

Town of Colonie, New York

Financial Report

December 31, 2014

Town of Colonie, New York

Financial Report

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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, 2014, 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, 2014, 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 1e, the Town changed its method of accounting for self-insurance activities in the fiscal year ended December 31, 2014. Our opinion is 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, and Other Postemployment Benefits - Schedule of Funding Progress, on pages 4 through 24, 67 and 68, and 69, 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 27, 2015, 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.

SaxBST LLP

Albany, New York
August 27, 2015

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

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 Wal-Mart, Sam's Club, and Home Depot stores, opened in August 1993 and 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. 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, 2014

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, 2014.

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 five years, 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. 2014 marks the fourth year of fund balance growth for the combined governmental funds, and the third 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, 2014

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 other postemployment benefits (OPEB). In 2008, the Town began the required recognition of OPEB, which totals approximately \$35.7 million as of December 31, 2014. While accounting standards require the recognition of this liability on the entity-wide financial statements as of the balance sheet 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 nearly \$4.8 million liability will not be paid out in the near term but as the Town's active employees retire or leave Town service.

If the impact of these two reporting requirements were excluded from the government-wide financial statements, the Town would have an unrestricted government-wide surplus of \$7,850,961 as of December 31, 2014, rather than a deficit of approximately \$32,641,000.

Other financial highlights for 2014 are as follows:

- At the end of the fiscal year, the General Fund reported a fund balance of \$1,201,315. This represents an increase in the fund balance of approximately \$152,000 over 2013, as restated. Approximately half (\$591,660) of this fund balance is restricted by third parties for public safety purposes and the payment of judgments and claims.
- For the third 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, 2014. 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 \$305,597 as of December 31, 2014. This is directly related to the recognition of \$1.9 million in OPEB liability, similar to the entity-wide statements.
- For governmental funds, the principal sources of the Town's revenue are real property taxes of \$23.2 million (33.8%), sales and use taxes of \$23.1 million (33.7%), state and federal aid of \$6.7 million (9.8%), and charges for services of \$7.9 million (11.6%), all of which are fairly consistent with 2013.
- The business-type activities (Pure Waters, Latham Water, and the Town Environmental Services Department) derived 53.7% (\$12.3 million) of their revenue from charges for services, and 45.5% (\$10.5 million) through ad valorem tax assessments, which like the governmental funds is consistent with 2013. The Environmental Services Department also recognized approximately \$6.9 million in 2014, as compared to \$10.6 million in 2013, as a result of the service concession arrangement it entered into in 2011. The decrease was attributable to larger percentage of waste facility capacity use in 2013 as compared to 2014.
- The largest expense in the Town continue to be salaries and benefits. In 2014, salaries were \$36,190,954, an increase of \$52,481 (0.15%) from 2013 and benefits, before other postemployment benefit (OPEB), \$21,874,271, an increase of \$1,056,552 (5.1%) from 2013. Salaries and benefits combined account for 58.0% of expenses, exclusive of the change in OPEB.
- Debt service costs make up approximately \$11,999,623 of the 2014 Town-wide budget, or about 14% of total expenditures.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

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	Fund Statements		
	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. Statement of revenues, expenditures, and changes in fund balances 3. 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 fund 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

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.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

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, 2014 and 2013.

The amount by which the Town's entity-wide assets exceed its liabilities and deferred inflows of resources is called net position. At year-end 2014, the Town's net position approximated \$(3,600,000). Of that amount, approximately \$24,566,000 was invested in capital assets, net of related debt, and \$4,488,000 was restricted for other purposes. Therefore, the Town has an entity-wide unrestricted deficit of approximately \$(32,641,000). Total net position decreased \$6,197,444 from the 2013 net position, primarily due to annual depreciation of capital assets, and recognition of the annual change in the OPEB obligation.

Overall, entity-wide expenses decreased during 2014 by approximately \$3,015,000. This was principally the result of lower revisions to the landfill closure/post-closure liability and depreciation of landfill cells both associated with lower usage rates in 2014 than in 2013, a combined impact of \$2,605,000. There were increases of approximately \$1,229,000 and \$246,000 in employee benefits and other depreciation, respectively, offset by decreases of \$1,510,000 and \$504,000 in contractual and interest expenses, respectively. Salaries and insurance were essentially flat with only \$52,000 and \$77,500 increases, respectively.

Overall, entity-wide revenues remained stable showing a slight increase of approximately \$514,000 (0.52%); however, there were significant fluctuations in the various types of revenues. Tax revenues (property and ad valorem) and charges for services increased \$1,543,000 and \$2,801,000, respectively, primarily due to rate increases and additional use of services. Sales tax increased \$952,000 primarily due to improved economic conditions within the Town. These increases were offset by decreases in Federal and State aid of \$1,813,000 and revenue recognized from the service concession arrangement for the solid waste management facility of \$3,717,000.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements

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. The prior year (2013) column and opening 2014 fund balances have been restated to reflect the change in accounting policy related to the self-insured workers' compensation costs. (See Note 1e).

Financial Position

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
General Town-Wide Fund				
Cash and cash equivalents	\$ 1,198,433	\$ 1,201,509	\$ (3,076)	-0.26%
Receivables/other	7,673,084	7,543,250	129,834	1.72%
Due from other funds	<u>5,963,049</u>	<u>6,006,718</u>	<u>(43,669)</u>	-0.73%
 Total assets	 <u>\$ 14,834,566</u>	 <u>\$ 14,751,477</u>	 <u>\$ 83,089</u>	 0.56%
Accounts payable and accrued expenses	\$ 8,477,893	\$ 10,046,625	\$ (1,568,732)	-15.61%
Revenue anticipation note	3,200,000	3,200,000	-	0.00%
Due to other funds	<u>1,955,358</u>	<u>455,293</u>	<u>1,500,065</u>	329.47%
Total liabilities	<u>13,633,251</u>	<u>13,701,918</u>	<u>(68,667)</u>	-0.50%
 Fund balance	 <u>1,201,315</u>	 <u>1,049,559</u>	 <u>151,756</u>	 14.46%
 Total liabilities and fund balance	 <u>\$ 14,834,566</u>	 <u>\$ 14,751,477</u>	 <u>\$ 83,089</u>	 0.56%
Highway Fund				
Cash and cash equivalents	\$ 1,379,244	\$ 1,229,743	\$ 149,501	12.16%
Receivables	<u>2,041,577</u>	<u>1,768,863</u>	<u>272,714</u>	15.42%
 Total assets	 <u>\$ 3,420,821</u>	 <u>\$ 2,998,606</u>	 <u>\$ 422,215</u>	 14.08%
Accounts payable and accrued expenses	\$ 498,161	\$ 538,202	\$ (40,041)	-7.44%
Due to other funds	<u>2,077,098</u>	<u>1,617,523</u>	<u>459,575</u>	28.41%
Total liabilities	<u>2,575,259</u>	<u>2,155,725</u>	<u>419,534</u>	19.46%
 Fund balance	 <u>845,562</u>	 <u>842,881</u>	 <u>2,681</u>	 0.32%
 Total liabilities and fund balance	 <u>\$ 3,420,821</u>	 <u>\$ 2,998,606</u>	 <u>\$ 422,215</u>	 14.08%
Special Miscellaneous Revenue				
Cash and cash equivalents	<u>\$ 8,094,873</u>	<u>\$ 6,795,117</u>	<u>\$ 1,299,756</u>	19.13%
 Total assets	 <u>\$ 8,094,873</u>	 <u>\$ 6,795,117</u>	 <u>\$ 1,299,756</u>	 19.13%

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

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>
Special Miscellaneous Revenue				
Accounts payable and accrued expenses	\$ 197,063	\$ 101,683	\$ 95,380	93.80%
Due to other funds	8,000	101,762	(93,762)	-92.14%
Total liabilities	<u>205,063</u>	<u>203,445</u>	1,618	0.80%
 Fund balance	 <u>7,889,810</u>	 <u>6,591,672</u>	 <u>1,298,138</u>	 19.69%
Total liabilities and fund balance	<u>\$ 8,094,873</u>	<u>\$ 6,795,117</u>	<u>\$ 1,299,756</u>	19.13%
 Capital Projects Fund				
Cash and cash equivalents	\$ 2,767,803	\$ 2,992,033	\$ (224,230)	-7.49%
Receivables	-	120,766	(120,766)	-100.00%
Deposits with other governments	-	491,000	(491,000)	100.00%
Due from other funds	<u>921,103</u>	<u>830,345</u>	<u>90,758</u>	10.93%
Total assets	<u>\$ 3,688,906</u>	<u>\$ 4,434,144</u>	<u>\$ (745,238)</u>	-16.81%
Accounts payable and accrued expenses	\$ 157,859	\$ 836,701	\$ (678,842)	-81.13%
Bond anticipation notes	5,952,765	8,540,925	(2,588,160)	-30.30%
Due to other funds	<u>241,594</u>	<u>378,677</u>	<u>(137,083)</u>	100.00%
Total liabilities	6,352,218	9,756,303	(3,404,085)	-34.89%
Fund deficit	<u>(2,663,312)</u>	<u>(5,322,159)</u>	<u>2,658,847</u>	-49.96%
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,688,906</u>	<u>\$ 4,434,144</u>	<u>\$ (745,238)</u>	-16.81%
 Other Governmental Funds				
Cash and cash equivalents	\$ 910,634	\$ 707,725	\$ 202,909	28.67%
Investments	500,000	-	500,000	100.00%
Receivables	466,618	1,331,150	(864,532)	-64.95%
Due from other funds	<u>344,641</u>	<u>296,287</u>	<u>48,354</u>	16.32%
Total assets	<u>\$ 2,221,893</u>	<u>\$ 2,335,162</u>	<u>\$ (113,269)</u>	-4.85%
Accounts payable and accrued expenses	\$ 558,861	\$ 631,571	\$ (72,710)	-11.51%
Due to other funds	<u>256,299</u>	<u>300,369</u>	<u>(44,070)</u>	-14.67%
Total liabilities	815,160	931,940	(116,780)	-12.53%
Deferred inflows of resources	955	3,815	(2,860)	-74.97%
Fund balance	<u>1,405,778</u>	<u>1,399,407</u>	<u>6,371</u>	0.46%
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 2,221,893</u>	<u>\$ 2,335,162</u>	<u>\$ (113,269)</u>	-4.85%

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements - Continued

Results of Operations

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
General Town-Wide Fund				
Revenues	\$ 43,724,948	\$ 42,904,145	\$ 820,803	1.91%
Expenditures	46,708,614	46,157,311	551,303	1.19%
Other financing sources	35,422	-	35,422	100.00%
Interfund transfers	3,100,000	3,144,358	(44,358)	-1.41%
Net change in fund balance	151,756	(108,808)	260,564	-239.47%
Fund balance, <i>beginning of year</i>	1,049,559	1,158,367	(108,808)	-9.39%
Fund balance, <i>end of year</i>	<u>\$ 1,201,315</u>	<u>\$ 1,049,559</u>	<u>\$ 151,756</u>	14.46%
Highway Fund				
Revenues	\$ 9,253,273	\$ 8,839,213	\$ 414,060	4.68%
Expenditures	9,282,172	8,404,132	878,040	10.45%
Other financing sources (uses)	31,580	56,869	(25,289)	100.00%
Net change in fund balance	2,681	491,950	(489,269)	-99.46%
Fund balance, <i>beginning of year</i>	842,881	350,931	491,950	140.18%
Fund balance, <i>end of year</i>	<u>\$ 845,562</u>	<u>\$ 842,881</u>	<u>\$ 2,681</u>	0.32%
Special Miscellaneous Revenue				
Revenues	\$ 1,342,646	\$ 768,665	\$ 573,981	74.67%
Expenditures	44,508	140,158	(95,650)	-68.24%
Excess of revenues over				
Net change in fund balance	1,298,138	628,507	669,631	106.54%
Fund balance, <i>beginning of year</i>	6,591,672	5,963,165	628,507	10.54%
Fund balance, <i>end of year</i>	<u>\$ 7,889,810</u>	<u>\$ 6,591,672</u>	<u>\$ 1,298,138</u>	19.69%
Capital Project Funds				
Revenues	\$ 560,061	\$ 1,656,759	\$ (1,096,698)	-66.20%
Expenditures	5,776,789	5,625,574	151,215	2.69%
Other financing sources	7,875,575	997,853	6,877,722	689.25%
Net change in fund balance	2,658,847	(2,970,962)	5,629,809	-189.49%
Fund deficit, <i>beginning of year</i>	(5,322,159)	(2,351,197)	(2,970,962)	126.36%
Fund deficit, <i>end of year</i>	<u>\$ (2,663,312)</u>	<u>\$ (5,322,159)</u>	<u>\$ 2,658,847</u>	-49.96%
Other Governmental Funds				
Revenues	\$ 13,719,365	\$ 14,297,688	\$ (578,323)	-4.04%
Expenditures	13,729,773	13,644,570	85,203	0.62%
Other financing sources	3,288,061	11,000	3,277,061	100.00%
Other financing uses	3,271,282	-	3,271,282	100.00%
Net change in fund balance	6,371	664,118	(657,747)	-99.04%
Fund balance, <i>beginning of year</i>	1,399,407	735,289	664,118	90.32%
Fund balance, <i>end of year</i>	<u>\$ 1,405,778</u>	<u>\$ 1,399,407</u>	<u>\$ 6,371</u>	0.46%

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements - Continued

General Town-Wide Fund

Total assets increased by approximately \$83,000 due to a combination of decreased cash and interfund receivables, offset by increased third-party receivables. Cash balances were basically stable showing only a \$3,000 decrease and interfund receivables were \$43,700 lower than year-end 2013. The increased third-party receivables are the result of increased EMS revenue due to increased call volume in 2014. The lower level of due from other funds and conversely the increase in due to other funds is the result of lower interfund reimbursements related to the timing of accounts payable at year end.

Liabilities overall decreased by \$68,700 from 2013 to 2014, primarily due to the timing of interfund payables as discussed above. Accounts payable and accrued expenses were down \$2,055,000 due to decreased accrued payroll and timing of accounts payable at year end, offset by increased retirement system contributions.

Total revenue increased by \$821,000 primarily because of budgeted increases in property tax revenue \$625,000. The balance is the net effect of various other increases and decreases. Sales tax from the County was higher by \$650,000 but was offset by a reduction in the mortgage tax allocation by \$894,000. The sale of property was down by \$564,000 due to the \$400,000 proceeds from the sale of an EMS station in 2013. These decreases were offset by increased EMS fees related to an increase in call volume back to 2012 levels (\$611,000), and interfund revenues are also due to higher administrative chargebacks to the enterprise funds (\$544,000).

Like revenues, expenditures were also up for 2014 from 2013 levels by about \$551,300. This increase was primarily the result of higher employee benefit costs (\$756,000) and the scheduled pay down of debt (\$206,000); offset by reduced spending on contractual expenses and capital related items.

Highway Fund

Total assets increased about \$422,000 from 2013 to 2014, from a combination of \$149,000 more in cash and \$273,000 higher sales tax receivables at year-end 2014. 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 2014.

Overall, liabilities increased about \$420,000 at year-end 2014 from a combination of decreases in accounts payable and accrued expenses (\$114,000) and increases due to other funds (\$460,000), refundable deposits (\$29,000), and employee retirement system contributions (\$45,000). The decrease in accrued expenses is attributable to the decreased accrued payroll. The due to other funds is related to the timing of accounts payable at year-end 2014.

The Highway Fund revenues were up by about \$414,000 for the year ended 2014 as compared to 2013. This was primarily the result of a higher sales tax allocation to the fund to cover its 2014 operations. An additional source of revenue is the proceeds placed in reserve by developers for the completion of paving to Town specifications upon completion of their projects. Reserve deposits for 2014 were about \$133,000 lower than 2013, the result of the timing of several larger development projects currently underway.

Operating costs for the Highway Fund increased significantly in 2014 from 2013 by approximately \$878,000. This was primarily in the areas of snow removal (\$411,000), scheduled debt service payments (\$169,000), and employee benefits (\$351,000). The winter months in 2014 were harsher than in 2013 requiring increased use of overtime, contractors, and salt. There were also significant increases in workers' compensation expenses and health insurance. There were only minor changes in salaries and wages (decrease \$65,000), contractual expenses (decrease \$6,000), and insurance (increase \$18,000).

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements - Continued

Special Miscellaneous Revenue Fund

Total assets and fund balance increased during 2014 by approximately \$1,300,000 as a result of departmental income offset by minimal expenditures. Total liabilities increased by \$1,600 primarily as a result of the timing of payments out of the Boght Mitigation Area related to reimbursement of water infrastructure improvements and a refund of overpayment into the area during 2013. The changes in accounts payable and accrued expenses offset the increase in due to other governments within the Boght Mitigation Area. A portion of the revenues within this area can be used by schools and fire companies within the area for reimbursement of eligible costs.

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.

Capital Projects Fund

Total assets decreased during 2014 by approximately \$745,000. Cash position and receivables decreased by \$224,000 and \$120,000, respectively, at the end of 2014. This was the result of continuation of the Town's capital plan. Additionally, the Town was required to advance \$491,000 to the New York State Department of Transportation for the Route 9 sidewalk project in 2013, which was repaid in 2014. The due from other funds balance was up because of the timing of CHIPS payments from New York State around year end.

Total liabilities decreased by \$3,404,000, as a result of the issuance of serial bonds in 2014 related to the Town's capital plan. Accounts payable and accrued expenses were up in 2013 because the Town of Colonie Industrial Development Agency advanced and granted the Town \$400,000 and \$91,000, respectively, related to the sidewalk project discussed above. The project was completed in 2014 so the deferred grant revenue was recognized as revenue, and the \$400,000 was repaid to the IDA. The due to other funds balance is the result of timing of accounts payable around year end.

2014 revenues were significantly lower than in 2013 because in 2013 the Town received \$1,192,735 in federal transportation aid in conjunction with Siena College Loop Road and South Colonie Safe Routes to School Projects. Both these projects were completed in 2013. Siena College also contributed the 20% local match for the Siena College Loop Road project, which accounts for the significant decrease in miscellaneous revenue. Additionally, \$64,000 of unbudgeted New York State CHIPS aid was used to offset paving program expenditures in 2014.

2014 expenditures were relatively consistent with prior years, other than inclusion of the two projects noted above which accounted for \$1.5 million of the transportation projects in 2013. 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.

Nonmajor Funds

Overall, the Town's nonmajor funds maintained their path to financial stability in 2014. Assets decreased by about \$113,000 primarily related to the reduction of funding to the Town's Section 8 program in the U.S. Department of Housing and Urban Development's efforts to "right size" the program's fund balance (\$44,000). This reduction was offset by increased interfund receivables for cash advances at year-end in the amount of \$48,000, and decreased receivables for the allocation of sales tax of \$163,000. The large community development receivable was repaid in May 2014 resulting in the significant increase in cash and investments.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements - Continued

Nonmajor Funds - Continued

The liabilities decreased by \$116,000 primarily through decreased payroll accruals and increased retirement system contributions accrued at year end. There was a small overall increase in fund balance due to the combination of various nonmajor funds.

Revenues decreased about \$578,000 primarily as a result of recognizing the unearned revenue related to the community development loan receivable in 2013. This was offset by increases in property taxes, state and federal aid, and licenses and permits. Other revenues saw minor decreases in 2014.

Other financing uses increased 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. The Library and Community Development funds saw minor operating increases of \$76,000 and \$98,000, respectively, while the General Outside-Village fund experienced a \$152,000 reduction in costs for 2014. The Library's increases are normal operating increases and not attributable to any one area. The Community Development increases are related to program delivery costs. The General Outside-Village decrease is related to a reduction in salary and benefit costs due to decreased staffing within certain departments of the Fund.

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>
Pure Waters				
Cash and cash equivalents	\$ 4,030,905	\$ 4,521,466	\$ (490,561)	-10.85%
Receivables	41,900	23,914	17,986	75.21%
Due from other funds	1,672,984	354,769	1,318,215	371.57%
Capital assets, net	18,615,988	17,470,045	1,145,943	6.56%
Total assets	<u>\$ 24,361,777</u>	<u>\$ 22,370,194</u>	<u>\$ 1,991,583</u>	8.90%
Accounts payable and accrued expenses	\$ 1,233,787	\$ 963,931	\$ 269,856	28.00%
Bond anticipation note	3,216,096	3,154,301	61,795	1.96%
Bonds payable	17,771,580	15,715,100	2,056,480	13.09%
Other noncurrent	2,421,830	2,153,266	268,564	12.47%
Due to other funds	24,081	26,031	(1,950)	-7.49%
Total liabilities	<u>24,667,374</u>	<u>22,012,629</u>	<u>2,654,745</u>	12.06%
Net position	<u>(305,597)</u>	<u>357,565</u>	<u>(663,162)</u>	-185.47%
Total liabilities and net position	<u>\$ 24,361,777</u>	<u>\$ 22,370,194</u>	<u>\$ 1,991,583</u>	8.90%

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

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>
Environmental Services Department				
Cash and cash equivalents	\$ 3,350,876	\$ 8,946,568	\$ (5,595,692)	-62.55%
Receivables	457,444	408,128	49,316	12.08%
Due from other funds	-	1,724	(1,724)	-
Management agreement	19,051,944	19,906,333	(854,389)	100.00%
Capital assets, net	<u>9,812,130</u>	<u>13,573,735</u>	<u>(3,761,605)</u>	-27.71%
Total assets	<u>\$ 32,672,394</u>	<u>\$ 42,836,488</u>	<u>\$ (10,164,094)</u>	-23.73%
Accounts payable and accrued expenses	\$ 154,148	\$ 189,213	\$ (35,065)	-18.53%
Bond anticipation note	88,589	301,775	(213,186)	-70.64%
Bonds payable	15,743,003	20,437,407	(4,694,404)	-22.97%
Landfill closure/post-closure	12,373,422	11,172,368	1,201,054	10.75%
Due to other funds	<u>1,240,003</u>	<u>1,527,882</u>	<u>(287,879)</u>	-18.84%
Total liabilities	29,599,165	33,628,645	(4,029,480)	-11.98%
Deferred inflows of resources	11,635,048	17,031,053	(5,396,005)	100.00%
Net position	<u>(8,561,819)</u>	<u>(7,823,210)</u>	<u>(738,609)</u>	9.44%
Total liabilities, deferred inflows of resources, and net position	<u>\$ 32,672,394</u>	<u>\$ 42,836,488</u>	<u>\$ (10,164,094)</u>	-23.73%
Latham Water				
Cash and cash equivalents	\$ 4,666,577	\$ 4,988,805	\$ (322,228)	-6.46%
Receivables	6,493,938	5,201,868	1,292,070	24.84%
Capital assets, net	<u>39,456,635</u>	<u>39,466,299</u>	<u>(9,664)</u>	-0.02%
Total assets	<u>\$ 50,617,150</u>	<u>\$ 49,656,972</u>	<u>\$ 960,178</u>	1.93%
Accounts payable and accrued expenses	\$ 938,402	\$ 930,367	\$ 8,035	0.86%
Bond anticipation note	1,883,550	3,482,279	(1,598,729)	-45.91%
Bonds payable	21,911,800	20,272,200	1,639,600	8.09%
Other noncurrent	4,235,477	3,680,740	554,737	15.07%
Due to other funds	<u>2,571,243</u>	<u>2,721,066</u>	<u>(149,823)</u>	-5.51%
Total liabilities	31,540,472	31,086,652	453,820	1.46%
Net position	<u>19,076,678</u>	<u>18,570,320</u>	<u>506,358</u>	2.73%
Total liabilities and net position	<u>\$ 50,617,150</u>	<u>\$ 49,656,972</u>	<u>\$ 960,178</u>	1.93%
Workers' Compensation Internal Service Fund				
Accounts payable and accrued expenses	\$ 1,639,404	\$ 1,093,288	\$ 546,116	49.95%
Total liabilities	<u>1,639,404</u>	<u>1,093,288</u>	<u>546,116</u>	49.95%
Net position	<u>(1,639,404)</u>	<u>(1,093,288)</u>	<u>(546,116)</u>	49.95%
Total liabilities and net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	0.00%

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements - Continued

Results of Operations

	<u>Current Year</u>	<u>Prior Year</u>	<u>\$ Change</u>	<u>% Change</u>
Pure Waters				
Operating revenue	\$ 7,923,178	\$ 7,531,551	\$ 391,627	5.20%
Operating expenses	7,910,119	7,311,460	598,659	8.19%
Operating income (loss)	13,059	220,091	(207,032)	-94.07%
Non-operating expenses	(676,221)	(627,412)	(48,809)	7.78%
Change in net position	(663,162)	(407,321)	(255,841)	62.81%
Net position, <i>beginning of year</i>	357,565	764,886	(407,321)	-53.25%
Net position, <i>end of year</i>	<u>\$ (305,597)</u>	<u>\$ 357,565</u>	<u>\$ (663,162)</u>	-185.47%
Environmental Services Department				
Operating revenue	\$ 1,416,684	\$ 1,078,048	\$ 338,636	31.41%
Operating expenses	5,164,552	7,782,961	(2,618,409)	-33.64%
Operating loss	(3,747,868)	(6,704,913)	2,957,045	-44.10%
Non-operating revenues	6,109,259	9,512,746	(3,403,487)	-35.78%
Transfers out	(3,100,000)	(3,144,358)	44,358	-1.41%
Change in net position	(738,609)	(336,525)	(402,084)	119.48%
Net position, <i>beginning of year</i>	(7,823,210)	(7,486,685)	(336,525)	4.49%
Net position, <i>end of year</i>	<u>\$ (8,561,819)</u>	<u>\$ (7,823,210)</u>	<u>\$ (738,609)</u>	9.44%
Latham Water				
Operating revenue	\$ 13,648,939	\$ 12,344,272	\$ 1,304,667	10.57%
Operating expenses	12,708,046	12,988,895	(280,849)	-2.16%
Operating income (loss)	940,893	(644,623)	1,585,516	-245.96%
Non-operating revenue (expense)	(434,535)	(543,590)	109,055	-20.06%
Change in net position	506,358	(1,188,213)	1,694,571	-142.62%
Net position, <i>beginning of year</i>	18,570,320	19,758,533	(1,188,213)	-6.01%
Net position, <i>end of year</i>	<u>\$ 19,076,678</u>	<u>\$ 18,570,320</u>	<u>\$ 506,358</u>	2.73%
Workers' Compensation Internal Service Fund				
Operating revenue	\$ 1,232,915	\$ 1,228,808	\$ 4,107	0.33%
Operating expenses	1,779,031	1,260,049	518,982	41.19%
Change in net position	(546,116)	(31,241)	(514,875)	1648.07%
Net position, <i>beginning of year</i>	(1,093,288)	(1,062,047)	(31,241)	2.94%
Net position, <i>end of year</i>	<u>\$ (1,639,404)</u>	<u>\$ (1,093,288)</u>	<u>\$ (546,116)</u>	49.95%

Pure Waters

Assets increased by approximately \$1,978,000 due to a net positive investment in capital assets of \$1,146,000 and increase in interfund receivables offset by reduced cash balances. The interfund receivables are the result of cash flow advances to other funds.

Overall, liabilities increased by about \$2,655,000 primarily from the net increase in bonds and bond anticipation notes. This \$2,119,000 increase was enhanced by a \$217,000 increase in the OPEB liability, and a \$79,000 total increase in compensated absences and long-term pension amortization. Additionally there was an increase of \$205,000 in accounts payable, accrued expenses, and retainage payable due to timing of payments around year end. Accrued interest on debt service also increased by \$46,000 which is related to the amount of debt outstanding. Due to the generation of net losses sustained during 2014, net position declined by \$663,000.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements - Continued

Pure Waters - Continued

Overall, revenue increased approximately 5.02% over the prior year, the result of an increase in the ad valorem tax and increased volume and size of user fees. Operating expenses increased by approximately \$599,000, or 8.2%, from 2013, primarily as a result of the return of the interfund chargeback to 2012 levels. Materials and supplies expenses, salaries, benefits, insurance, and depreciation were relatively consistent with 2013 levels.

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 was or will be significantly reduced. 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 \$10.2 million in 2014 due to the anticipated repayment of bonds and bond anticipation notes in the amount of \$4.9 million and depreciation of capital assets in the amount of \$2.8 million and transfers to the General Fund. Total liabilities decreased by \$4,029,000 due to the debt repayments discussed but were offset by a current year revision to the landfill closure post-closure liability of \$1.2 million. Additionally, approximately \$5.4 million of the deferred inflows from the service concession arrangement were recognized in 2014.

Total net position for the fund decreased to a total deficit of \$8.6 million, which will increase as the deferred inflow of resources is recognized as the solid waste facility is utilized.

Due to changes in the utility market, the methane gas to energy operation generated significantly more revenue in 2014 than in 2013 (\$312,000). There was a decline in the rate of landfill cell capacity used during 2014 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 \$960,000 as a result of a minor net reduction in capital assets (\$10,000) due to depreciation in excess of current year additions, a reduction in overall cash positions due to use of debt proceeds, and an increase in water usage receivables related to a rate increase.

The liabilities increased \$454,000 primarily as a result of increases in OPEB liability (\$539,000), additional pension obligations (\$128,000), a lower level of due to other funds (\$150,000) because of timing of year-end accounts payable, a slight increase in the net outstanding debt (\$41,000) all offset by a reduction in accrued payroll and other accrued expenses of \$122,000.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Financial Analysis of the Town's Financial Statements - Continued

There was a rate increase during 2014 that affected the receivables at year end and resulted in the significant increase in operating revenue. Operating expenses decreased 2.2%, or \$280,000, primarily due to net decreased costs of supplies, materials, and services related to operations. There was a significant decrease in the operating costs of the water treatment plants, but it was offset by minor increases in the administration and distribution systems of the Department.

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.

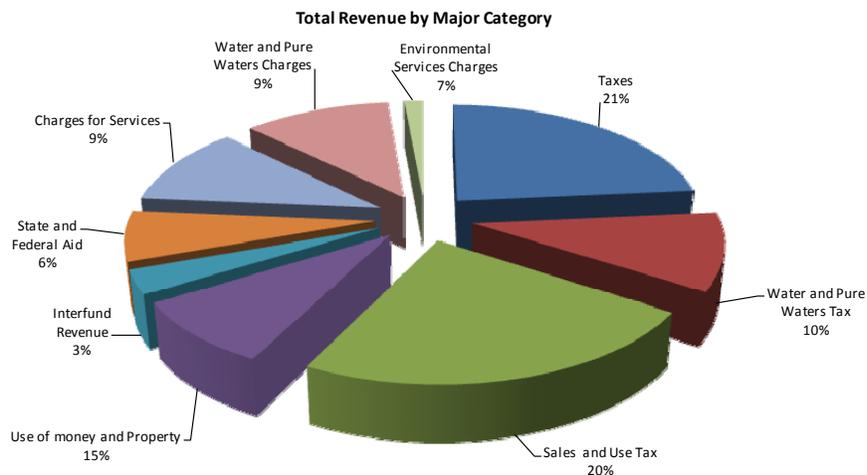
Prior to fiscal year 2014, the Town accounted for these liabilities within each respective fund. Upon review of the policy, it became apparent that it would be preferable from both an accounting and reporting perspective to use an internal service fund. A significant component of the workers' compensation 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 the 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 2014 was consistent with 2013, and the expenses incurred are up about \$519,000 as a direct correlation to the related liability as of the end of the year.

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

2014 Summary of Town-Wide Revenues (accrual basis)

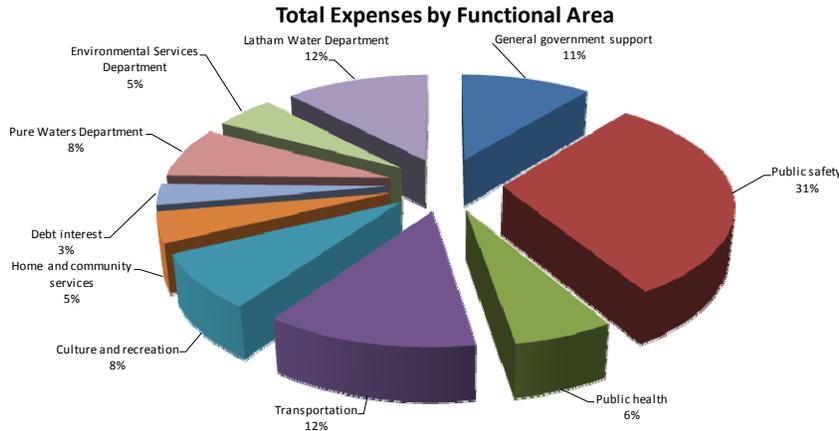


Town of Colonie, New York

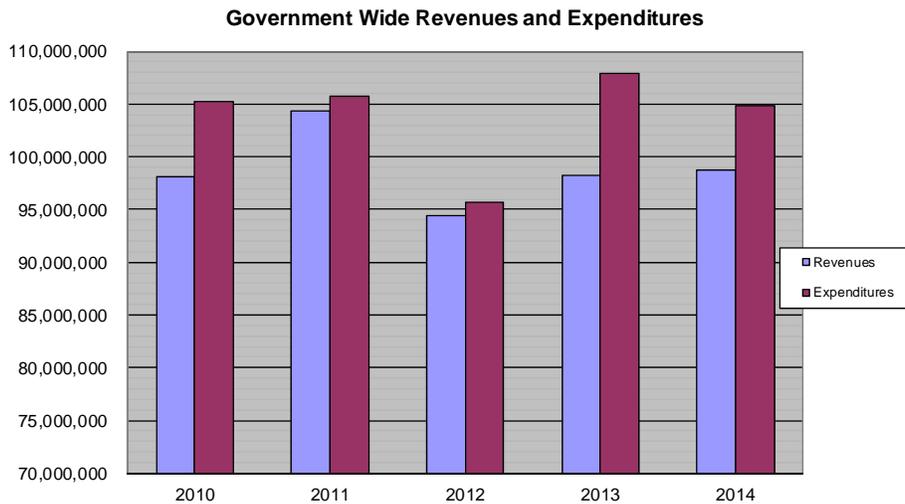
Management's Discussion and Analysis December 31, 2014

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

2014 Summary of Town-Wide Expenses (accrual basis)



Town-Wide Revenues and Expenditures for the Past Five Years



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.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

Town-Wide Revenues and Expenditures for the Past Five Years

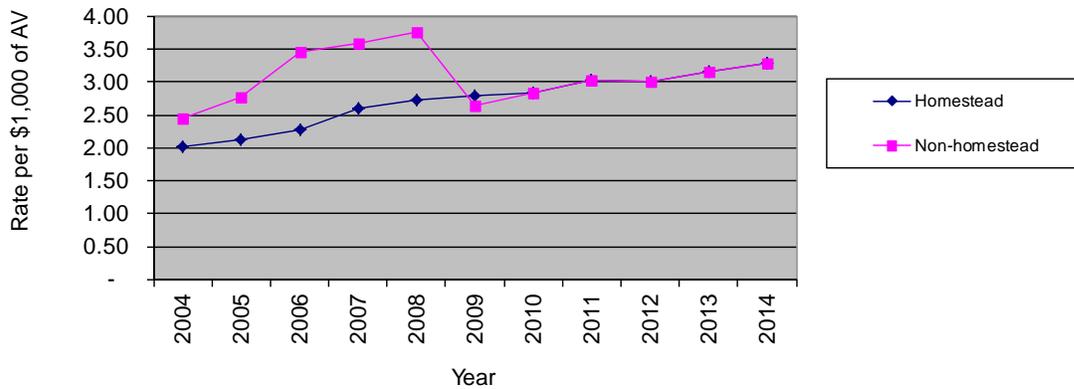
Over the same time period identified above, outstanding debt decreased from \$104.96 million (total Bonds, BANs, and RANs) to \$96.53 million, or 8.0%. This has been accomplished by implementing a capital review committee which reviews and prioritizes the projects to be financed. This committee attempts 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.

The graph below shows the real property taxes (levied from 2004 to 2014) for both homestead and non-homestead. The tax rate stayed relatively the same from 1997 through 2004. The following table shows the increase in percentage of the combined property and highway tax for the Town over the last five years:

	2010	2011	2012	2013	2014
Homestead	1.00%	7.00%	-0.50%	5.10%	3.47%
Non-Homestead	7.60%	7.00%	-0.50%	5.10%	3.47%

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.

During the time period from 2002 to 2006, the Town experienced significant increases in sales tax revenue ranging from a low of \$17.8 million to a high of \$23.1 million. As a result, the Town did not adjust tax rates significantly and, as sales tax revenue has declined and expenses increased, the financial difficulties have developed.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

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 67 and 68. The following are a few significant budgetary items during 2014.

Within the General Town-wide Fund, sales taxes were higher than originally budget by \$731,000 due to improved economic conditions during 2014; however, mortgage tax fell short of original expectations by \$338,000 due to a slowing in the housing market during the first half of 2014. The emergency services revenue rebounded to 2012 levels, while recreation revenues were significantly less than anticipated due to poor weather conditions over the summer of 2014. These revenue fluctuations were mitigated by a significant reduction in anticipated health insurance rates for 2014 and lower recreation costs resulting from decreased demand for the services.

The Highway Fund had similar increases in sales tax revenue allocations because of the increased costs primarily associated with winter maintenance and workers' compensation costs.

In all funds, any areas of over expenditure were able to be offset by areas that were under budget in 2014.

Capital Assets and Debt

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounted to \$117,894,000 (net of accumulated depreciation and disposals). This investment in capital assets includes buildings and improvements, machinery and equipment, infrastructure, and construction in progress. A breakdown of this year's significant investments is as follows:

General Fund

\$ 455,200	Public Safety Building roof replacement
39,500	Public Safety Building generator
106,300	Recreation facility improvements
30,000	Emergency Medical Services station roof replacement
60,700	Emergency Medical Services vehicle and equipment
35,700	Emergency Medical Services electronic records system
290,000	Police vehicles (13)

Highway

\$ 66,000	Dump truck
491,000	Route 9 sidewalk installation
1,845,600	Sand Creek Road reconstruction
305,800	Maxwell Road extension

Library

\$ 47,600	Elevator improvements
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Latham Water District

\$ 120,000	Water plant improvements
712,000	Sand Creek Road main improvements
25,000	Water vehicle

Pure Waters

\$ 260,000	Sand Creek Road main improvements
48,000	Sewer vehicles and equipment
1,301,000	Sewer plant screen/grit improvements
536,000	Sewer pump station improvements

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

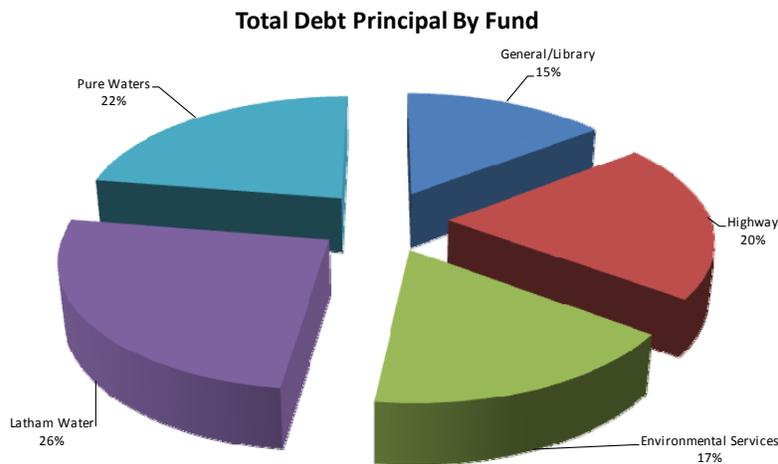
Capital Assets and Debt - Continued

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, 2014, is \$93,328,399, a decrease of \$1,293,100 over the previous year.

As of December 31, 2014, a summary of the Town's unused debt limit is as follows:

Town's legal debt limit	<u>\$ 582,396,288</u>
Town's indebtedness	93,328,399
Less legal exclusion	<u>36,202,449</u>
Net indebtedness	<u>57,125,950</u>
Deduct net indebtedness	<u>57,125,950</u>
Town's unused debt limit	<u><u>\$ 525,270,338</u></u>
Percent of legal indebtedness used	9.81%

2014 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 2014. Moody's Investor Service has not reviewed the Town's Baa1 rating since April 2012. While the Standard and Poor's Rating Services rating places the Town's debt within the upper medium quality investment grade, rather than medium quality investment grade, it is not officially an "upgrade" as Standard and Poor's had not previously rated the Town's debt.

Town of Colonie, New York

Management's Discussion and Analysis December 31, 2014

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 but 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 has begun to feel the effects of the recognition of the OPEB liability and is showing a deficit net position of \$319,000. The remaining Town Funds were able to maintain the positive fund balances and slightly increase them in 2014. Total governmental fund balances grew by \$4,118,000 in 2014 through profitable operations.

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 2014, 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 overly dependent on the annual interfund contribution of excess profits from the Environmental Services Department Fund. To that extent, in 2007 the annual contribution pushed the Environmental Services Department into an overall deficit situation for the year. This was corrected in 2008 and, although the budgeted and actual transfer for 2008 was larger than 2007, the Environmental Services Department was left with an overall profit in excess of \$575,000. In 2009, the budgeted and actual transfers were reduced from the 2008 levels and, due to the Environmental Services Department's declining revenue position, the actual transfers taken were \$725,000 less than budget. In 2013, the transfer 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, 2014

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

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, 2014, the Town has an outstanding debt related to these amortizations totaling approximately \$9,480,300.

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

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 Craig T. Blair, Comptroller, Memorial Town Hall, and Newtonville, New York 12128.

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

	December 31, 2014		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash	\$ 11,834,120	\$ 8,134,835	\$ 19,968,955
Investments	500,000	-	500,000
Other receivables, net	2,101,307	6,477,966	8,579,273
Management agreement proceeds, current portion	-	2,300,000	2,300,000
Internal balances	2,162,343	(2,162,343)	-
Due from fiduciary funds	528,101	-	528,101
State and Federal aid receivables	53,693	-	53,693
Due from other governments	8,016,439	515,316	8,531,755
Other assets	9,840	-	9,840
Cash, restricted	2,516,867	3,913,523	6,430,390
NONCURRENT ASSETS			
Management agreement proceeds, less current portion	-	16,751,944	16,751,944
Capital assets, net of depreciation	50,009,637	67,884,753	117,894,390
Total assets	<u>77,732,347</u>	<u>103,815,994</u>	<u>181,548,341</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	4,482,518	213,205	4,695,723
Accrued liabilities	461,054	72,483	533,537
Retainage payable	15,000	174,021	189,021
Other liabilities	1,545,031	308,510	1,853,541
Unearned revenue	280,148	12,529	292,677
Revenue anticipation note payable	3,200,000	-	3,200,000
Bond anticipation notes payable	5,952,765	5,188,235	11,141,000
Due to other governments	278,570	447,536	726,106
Accrued pension liability	4,251,988	563,856	4,815,844
Accrued interest	341,967	678,911	1,020,878
Current portion of bonds payable	3,019,096	4,071,984	7,091,080
Current portion of installment purchase debts	253,565	-	253,565
Current portion of pension related debt	1,194,399	163,796	1,358,195
NONCURRENT LIABILITIES			
Bonds payable, less current portion	23,190,801	51,354,399	74,545,200
Installment purchase debts, less current portion	297,554	-	297,554
Judgments and claims	80,781	25,196	105,977
Landfill closure and post-closure costs	-	12,373,422	12,373,422
Due to other governments, less current portion	392,893	-	392,893
Pension related debt, less current portion	7,181,530	940,616	8,122,146
Compensated absences	4,230,874	546,407	4,777,281
Other postemployment benefits obligation	30,569,125	5,145,088	35,714,213
Total liabilities	<u>91,219,659</u>	<u>82,280,194</u>	<u>173,499,853</u>
DEFERRED INFLOWS			
Deferred service concession arrangement receipts	-	11,635,048	11,635,048
NET POSITION			
Net investment in capital assets	17,295,856	7,270,135	24,565,991
Restricted	599,655	3,888,327	4,487,982
Unrestricted (deficit)	<u>(31,382,823)</u>	<u>(1,257,710)</u>	<u>(32,640,533)</u>
TOTAL NET POSITION	<u>\$ (13,487,312)</u>	<u>\$ 9,900,752</u>	<u>\$ (3,586,560)</u>

See accompanying Notes to Financial Statements.

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

Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities							
General government support	\$ 11,473,399	\$ 1,501,840	\$ -	\$ -	\$ (9,971,559)	\$ -	\$ (9,971,559)
Public safety	32,039,955	1,436,130	59,471	7,280	(30,537,074)	-	(30,537,074)
Public health	6,190,080	4,308,387	-	-	(1,881,693)	-	(1,881,693)
Transportation	13,041,033	549,994	626,827	491,000	(11,373,212)	-	(11,373,212)
Economic assistance and opportunity	1,141	-	-	-	(1,141)	-	(1,141)
Culture and recreation	8,405,108	1,826,559	55,941	-	(6,522,608)	-	(6,522,608)
Home and community services	4,651,967	1,047,975	2,795,859	-	(808,133)	-	(808,133)
Debt interest	1,030,792	-	-	-	(1,030,792)	-	(1,030,792)
Total governmental activities	<u>76,833,475</u>	<u>10,670,885</u>	<u>3,538,098</u>	<u>498,280</u>	<u>(62,126,212)</u>	<u>-</u>	<u>(62,126,212)</u>
Business-type activities							
Pure Waters Department	8,607,122	271,959	-	-	-	(8,335,163)	(8,335,163)
Environmental Services Department	6,060,552	1,416,684	-	-	-	(4,643,868)	(4,643,868)
Latham Water Department	13,402,756	10,845,170	-	-	-	(2,557,586)	(2,557,586)
Total business-type activities	<u>28,070,430</u>	<u>12,533,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,536,617)</u>	<u>(15,536,617)</u>
Total	<u>\$ 104,903,905</u>	<u>\$ 23,204,698</u>	<u>\$ 3,538,098</u>	<u>\$ 498,280</u>	<u>(62,126,212)</u>	<u>(15,536,617)</u>	<u>(77,662,829)</u>
GENERAL REVENUES							
					23,188,835	10,454,988	33,643,823
					23,118,087	-	23,118,087
					20,720	19,401	40,121
					1,432,515	7,179,713	8,612,228
					(2,521)	24,343	21,822
					19,772	-	19,772
					3,169,198	-	3,169,198
					57,251	-	57,251
					2,783,083	-	2,783,083
					53,786,940	17,678,445	71,465,385
					3,100,000	(3,100,000)	-
					56,886,940	14,578,445	71,465,385
					(5,239,272)	(958,172)	(6,197,444)
					(8,248,040)	10,858,924	2,610,884
					<u>\$ (13,487,312)</u>	<u>\$ 9,900,752</u>	<u>\$ (3,586,560)</u>

See accompanying Notes to Financial Statements.

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

December 31, 2014						
Major Funds						
	General Fund	Highway Fund	Special Miscellaneous Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 168,452	\$ 139,973	\$ 8,094,873	\$ 2,767,803	\$ 663,019	\$ 11,834,120
Cash, restricted	1,029,981	1,239,271	-	-	247,615	2,516,867
Investments	-	-	-	-	500,000	500,000
State and Federal aid receivables	34,500	-	-	-	19,193	53,693
Due from other governments	5,617,081	1,971,858	-	-	427,500	8,016,439
Other accounts receivable, net	2,011,663	69,719	-	-	19,925	2,101,307
Due from other funds	5,963,049	-	-	921,103	344,641	7,228,793
Other assets	9,840	-	-	-	-	9,840
Total assets	<u>\$ 14,834,566</u>	<u>\$ 3,420,821</u>	<u>\$ 8,094,873</u>	<u>\$ 3,688,906</u>	<u>\$ 2,221,893</u>	<u>\$ 32,261,059</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)						
LIABILITIES						
Accounts payable	\$ 4,309,181	\$ 7,152	\$ -	\$ 151,462	\$ 14,723	\$ 4,482,518
Accrued liabilities	372,168	31,649	-	-	57,237	461,054
Other liabilities	4,007	132,788	-	6,397	70,945	214,137
Revenue anticipation note payable	3,200,000	-	-	-	-	3,200,000
Bond anticipation notes payable	-	-	-	5,952,765	-	5,952,765
Due to other governments	-	-	197,063	-	2,929	199,992
Accrued pension liability	3,539,751	326,442	-	-	385,795	4,251,988
Due to other funds	1,955,358	2,077,098	8,000	241,594	256,299	4,538,349
Unearned revenue	252,786	130	-	-	27,232	280,148
Total liabilities	<u>13,633,251</u>	<u>2,575,259</u>	<u>205,063</u>	<u>6,352,218</u>	<u>815,160</u>	<u>23,580,951</u>
DEFERRED INFLOWS OF RESOURCES						
Revenue earned but unavailable	-	-	-	-	955	955
FUND BALANCE (DEFICIT)						
Restricted	591,660	-	-	-	7,995	599,655
Unrestricted	609,655	845,562	7,889,810	(2,663,312)	1,397,783	8,079,498
Total fund balance (deficit)	<u>1,201,315</u>	<u>845,562</u>	<u>7,889,810</u>	<u>(2,663,312)</u>	<u>1,405,778</u>	<u>8,679,153</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 14,834,566</u>	<u>\$ 3,420,821</u>	<u>\$ 8,094,873</u>	<u>\$ 3,688,906</u>	<u>\$ 2,221,893</u>	<u>\$ 32,261,059</u>

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, 2014</u>
Total fund balance in the fund financial statements for the governmental funds	\$ 8,679,153
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.	50,009,637
<i>Liabilities</i>	
Current liabilities for interest payable on long-term debt are included in the government-wide financial statements.	(341,967)
Liabilities for retainage payable on construction commitments are included in the government-wide financial statements.	(15,000)
Liabilities for the retirement system for early incentive programs, long-term due to other governments, compensated absences, and other postemployment benefit obligations are included in the government-wide financial statements	
Due to the retirement system for amortization programs	(8,375,929)
Due to other governments, long-term	(471,471)
Due to employees for compensated absences	(4,230,874)
Due to employees for other postemployment benefits	<u>(30,569,125)</u>
	(43,647,399)
Bonded and installment purchase debt liabilities are included in the government-wide financial statements.	(26,761,016)
Liabilities for judgments and claims are included in the government-wide financial statements.	(80,781)
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.	(1,330,894)
<i>Deferred Inflows of Resources</i>	
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	955
<i>Interfund Activity</i>	
Amounts due between the various governmental activities are eliminated in the government-wide financial statements	
Due from other funds	2,865,365
Due to other funds	<u>(2,865,365)</u>
	-
Total net position per statement of net position	<u><u>\$ (13,487,312)</u></u>

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, 2014					Total Governmental Funds
	Major Funds				Non-Major Governmental Funds	
	General Fund	Highway Fund	Special Miscellaneous Revenue Fund	Capital Projects Fund		
REVENUES						
Real property taxes and tax items	\$ 16,663,208	\$ -	\$ -	\$ -	\$ 6,525,627	\$ 23,188,835
Sales and use tax	12,275,105	8,499,767	-	-	2,343,215	23,118,087
Departmental income	6,061,179	157,519	1,335,751	-	370,261	7,924,710
Intergovernmental charges	239,264	-	-	-	-	239,264
Interest and use of property	1,435,547	1,128	6,895	5,097	4,568	1,453,235
Licenses and permits	67,404	4,600	-	-	1,107,542	1,179,546
Fines and forfeitures	1,273,631	-	-	-	-	1,273,631
Miscellaneous	70,388	27,396	-	91,000	32,018	220,802
Interfund revenues	3,211,455	-	-	-	62,267	3,273,722
State aid	2,386,224	562,863	-	463,964	478,008	3,891,059
Federal aid	41,543	-	-	-	2,795,859	2,837,402
Total revenues	<u>43,724,948</u>	<u>9,253,273</u>	<u>1,342,646</u>	<u>560,061</u>	<u>13,719,365</u>	<u>68,600,293</u>
EXPENDITURES						
General government support	7,592,881	-	-	112,583	183,281	7,888,745
Public safety	14,620,205	-	-	2,788	5,060,035	19,683,028
Health	3,821,815	-	-	-	4,229	3,826,044
Transportation	536,465	5,491,170	35,162	1,928,979	803,427	8,795,203
Economic assistance and opportunity	1,141	-	-	-	-	1,141
Culture and recreation	3,963,059	-	1,346	17,427	1,942,643	5,924,475
Home and community services	136,771	-	8,000	-	3,853,695	3,998,466
Employee benefits	12,878,150	2,077,968	-	-	1,781,547	16,737,665
Debt service, principal	2,593,441	1,270,000	-	-	63,166	3,926,607
Debt service, interest	517,054	443,034	-	-	10,956	971,044
Capital outlay	47,632	-	-	3,715,012	26,794	3,789,438
Total expenditures	<u>46,708,614</u>	<u>9,282,172</u>	<u>44,508</u>	<u>5,776,789</u>	<u>13,729,773</u>	<u>75,541,856</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from issuance of serial bonds	-	-	-	6,599,200	-	6,599,200
Proceeds from issuance of current refunding bonds	-	-	-	-	3,235,000	3,235,000
Bond anticipation notes redeemed from appropriations	-	-	-	996,960	-	996,960
Proceeds from issuance of installment purchase debts	-	-	-	242,272	-	242,272
Premium on issuance of debt	-	-	-	37,143	36,282	73,425
Sale of property and compensation for loss	35,422	31,580	-	-	16,779	83,781
Payment of fiscal agent fees	-	-	-	-	(44,445)	(44,445)
Payment to escrow agent	-	-	-	-	(3,226,837)	(3,226,837)
Transfers in from other funds	3,100,000	-	-	-	-	3,100,000
Total other financing sources (uses)	<u>3,135,422</u>	<u>31,580</u>	<u>-</u>	<u>7,875,575</u>	<u>16,779</u>	<u>11,059,356</u>
NET CHANGE IN FUND BALANCE	151,756	2,681	1,298,138	2,658,847	6,371	4,117,793
FUND BALANCE (DEFICIT), beginning of year, as restated	<u>1,049,559</u>	<u>842,881</u>	<u>6,591,672</u>	<u>(5,322,159)</u>	<u>1,399,407</u>	<u>4,561,360</u>
FUND BALANCE (DEFICIT), end of year	<u>\$ 1,201,315</u>	<u>\$ 845,562</u>	<u>\$ 7,889,810</u>	<u>\$ (2,663,312)</u>	<u>\$ 1,405,778</u>	<u>\$ 8,679,153</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

	Year Ended December 31, 2014
	2014
Net change in fund balance, total governmental funds	\$ 4,117,793
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities those expenditures are reported as capital asset additions.	3,802,442
Governmental funds do not report depreciation expense. This is the total depreciation expense reported in the statement of activities.	(3,215,485)
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.	(79,534)
Governmental funds do not recognize the effect of revenues that do not provide current financial resources in the fund financial statements.	(2,860)
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.	(59,748)
Bond and installment purchase debt proceeds provide current 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.	(4,043,504)
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.	(1,197,912)
Governmental funds do not recognize the effect of the changes in other postemployment benefit obligations in the fund financial statements	(4,077,107)
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.	(483,357)
Governmental activities changes in net position per statement of activities	\$ (5,239,272)

See accompanying Notes to Financial Statements.

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

	December 31, 2014				
ASSETS	Pure Waters Department	Environmental Services Department	Latham Water Department	Total Business-Type Activities	Workers' Compensation Internal Service Fund
CURRENT ASSETS					
Cash and cash equivalents	\$ 3,871,111	\$ 6,865	\$ 4,256,859	\$ 8,134,835	\$ -
Cash, restricted	159,794	3,344,011	409,718	3,913,523	-
Other receivables, net	41,900	431,657	6,004,409	6,477,966	-
Management agreement proceeds, current portion	-	2,300,000	-	2,300,000	-
Due from other governments	-	25,787	489,529	515,316	-
Due from governmental activities	1,672,984	-	-	1,672,984	-
NONCURRENT ASSETS					
Management agreement proceeds, less current portion	-	16,751,944	-	16,751,944	-
Capital assets, net	18,615,988	9,812,130	39,456,635	67,884,753	-
Total assets	<u>24,361,777</u>	<u>32,672,394</u>	<u>50,617,150</u>	<u>107,651,321</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION					
CURRENT LIABILITIES					
Accounts payable	180,855	-	32,350	213,205	-
Accrued expenses	26,602	-	45,881	72,483	-
Retainage payable	135,760	-	38,261	174,021	-
Other liabilities	-	-	-	-	1,639,404
Unearned revenue	-	-	12,529	12,529	-
Bond anticipation notes payable	3,216,096	88,589	1,883,550	5,188,235	-
Due to governmental activities	24,081	1,240,003	2,571,243	3,835,327	-
Due to other governments	447,536	-	-	447,536	-
Accrued pension liability	178,060	-	385,796	563,856	-
Accrued interest	213,402	154,148	311,361	678,911	-
Current portion of bonds payable	1,043,380	1,258,904	1,769,700	4,071,984	-
Current portion of pension related debt	51,572	-	112,224	163,796	-
NONCURRENT LIABILITIES					
Bonds payable, less current portion	16,728,200	14,484,099	20,142,100	51,354,399	-
Judgments and claims	15,509	-	9,687	25,196	-
Landfill closure and post-closure costs	-	12,373,422	-	12,373,422	-
Pension related debt, less current portion	295,620	-	644,996	940,616	-
Compensated absences	231,386	-	315,021	546,407	-
Other postemployment benefits obligation	1,879,315	-	3,265,773	5,145,088	-
Total liabilities	<u>24,667,374</u>	<u>29,599,165</u>	<u>31,540,472</u>	<u>85,807,011</u>	<u>1,639,404</u>
DEFERRED INFLOW OF RESOURCES					
Deferred service concession arrangement receipts	-	11,635,048	-	11,635,048	-
NET POSITION					
Net investment in capital assets	(2,371,688)	(6,019,462)	15,661,285	7,270,135	-
Restricted for other purposes	144,285	3,344,011	400,031	3,888,327	-
Unrestricted (deficit)	1,921,806	(5,886,368)	3,015,362	(949,200)	(1,639,404)
Total net position	<u>\$ (305,597)</u>	<u>\$ (8,561,819)</u>	<u>\$ 19,076,678</u>	<u>\$ 10,209,262</u>	<u>\$ (1,639,404)</u>
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities				(308,510)	
Net assets of business-type activities				<u>\$ 9,900,752</u>	

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, 2014				
	Pure Waters Department	Environmental Services Department	Latham Water Department	Total Business-Type Activities	Workers' Compensation Internal Service Fund
OPERATING REVENUES					
Charges for services	\$ 269,744	\$ 1,390,149	\$ 10,680,961	\$ 12,340,854	\$ 1,232,915
Ad valorem tax	7,651,219	-	2,803,769	10,454,988	-
Miscellaneous services	2,215	26,535	164,209	192,959	-
Total operating revenues	7,923,178	1,416,684	13,648,939	22,988,801	1,232,915
OPERATING EXPENSES					
Personal services	1,662,556	-	3,463,964	5,126,520	-
Employee benefits	1,064,387	49,653	2,250,460	3,364,500	1,779,031
Other postemployment benefits	216,628	-	538,618	755,246	-
Supplies, materials, and services	3,854,062	66,293	4,679,005	8,599,360	-
Insurance	86,726	85,947	119,346	292,019	-
Depreciation	1,025,760	3,761,605	1,662,586	6,449,951	-
Closure and post-closure costs	-	1,201,054	-	1,201,054	-
Provision for uncollectible receivables	-	-	(5,933)	(5,933)	-
Total operating expenses	7,910,119	5,164,552	12,708,046	25,782,717	1,779,031
Operating income (loss)	13,059	(3,747,868)	940,893	(2,793,916)	(546,116)
NONOPERATING REVENUES (EXPENSES)					
Use of property	-	6,906,716	272,997	7,179,713	-
Gain on the sale of capital assets	9,000	-	15,343	24,343	-
Interest expense	(692,923)	(802,813)	(729,218)	(2,224,954)	-
Interest income	7,702	5,356	6,343	19,401	-
Total nonoperating revenues (expenses)	(676,221)	6,109,259	(434,535)	4,998,503	-
Income (loss) before transfers	(663,162)	2,361,391	506,358	2,204,587	(546,116)
TRANSFERS					
Operating transfers out	-	(3,100,000)	-	(3,100,000)	-
CHANGE IN NET POSITION	(663,162)	(738,609)	506,358	(895,413)	(546,116)
NET POSITION, beginning of year, as restated	357,565	(7,823,210)	18,570,320		(1,093,288)
NET POSITION, end of year	\$ (305,597)	\$ (8,561,819)	\$ 19,076,678		\$ (1,639,404)
Adjustments to reflect the consolidation of internal service fund activities related to business-type activities				(62,759)	
Change in net assets of business-type activities				\$ (958,172)	

See accompanying Notes to Financial Statements.

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

	Year Ended December 31, 2014				
	Pure Waters Department	Environmental Services Department	Latham Water Department	Total Business-Type Activities	Workers' Compensation Internal Service Fund
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Cash received from providing services	\$ 7,905,192	\$ 1,393,155	\$ 12,357,604	\$ 21,655,951	\$ 1,232,915
Cash paid for contractual expenses	(3,769,690)	(178,027)	(4,837,650)	(8,785,367)	-
Cash paid for personal services and employee benefits	(2,705,851)	(49,653)	(5,721,131)	(8,476,635)	(1,232,915)
	<u>1,429,651</u>	<u>1,165,475</u>	<u>1,798,823</u>	<u>4,393,949</u>	<u>-</u>
NET CASH PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES					
Interfund transfers out	-	(3,100,000)	-	(3,100,000)	-
Change in due from/to other funds	(1,320,165)	(286,155)	(149,823)	(1,756,143)	-
	<u>(1,320,165)</u>	<u>(3,386,155)</u>	<u>(149,823)</u>	<u>(4,856,143)</u>	<u>-</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(2,102,163)	-	(1,614,661)	(3,716,824)	-
Proceeds from sale of capital assets, net	22,590	-	15,343	37,933	-
Proceeds from the issuance of bond anticipation notes	3,120,000	-	1,834,000	4,954,000	-
Payments of debt principal (BANs, Bonds, and installment purchase debts)	(1,001,725)	(4,907,590)	(1,793,129)	(7,702,444)	-
Interest paid	(646,451)	(837,878)	(692,121)	(2,176,450)	-
Use of property	-	2,365,100	272,997	2,638,097	-
	<u>(607,749)</u>	<u>(3,380,368)</u>	<u>(1,977,571)</u>	<u>(5,965,688)</u>	<u>-</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES					
Interest income	7,702	5,356	6,343	19,401	-
	<u>7,702</u>	<u>5,356</u>	<u>6,343</u>	<u>19,401</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(490,561)	(5,595,692)	(322,228)	(6,408,481)	-
CASH AND CASH EQUIVALENTS, beginning of year	4,521,466	8,946,568	4,988,805	18,456,839	-
CASH AND CASH EQUIVALENTS, end of year	\$ 4,030,905	\$ 3,350,876	\$ 4,666,577	\$ 12,048,358	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 13,059	\$ (3,747,868)	\$ 940,893	\$ (2,793,916)	\$ (546,116)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Provision for bad debts	-	-	(5,933)	(5,933)	-
Depreciation	1,025,760	3,761,605	1,662,586	6,449,951	-
(Increase) decrease in					
Accounts receivable	(17,986)	(23,529)	(1,205,864)	(1,247,379)	-
Due from other governments	-	(25,787)	(80,273)	(106,060)	-
Increase (decrease) in					
Accounts payable	178,822	-	5,730	184,552	-
Accrued expenses	(57,414)	-	(128,209)	(185,623)	-
Other liabilities	-	-	-	-	546,116
Due to other governments	(6,462)	-	-	(6,462)	-
Deferred revenue	-	-	735	735	-
Accrued pension costs	24,634	-	53,373	78,007	-
Landfill closure and post-closure costs	-	1,201,054	-	1,201,054	-
Judgment and claims	(1,262)	-	(50,962)	(52,224)	-
Pension related debt	34,745	-	74,674	109,419	-
Compensated absences	19,127	-	(6,545)	12,582	-
Other postemployment benefits obligation	216,628	-	538,618	755,246	-
	<u>\$ 1,429,651</u>	<u>\$ 1,165,475</u>	<u>\$ 1,798,823</u>	<u>\$ 4,393,949</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, 2014		
	Benefit Trusts	Private Purpose Trust	Agency
ASSETS			
Cash and cash equivalents	\$ 516,818	\$ 7,771	\$ 4,149,558
Letters of credit	-	-	724,340
Investments	2,395,517	-	-
Contributions receivable	383,214	-	-
Prepaid benefits	6,295	-	-
	3,301,844	7,771	4,873,898
LIABILITIES			
Due to other governments	-	-	3,969
Due to other activities	-	-	528,101
Developer escrow funds	-	-	2,715,068
Bail deposits	-	-	98,324
Other liabilities	-	-	1,528,436
	-	-	4,873,898
NET POSITION			
Restricted			
Assets held in trust	\$ 3,301,844	\$ 7,771	\$ -

See accompanying Notes to Financial Statements.

Town of Colonie, New York

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

	Year Ended December 31, 2014	
	Benefit Trusts	Private Purpose Trust
ADDITIONS		
Employer contributions	\$ 303,916	\$ -
Interest and earnings	135,568	-
Investment fees	(18,131)	-
	421,353	-
DEDUCTIONS		
Benefits	222,098	-
Management fees	18,736	-
Net decrease in the fair value of investments	113,257	-
	354,091	-
CHANGE IN NET POSITION	67,262	-
NET POSITION, <i>beginning of year</i>	3,234,582	7,771
NET POSITION, <i>end of year</i>	\$ 3,301,844	\$ 7,771

See accompanying Notes to Financial Statements.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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, 2014

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 \$57,174 in support services provided during the year ended December 31, 2014. Additionally, during 2013, the IDA issued a grant (\$91,000) and loan (\$400,000) to the Town for the completion of sidewalks along the Route 9 corridor. The loan was repaid when the New York State Department of Transportation returned the funds to the Town at project completion in August 2014.

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, 2014.

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, 2014

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 sixty 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, 2014

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 and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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

e. Change in Accounting Policy

During the 2014 fiscal year, the Town changed its accounting policy related to its risk financing activities related to the Town's self-insured workers' compensation costs. U.S. GAAP allows for two alternatives in accounting for risk financing insurance related activities. 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 of the funds. 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, should not be reported in governmental funds 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 the workers' compensation costs.

A summary of the impact of this change on the December 31, 2013 fund balance/net position is as follows:

	As Originally Stated	Adjustment	As Restated
General Fund			
Other liabilities	\$ 366,069	\$ (366,069)	\$ -
Fund balance	683,490	366,069	1,049,559
Highway Fund			
Other liabilities	\$ 584,186	\$ (481,468)	\$ 102,718
Fund balance	361,413	481,468	842,881
Pure Waters Department			
Other liabilities	\$ 16,985	\$ (16,985)	\$ -
Net position	340,580	16,985	357,565
Environmental Services Department			
Other liabilities	\$ 158,916	\$ (158,916)	\$ -
Net position	(7,982,126)	158,916	(7,823,210)
Latham Water Department			
Other liabilities	\$ 69,850	\$ (69,850)	\$ -
Net position	18,500,470	69,850	18,570,320
Workers' Compensation Fund			
Other liabilities	\$ -	\$ 1,093,288	\$ 1,093,288
Net position	-	(1,093,288)	(1,093,288)

This change had no impact on the government-wide financial statements.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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

f. Cash and Cash Equivalents

The Town's cash and cash equivalents are defined as restricted and unrestricted short-term, highly liquid investments that are both readily convertible to known amounts of cash at maturity (90 days).

g. Investments

Investments in the Community Development Fund are certificates of deposit, which mature in excess of 90 days and are reported at the carrying amount, which reasonably estimates fair value.

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.

h. 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 "due from/due to."

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 \$1,140,477, \$57,053, and \$34,351 were reported for ambulance, landfill, and water receivables, respectively, at December 31, 2014.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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

i. Capital Assets, Net

Within the government-wide financial statements, capital assets (property, buildings, improvements other than buildings, 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. Depreciation expense in the government-wide financial statements includes amortization of deferred financing costs.

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

j. 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.

k. Unearned Revenues

The Town reports unearned revenues on the balance sheet of the governmental and proprietary funds. Unearned revenues arise when revenues have been received but not yet earned by the Town. In subsequent periods, when the Town has earned the revenue, the liability for unearned revenue is removed from the balance sheet, and revenue is recognized.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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

l. Long-Term Liabilities

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

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

m. 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 \$12,373,422 accrued as landfill closure and post-closure costs at December 31, 2014, represents the cumulative amount reported to date based on the use of the full capacity of Cells 1 through 4, 91.6% of the estimated capacity of Cell 5, and 77.67% 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 \$2,456,213 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 2014. 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.

n. Deferred Inflows Resources

In the governmental funds, the fund balance amount of \$8,679,153 includes the effect of deferring the recognition of revenues that are not received within the Town's 180-day availability period. The \$955 balance of deferred inflows of resources at December 31, 2014, will be recognized in future periods once payment is received.

For the Environmental Services Department, the unrestricted deficit net position amount of \$8,561,819 includes the effect of deferring the recognition of revenue from the solid waste facility service concession arrangement. The \$11,635,048 balance of the deferred inflow of resources at December 31, 2014, 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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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

o. 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.

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.

p. 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 320 retired participants during 2014 totaled \$1,795,302.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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

q. Subsequent Events

The Town has evaluated subsequent events for potential recognition or disclosure through August 27, 2015, 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 Community Development Special Grant Special 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.

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, 2014.

b. Fund Deficit

The Town has a fund deficit of \$2,663,312 in the Capital Projects Fund as of December 31, 2014, 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 \$8,561,819 in the Environmental Services Department Fund as of December 31, 2014. 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, the deficit will be eliminated.

The Town has a deficit net position of \$319,334 in the Pure Waters Department Fund as of December 31, 2014. This is the result of the required recognition of the other postemployment benefits liability of \$1,879,315. 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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 2 - Stewardship, Compliance, and Accountability - Continued

b. Fund Deficit - Continued

The Town has a deficit net position of \$1,639,404 in the Workers' Compensation Internal Service Fund as of December 31, 2014. 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.

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, 2014	Additions	Disposals/ Retirements	Balance December 31, 2014
Capital assets not being depreciated				
Land	\$ 18,556,148	\$ -	\$ -	\$ 18,556,148
Construction in progress	706,613	3,453,858	(3,753,812)	406,659
	<u>19,262,761</u>	<u>3,453,858</u>	<u>(3,753,812)</u>	<u>18,962,807</u>
Capital assets, being depreciated				
Buildings and improvements	30,827,036	678,571	(103,939)	31,401,668
Machinery and equipment	36,242,863	539,607	(125,107)	36,657,363
Infrastructure	9,576,658	2,899,219	-	12,475,877
	<u>76,646,557</u>	<u>4,117,397</u>	<u>(229,046)</u>	<u>80,534,908</u>
Less accumulated depreciation for				
Buildings and improvements	(16,285,773)	(838,807)	37,410	(17,087,170)
Machinery and equipment	(26,559,692)	(1,867,611)	112,101	(28,315,202)
Infrastructure	(3,576,639)	(509,067)	-	(4,085,706)
	<u>(46,422,104)</u>	<u>(3,215,485)</u>	<u>149,511</u>	<u>(49,488,078)</u>
Capital assets being depreciated, net	<u>30,224,453</u>	<u>901,912</u>	<u>(79,535)</u>	<u>31,046,830</u>
	<u>\$ 49,487,214</u>	<u>\$ 4,355,770</u>	<u>\$ (3,833,347)</u>	<u>\$ 50,009,637</u>

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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

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

	Balance January 1, 2014	Additions	Disposals/ Retirements	Balance December 31, 2014
Capital assets not being depreciated				
Land	\$ 3,708,251	\$ -	\$ -	\$ 3,708,251
Construction in progress	2,796,543	3,765,198	(2,058,677)	4,503,064
	<u>6,504,794</u>	<u>3,765,198</u>	<u>(2,058,677)</u>	<u>8,211,315</u>
Capital assets being depreciated				
Landfill improvements	30,540,654	-	-	30,540,654
Buildings and improvements	53,049,176	-	-	53,049,176
Machinery and equipment	4,497,766	73,018	(114,687)	4,456,097
Infrastructure	38,617,553	2,058,677	-	40,676,230
	<u>126,705,149</u>	<u>2,131,695</u>	<u>(114,687)</u>	<u>128,722,157</u>
Less accumulated depreciation for				
Landfill improvements	(21,376,779)	(3,605,988)	-	(24,982,767)
Buildings and improvements	(24,919,284)	(956,175)	-	(25,875,459)
Machinery and equipment	(2,768,404)	(315,168)	101,096	(2,982,476)
Infrastructure	(13,635,397)	(1,572,620)	-	(15,208,017)
	<u>(62,699,864)</u>	<u>(6,449,951)</u>	<u>101,096</u>	<u>(69,048,719)</u>
Capital assets being depreciated, net	<u>64,005,285</u>	<u>(4,318,256)</u>	<u>(13,591)</u>	<u>59,673,438</u>
	<u>\$ 70,510,079</u>	<u>\$ (553,058)</u>	<u>\$ (2,072,268)</u>	<u>\$ 67,884,753</u>

Depreciation expense was charged to programs as follows:

	Year Ended December 31, 2014
<i>Primary Government</i>	
Governmental activities	
General government	\$ 415,545
Public safety	1,017,802
Health	444,825
Transportation	1,006,911
Culture and recreation	324,080
Home and community services	6,322
	<u>6,322</u>
Total depreciation expense, governmental activities	<u>\$ 3,215,485</u>
Business-type activities	
Pure Waters Department	\$ 1,025,760
Environmental Services Department	3,761,605
Latham Water Department	1,662,586
	<u>1,662,586</u>
Total depreciation expense, business-type activities	<u>\$ 6,449,951</u>

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 5 - Interfund Balances and Activity

A summary of interfund receivables and payables is as follows:

	December 31, 2014				
	General	Capital Projects	Non- Major	Pure Waters	Total Payable to
General	\$ -	\$ -	\$ 282,374	\$ 1,672,984	\$ 1,955,358
Highway	1,182,789	894,309	-	-	2,077,098
Special miscellaneous revenue	8,000	-	-	-	8,000
Capital projects	241,594	-	-	-	241,594
Non-major funds	229,505	26,794	-	-	256,299
Pure Waters	-	-	24,081	-	24,081
Environmental services	1,240,003	-	-	-	1,240,003
Latham Water	2,533,057	-	38,186	-	2,571,243
Agency	528,101	-	-	-	528,101
	<u>\$ 5,963,049</u>	<u>\$ 921,103</u>	<u>\$ 344,641</u>	<u>\$ 1,672,984</u>	<u>\$ 8,901,777</u>

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

	Year Ended December 31, 2014
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. Principal and interest payments are included in the expenditures of the related governmental funds. The Town has utilized 9.81% of its constitutional debt limit as of December 31, 2014.

The Town issued \$3,235,000 of general obligation refunding bonds in January 2014 to purchase U.S. government, state, and local government series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$3,181,900 of Series 2002 and 2003 general obligation bonds. As a result, the refunded bonds are considered defeased, and the liability has been removed from the impacted funds. This refunding was undertaken to reduce total debt service payments over the next seven years by approximately \$197,000 and resulted in an economic gain of approximately \$165,000. In addition to the refunding, the Environmental Services Department portion of the bonds was called and paid off in full.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 6 - Indebtedness - Continued

In July 2014, the New York State Environmental Facilities Corporation completed a refinancing initiative which resulted in the refunding of its State Clean Water and Drinking Water Revolving Funds Series 2004D with the issuance of New York State Environmental Facilities Corporation State Clean Water and Drinking Water Revolving Funds Series 2014B in the amount of \$13,810,000. This refunding was undertaken to reduce total debt service payments over the next 11 years by approximately \$1,457,000 and resulted in an economic gain of approximately \$1,249,000. This refunding impacted only the Latham Water Department Fund.

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 31st 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).

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

	Balance January 1, 2014	Issuance/ Additions	Payments	Balance December 31, 2014	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)	8,540,925	5,008,000	(7,596,160)	5,952,765	5,952,765
Installment purchase debts (IPDs)	582,219	242,272	(273,372)	551,119	253,565
General obligation bonds (Bonds)	<u>22,135,293</u>	<u>9,834,200</u>	<u>(5,759,596)</u>	<u>26,209,897</u>	<u>3,019,096</u>
Total RAN, BANs, IPDs, and Bonds	34,458,437	18,284,472	(16,829,128)	35,913,781	12,425,426
Judgments and claims	63,974	75,112	(58,305)	80,781	-
Due to other governments	550,050	-	(78,579)	471,471	78,578
Pension related debt (see Note 10)	7,312,618	2,238,006	(1,174,695)	8,375,929	1,194,399
Compensated absences	<u>4,034,501</u>	<u>394,139</u>	<u>(197,766)</u>	<u>4,230,874</u>	<u>-</u>
	<u>\$ 46,419,580</u>	<u>\$ 20,991,729</u>	<u>\$ (18,338,473)</u>	<u>\$ 49,072,836</u>	<u>\$ 13,698,403</u>

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 6 - Indebtedness - Continued

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

<u>Interest Rate</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding December 31, 2014</u>	<u>Annual Principal Installments</u>
<u>Revenue Anticipation Notes</u>					
0.94%	Oct. 2014	Jan. 2015	\$ 3,200,000	<u>\$ 3,200,000</u>	\$ 3,200,000
<u>Bond Anticipation Notes</u>					
0.81%	March 2014	March 2015	5,952,765	<u>5,952,765</u>	5,952,765
<u>Installment Purchase Debts</u>					
5.67%	2010	2015	182,801	32,984	26,455 - 32,984
2.87%	2011	2015	109,448	22,500	20,669 - 23,145
1.40%	2012	2015	163,674	41,199	40,070 - 41,775
1.36%	2012	2015	35,688	8,982	8,742 - 9,104
1.86%	2012	2016	58,279	23,520	11,230 - 12,089
1.40%	2012	2015	45,862	11,562	11,173 - 11,762
1.98%	2013	2016	28,560	14,277	6,931 - 7,352
2.30%	2013	2016	132,202	66,084	31,934 - 34,184
2.95%	2013	2020	176,990	153,854	23,135 - 27,540
2.69%	2014	2016	36,419	23,956	11,819 - 12,463
2.76%	2014	2017	25,027	18,513	6,004 - 6,515
2.92%	2014	2017	126,757	93,687	30,334 - 33,070
2.74%	2014	2017	32,103	23,749	7,703 - 8,354
2.71%	2014	2017	21,965	16,252	5,273 - 5,713
				<u>551,119</u>	
<u>General Obligation Bonds</u>					
4.25%	2006	2015	2,685,600	198,900	231,700 - 444,000
4.25%	2007	2027	2,630,000	1,469,700	24,900 - 177,900
5.5-6.0%	2008	2033	7,130,000	6,081,500	26,300 - 177,900
5.0-6.125%	2009	2033	6,050,800	1,428,600	34,000 - 1,185,700
3.0-4.0%	2010	2016	2,009,800	684,700	271,500 - 291,400
3.0-4.5%	2012	2031	8,190,385	6,992,297	804,200 - 75,000
2.0-3.5%	2014	2021	3,235,000	2,755,000	105,000 - 460,000
2.0-4.0%	2014	2033	6,599,200	6,599,200	85,700 - 457,200
				<u>26,209,897</u>	
				<u>\$ 35,913,781</u>	

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 6 - Indebtedness - Continued

A summary of the changes in business-type activities' long-term indebtedness for the year ended December 31, 2014, is as follows:

	Balance January 1, 2014	Issuance/ Additions	Payments	Balance December 31, 2014	Due Within One Year
Bond anticipation notes (BANs)	\$ 6,938,355	\$ 4,954,000	\$ (6,704,120)	\$ 5,188,235	\$ 5,188,235
General obligation bonds (Bonds)	56,424,707	6,162,080	(7,160,404)	55,426,383	4,071,984
Total Bonds and BANs payable	63,363,062	11,116,080	(13,864,524)	60,614,618	9,260,219
Judgments and claims	77,420	57	(52,281)	25,196	-
Landfill closure and post-closure costs (see Note 1m)	11,172,368	1,248,348	(47,294)	12,373,422	-
Pension related debt (see Note 10)	994,993	269,981	(160,562)	1,104,412	163,796
Compensated absences	533,825	29,133	(16,551)	546,407	-
	<u>\$ 76,141,668</u>	<u>\$ 12,663,599</u>	<u>\$ (14,141,212)</u>	<u>\$ 74,664,055</u>	<u>\$ 9,424,015</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, 2014	Annual Principal Installments
Bond Anticipation Notes					
0.81%	March 2014	March 2015	\$ 5,188,235	\$ 5,188,235	\$ 5,188,235
Bonds Payable					
3.41%	1999/2002	2018	2,440,000	\$ 710,000	135,000 - 185,000
3.41%	1999/2002	2027	6,900,000	4,185,000	210,000 - 395,000
4.125%	2001	2016	3,875,300	1,525,000	226,000 - 307,000
1.20%	2004	2025	19,767,387	11,875,000	1,275,000
1.20%	2004	2025	3,307,082	1,935,000	200,000
4.25%	2006	2015	2,939,400	231,100	198,300 - 401,000
4.25%	2007	2027	2,260,000	1,480,300	106,700 - 147,100
5.0-6.0%	2008	2033	9,555,000	8,133,500	151,400 - 451,100
5.0-6.125%	2009	2033	8,815,000	5,596,400	166,200 - 632,100
3.0-4.0%	2010	2016	1,790,200	610,300	271,500 - 291,400
3.0-5.5%	2012	2030	10,117,200	9,025,000	542,000 - 250,000
3.0-4.5%	2012	2031	4,438,815	3,957,703	804,200 - 75,000
2.0-4.0%	2014	2033	6,162,080	6,162,080	269,080 - 367,600
				<u>55,426,383</u>	
				<u>\$ 60,614,618</u>	

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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
2015	\$ 3,272,661	\$ 1,092,662	\$ 4,071,984	\$ 2,131,934
2016	2,871,929	889,274	3,887,741	1,883,681
2017	2,091,856	798,533	3,645,351	1,750,511
2018	2,066,815	729,787	3,789,471	1,622,132
2019	1,906,668	665,044	3,690,383	1,484,961
2020 through 2024	7,800,272	2,350,450	19,951,268	5,227,173
2025 through 2029	4,597,815	1,057,139	12,213,185	2,197,015
2030 through 2033	2,153,000	242,891	4,177,000	407,839
	<u>\$ 26,761,016</u>	<u>\$ 7,825,780</u>	<u>\$ 55,426,383</u>	<u>\$ 16,705,246</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 \$9,812,130 and a deferred inflow of resources in the amount of \$11,635,048 at December 31, 2014, pursuant to the service concession arrangement. The Town has reported a receivable for the present value of future quarterly payments. At December 31, 2014, \$2,300,000 is reported as a current receivable and \$16,751,944 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, 2014

Note 8 - Fund Balance

The specific purposes that comprise the classifications of fund balance at December 31, 2014, are as follows:

	General Fund	Highway Fund	Special Misc. Rev. Fund	Capital Projects Fund	Non-Major Funds	Total
Restricted for						
Police asset forfeiture	\$ 572,659	\$ -	\$ -	\$ -	\$ -	\$ 572,659
DARE program donations	19,001	-	-	-	-	19,001
Community development programs	-	-	-	-	7,995	7,995
Total restricted fund balance	<u>591,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,995</u>	<u>599,655</u>
Committed to						
Capital purposes	240,345	-	-	-	-	240,345
Green space acquisition	-	-	-	-	157,365	157,365
Highway infrastructure	-	1,170,465	-	-	-	1,170,465
Judgment and claims	63,947	14,142	-	-	2,692	80,781
Assigned to						
Youth court program	99,570	-	-	-	-	99,570
Ambulance service	13,164	-	-	-	-	13,164
Capital improvements	-	-	-	-	20,017	20,017
Operations of the fund	-	-	7,889,810	-	1,217,709	9,107,519
Unassigned	192,629	(339,045)	-	(2,663,312)	-	(2,809,728)
Total unrestricted fund balance	<u>609,655</u>	<u>845,562</u>	<u>7,889,810</u>	<u>(2,663,312)</u>	<u>1,397,783</u>	<u>8,079,498</u>
Total fund balance	<u>\$ 1,201,315</u>	<u>\$ 845,562</u>	<u>\$ 7,889,810</u>	<u>\$ (2,663,312)</u>	<u>\$ 1,405,778</u>	<u>\$ 8,679,153</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 2014 is \$5,700,088,161. The effective tax rate on this value is \$3.28 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 participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (GLI) (Systems). These are cost-sharing multi-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 10 - Retirement Systems - Continued

Funding Policy

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System: on or after July 26, 1976, who generally contribute 3% of their salary for the first ten years of membership, 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, and on or after April 1, 2012 who generally contribute between 3% and 6% (based on annual wage) for the entire length 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 2014 on February 1, 2015.

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

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 5,851,485	\$ 3,913,624
2013	5,754,801	3,835,842
2012	5,128,227	3,385,540

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.

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 SFY, the graded rate will increase or decrease by up to one percent 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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 10 - Retirement Systems - Continued

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 SFY, the graded rate will increase or decrease by up to one-half of one percent 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 one percent.
- 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 \$9,480,341, of which \$1,104,412 is reported in the various proprietary funds and \$8,375,929 on the statement of net position for the governmental activities.

For the years ended December 31, 2004 through 2006 and 2010 through 2014, 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 \$7,574,213 for the ERS plan and \$6,138,390 for the PFRS plan. The principal and interest payments began in December 2005 and will end in February 2025, 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.

The maturity schedule for this debt is as follows:

	Principal	Interest	Total
Payable February 1,			
2016	\$ 1,358,195	\$ 340,714	\$ 1,698,909
2017	1,037,304	280,581	1,317,885
2018	998,725	243,379	1,242,104
2019	1,033,511	208,596	1,242,107
2020	1,069,526	172,577	1,242,103
2021	1,106,820	135,285	1,242,105
2022	1,086,640	96,667	1,183,307
2023	868,729	59,618	928,347
2024	633,664	30,852	664,516
2025	287,227	9,041	296,268
	\$ 9,480,341	\$ 1,577,310	\$ 11,057,651

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 10 - Retirement Systems - Continued

Of the total unpaid principal balance of \$9,480,341 for the above amortizations, \$8,122,146 is included in the statement of net position as a non-current liability, and \$1,358,195 is shown as a current liability as December 31, 2014.

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.

The market value of Plan assets held by the related trust at December 31, 2014 totaling \$37,065,459 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 the 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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 12 - Volunteer Firefighter Service Award Programs - Continued

(a) Participation, Vesting, and Service Credit - Continued

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.

(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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 12 - Volunteer Firefighter Service Award Programs - Continued

Defined Benefit Program Description - Continued

(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. 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 \$1,313,774 and the actuarial present value of accrued benefits was \$1,571,947 at December 31, 2014, for a funding percentage of 84%. However, the Plan has an unfunded liability for separately amortized costs for the 2010 program amendments in the amount of \$282,760, which will be amortized over the next six 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 6.0%

Tables used for:

Post-Entitlement Age mortality	1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2008
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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 12 - Volunteer Firefighter Service Award Programs - Continued

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.

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 Edward J. Holohan of Penflex, Inc. Mr. Holohan 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 10, 2015.

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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 12 - Volunteer Firefighter Service Award Programs - Continued

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, 2013, was paid in February 2015, with interest.

A summary of the sponsor's required contribution for program year ended December 31, 2014, and scheduled to be paid in February 2016 is as follows:

Fuller Road	\$ 27,692
Shaker Road	49,245
Maplewood	24,561
Latham	<u>182,142</u>
	<u>\$ 283,640</u>

Administrative Services

A summary of the administrative/actuarial services provided allocated to the Departments for the year ended December 31, 2014 is as follows:

Fuller Road	\$ 7,179
Shaker Road	10,328
Maplewood	4,827
Latham	<u>14,533</u>
	<u>\$ 36,867</u>

All of the activity of the LOSAP is reflected in the statement of changes in net position - fiduciary funds on page 35 of the fund financial statements.

A summary of the net assets held in trust for the Departments for the year ended December 31, 2014 is as follows:

Fuller Road	\$ 595,625
Shaker Road	934,536
Maplewood	276,779
Latham	<u>1,494,904</u>
	<u>\$ 3,301,844</u>

All the components of net position for the LOSAP are reflected in the statement of net position - fiduciary funds on page 34 of the fund financial statements.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

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, 2014		
	Fair Value	Cost	% Total Cost
Cash and cash equivalents	\$ 516,818	\$ 516,818	18.1%
Equities			
United States	286,216	277,170	9.7%
International	292,827	274,034	9.6%
Fixed income securities			
Corporate obligations	8,389	8,041	0.3%
Mutual funds	434,225	398,365	13.9%
Mixed asset securities			
Mutual funds	1,220,791	1,236,003	43.2%
Other asset securities			
Mutual funds	153,069	150,949	5.3%
	\$ 2,912,335	\$ 2,861,380	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, 2014, the Town contributed \$1,795,302 to the Plan. Plan members receiving benefits contribute a percent of their premium costs. Total member contributions were \$720,196 for the year ended December 31, 2014.

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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 13 - Postemployment Benefits Other Than Pensions - Continued

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	\$ 8,203,491
Interest on net OPEB obligation	1,235,274
Adjustments to annual required contribution	<u>(2,811,110)</u>
Annual OPEB cost	6,627,655
Contributions made	(1,795,302)
Net OPEB obligation, <i>beginning of year</i>	<u>30,881,860</u>
Net OPEB obligation, <i>end of year</i>	<u><u>\$ 35,714,213</u></u>

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
12/31/2014	\$ 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, 2014, the actuarial accrued liability for benefits was \$60,582,069, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$34,291,962, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 177 percent.

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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 13 - Postemployment Benefits Other Than Pensions - Continued

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 RP-2000 Mortality Table for Health Annuitants, sex distinct, with generational mortality.

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 - 2014 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 simplified version of the entry age 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, 2014, is 14 years.

Note 14 - Risk Financing Activities

Workers' Compensation

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; business interruption; errors or omissions, injuries to employees, and natural disasters. 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 \$1,639,404 at December 31, 2014, and are included in other liabilities within the Workers' Compensation Internal Service Fund.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 14 - Risk Financing Activities - Continued

Workers' compensation costs per fund for 2014 were:

	Current Year Claims and Changes in Estimates	Claim Payments	Total
General Fund	\$ 417,048	\$ (256,680)	\$ 160,368
Highway Fund	520,001	(261,299)	258,702
Non-major Funds	66,956	(2,669)	64,287
Pure Waters Department	37,423	(33,343)	4,080
Environmental Services Department	142,840	(49,653)	93,187
Latham Water Department	23,024	(57,532)	(34,508)
Total	\$ 1,207,292	\$ (661,176)	\$ 546,116

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, 2014. These projects include various sewer plant improvement projects. At year end, the Town's commitments with contractors are as follows:

Project	Total Commitment	Remaining Commitment
Capital Projects		
Sand Creek Road reconstruction	\$ 2,659,778	\$ 18,452
Pure Waters Department		
Plant screen and grit upgrade project	2,312,152	45,617
Fonda Road pump station improvements	193,743	4,000
Pump station alarm system improvements	349,445	90,518
Latham Water Department		
Miller Road tank rehabilitation	784,387	51,500
Mohawk View high lift pump station improvements	1,168,700	1,136,354
	\$ 7,468,205	\$ 1,346,441

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 15 - Commitments and Contingencies - Continued

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, 2014, 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 Proprietary Funds. 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, 2014, the Town recorded an insurance reserve of \$80,781 in the Governmental Funds and \$25,196 in the caption "Judgments and Claims" in the Proprietary Funds.

Changes in the Town's claim liability amount during 2014 were:

Fund	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
General Fund	\$ 39,644	\$ 50,081	\$ (25,778)	\$ 63,947
Highway	22,967	12,521	(21,346)	14,142
Other non-major	1,363	12,510	(11,181)	2,692
Pure Water	16,771	18	(1,280)	15,509
Latham Water	60,649	39	(51,001)	9,687
Total	\$ 141,394	\$ 75,169	\$ (110,586)	\$ 105,977

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.

Town of Colonie, New York

Notes to Financial Statements December 31, 2014

Note 16 - Accounting Standards Issued, But Not Yet Implemented

- a. 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 governmental employers about financial support for pensions that is provided by other entities. This 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 relate 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.

The scope of this statement also addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that have certain characteristics as defined in the statement. It establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about pensions also are addressed. This statement is effective for periods beginning after June 15, 2014, with early implementation encouraged.

- b. GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, an amendment of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement amends paragraph 137 of Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability previously this was required not to be reported. Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. This statement is effective for periods beginning after June 15, 2014, with early application encouraged.
- c. 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.

Management has not estimated the extent of potential impact of 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, 2014, including \$9,776 of accrued interest, when they matured in January 2015.
- b. Bond Anticipation Note 2015A was issued on March 18, 2015, in the amount of \$20,696,000, will mature in March 2016 and bears interest at an effective rate of 0.741%. It was issued to refinance \$10,286,000 of existing Bond Anticipation Notes 2014A and provide financing for the purchase of capital equipment and construction/improvement of capital facilities in the amount of \$10,250,000, and a tax certiorari judgment in the amount of \$160,000.

Town of Colonie, New York

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

	Year Ended December 31, 2014					
	2014 Adopted Budget	2014 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2014 Actual	Variance With Actual vs. Modified Positive (Negative)	2015 Adopted Budget
REVENUES						
Real property taxes and tax items	\$ 16,655,000	\$ 16,655,000	\$ -	\$ 16,663,208	\$ 8,208	\$ 18,535,000
Sales and use tax	11,501,951	11,544,500	42,549	12,275,105	730,605	11,043,012
Departmental income	6,623,000	6,673,000	50,000	6,061,179	(611,821)	6,294,000
Intergovernmental charges	226,000	226,000	-	239,264	13,264	233,000
Interest and use of property	1,401,270	1,401,270	-	1,435,547	34,277	1,360,000
Licenses and permits	68,000	68,000	-	67,404	(596)	65,000
Fines and forfeitures	1,225,000	1,225,000	-	1,273,631	48,631	1,200,000
Sale of property and compensation for loss	171,000	171,000	-	35,422	(135,578)	96,200
Miscellaneous	67,365	76,722	9,357	70,388	(6,334)	45,682
Interfund revenues	3,211,000	3,211,000	-	3,211,455	455	3,223,000
State aid	2,716,050	2,724,844	8,794	2,386,224	(338,620)	2,767,220
Federal aid	-	-	-	41,543	41,543	-
Interfund transfers	3,100,000	3,100,000	-	3,100,000	-	3,100,000
Encumbrances	-	77,825	77,825	-	(77,825)	-
Total revenues	<u>46,965,636</u>	<u>47,154,161</u>	<u>188,525</u>	<u>46,860,370</u>	<u>(293,791)</u>	<u>47,962,114</u>
EXPENDITURES						
General government support	7,553,126	7,596,099	42,973	7,592,881	3,218	7,691,690
Public safety	14,894,937	14,670,280	(224,657)	14,667,837	2,443	15,213,191
Public health	3,939,349	3,950,587	11,238	3,821,815	128,772	4,028,028
Transportation	487,625	540,331	52,706	536,465	3,866	550,475
Economic assistance and opportunity	2,000	2,000	-	1,141	859	2,000
Culture and recreation	4,141,764	4,186,529	44,765	3,963,059	223,470	4,136,308
Home and community services	136,354	136,854	500	136,771	83	139,122
Benefits	12,912,881	12,912,881	-	12,878,150	34,731	13,481,100
Debt service	2,897,600	3,158,600	261,000	3,110,495	48,105	2,720,200
Total expenditures	<u>46,965,636</u>	<u>47,154,161</u>	<u>188,525</u>	<u>46,708,614</u>	<u>445,547</u>	<u>47,962,114</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,756</u>	<u>\$ 151,756</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, 2014					
	2014 Adopted Budget	2014 Modified Budget	Difference Adopted vs. Modified Positive (Negative)	2014 Actual	Variance With Actual vs. Modified Positive (Negative)	2015 Adopted Budget
REVENUES						
Sales and use tax	\$ 8,285,597	\$ 8,499,808	\$ 214,211	\$ 8,499,767	\$ (41)	\$ 8,920,253
Departmental income	-	157,000	157,000	157,519	519	2,000
Interest and use of property	1,500	1,500	-	1,128	(372)	1,000
Licenses and permits	-	4,500	4,500	4,600	100	3,500
Miscellaneous	20,000	27,000	7,000	27,396	396	30,000
State aid	562,000	562,500	500	562,863	363	562,000
Sale of property and compensation for loss	25,000	31,000	6,000	31,580	580	25,000
Encumbrances	-	864	864	-	(864)	-
Total revenues	<u>8,894,097</u>	<u>9,284,172</u>	<u>390,075</u>	<u>9,284,853</u>	<u>681</u>	<u>9,543,753</u>
EXPENDITURES						
Transportation	5,342,672	5,491,747	149,075	5,491,170	577	5,521,538
Benefits	1,849,425	2,078,425	229,000	2,077,968	457	2,038,000
Debt service	1,702,000	1,714,000	12,000	1,713,034	966	1,984,215
Total expenditures	<u>8,894,097</u>	<u>9,284,172</u>	<u>390,075</u>	<u>9,282,172</u>	<u>2,000</u>	<u>9,543,753</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,681</u>	<u>\$ 2,681</u>	<u>\$ -</u>

See Independent Auditor's Report.

Town of Colonie, New York

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

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

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 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 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 Refuse and Garbage District 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 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 Drainage District 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 Districts 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 Debt Service Fund was created to account for general obligation bonds activity.
- 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 following are financial statements for these nonmajor governmental funds:

Town of Colonie, New York

Supplementary Information - Combining Balance Sheet Nonmajor Governmental Funds

December 31, 2014

	Nonmajor Funds						Total Non-Major Governmental Funds
	Library	Community Development Special Grant	Refuse and Garbage District	Water District	Drainage District	General, Outside Village	
ASSETS							
Cash and cash equivalents	\$ 42,938	\$ 500,843	\$ 19,102	\$ 12,843	\$ 53,867	\$ 33,426	\$ 663,019
Cash and cash equivalents, restricted	21,032	67,541	-	-	-	159,042	247,615
Investments	-	500,000	-	-	-	-	500,000
State and Federal aid receivables	-	19,193	-	-	-	-	19,193
Due from other governments	-	-	-	-	-	427,500	427,500
Other accounts receivable, net	1,893	958	-	-	-	17,074	19,925
Due from other funds	282,374	-	-	-	-	62,267	344,641
Total assets	<u>\$ 348,237</u>	<u>\$ 1,088,535</u>	<u>\$ 19,102</u>	<u>\$ 12,843</u>	<u>\$ 53,867</u>	<u>\$ 699,309</u>	<u>\$ 2,221,893</u>
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ -	\$ 13,902	\$ -	\$ -	\$ -	\$ 821	\$ 14,723
Accrued liabilities	12,428	-	-	-	-	44,809	57,237
Other liabilities	-	56,620	-	-	-	14,325	70,945
Due to other governments	-	2,929	-	-	-	-	2,929
Accrued pension liability	148,382	-	-	-	-	237,413	385,795
Due to other funds	26,794	5,291	2,415	-	2,800	218,999	256,299
Unearned revenue	16,707	-	-	-	-	10,525	27,232
Total liabilities	<u>204,311</u>	<u>78,742</u>	<u>2,415</u>	<u>-</u>	<u>2,800</u>	<u>526,892</u>	<u>815,160</u>
DEFERRED INFLOW OF RESOURCES							
Revenue earned but unavailable	-	955	-	-	-	-	955
FUND BALANCE							
Restricted	-	7,995	-	-	-	-	7,995
Unrestricted	143,926	1,000,843	16,687	12,843	51,067	172,417	1,397,783
Total fund balance	<u>143,926</u>	<u>1,008,838</u>	<u>16,687</u>	<u>12,843</u>	<u>51,067</u>	<u>172,417</u>	<u>1,405,778</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 348,237</u>	<u>\$ 1,088,535</u>	<u>\$ 19,102</u>	<u>\$ 12,843</u>	<u>\$ 53,867</u>	<u>\$ 699,309</u>	<u>\$ 2,221,893</u>

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, 2014								
	Nonmajor Funds								Total
	Library	Community Development Special Grant	Refuse and Garbage District	Water District	Drainage District	Fire Protection District	Debt Service	General, Outside Village	Non-Major Governmental Funds
REVENUES									
Real property taxes and tax items	\$ 2,480,709	\$ -	\$ 27,000	\$ 13,000	\$ -	\$ 4,004,918	\$ -	\$ -	\$ 6,525,627
Sales and use tax	-	-	-	-	-	-	-	2,343,215	2,343,215
Departmental income	56,224	72,136	-	-	-	-	-	241,901	370,261
Use of money and property	925	3,212	2	2	2	-	-	425	4,568
Licenses and permits	-	-	-	-	-	-	-	1,107,542	1,107,542
Miscellaneous	29,198	-	-	-	-	-	-	2,820	32,018
Interfund revenue	-	-	-	-	-	-	-	62,267	62,267
State aid	21,441	-	-	-	-	-	-	456,567	478,008
Federal aid	-	2,795,859	-	-	-	-	-	-	2,795,859
Total revenues	<u>2,588,497</u>	<u>2,871,207</u>	<u>27,002</u>	<u>13,002</u>	<u>2</u>	<u>4,004,918</u>	<u>-</u>	<u>4,214,737</u>	<u>13,719,365</u>
EXPENDITURES									
General government support	-	-	-	-	-	-	-	183,281	183,281
Public safety	-	-	-	-	-	4,004,918	-	1,055,117	5,060,035
Health	-	-	-	-	-	-	-	4,229	4,229
Transportation	-	-	-	-	-	-	-	803,427	803,427
Culture and recreation	1,942,643	-	-	-	-	-	-	-	1,942,643
Home and community services	-	2,881,138	28,980	14,577	-	-	-	929,000	3,853,695
Employee benefits	528,301	33,694	-	-	-	-	-	1,219,552	1,781,547
Debt service, principal	50,000	-	-	-	2,800	-	-	10,366	63,166
Debt service, interest	10,789	-	-	-	-	-	-	167	10,956
Capital outlay	26,794	-	-	-	-	-	-	-	26,794
Total expenditures	<u>2,558,527</u>	<u>2,914,832</u>	<u>28,980</u>	<u>14,577</u>	<u>2,800</u>	<u>4,004,918</u>	<u>-</u>	<u>4,205,139</u>	<u>13,729,773</u>
OTHER FINANCING SOURCES (USES)									
Proceeds from issuance of current refunding bonds	-	-	-	-	-	-	3,235,000	-	3,235,000
Premium on issuance of debt	-	-	-	-	-	-	36,282	-	36,282
Payment of fiscal agent fees	-	-	-	-	-	-	(44,445)	-	(44,445)
Payment to escrow agent	-	-	-	-	-	-	(3,226,837)	-	(3,226,837)
Sale of property and compensation for loss	16,779	-	-	-	-	-	-	-	16,779
Total other financing sources	<u>16,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,779</u>
NET CHANGE IN FUND BALANCE	46,749	(43,625)	(1,978)	(1,575)	(2,798)	-	-	9,598	6,371
FUND BALANCE, beginning of year, as restated	97,177	1,052,463	18,665	14,418	53,865	-	-	162,819	1,399,407
FUND BALANCE, end of year	<u>\$ 143,926</u>	<u>\$ 1,008,838</u>	<u>\$ 16,687</u>	<u>\$ 12,843</u>	<u>\$ 51,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,417</u>	<u>\$ 1,405,778</u>

See Independent Auditor's Report.