financial statements for these nonmajor governmental funds:

# Town of Colonie, New York

## Supplementary Information - Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2015

	Nonmajor Funds						Total Non-Major Governmental Funds
	General, Outside Village	Community Development Special Grant	Library	Drainage District	Refuse and Garbage District	Water District	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 49,905	\$ 1,002,083	\$ 45,127	\$ 48,067	\$ 17,395	\$ 11,267	\$ 1,173,844
Cash and cash equivalents, restricted	158,224	80,654	21,048	-	-	-	259,926
State and Federal aid receivables	-	12,515	-	-	-	-	12,515
Due from other governments	597,446	-	-	-	-	-	597,446
Other accounts receivable, net	32,474	4,174	-	-	-	-	36,648
Due from other funds	60,000	-	326,229	-	-	-	386,229
<b>Total assets</b>	<b><u>\$ 898,049</u></b>	<b><u>\$ 1,099,426</u></b>	<b><u>\$ 392,404</u></b>	<b><u>\$ 48,067</u></b>	<b><u>\$ 17,395</u></b>	<b><u>\$ 11,267</u></b>	<b><u>\$ 2,466,608</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 5,951	\$ 5,757	\$ 2,675	\$ -	\$ -	\$ -	\$ 14,383
Accrued liabilities	55,306	-	17,346	-	-	-	72,652
Other liabilities	15,733	65,981	-	-	-	-	81,714
Due to other governments	269,085	-	168,177	-	-	-	437,262
Due to other funds	310,075	2,823	-	-	2,708	-	315,606
Unearned revenue	39,697	-	31,708	-	-	-	71,405
Total liabilities	<u>695,847</u>	<u>74,561</u>	<u>219,906</u>	<u>-</u>	<u>2,708</u>	<u>-</u>	<u>993,022</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Revenue earned but unavailable	-	4,174	-	-	-	-	4,174
<b>FUND BALANCE</b>							
Restricted	-	18,608	-	-	-	-	18,608
Committed, assigned, and unassigned	202,202	1,002,083	172,498	48,067	14,687	11,267	1,450,804
Total fund balance	<u>202,202</u>	<u>1,020,691</u>	<u>172,498</u>	<u>48,067</u>	<u>14,687</u>	<u>11,267</u>	<u>1,469,412</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 898,049</u></b>	<b><u>\$ 1,099,426</u></b>	<b><u>\$ 392,404</u></b>	<b><u>\$ 48,067</u></b>	<b><u>\$ 17,395</u></b>	<b><u>\$ 11,267</u></b>	<b><u>\$ 2,466,608</u></b>

See Independent Auditor's Report.

# Town of Colonie, New York

## Supplementary Information - Combining Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governments Funds

	Year Ended December 31, 2015							Total Non-Major Governmental Funds
	Nonmajor Funds							
	General, Outside Village	Community Development Special Grant	Library	Drainage District	Fire Protection District	Refuse and Garbage District	Water District	
<b>REVENUES</b>								
Real property taxes and tax items	\$ -	\$ -	\$ 2,530,323	\$ -	\$ 4,084,242	\$ 30,500	\$ 13,000	\$ 6,658,065
Sales and use tax	2,684,612	-	-	-	-	-	-	2,684,612
Departmental income	240,125	42,856	44,544	-	-	-	-	327,525
Interest and use of property	274	2,157	664	-	-	-	-	3,095
Licenses and permits	980,230	-	-	-	-	-	-	980,230
Miscellaneous	1,664	-	27,314	-	-	-	-	28,978
Interfund revenue	60,000	-	-	-	-	-	-	60,000
State aid	456,567	-	22,686	-	-	-	-	479,253
Federal aid	-	2,870,219	-	-	-	-	-	2,870,219
Total revenues	<u>4,423,472</u>	<u>2,915,232</u>	<u>2,625,531</u>	<u>-</u>	<u>4,084,242</u>	<u>30,500</u>	<u>13,000</u>	<u>14,091,977</u>
<b>EXPENDITURES</b>								
General government support	232,583	-	-	-	-	-	-	232,583
Public safety	1,017,475	-	-	-	4,084,242	-	-	5,101,717
Health	4,313	-	-	-	-	-	-	4,313
Transportation	843,306	-	-	-	-	-	-	843,306
Culture and recreation	-	-	1,939,403	-	-	-	-	1,939,403
Home and community services	954,322	2,869,530	-	-	-	32,500	14,576	3,870,928
Employee benefits	1,312,082	33,849	615,758	-	-	-	-	1,961,689
Debt service, principal	12,012	-	50,100	3,000	-	-	-	65,112
Debt service, interest	98	-	9,288	-	-	-	-	9,386
Capital outlay	17,496	-	-	-	-	-	-	17,496
Total expenditures	<u>4,393,687</u>	<u>2,903,379</u>	<u>2,614,549</u>	<u>3,000</u>	<u>4,084,242</u>	<u>32,500</u>	<u>14,576</u>	<u>14,045,933</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of property and compensation for loss	-	-	17,590	-	-	-	-	17,590
<b>NET CHANGE IN FUND BALANCE</b>	<b>29,785</b>	<b>11,853</b>	<b>28,572</b>	<b>(3,000)</b>	<b>-</b>	<b>(2,000)</b>	<b>(1,576)</b>	<b>63,634</b>
<b>FUND BALANCE, beginning of year</b>	<u>172,417</u>	<u>1,008,838</u>	<u>143,926</u>	<u>51,067</u>	<u>-</u>	<u>16,687</u>	<u>12,843</u>	<u>1,405,778</u>
<b>FUND BALANCE, end of year</b>	<u><b>\$ 202,202</b></u>	<u><b>\$ 1,020,691</b></u>	<u><b>\$ 172,498</b></u>	<u><b>\$ 48,067</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 14,687</b></u>	<u><b>\$ 11,267</b></u>	<u><b>\$ 1,469,412</b></u>

See Independent Auditor's Report.