

**TOWN OF EAST GREENBUSH, NEW YORK**

FINANCIAL STATEMENTS  
OF THE  
GENERAL FUND, SPECIAL REVENUE FUNDS, AND  
CAPITAL PROJECTS FUND, AND REPORTS REQUIRED  
UNDER THE UNIFORM GUIDANCE

Year ended December 31, 2017

# TOWN OF EAST GREENBUSH, NEW YORK

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## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS OF THE GENERAL FUND, SPECIAL REVENUE FUNDS, AND CAPITAL PROJECTS FUND**

To the Supervisor and Members of the Town Board  
Town of East Greenbush, New York

### **Report on Financial Statements of the General Fund, Special Revenue Funds, and Capital Projects Fund**

We have audited the accompanying financial statements of the general fund, special revenue funds, and capital projects fund of the Town of East Greenbush, New York (the Town), as of and for the year ended December 31, 2017, and the related notes to the 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 an opinion 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 opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund, special revenue funds, and capital projects fund of the Town of East Greenbush, New York, as of December 31, 2017, and the changes in financial position and the budgetary comparison for the general fund, and each major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Basis of Reporting*

As discussed in Note 1, the financial statements present only the general fund, special revenue funds, and capital projects fund and do not purport to, and do not, present fairly the government-wide financial position of the Town of East Greenbush, New York, as of December 31, 2017, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

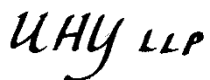
### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements of the general fund, special revenue funds, and capital projects fund. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the 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 June 26, 2018, on our consideration of the Town of East Greenbush'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 the 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 the Town of East Greenbush, New York's internal control over financial reporting and compliance.



Albany, New York  
June 26, 2018

**TOWN OF EAST GREENBUSH, NEW YORK**  
**BALANCE SHEET – ALL GOVERNMENTAL FUND TYPES**  
**December 31, 2017**

	Governmental Fund Types						
	Special Revenue Funds						
	General	Highway	Sewer	Water	Others	Subtotal	Capital Projects
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>							
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,573,113	\$ 453,683	\$ 3,743,865	\$ 1,856,711	\$ 168,644	\$ 6,222,903	\$ 265,553
Cash reserved for special purposes	102,647	5,005	-	-	-	5,005	-
Cash with Fiscal Agent	-	-	-	-	-	-	957,999
Other receivables	125,061	39,987	100,746	125,853	47,242	313,828	908,023
Due from other funds	1,323,165	-	-	-	-	-	-
Prepaid expenses	239,520	-	-	-	-	-	-
Total assets	6,363,506	498,675	3,844,611	1,982,564	215,886	6,541,736	2,131,575
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
	-	-	-	-	-	-	-
Total assets plus deferred outflows of resources	\$ 6,363,506	\$ 498,675	\$ 3,844,611	\$ 1,982,564	\$ 215,886	\$ 6,541,736	\$ 2,131,575
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable and accrued liabilities	\$ 223,625	\$ 47,152	\$ 161,319	\$ 255,489	\$ -	\$ 463,960	\$ 8,680
Due to other funds	-	-	-	-	-	-	1,238,442
Bond anticipation notes payable	-	-	-	-	-	-	96,805
Total liabilities	223,625	47,152	161,319	255,489	-	463,960	1,343,927
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
	-	-	-	-	-	-	-
<b>FUND BALANCES:</b>							
Nonspendable	239,520	-	-	-	-	-	-
Restricted	102,647	5,005	-	-	-	5,005	-
Assigned	1,211,583	446,518	3,683,292	1,727,075	63,161	5,920,046	2,043,735
Unassigned	4,586,131	-	-	-	152,725	152,725	(1,256,087)
Total fund balances	6,139,881	451,523	3,683,292	1,727,075	215,886	6,077,776	787,648
Total liabilities, deferred inflows of resources and fund balances	\$ 6,363,506	\$ 498,675	\$ 3,844,611	\$ 1,982,564	\$ 215,886	\$ 6,541,736	\$ 2,131,575

See notes to financial statements.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – ALL GOVERNMENTAL FUND TYPES**  
**Year Ended December 31, 2017**

	Governmental Fund Types						
	Special Revenue Funds						
	General	Highway	Sewer	Water	Others	Subtotal	Capital Projects
<b>REVENUES</b>							
Real property taxes	\$ 5,090,921	\$ 2,219,681	\$ 1,145,383	\$ 449,653	\$ 751,164	\$ 4,565,881	\$ -
Sales tax	2,388,558	-	-	-	-	-	-
Departmental income	601,335	-	1,618,619	2,446,273	517,941	4,582,833	-
Use of money and property	56,365	24,005	13,511	8,688	-	46,204	-
License and permits	5,928	-	2,300	15,275	-	17,575	-
Fines and forfeitures	294,728	-	-	-	-	-	-
Compensation for loss	31,434	52,475	2,101	106,223	-	160,799	-
Miscellaneous local sources	226,210	34,393	334,295	3,637	-	372,325	-
Interfund	-	50,512	-	-	-	50,512	-
Other revenue sources	657,682	-	4,000	-	-	4,000	4,535,852
State aid	520,116	181,142	-	-	-	181,142	-
Federal aid	-	39,987	-	-	-	39,987	1,040,479
Total revenues	9,873,277	2,602,195	3,120,209	3,029,749	1,269,105	10,021,258	5,576,331
<b>EXPENDITURES</b>							
General governmental support	1,415,542	-	-	-	-	-	-
Public safety	3,108,297	-	-	-	111,001	111,001	24,952
Health	6,898	-	-	-	962,337	962,337	-
Transportation	166,136	1,918,197	-	-	-	1,918,197	1,757,668
Culture and recreation	393,440	-	-	-	-	-	-
Economic assistance and opportunities	4,137	-	-	-	-	-	-
Home and community services	299,902	-	1,972,780	2,227,150	-	4,199,930	5,049,798
Employee benefits	2,441,514	611,882	301,609	227,089	43,042	1,183,622	-
Debt service:							
Principal	300,501	20,702	743,250	13,820	-	777,772	-
Interest	50,228	1,611	174,076	3,306	-	178,993	-
Total expenditures	8,186,595	2,552,392	3,191,715	2,471,365	1,116,380	9,331,852	6,832,418
Excess (deficiency) of revenues over expenditures	1,686,682	49,803	(71,506)	558,384	152,725	689,406	(1,256,087)
<b>FUND BALANCES</b>							
Fund balances, beginning of year	4,453,199	401,720	3,754,798	1,168,691	63,161	5,388,370	2,043,735
Fund balances, end of year	\$ 6,139,881	\$ 451,523	\$ 3,683,292	\$ 1,727,075	\$ 215,886	\$ 6,077,776	\$ 787,648

See notes to financial statements.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL – GENERAL AND SPECIAL REVENUE FUND TYPES**  
**Year Ended December 31, 2017**

	General Fund			Special Revenue Funds - Highway		
	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Real property taxes	\$ 5,044,969	\$ 5,090,921	\$ 45,952	\$ 2,219,681	\$ 2,219,681	\$ -
Sales tax	1,900,000	2,388,558	488,558	-	-	-
Departmental income	759,633	601,335	(158,298)	-	-	-
Intergovernmental charges	-	657,682	657,682	-	-	-
Use of money and property	35,000	56,365	21,365	15,000	24,005	9,005
Licenses and permits	14,200	5,928	(8,272)	-	-	-
Fines and forfeitures	310,000	294,728	(15,272)	-	-	-
Compensation for loss	22,500	31,434	8,934	3,000	52,475	49,475
Miscellaneous local sources	94,751	226,210	131,459	34,065	34,393	328
Interfund	-	-	-	130,000	50,512	(79,488)
State aid	410,383	520,116	109,733	161,073	181,142	20,069
Federal aid	-	-	-	-	39,987	39,987
Total revenues	<u>8,591,436</u>	<u>9,873,277</u>	<u>1,281,841</u>	<u>2,562,819</u>	<u>2,602,195</u>	<u>39,376</u>
<b>EXPENDITURES</b>						
General government support	1,686,188	1,415,542	270,646	-	-	-
Public safety	3,308,977	3,108,297	200,680	-	-	-
Health	6,908	6,898	10	-	-	-
Transportation	190,000	166,136	23,864	1,796,596	1,918,197	(121,601)
Culture and recreation	390,215	393,440	(3,225)	-	-	-
Economic assistance and opportunity	7,500	4,137	3,363	-	-	-
Home and community services	418,764	299,902	118,862	-	-	-
Employee benefits	2,517,602	2,441,514	76,088	743,910	611,882	132,028
Debt service:						
Principal	60,501	300,501	(240,000)	20,702	20,702	-
Interest	4,781	50,228	(45,447)	1,611	1,611	-
Total expenditures	<u>8,591,436</u>	<u>8,186,595</u>	<u>404,841</u>	<u>2,562,819</u>	<u>2,552,392</u>	<u>10,427</u>
Excess of revenues over expenditures	<u>-</u>	<u>1,686,682</u>	<u>1,686,682</u>	<u>-</u>	<u>49,803</u>	<u>49,803</u>
Fund balance, beginning of year	<u>4,453,199</u>	<u>4,453,199</u>	<u>-</u>	<u>401,720</u>	<u>401,720</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,453,199</u>	<u>\$ 6,139,881</u>	<u>\$ 1,686,682</u>	<u>\$ 401,720</u>	<u>\$ 451,523</u>	<u>\$ 49,803</u>

*See notes to financial statements.*

**TOWN OF EAST GREENBUSH, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL – GENERAL AND SPECIAL REVENUE FUND TYPES (CONTINUED)**  
**Year Ended December 31, 2017**

	Special Revenue Funds - Sewer			Special Revenue Funds - Water		
	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Real property taxes	\$ 1,145,383	\$ 1,145,383	\$ -	\$ 449,653	\$ 449,653	\$ -
Sales tax	-	-	-	-	-	-
Departmental income	1,522,405	1,618,619	96,214	2,091,424	2,446,273	354,849
Intergovernmental charges	-	4,000	4,000	-	-	-
Use of money and property	2,900	13,511	10,611	6,500	8,688	2,188
Licenses and permits	1,838	2,300	462	20,120	15,275	(4,845)
Fines and forfeitures	-	-	-	-	-	-
Compensation for loss	-	2,101	2,101	-	106,223	106,223
Miscellaneous local sources	250,000	334,295	84,295	-	3,637	3,637
Interfund	-	-	-	8,226	-	(8,226)
State aid	-	-	-	-	-	-
Total revenues	<u>2,922,526</u>	<u>3,120,209</u>	<u>197,683</u>	<u>2,575,923</u>	<u>3,029,749</u>	<u>453,826</u>
<b>EXPENDITURES</b>						
General government support	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic assistance and opportunity	-	-	-	-	-	-
Home and community services	1,907,520	1,972,780	(65,260)	2,332,602	2,227,150	105,452
Employee benefits	314,794	301,609	13,185	281,218	227,089	54,129
Debt service:						
Principal	743,251	743,250	1	13,820	13,820	-
Interest	186,841	174,076	12,765	3,283	3,306	(23)
Total expenditures	<u>3,152,406</u>	<u>3,191,715</u>	<u>(39,309)</u>	<u>2,630,923</u>	<u>2,471,365</u>	<u>159,558</u>
Excess (deficiency) of revenues over expenditures	<u>(229,880)</u>	<u>(71,506)</u>	<u>158,374</u>	<u>(55,000)</u>	<u>558,384</u>	<u>613,384</u>
Fund balance, beginning of year	<u>3,754,798</u>	<u>3,754,798</u>	<u>-</u>	<u>1,168,691</u>	<u>1,168,691</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,524,918</u>	<u>\$ 3,683,292</u>	<u>\$ 158,374</u>	<u>\$ 1,113,691</u>	<u>\$ 1,727,075</u>	<u>\$ 613,384</u>

See notes to financial statements.



**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of East Greenbush, Rensselaer County, New York (the “Town”) was founded in 1855. The Town is governed by County Law, other general laws of the State of New York, and various local laws and ordinances. The Town Board is the legislative body responsible for overall operations. The Town Supervisor serves as chief executive officer and chief fiscal officer.

The Town provides the following basic services: police and law enforcement, fire protection, water and sewer, trash collection, recreation, street maintenance and snow removal, and general administrative services.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standard Board (GASB) as they relate to fund accounting for fiscal accountability. Fiscal accountability is one of the primary objectives of financial reporting and is designed to demonstrate that the actions of the government during the current period have complied with public decisions concerning the raising and spending of public monies during the reporting cycle.

In June 1999, the GASB approved Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments which became effective for the Town for the period ended December 31, 2004. This statement requires the financial statements to include government-wide financial statements on a full accrual basis, in addition to the fund financial information presented by the Town of East Greenbush in these financial statements. It further requires information relating to fixed assets, including infrastructure and depreciation, component units and reconciliation between government-wide and fund statements, as well as management discussion and analysis.

The Town has elected not to implement GASB 34 due to the costs associated with the development and maintenance of the information required to present government-wide financial statements. The accompanying financial statements present the financial position of the general fund, special revenue funds and capital projects fund of the Town of East Greenbush, New York as of December 31, 2017, and the changes in financial position thereof and the respective budgetary comparison for the general fund and special revenue funds for the year then ended.

**(a) Financial Reporting Entity**

The financial reporting entity consists of the general fund, the special revenue funds and the capital projects fund of the Town of East Greenbush and does not include any other funds, account groups or component units of the Town.

**(b) Basis of Presentation – Fund Accounting**

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances (net assets), revenues, and expenditures (expenses). The following fund types are used by the Town:

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Basis of Presentation – Fund Accounting (Continued)**

**GOVERNMENTAL FUND TYPES**

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

General Fund – The general fund is the principal operating fund of the Town and accounts for the general tax revenue, miscellaneous receipts not allocated by law or contractual agreement to another fund, risk retention operations, and general operating expenditures. This fund operates within the financial limits of an annual budget adopted by the Town Board.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes. The Town maintains the following special revenue funds:

- Highway Fund - used to account for the operations of the Town's highway and maintenance program.
- Fire Protection Fund - used to fund volunteer fire district operations within the Town.
- Ambulance Fund - used to account for ambulance and emergency medical operations.
- Water Fund - used to report operations of the Town's water treatment and supply facilities that provide drinking water to all Town residents, as well as to certain other local communities outside the Town's boundaries.
- Sewer Fund - used to report operations of the Town's wastewater treatment facilities and sanitary sewer system that is provided to all Town residents.

Capital Projects Fund – The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital assets for governmental activities. Financing is generally provided from proceeds of bonds, notes, Federal and State grants, and transfers from other governmental funds.

**(c) Basis of Accounting**

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt and compensated absences, are recorded when the liability is incurred, if measurable.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Basis of Accounting (Continued)**

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

The primary non-property tax item is sales tax which is recorded as revenue when it is susceptible to accrual. Fines, permits and miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Inter-governmental revenues and interest income are accrued when their receipt occurs within sixty days of the end of the accounting period and such amounts relate to the current period.

**(d) Fund Balance Classification**

Fund balances are classified as follows:

**Nonspendable** - This classification includes 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** - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Board. The Town did not have any committed resources as of December 31, 2017.

**Assigned** - This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Board or through the Town Board delegating this responsibility to the Town Supervisor through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**Unassigned** - This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Property Taxes**

Real property taxes are levied annually on January 1. Taxes are collected during the period January 1 to March 31. Taxes for county purposes are levied together with taxes for town and special district purposes as a single bill. The town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Unpaid town taxes are turned over to the county for enforcement.

In 2017, the Town levied and accepted payments of 2018 property taxes beginning on December 28, 2017 as a result of the amended federal tax code and the suspension of the New York State law prohibiting prepayment of such taxes. Approximately, \$2,000,000 was recorded in the Trust and Agency Fund as of December 31, 2017.

**(f) Budgets**

The Town's procedures for establishing the budgetary data reflected in the accompanying financial statements are as follows:

- Not later than September 30, the Town Supervisor submits to the Town Clerk a proposed operating budget for the fiscal year commencing the following January 1.
- The Town Clerk submits the proposed budget to the Town Board on or before October 5.
- Public hearings are conducted to obtain taxpayer comments after revisions are made by the Town Board.
- Not later than November 20, the budget is legally enacted through the passage of a legislative resolution.
- Total expenditures for each object may not legally exceed the total appropriations for that object.

The Town Supervisor is authorized to approve all budget transfer requests not exceeding \$500 between the major fund codes within individual departments. Additionally, the Town Supervisor may authorize all budget transfers within major fund codes within individual departments. All other modifications to the budget must be approved by the Town Board.

The budget is developed on the basis generally consistent with the statutory basis required by the New York State Office of the State Comptroller.

**(g) Account Groups**

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

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Account Groups (Continued)**

General Long-term Debt Account Group - This account group is used to record all long-term debt of the Town, such as compensated absences, installment purchases, and bonds. Information about general long-term debt is discussed in Note 5.

Fixed Asset Account Group - The Town does not maintain information related to cost of fixed assets and the amounts that should be recorded in this account group have not been determined.

**(h) Compensated Absences**

The Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Estimated vacation and sick leave and compensatory absences accumulated by governmental fund type employees have been recorded in the general long-term debt account group and are not reflected in these financial statements.

Payment of vacation and sick leave recorded in the general long-term debt account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation and sick leave and compensatory absences when such payment becomes due.

**(i) Tax Abatements**

The Town adopted GASB Statement No. 77, *Tax Abatement Disclosures* effective January 1, 2016, which requires governments that enter into tax abatements agreements to disclose certain information about the agreements. The Town is subject to tax abatements granted by the Rensselaer County Industrial Development Agency (RCIDA). The agreements generally provide for a 100 percent abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT). The Town's revenue under these PILOT agreements was approximately \$482,000 for the year ended December 31, 2017. Property tax revenue for these properties would have been approximately \$1,278,000 if the properties were taxed at 100% assessed value with the Town recognizing a reduction of approximately \$796,000 in revenue. No additional commitments were made by the Town, other than to abate taxes, as part of these agreements.

**(j) Post-Retirement Health Insurance Benefits**

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees, their spouses, and certain survivors. All of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The Town recognizes the cost of providing healthcare benefits by expensing the annual insurance costs, which were approximately \$1,608,700 for 2017 for both retired and active employees.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Cash and Cash Equivalents**

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

All deposits shall be fully secured by insurance of the FDIC or by obligations of New York State, obligations of federal agencies, the principal and interest of which is guaranteed by the United States, or obligations of New York State local governments.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal government. Underlying securities shall be valued to market at periodic intervals by the Town Comptroller or designee.

Cash and equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

**(l) Interfund Transactions**

During the course of operations, the Town processes several transactions that affect more than one fund and other transactions between the various funds. Interfund services provided and used are accounted for as revenue in the provider funds and expenditures in the user funds. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Advances or loans from one fund to another are recorded as receivables in the remitting fund and payables in the receiving fund. Other interfund transactions generally represent transfers of resources from one fund to be utilized in another fund and are reported as transfers. Interfund transactions that are unpaid between funds are recorded in the financial statements as due from other funds (receivables) and due to other funds (payables).

**NOTE 2 — CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at year-end were entirely covered by federal depository insurance or by collateral held by a third party. The carrying amount of the Town's deposits with financial institutions was \$15,219,762 (including \$3,092,542 held in Trust and Agency funds) and the collected bank balance was \$15,437,932.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 3 — INTERFUND RECEIVABLES AND PAYABLES**

The following is a summary of interfund receivables and payables at December 31, 2017:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General	\$ 1,323,165	\$ -
Capital projects	<u>-</u>	<u>1,238,442</u>
Total	<u>\$ 1,323,165</u>	<u>\$ 1,238,442</u>

The interfund receivable balance includes approximately \$84,700 from the Trust and Agency fund.

**NOTE 4 — BOND ANTICIPATION NOTES PAYABLE**

Bond anticipation notes (BANs) payable are accounted for in the capital projects fund. Debt service expenditures are recorded in the fund that benefited from the capital project financed by the note, e.g. the General Fund and Special Revenue Funds. State law requires that BANs for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, providing that stipulated annual reductions of principal are made. BANs outstanding are comprised of the following at December 31, 2017:

<u>Project</u>	<u>Original Date Issued</u>	<u>Balance January 1, 2017</u>	<u>Borrowings</u>	<u>Reductions</u>	<u>Balance December 31, 2017</u>
Sewer	12/1/1991	\$ 72,055	\$ -	\$ 25,250	\$ 46,805
Park lands	12/29/2003	<u>70,000</u>	<u>-</u>	<u>20,000</u>	<u>50,000</u>
Total BANs outstanding		<u>\$ 142,055</u>	<u>\$ -</u>	<u>\$ 45,250</u>	<u>\$ 96,805</u>

**NOTE 5 — LONG-TERM DEBT**

As discussed in Note 1, long-term debt of the Town is recorded in the long-term debt account group and is not included in the financial statements. The following describes long-term debt of the Town:

**(a) Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the year ended December 31, 2017:

	<u>Bonds</u>	<u>Capital Leases Payable</u>	<u>Compensated Absences</u>
Payable at January 1, 2017	\$ 17,316,198	\$ 99,775	\$ 1,537,357
Additions	4,465,650	24,952	-
Reductions	<u>(971,820)</u>	<u>(61,203)</u>	<u>(54,856)</u>
Payable at December 31, 2017	<u>\$ 20,810,028</u>	<u>\$ 63,524</u>	<u>\$ 1,482,501</u>

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**NOTE 5 — LONG-TERM DEBT (Continued)**

**(b) Bonds Payable**

A summary of the Town's bonds payable at December 31, 2017 is as follows:

<b>Fund</b>	<b>Purpose</b>	<b>Original Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate (%)</b>	<b>Date Final Maturity</b>	<b>Outstanding</b>
General	Library Const.	04/11/02	\$ 3,511,114	4.50%	04/01/20	\$ 795,000
Water	Improvements	08/11/06	207,300	4.75%	08/10/21	55,280
Sewer	EFC Sewer	06/21/12	3,878,000	4.98%	03/16/20	891,000
Sewer	EFC Sewer	09/22/16	15,053,098	2.98%	08/01/46	14,603,098
General	Equipment	04/28/17	800,000	1.46%	04/27/24	800,000
Water	EFC Water	10/25/17	3,665,650	3.47%	02/01/47	3,665,650
			<u>\$ 27,115,162</u>			<u>\$ 20,810,028</u>

**(c) Capital Leases Payable**

A summary of the Town's capital leases payable at December 31, 2017 is as follows:

<b>Fund</b>	<b>Purpose</b>	<b>Original Date Issued</b>	<b>Original Amount</b>	<b>Interest Rate (%)</b>	<b>Date Final Maturity</b>	<b>Outstanding</b>
General	Police Equip	03/31/15	\$ 18,483	8.96%	03/31/19	\$ 7,667
General	Plow Truck	10/13/15	106,193	2.53%	10/13/19	42,988
General	Police Vehicle	09/11/17	24,952	6.50%	09/11/18	12,869
			<u>\$ 149,628</u>			<u>\$ 63,524</u>

**(d) Maturities Information**

The following table summarizes the Town's future debt service requirements on bonds and capital notes payable as of December 31, 2017:

<b>Year Ending Date</b>	<b>Bonds Payable</b>	<b>Capital Leases Payable</b>
2018	\$ 1,203,202	\$ 37,764
2019	1,220,756	25,760
2020	1,250,106	-
2021	658,106	-
2022	649,286	-
2023-2027	2,973,572	-
2028-2032	2,905,000	-
2033-2037	3,165,000	-
2038-2042	3,500,000	-
2043-2047	3,285,000	-
Total	<u>\$ 20,810,028</u>	<u>\$ 63,524</u>



**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 5 — LONG-TERM DEBT (Continued)**

**(e) Other Long-term Debt**

In addition to the above long-term debt, the Town has long-term debt related to deferred inflows of resources and net pension liability for the pension plans and liability for other post-retirement benefits (Note 6 and 7).

**NOTE 6 — PENSION PLANS**

**(a) Plan Description**

The Town participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS). These are cost-sharing multiple-employer retirement systems. Plan benefits, including retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed under the State Constitution. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors. Obligations of employers and employees to contribute and benefits provided 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 and for the custody and control of their funds. The Systems issue publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

**(b) Funding Policy**

No employee contribution is required for those hired prior to July 1976. The System requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined the System from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership in the System. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Town to the pension accumulation fund. For 2017, the rate was 9.3% - 24.6% for the Town's active employees. Employee contributions are deducted from their salaries and remitted on a current basis to the System.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017

**NOTE 6 — PENSION PLANS (Continued)**

**(b) Funding Policy (Continued)**

The Town is required to contribute at an actuarially determined rate. The required contributions for the Systems' fiscal years ending March 31 were:

	<u>ERS</u>	<u>PFRS</u>
2016	\$ 541,759	\$ 331,247
2017	527,101	439,500
2018	518,104	439,977

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

**(c) Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Pension Liability**

At December 31, 2017, the Town's proportionate share of the deferred outflows of resources was approximately \$1,531,000, and its proportionate share of the deferred inflows of resources and net pension liability was approximately \$504,000 and \$2,214,000, respectively. The net pension liability was measured as of March 31, 2017, and the total pension liability was determined by an actuarial valuation as of April 1, 2016, with updated procedures used to roll forward the total pension liability to March 31, 2017. The Town's proportion was based on the ratio of its actuarially determined employer contribution to ERS's and PFRS's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2017 measurement date, the Town's proportions were 0.0121521% and 0.0517351% for ERS and PFRS, respectively.

The Town has an additional deferred outflow of resource of approximately \$958,000 as of December 31, 2017 for employer contributions made subsequent to the measurement date of March 31, 2017.

Deferred outflows of resources is reported in the Long-term Asset Account. Deferred inflows of resources and net pension liability are reported in the General Long-term Debt Account Group.

**NOTE 7 — POST RETIREMENT BENEFITS**

In addition to providing pension benefits, the Town provides health insurance coverage and survivors' benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors' benefits are provided through a self-insurance program or insurance company contracts with premiums based on the benefits paid during the year. The Town also reimburses retirees for their Medicare Part B premiums. The Town recognizes the cost of providing benefits by recording total costs as expenditures in the General Fund during the year, which are net with the retirees' premium contributions. During the year ended December 31, 2017 approximately \$462,000 was paid on behalf of 47 retirees and survivors.

**TOWN OF EAST GREENBUSH, NEW YORK**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 7 — POST RETIREMENT BENEFITS (Continued)**

GASB Statement Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension, establishes standards for the recognition, measurement, and display of Other Postemployment Benefits such as retiree health insurance expenses and related liabilities and note disclosures. The Unfunded Actuarial Accrued Liability (UAAL) at December 31, 2017 is \$20,583,800. The Net Other Post Employment Benefit (OPEB) liability recorded in the long-term debt group is \$5,088,242. The key assumptions in the actuarial determination were a discount rate of 4%, ultimate inflation rate of 5%, and an amortization period of 30 years for active employees and 17 years for retired employees.

**NOTE 8 — COMMITMENTS AND CONTINGENCIES**

**(a) Lawsuits**

The Town is subject to various lawsuits arising in the ordinary course of the Town's operations. The Town believes, however, that such lawsuits, individually or in the aggregate, are unlikely to have a material adverse effect on the financial condition of the Town, and that the Town's general liability insurance would cover any potential loss after deductible.

**(b) Tax Certiorari Litigation**

The Town is a party to various tax assessment challenges which are being vigorously defended by the Town. In the event that any refund of property taxes is awarded, the portions assigned to the Town would be paid by the County and would subsequently be charged against the Town's property tax share from the County in the following fiscal year. Management believes that any tax assessment challenges would have no material impact on the Town's financial statements for the year ended December 31, 2017.

**(c) Grant Programs**

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

**NOTE 9 — SUBSEQUENT EVENTS**

In March 2018, the Town issued a \$1,316,000 General Obligation Serial Bond for the purpose of improvements to the Hampton Manor Water District. The bond carries interest rates ranging from 0.75% to 4.65%. The bond matures on March 30, 2038.

## **ADDITIONAL REPORTS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Supervisor and Members of the Town Board  
Town of East Greenbush, New York

We have audited, in accordance with the 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, the financial statements of the general fund, special revenue funds, and capital projects fund of the Town of East Greenbush, New York, as of and for the year ended December 31, 2017, and the related notes to the financial statements and have issued our report thereon dated June 26, 2018

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of East Greenbush's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of East Greenbush's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of East Greenbush's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency (Finding 2017-001).

**Compliance and Other Matters**

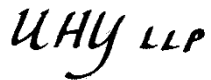
As part of obtaining reasonable assurance about whether the Town of East Greenbush's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Town of East Greenbush, New York's Response to Findings**

Town of East Greenbush, New York's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of East Greenbush, New York's response was not subjected to the auditing procedures applied in the audit of the financial statements of the general fund, special revenue funds, and capital projects fund and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Albany, New York  
June 26, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Supervisor and Members of the Town Board  
Town of East Greenbush, NY

**Report on Compliance for Each Major Federal Program**

We have audited Town of East Greenbush, New York's (the Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2017. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the Town's compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Town of East Greenbush, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

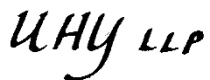
## Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Albany, New York  
June 26, 2018



**TOWN OF EAST GREENBUSH**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2017**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Total Federal Expenditures</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
Passed Through NYS Department of Transportation:			
Highway Planning and Construction			
Luther Rd. (Rte.151) Pedestrian & Bike Access Improvements	20.205	D03214	\$ 1,155,171
Total Passed Through NYS Department of Transportation			1,155,171
Total U.S. Department of Transportation			\$ 1,155,171
<b><u>DEPARTMENT OF HOMELAND SECURITY</u></b>			
Passed Through NYS Division of Homeland Security and Emergency Services:			
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	97.036	422V0	\$ 39,987
Total Passed Through NYS Division of Homeland Security and Emergency Services			39,987
Total Federal Emergency Management Agency			\$ 39,987
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,195,158

*The accompanying notes are an integral part of this Schedule.*

**TOWN OF EAST GREENBUSH**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2017**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards presents all activity of federal award programs of the Town of East Greenbush, an entity as defined in the basic financial statements. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

**NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 – INDIRECT COSTS**

The Town of East Greenbush has not elected to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

*The accompanying notes are an integral part of this Schedule.*

**TOWN OF EAST GREENBUSH**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2017**

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**Section I - Summary of Auditor's Results**

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**FINANCIAL STATEMENTS**

A. Type of Auditor's Report Issued:	Unmodified
B. Internal Control Over Financial Reporting	
Material weaknesses:	None reported
Significant deficiencies identified that are not considered to be material weaknesses:	Yes
C. Noncompliance Material to the Financial Statements:	None reported

**FEDERAL AWARDS**

A. Internal Control Over Major Programs	
Material weaknesses:	None reported
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
B. Type of Auditor's Report Issued on Compliance for Major Programs:	Unmodified
C. Audit Findings Disclosed That Are Required to be Reported in Accordance with 2 CFR Section 200.516(a)	None reported
D. Major Programs	

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**CFDA Number**

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Highway Planning and Construction	20.205
E. Dollar Threshold to Determine Type A and Type B Programs:	\$750,000
F. Auditee Qualified as Low-Risk Auditee:	No

**TOWN OF EAST GREENBUSH**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
**Year Ended December 31, 2017**

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**Section II - Financial Statement Findings**

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**Finding 2017-001**

**Criteria:** The Town Clerk collects cash receipts for a variety of services, including marriage and dog licenses, and building permits. This requires maintaining complete and accurate accounting records, ensuring that moneys received are safeguarded, promptly depositing moneys received and disbursing those moneys to the appropriate parties.

**Condition:** During 2017, the Town Clerk's trust and agency cash accounts were not reconciled and reported on a timely basis.

**Effect:** The Town Comptroller was unable to determine if the Town Clerk was receiving, recording, depositing, disbursing and reporting all money owed to the Town. As a result, misstatements may occur and not be prevented or detected and corrected on a timely basis.

**Cause:** During 2017, the Town Clerk did not consistently report the monthly activities, reconcile the bank accounts with the accounting records or reconcile the amounts collected with what was owed to various parties.

**Recommendation:** We recommend the Town Clerk reconcile bank accounts to the accounting records on a monthly basis, and reconcile the amounts collected with what is owed to various parties on a monthly basis. Additionally, we recommend the Town Clerk remit all collected fees to the Town and other appropriate parties in a timely manner.

**Management Response and Corrective Action Plan:** The Town concurs with the identified deficiency in internal control related to reconciliations of the Town Clerk's trust and agency cash accounts.

After a conference with the Town Supervisor and Town Comptroller to discuss ways to improve recordkeeping in the Town Clerk's office, the Town Clerk transmitted to the Town Comptroller completed monthly reports of activity for the months of January through May 2018. A review of the monthly reports has commenced and will be completed by the end of July 2018.

The Town Clerk was provided a copy of the Fiscal Oversight Responsibilities of the Governing Board report issued by the Office of the New York State Comptroller which includes an Appendix D entitled General Recordkeeping Requirements for Town Clerks. The Town Clerk agreed to submit monthly reports to the Town Comptroller no later than ten business days after the end of a month. The Town Clerk, Supervisor and Comptroller will meet on a monthly basis to ensure that monthly activities are reported on time.

The Town Clerk is currently in the process of completing the reconciliation of the bank accounts with the accounting records. Some of the other responsibilities of the Town Clerk's Office have been transferred to the Deputy Town Clerk, thus freeing the Town Clerk to focus on reconciliation of bank accounts and accounting records. Improvements in monthly reporting and reconciliations will ensure that the amounts owed to different parties will be accurately recorded and paid in a timely fashion.

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**Section III - Federal Award Findings and Questioned Costs**

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No matters reported