VILLAGE OF MENANDS, NEW YORK

FINANCIAL STATEMENTS

MAY 31, 2016

Teal, Becker & Chiaramonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

A Higher Standard of Excellence

TABLE OF CONTENTS

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

Teal, Becker & Chiaramonte™
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

To The Mayor and Members of
The Board of Trustees
Village of Menands, New York
Menands, New York

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Village of Menands, New York, as of and for the year ended May 31, 2016, and the related notes to the financial statements, which collectively comprise the Village'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Village'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 Village'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.

7 Washington Square, Albany, NY 12205 Ph: (518) 456-6663 | Fax: (518) 456-3975 www.tbccpa.com

Teal, Becker & Chiaramonte, CPAs, P.C. Firm Member of CPAmerica International | Members: AICPA and NYSSCPA

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, and each major fund of the Village of Menands, New York, as of May 31, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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, OPEB information, and pension information on pages 3 through 7 and Schedules 1 through 3D 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.

Teal, Becker & Chiaramonte, CPAs PC

Albany, New York
October 3, 2016

Management's Discussion and Analysis

As management of the Village of Menands, New York (the Village), we offer readers of the Village's financial statements this narrative discussion, overview, and analysis of the financial activities of the Village for the fiscal year ended May 31, 2016.

The Village of Menands, New York is wholly located within the Town of Colonie, in the County of Albany. The Village borders the City of Albany to the south, the Town of Colonie to the West and North, and the Hudson River on the East. Operation of the Municipality is overseen by the Mayor and four Trustees which comprise the Board of Trustees (the Board).

The Village has completed the waterline improvement on Van Rensselaer Boulevard-Park Drive area; the Village is currently working on a sanitary sewer relining project on canal road which is over fifty years old and had a large amount of infiltration and inflow, also the Village is proceeding with the rehabilitation of the Wards Pump Station. The Village will be issuing requests for proposals for engineering on various Water and Sanitary Sewer rehabilitations throughout the Village as it continues its review of the Village's Infrastructure. The Village budgets between $100,000 and $200,000 for paving each year.

On the economic front there are two new apartment projects on going in the Village, Dutch Village Apartments are adding forty two new apartments and the old Albany Felt building is being converted into apartments.

The Village provides its residents and businesses with 24 hour police protection. Fire protection is provided by volunteers. The Village's Department of Public Works is charged with maintenance of the water, sanitary sewer, and storm sewer systems, the Village's parks and Village streets (patching, paving, snow plowing), as well as garbage collection, and leaf and brush pick-up for residents only.

Overview Of The Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The *government-wide financial statement*s are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

Overview Of The Financial Statements (Continued)

The *Statement of Net Position* presents information on all of the assets and liabilities of the Village, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities and Changes in Net Position* presents information showing how the net position of the Village changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Fund financial statements - A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental 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 fund 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. Such information may be useful in evaluating the Village's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities.*

The Village Reports The Following Major Governmental Funds

General Fund - This is the Village's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund. This is where the vast majority of the day-to-day operations of the Village are reported.

The Village Reports The Following Major Governmental Funds (Continued)

Special Revenue Funds - These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties. Special revenue sources and related expenditures such as water and sewer charges are reported here.

Capital Projects Fund - This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Fiduciary Fund - This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Village acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the Village and are not available to be used.

Financial Highlights For 2015 - 2016 Fiscal Year

- The Village's net position decreased by approximately $576,778 (17.95%) during the fiscal year. The total net position at May 31, 2016 equaled approximately $2,636,000.

- The Village's total assets were approximately $8,198,000, of which approximately $4,181,000 were current assets and approximately $4,016,000 were capital assets. Total liabilities were approximately $6,623,000, of which approximately $414,000 were current liabilities and approximately $6,209,000 were related to noncurrent liabilities. Total deferred outflows of resources were approximately $1,341,000 and total deferred inflows of resources were approximately $280,000. Total general revenues were approximately $4,270,000 and total program revenues were approximately $1,613,000. Total expenses of the Village were approximately $7,099,000.

A large portion of the Village's net position (152%) reflects its investment in capital assets (e.g., land, buildings and improvements, furniture and equipment), less any related debt (general obligation bonds payable) used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to residents; consequently, these assets are not available for future spending.

Capital Assets And Debt Administration

Capital assets - The Capital Fund is used to account for the costs incurred in acquiring and improving sites, and in constructing and remodeling facilities.

Debt administration - In the current year, the Village paid $105,000 in principal and $107,036 in interest on Public Improvement Serial Bonds.

In October of 2014, the Board passed a bond resolution authorizing the purchase of a fire truck for the Village at a maximum estimated cost of $800,000. The Board also authorized the issuance of $800,000 in Serial Bonds of the Village to pay for the cost of purchase and the bond proceeds were received in November 2015. The fire truck was purchased at a cost of $898,184 in November of 2015.

In September of 2015, the Board passed a bond resolution authorizing the reconstruction of the Wards Pumping Station at a maximum estimated cost of $500,000 and authorizing the issuance of $500,000 in Serial Bonds of the Village to pay for the cost of reconstruction. The bond proceeds were received in February 2016.

In June of 2016, the Board passed a bond resolution authorizing the reconstruction of water distribution pipes at a maximum estimated cost of $2,918,000 and authorizing the issuance of $2,918,000 in Serial Bonds of the Village to pay for the cost of reconstruction.

General Fund Budgetary Highlights

- For 2015 - 2016, the total General Fund revenues were approximately $4,299,000 or approximately $278,000 more than total budgeted revenues. For 2014 - 2015, the total General Fund revenues were approximately $4,305,000 or approximately $298,000 more than total budgeted revenues.

- At the end of the fiscal year, the Village had an unassigned fund balance in the General Fund of approximately $911,000, as compared to $921,000 in the prior year. This represents a decrease of approximately $10,000, and the Village has also assigned $550,000 towards the budget next year, as compared to $545,000 in the prior year, and restricted approximately $65,000 for future equipment purchases, as compared to $143,000 in the prior year.

- Village revenue sources are principally property taxes of approximately $2,214,000 or 38% and sales taxes of approximately $1,517,000 or 26%. In the prior year, property taxes approximated $2,169,000 or 37%, and sales taxes approximated $1,529,000 or 26%.

<u>General Fund Budgetary Highlights (Continued)</u>

- Salaries and benefits are the largest expenditures of the Village. In the fiscal year ended May 31, 2016, they totaled approximately $2,918,000 or 45% of expenditures of all funds. In the prior year, they totaled approximately $3,136,000 or 51% of expenditures of all funds.

- Of ongoing concern to the Village of Menands, New York is the continued high cost of benefits. The Village's billed contribution to the State Retirement System, $247,279 in 2015 - 2016 and $430,040 in 2014 - 2015, has been estimated for approximately $304,000 in 2016 - 2017 ($374,000 in 2015 - 2016). In the fiscal year ended May 31, 2016, the Village's cost for health and dental insurance benefits was $496,229, as compared to $489,336 in the prior year. There is every indication that these high benefit costs will continue for the next several years.

- Beginning in 2012, non-unionized employees are required to contribute to their health and dental insurance premium at a rate of 15% of the monthly cost (changed to 17% in January of 2016). Non-Medicare and Medicare retirees contribute to their health insurance premium at a rate between 10% to 12% of the amount. Unionized employees receive health benefits per their respective contracts.

Questions about this report may be directed to the Mayor and the Board of Trustees at 518-434-2922 or at 250 Broadway, Albany, New York 12204.

VILLAGE OF MENANDS, NEW YORK

Statement Of Net Position

May 31, 2016

ASSETS	
Cash and cash equivalents	
Unrestricted	$ 2,863,452
Restricted	65,230
Receivables	
Taxes receivable - net	1,248,487
Due from other funds	3,933
Capital assets, net	4,016,412
Total Assets	$ 8,197,514
DEFERRED OUTFLOWS OF RESOURCES	
Pension - Employees' Retirement System, gross	$ 519,956
Pension - Police and Fire Retirement System, gross	821,010
Total Deferred Outflows of Resources	$ 1,340,966
LIABILITIES	
Payables	
Accounts payable	$ 84,778
Accrued liabilities	95,514
Due to other governments	63,778
Long-term liabilities	
Due and payable within one year	
Bonds payable	147,269
Compensated absences	63,317
Due and payable after one year	
Bonds payable	3,761,407
Other post-employment benefit obligation	1,063,664
Net pension liability - proportionate share - Police and Fire Retirement System	785,926
Net pension liability - proportionate share - Employees' Retirement System	557,446
Total Liabilities	$ 6,623,099
DEFERRED INFLOWS OF RESOURCES	
Pension - Employees' Retirement System, gross	$ 75,707
Pension - Police and Fire Retirement System, gross	203,878
Total Deferred Inflows of Resources	$ 279,585
NET POSITION	
Net investment in capital assets	$ 4,016,412
Reserved for restricted purposes	884,930
Unrestricted (deficit)	(2,265,546)
Total Net Position	$ 2,635,796

See accompanying notes to the basic financial statements

VILLAGE OF MENANDS, NEW YORK

Statement Of Activities And Changes In Net Position

For The Year Ended May 31, 2016

	Expenses	Indirect Expenses Allocation	Program Revenues: Charges For Services	Program Revenues: Operating Grants	Net (Expenses) Revenues And Changes In Net Position
Functions/Programs:					
General government support	$ 740,155	$ 545,419	$ -	$ -	$ (1,285,574)
Public safety	1,273,706	763,219	-	-	(2,036,925)
Transportation	616,392	184,792	-	-	(801,184)
Culture and recreation	121,093	88,321	-	-	(209,414)
Home and community service	1,883,533	131,928	1,613,203	-	(402,258)
Employee benefits	1,508,048	(1,508,048)	-	-	-
Debt service	111,420	-	-	-	(111,420)
Depreciation	205,631	(205,631)	-	-	-
Total functions/ programs	$ 6,459,978	$ -	$ 1,613,203	$ -	(4,846,775)
General Revenues:					
Real property taxes					2,214,528
Nonproperty tax items					1,517,907
Intergovernmental charges					70,844
Use of money and property					1,388
Fines and forfeitures					242,677
Miscellaneous local sources					57,963
State aid					164,690
Total general revenues					4,269,997
Changes in net position					(576,778)
Total net position - beginning of year					3,252,959
Restatement of beginning balance due to change in accounting principle					(40,385)
Total net postion - beginning of year, as restated					3,212,574
Total Net Position - End Of Year					$ 2,635,796

See accompanying notes to the basic financial statements

VILLAGE OF MENANDS, NEW YORK

Balance Sheet - Governmental Funds

May 31, 2016

Assets

	General	Special Revenue Water	Special Revenue Sewer	Capital Projects	Total Governmental Funds
Assets:					
Cash and cash equivalents - unrestricted	$ 1,793,619	$ 318,978	$ 750,855	$ -	$ 2,863,452
Cash and cash equivalents - restricted	65,230	-	-	-	65,230
Taxes receivable - net	315,941	593,219	339,327	-	1,248,487
Due from other funds	3,933	263,995	157,983	-	425,911
Total Assets	$ 2,178,723	$ 1,176,192	$ 1,248,165	$ -	$ 4,603,080

Liabilities, Deferred Inflows Of Resources, And Fund Balances

	General	Special Revenue Water	Special Revenue Sewer	Capital Projects	Total Governmental Funds
Liabilities:					
Accounts payable	$ 66,510	$ 16,627	$ 1,641	$ -	$ 84,778
Due to other funds	421,978	-	-	-	421,978
Accrued liabilities	41,110	1,374	185	-	42,669
Due to other governments	63,778	-	-	-	63,778
Total liabilities	593,376	18,001	1,826	-	613,203
Deferred Inflows of Resources:					
Unavailable revenue	-	62,573	35,111	-	97,684
Fund balances:					
Restricted	65,230	358,700	461,000	-	884,930
Committed	59,570	-	-	-	59,570
Assigned	550,000	199,534	2,469	-	752,003
Unassigned	910,547	537,384	747,759	-	2,195,690
Total fund balances	1,585,347	1,095,618	1,211,228	-	3,892,193
Total Liabilities, Deferred Inflows Of Resources, And Fund Balances	$ 2,178,723	$ 1,176,192	$ 1,248,165	$ -	$ 4,603,080

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the Funds.	4,016,412
Water and sewer revenue portions are measurable but not available, therefore, are not reported in the Funds.	97,684
Permanent bond financing is not due and payable in the current period and, therefore, is not reported in the Funds.	(3,908,676)
The other post-employment benefit obligation liability is not due and payable in the current period and, therefore, is not reported in the Funds.	(1,063,664)
GASB 68 related government wide activity:	
Deferred outflows of resources	1,340,966
Net pension liability	(1,343,372)
Deferred inflows of resources	(279,585)
Long-term liabilities, including compensated absences and accrued interest, are not due and payable in the current period and, therefore, are not reported in the Funds.	(116,162)
Net Position Of Governmental Activities	$ 2,635,796

See accompanying notes to the basic financial statements

VILLAGE OF MENANDS, NEW YORK

Statement Of Revenues, Expenditures,
And Changes In Fund Balances - Governmental Funds

For The Year Ended May 31, 2016

	General	Special Revenue		Capital Projects	Total Governmental Funds
		Water	Sewer		
Revenues:					
Real property taxes	$ 2,214,528	$ -	$ -	$ -	$ 2,214,528
Nonproperty tax items	1,517,907	-	-	-	1,517,907
Departmental income	100,226	970,202	541,374	-	1,611,802
Intergovernmental charges	1,666	-	69,178	-	70,844
Use of money and property	1,168	64	156	-	1,388
Fines and forfeitures	242,677	-	-	-	242,677
Miscellaneous local sources	56,463	1,500	-	-	57,963
State aid	164,690	-	-	-	164,690
Total revenues	4,299,325	971,766	610,708	-	5,881,799
Expenditures:					
General government support	899,002	-	-	-	899,002
Public safety	2,277,206	-	-	-	2,277,206
Transportation	616,392	-	-	-	616,392
Culture and recreation	121,093	-	-	-	121,093
Home and community services	216,340	1,326,914	364,535	-	1,907,789
Employee benefits	927,578	87,395	50,120	-	1,065,093
Debt service - principal and interest	65,764	124,891	21,381	-	212,036
Total expenditures	5,123,375	1,539,200	436,036	-	7,098,611
Excess (Deficiency) of Revenues Over Expenditures	(824,050)	(567,434)	174,672	-	(1,216,812)
Other financing sources (uses):					
Proceeds from debt	800,000	500,000	-	-	1,300,000
Operating transfers out	-	-	-	(1)	(1)
Operating transfers in	1	-	-	-	1
Total other financing sources (uses)	800,001	500,000	-	(1)	1,300,000
Excess (deficiency) of revenues and other financing sources (uses) over expenditures	(24,049)	(67,434)	174,672	(1)	83,188
Fund balances - beginning	1,609,396	1,163,052	1,036,556	1	3,809,005
Fund Balances - Ending	$ 1,585,347	$ 1,095,618	$ 1,211,228	$ -	$ 3,892,193

See accompanying notes to the basic financial statements

VILLAGE OF MENANDS, NEW YORK

Statement Of Fiduciary Net Position - Fiduciary Funds

For The Year Ended May 31, 2016

	Trust & Agency
Assets	
Cash	$ 160,419
Total Assets	$ 160,419
Liabilities	
Due to other funds	$ 3,933
Other liabilities	156,486
Total Liabilities	$ 160,419

See accompanying notes to the basic financial statements

VILLAGE OF MENANDS, NEW YORK

Reconciliation Of Governmental Funds Balance Sheet
To The Statement Of Net Position

May 31, 2016

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications And Eliminations	Statement Of Net Position Totals
Assets:				
Cash and cash equivalents - unrestricted	$ 2,863,452	$ -	$ -	$ 2,863,452
Cash and cash equivalents - restricted	65,230	-	-	65,230
Taxes receivable - net	1,248,487	-	-	1,248,487
Due from other funds	425,911	-	(421,978)	3,933
Capital assets, net	-	4,016,412	-	4,016,412
Total Assets	4,603,080	4,016,412	(421,978)	8,197,514
Deferred Outflows of Resources				
Pension - Employees' Retirement System, gross	-	519,956	-	519,956
Pension - Police and Fire Retirement System, gross	-	821,010	-	821,010
Total Deferred Outflows of Resources	-	1,340,966	-	1,340,966
Total Assets And Deferred Outflows of Resources	$ 4,603,080	$ 5,357,378	$ (421,978)	$ 9,538,480
Liabilities:				
Accounts payable	$ 84,778	$ -	$ -	$ 84,778
Due to other funds	421,978	-	(421,978)	-
Accrued liabilities	42,669	52,845	-	95,514
Other post-employment benefit obligation	-	1,063,664	-	1,063,664
Compensated absences	-	63,317	-	63,317
Due to other governments	63,778	-	-	63,778
Bond payable	-	3,908,676	-	3,908,676
Net pension liability - proportionate share -				
Police and Fire Retirement System	-	785,926	-	785,926
Employees' Retirement System	-	557,446	-	557,446
Total liabilities	613,203	6,431,874	(421,978)	6,623,099
Deferred Inflows of Resources				
Pension - Employees' Retirement System, gross	-	75,707	-	75,707
Pension - Police and Fire Retirement System, gross	-	203,878	-	203,878
Water and Sewer revenue	97,684	(97,684)	-	-
Total Deferred Inflows of Resources	97,684	181,901	-	279,585
Fund Balance/Net Position:				
Net investment in capital assets	-	4,016,412	-	4,016,412
Reserved for restricted purposes	884,930	-	-	884,930
Unrestricted	3,007,263	(5,272,809)	-	(2,265,546)
Total fund balance/net position	3,892,193	(1,256,397)	-	2,635,796
Total Liabilities, Deferred Inflows Of Resources, And Fund Balance/Net Position	$ 4,603,080	$ 5,357,378	$ (421,978)	$ 9,538,480

See accompanying notes to the basic financial statements

VILLAGE OF MENANDS, NEW YORK

Reconciliation Of Governmental Funds Revenues, Expenditures,
And Changes In Fund Balances To The Statement Of Activities

For The Year Ended May 31, 2016

	Total Governmental Funds	Capital Related Items	Long-Term Debt Transactions	Long-Term Revenue, Expenses	Statement Of Activities Totals
Revenues:					
Real property taxes	$ 2,214,528	$ -	$ -	$ -	$ 2,214,528
Nonproperty tax items	1,517,907	-	-	-	1,517,907
Departmental income	1,611,802	-	-	1,401	1,613,203
Intergovernmental charges	70,844	-	-	-	70,844
Use of money and property	1,388	-	-	-	1,388
Fines and forfeitures	242,677	-	-	-	242,677
Miscellaneous local sources	57,963	-	-	-	57,963
State aid	164,690	-	-	-	164,690
Total revenues	5,881,799	-	-	1,401	5,883,200
Expenditures:					
General government support	899,002	(158,847)	-	-	740,155
Public safety	2,277,206	(1,003,500)	-	-	1,273,706
Transportation	616,392	-	-	-	616,392
Culture and recreation	121,093	-	-	-	121,093
Home and community services	1,907,789	(24,256)	-	-	1,883,533
Employee benefits	1,065,093	-	442,955	-	1,508,048
Debt service - principal and interest	212,036	-	(100,616)	-	111,420
Depreciation expense	-	205,631	-	-	205,631
Total expenditures	7,098,611	(980,972)	342,339	-	6,459,978
Excess (Deficiency) of Revenues Over Expenditures	(1,216,812)	980,972	(342,339)	1,401	(576,778)
Other financing sources (uses):					
Proceeds from debt	1,300,000	-	(1,300,000)	-	-
Operating transfers out	(1)	-	-	-	(1)
Operating transfers in	1	-	-	-	1
Total other financing sources (uses)	1,300,000	-	(1,300,000)	-	-
Net Changes For The Year	$ 83,188	$ 980,972	$ (1,642,339)	$ 1,401	$ (576,778)

See accompanying notes to the basic financial statements

Note 1: Summary Of Significant Accounting Policies

The financial statements of the Village of Menands, New York (the Village) have been prepared in accordance with accounting principles generally accepted in the United States of America (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. The more significant of the Village's accounting policies are described below:

Financial reporting entity - The Village of Menands, New York which was established in 1924, is governed by its charter, general laws of the State of New York, and various local laws. The Village Board is the legislative body responsible for overall operations. The Mayor serves as both chief executive officer and as chief fiscal officer. The Village provides the following services: public safety, highways and streets, sanitation, home and community services, culture and recreation, public improvements, planning and zoning, and general administrative services.

Basis of presentation - Government-wide statements

The Statement of Net Position and the Statement of Activities and Changes in Net Position present financial information about the Village's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column would reflect capital-specific grants.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each function of the Village's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses, principally employee benefits, are allocated to functional areas in proportion to the payroll expended for these areas. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions 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.

Fund financial statements - The fund statements provide information about the Village's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

Note 1: Summary Of Significant Accounting Policies (Continued)

The Village reports the following major governmental funds:

General Fund - This is the Village's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Fund - This fund is used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Fiduciary Fund - This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Village acts as trustee or agent for resources that belong to others. These activities are not included in the government-wide financial statements, because their resources do not belong to the Village, and are not available to be used.

Measurement focus and basis of accounting - The government-wide 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 transaction takes place. Non-exchange transactions, in which the Village gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Village considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1: Summary Of Significant Accounting Policies (Continued)

Property taxes - The Village levies property taxes on June 1. The taxes are due on or before July 1. Unpaid Village taxes are turned over to the County for enforcement. Any such taxes remaining unpaid at year-end are re-levied as county taxes in the subsequent year.

Interfund transactions

The operations of the Village include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Village typically loans resources between funds for the purpose of providing cash flow and is related to timing differences between the reimbursements of amounts due. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

In the government-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the Village's practice to settle these amounts at a net balance based upon the right of legal offset.

Budgetary data

Budget policies - The budget policies are as follows:

No later than April 1, the budget officer submits a tentative budget to the Board of Trustees for the fiscal year commencing the following June 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

After public hearings are conducted to obtain taxpayer comments, the Board of Trustees adopts the budget.

All modifications of the budget must be approved by the Board of Trustees.

Budget basis of accounting - Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Note 1: Summary Of Significant Accounting Policies (Continued)

Capital assets - Capital assets are reported at actual cost for acquisitions subsequent to May 31, 2004. For assets acquired prior to May 31, 2004, estimated historical costs, based on appraisals conducted by independent third-party professionals were used. Donated assets are reported at estimated fair market value at the time received. General infrastructure assets prior to May 31, 2004 have not been reported.

Capitalization thresholds (the dollar value 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 are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 10,000	Straight-line	30-60 years
Building improvements	$ 10,000	Straight-line	20-60 years
Site improvements	$ 10,000	Straight-line	10-50 years
Furniture, vehicles, and equipment	$ 500	Straight-line	5-10 years
Infrastructure	$500,000	Straight-line	15-30 years

Compensatory absences - Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of twenty days a year, but may accumulate in total no more than a maximum of thirty days. Upon separation from service, employees are paid up to thirty days.

Employees accrue sick and personal leave at the rate of ten days per year. There is no payment for unused sick time and personal time at the time of termination, but unused accumulated sick leave will add to service credit at the time of retirement with the New York State Employee Retirement System.

Post-employment benefits - Accounting principles generally accepted in the United States of America establish the uniform standards of reporting for other post-employment benefits (OPEB) for governmental entities. OPEB refers to benefits provided to retirees other than pensions, which includes healthcare benefits. Accounting principles generally accepted in the United States of America set standards for financial reporting of the Plan and disclosure of actuarial information about the funded status of the Plan and the progress toward funding the post-employment liability.

Accounting principles generally accepted in the United States of America also establish standards for the accrual basis measurement and recognition of OPEB costs over a period that relates to when the service is provided to the employer, rather than recognizing those costs on a pay-as-you-go basis.

Note 1: Summary Of Significant Accounting Policies (Continued)

Equity classifications

Village-wide statements - In the Village-wide statements there are three classes of net positions:

Invested in capital assets, net of related debt - Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from acquisitions, constructions, or improvements of those assets.

Restricted net position - Reports net assets when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - Reports all other net position that do not meet the definition of the above two classifications and are deemed to be available for general use by the Village.

Funds statements:

In the fund basis statements there are five classifications of fund balance:

Non-spendable fund balance - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The Village has established and is currently using the following restricted fund balances:

Capital Reserve

According to General Municipal Law §6-c, the Capital Reserve must be used to pay the cost of construction, reconstruction, or acquisition of capital improvements or equipment. The Board of Trustees without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve. Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years.

Note 1: Summary Of Significant Accounting Policies (Continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments of expenditures are recorded for budgetary control purposes in order to reserve applicable appropriations, is employed as a control in preventing over-expenditure of established appropriations. Open encumbrances are reported as restricted fund balance in all funds other than the General Fund, since they do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

Restricted fund balance includes the following:

General Fund:		
Capital Reserve	$	65,230
Water Fund:		
Encumbrances		358,700
Sewer Fund:		
Encumbrances		461,000
Total Restricted Funds	$	884,930

Committed fund balance - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority, i.e., the Board of Trustees. Committed fund balances reported in the General Fund amounted to $59,570.

Assigned fund balance - Includes amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. Encumbrances reported in the General Fund amounted to $-0-.

Unassigned fund balance - Includes all other General Fund net position that do not meet the definition of the above four classifications and are deemed to be available for general use by the Village.

Note 1: Summary Of Significant Accounting Policies (Continued)

Order of Use of Fund Balance:

The Village's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative assigned fund balance.

Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. First, is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Village's proportion of the collective net pension asset or liability and difference during the measurement period between the Village's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Second, differences between the expected and actual experience of System members, third, the net difference between projected and actual investment earnings on pension plan investments and last, changes in plan assumptions.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Village's proportion of the collective net pension asset or liability and difference during the measurement periods between the Village's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Second, differences between the expected and actual experience of System members.

Note 1: Summary Of Significant Accounting Policies (Continued)

An additional element of deferred inflows of resources represents unearned revenues that do not meet both the measurable and available criteria for recognition in the current year. The Village Water and Sewer Fund have items that qualify for reporting in this category. It is the unavailable revenue reported in the Governmental Fund Balance Sheet. Unavailable revenue results from the water and sewer billings through the month of April that are not expected to be collected within 60 days after the end of the fiscal year. The total amount is reported as revenue within the government-wide financial statements as the total amount has been earned. This is accounted for within the reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position.

Pension Obligations

The Village participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (Systems).

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The application of these accounting principles involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. The Village periodically evaluates estimates and assumptions used in the preparation of the financial statements and makes changes on a prospective basis when adjustments are necessary. Significant estimates made by the Village in the accompanying financial statements include computation of encumbrances, compensated absences, deferred inflows of resources, and useful lives of long-lived assets, and certain assumptions related to the actuarial accrued liability for other post-employment benefits, and certain assumptions related to the actuarial determined pension liability deferred inflows and outflows of resources.

Note 1: Summary Of Significant Accounting Policies (Continued)

New accounting standards

The Village has adopted all current statements of the Governmental Accounting Standards Board (GASB) that are applicable. At May 31, 2016, the Village implemented the following new standards issued by GASB:

GASB has issued Statement 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement 27* - and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, effective for the year ending May 31, 2016.

GASB has issued Statement 69, *Government Combinations and Disposals of Government Operations*, effective for the year ending May 31, 2016.

GASB has issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees,* effective for the year ending May 31, 2016.

Future changes in accounting standards

GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for the year ending May 31, 2017.

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective for the year ending May 31, 2019. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

GASB has issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for the year ending May 31, 2017.

The Village will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

Note 2: Explanation Of Certain Differences Between Governmental Fund Statements And Government-Wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

Total fund balances of governmental funds vs. net position of governmental activities - Total fund balances of the Village's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance Sheet.

Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities and Changes in Net Position - Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities and Changes in Net Position generally fall into one of three broad categories. The amounts shown below represent:

Long-term revenue differences - Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities and Changes in Net Position reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities and Changes in Net Position.

Capital related differences - Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities and Changes in Net Position.

Long-term debt transaction differences - Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Note 2: Explanation Of Certain Differences Between Governmental Fund Statements And Government-Wide Statements (Continued)

The costs of building and acquiring capital assets (land, buildings, and equipment) financed from governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Village as a whole, and their original costs are expensed annually over their useful lives.

Original Cost of Capital Assets	$ 8,038,260
Accumulated Depreciation	$ 4,021,848

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bonds Payable	$ 3,870,000
Bond Premium	$ 38,676
Other Post-Employment Benefit Obligation	$ 1,063,664
Compensated Absences Payable	$ 63,317

In the Statement of Activities and Changes in Net Position, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Compensated absences (vacations used) decreased by $2,331 in the current year.

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Depreciation of $205,631 did not exceed capital expenditures of $1,186,603 in the current year.

Repayment of bond principal of $105,000 is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities and Changes in Net Position.

Note 2: Explanation Of Certain Differences Between Governmental Fund Statements And Government-Wide Statements (Continued)

Interest on long-term debt in the Statement of Activities and Changes in Net Position differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities and Changes in Net Position, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities and Changes in Net Position is the result of one factor. A total of $2,269 of bond discounts were amortized on the bonds as an additional interest expense adjustment.

GASB Statement 45 requires recognition of a portion of the unfunded actuarial accrued liability as the Net OPEB obligation in the Statement of Net Position, but not in the governmental funds. The Net OPEB obligation is $1,063,664 as of May 31, 2016. OPEB related expense in the Statement of Activities and Changes in Net Position differs from the amount reported in the governmental funds because only the actual contributions paid by the Village are recognized in the governmental funds. In the Statement of Activities and Changes in Net Position, however, a portion of the unfunded actuarial accrued liability is amortized and recognized as expense each year. OPEB expense reported in the Statement of Activities and Changes in Net Position was $203,680 higher than the amount reported in the governmental funds as a result of the amortization of the unfunded actuarial accrued liability.

Note 3: Change In Accounting Principle And Prior Period Adjustment

For the fiscal year ended May 31, 2016, the Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of the Statements requires the Village to report as an asset and/or liability its portion of the collective net pensions asset and liability in the New York State Teachers' and Employees' Retirement Systems. The implementation of the Statements also requires the Village to report a deferred outflow and/or inflow for the effect of the net change in the Village's proportion of the collective net pension asset and/or liability and difference during the measurement period between the Village's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow, is the Village contributions to the pension systems subsequent to the measurement date. See Note 7 for the financial statement impact of implementation of the Statements.

Note 4: Cash And Investments

The Village's investment policies are governed by State statutes. In addition, the Village has its own written investment policy. The Village's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities. The written investment policy requires investments to be made in accordance with New York State laws.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

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 must have a market value of at least 105% of the cost of the repurchase agreement.

Cash equivalents are defined as all highly liquid investments that are purchased with a maturity of three months or less.

Deposits and investments at year end were entirely covered by Federal Deposit Insurance or by collateral held by the Village of Menands, New York's custodial bank in the Village's name (see below). All deposits including certificates of deposit are carried at cost plus interest.

Fund	Bank Balance	Carrying Amount	FDIC/Insured Collateralized
General	$ 1,865,740	$ 1,858,849	$ 1,865,740
Sewer	750,855	750,855	750,855
Water	318,978	318,978	318,978
Trust & Agency	170,588	160,419	170,588
Total	$ 3,106,161	$ 3,089,101	$ 3,106,161

Note 5: Long-Term Debt

During the year ended May 31, 2014 the Village converted two Bond Anticipation Notes within the Capital Fund to long-term financing through the issuance of Public Improvement Serial Bonds in the amount of $2,775,000. The bonds are scheduled to mature in June 2033 and will be paid back in annual principal installments ranging from $100,000 to $190,000 that began in June 2014. The interest rate for bonds maturing is 3% between years 2014 to 2023 and 4% between years 2024 to 2033. Interest is due semi-annually in June and December of each year that began in December 2013. Bonds maturing on or before June 15, 2023 shall not be subject to redemption prior to maturity. Bonds maturing on or after June 15, 2024 are subject to redemption, at the option date on or after June 15, 2023 at par, plus accrued interest to the redemption date.

During the current year, Public Improvement Serial Bonds, 2015 were issued to the Village in the amount of $800,000. The bonds are scheduled to mature in November 2035 and will be paid back in annual principal installments ranging from $20,000 to $55,000 beginning in November 2016. The interest rate for bonds maturing ranges from 2.250% to 3.875%. Interest is due semi-annually in May and November of each year beginning in May 2016. Bonds maturing on or after November 1, 2023 are subject to redemption, at par.

During the current year, Public Improvement Serial Bonds, 2016 were issued to the Village in the amount of $500,000. The bonds are scheduled to mature in February 2036 and will be paid back in annual principal installments ranging from $20,000 to $35,000 beginning in February 2017. The interest rate for bonds maturing is 2.890%. Interest is due semi-annually in February and August of each year beginning in August 2016. Bonds maturing on or after February 1, 2036 are subject to redemption, at par.

Long-term liability balances and activity for the year ended May 31, 2016 are summarized below:

	Balance June 1, 2015	Additions	Reductions	Balance May 31, 2016	Amounts Due Within One Year
Government activities:					
Bonds payable	$ 2,675,000	$ 1,300,000	$ (105,000)	$ 3,870,000	$ 145,000
Bond premium	40,945	-	(2,269)	38,676	2,269
Total Governmental activities - net bonds payable	2,715,945	1,300,000	(107,269)	3,908,676	147,269
Other liabilities:					
Compensated absences	65,648	-	(2,331)	63,317	63,317
Total Long-Term Liabilities	$ 2,781,593	$ 1,300,000	$ (109,600)	$ 3,971,993	$ 210,586

Note 5: Long-Term Debt (Continued)

Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.

The following is a summary of existing serial bond obligations:

Description Of Issue	Issue Date	Final Maturity	Interest Rate	Balance At May 31, 2016
Public Improvement Bonds 2016	2/18/2016	2/15/2036	2.89%	$ 500,000
Public Improvement Bonds 2015	11/12/2015	11/1/2035	2.250 - 3.875%	$ 800,000
Public Improvement Bonds 2013	6/27/2013	6/15/2033	3.00 - 4.00%	$ 2,570,000

	Principal	Interest	Total
Fiscal year ending May 31,			
2017	$ 145,000	$ 143,898	$ 288,898
2018	160,000	128,053	288,053
2019	165,000	123,500	288,500
2020	170,000	118,797	288,797
2021	170,000	113,944	283,944
5 subsequent years	950,000	490,110	1,440,110
5 subsequent years	1,130,000	310,421	1,440,421
5 subsequent years	980,000	84,697	1,064,697
Totals	3,870,000	1,513,420	5,383,420
Plus: bond premium	38,676	-	38,676
Net Bonds Payable	$ 3,908,676	$ 1,513,420	$ 5,422,096

Interest on long-term debt for the year was composed of:

Interest paid	$ 107,036
Less interest accrued in the prior year	(46,192)
Plus interest accrued in the current year	52,845
Total Expense	$ 113,689

Note 6: Capital Assets

Capital asset balances and activity for the year ended May 31, 2016, were as follows:

Governmental activities:	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital assets that are not depreciated:				
Land	$ 2,142,100	$ 15,544	$ -	$ 2,157,644
Capital assets that are depreciated:				
Vehicles	2,462,536	992,407	24,521	3,430,422
Furniture and equipment	1,334,030	38,754	-	1,372,784
Buildings and improvements	937,512	139,898	-	1,077,410
Total depreciable historical cost	4,734,078	1,171,059	24,521	5,880,616
Total capital assets	6,876,178	1,186,603	24,521	8,038,260
Less accumulated depreciation:				
Vehicles	2,166,598	114,879	24,521	2,256,956
Furniture and equipment	1,087,160	62,593	-	1,149,753
Buildings and improvements	586,980	28,159	-	615,139
Total accumulated depreciation	3,840,738	205,631	24,521	4,021,848
Net Historical Cost	$ 3,035,440	$ 980,972	$ -	$ 4,016,412

Depreciation expense charged to governmental expense for the year ended May 31, 2016 totaled $205,631.

Depreciation expense charged to governmental functions was as follows:

Public Safety	$ 95,613
Transportation	68,009
General Government Support	27,650
Home and Community	13,061
Culture And Recreation	1,298
Total	$ 205,631

Note 7: Pension Plans

General information:

The Village participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems.

Plan Descriptions and Benefits Provided

The Village 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), and the Public employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provides retirement benefits as well as death and disability benefits. The net position of the Systems is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the Systems. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Systems. Systems benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the Systems, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The Systems is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3% of their salary for their first ten years of membership and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for the entire length of service. Employees who joined on or after April 1, 2012 contribute 3% to 6% depending on salary and these employees are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Note 7: Pension Plans (Continued)

The Village is required to contribute at an actuarially determined rate. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS	PFRS
2016	$ 137,520	$ 102,643
2015	$ 188,771	$ 234,736
2014	$ 205,565	$ 187,955

ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

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

At May 31, 2016, the Village reported the following asset (liability) for its proportionate share of the net pension asset (liability) for each of the Systems. The net pension asset (liability) was measured as of March 31, 2016 for ERS for PFRS. The total pension asset (liability) used to calculate the net pension asset (liability) was determined by an actuarial valuation. The Village's proportion of the net pension asset (liability) was based on a projection of the Village's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Village.

	ERS	PFRS
Actuarial Measurement Date	March 31, 2016	March 31, 2016
Net Pension Asset (Liability)	$ (557,446)	$ (785,926)
Village's Portion Of The Plan's Total Net Pension Asset (Liability)	0.003473%	0.026545%

Note 7: Pension Plans (Continued)

For the year ended May 31, 2016, the Village's recognized pension expense (benefit) was $69,453 for ERS and $172,153 for PFRS. At May 31, 2016, the Village's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources are as follows:

	Deferred Outflows Of Resources		Deferred Inflows Of Resources	
	ERS	**PFRS**	**ERS**	**PFRS**
Differences between expected and actual experience	$ 2,817	$ 7,049	$ 66,076	$ 118,822
Changes in assumptions	148,654	338,810	-	-
Net difference between projected and actual investment earnings on pension plan investments	330,708	440,448	-	-
Changes in proportion and differences between the Village's contributions and proportionate share of contributions	37,777	34,703	9,631	85,056
Total	$ 519,956	$ 821,010	$ 75,707	$ 203,878

Note 7: Pension Plans (Continued)

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

Year Ending:	**ERS**	**PFRS**
2017	$ 114,803	$ 148,774
2018	114,803	148,774
2019	114,803	148,774
2020	99,840	142,641
2021	-	28,169

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

	ERS	**PFRS**
Measurement Date	March 31, 2016	March 31, 2016
Actuarial Valuation Date	April 1, 2015	April 1, 2015
Interest Rate	7.50%	7.50%
Salary Scale	4.90% (indexed by service)	6.00% (indexed by service)
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience	April 1, 2010 - March 31, 2015 System's Experience
Inflation Rate	2.70%	2.70%

Note 7: Pension Plans (Continued)

For ERS and PFRS, annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

For ERS and PFRS, the actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

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

	ERS	PFRS
Measurement Date	March 31, 2016	March 31, 2016
Asset type:		
Inflation - Indexed Bonds	4.00%	4.00%
Cash	2.25%	2.25%
Domestic Equity	7.30%	7.30%
International Equity	8.55%	8.55%
Real Estate	8.25%	8.25%
Mortgages and Bonds	4.00%	4.00%
Private Equity	11.00%	11.00%
Absolute Return Strategies	6.75%	6.75%
Opportunistic Portfolio	8.60%	8.60%
Real Assets	8.65%	8.65%

Note 7: Pension Plans (Continued)

Discount Rates

The discount rates used to calculate the total pension liability were 7.0% for ERS and for PFRS. The projection of cash flows used to determine the discount rates assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Village's proportionate share of the net pension liability calculated using the discount rates of 7.0% for ERS for PFRS, as well as what the Village's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is one percentage point lower (6.0% for ERS and for PFRS) or one percentage point higher (8.0% for ERS and for PFRS) than the current rate:

ERS	1% Decrease (6.00%)	Current Assumption (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share Of The Net Pension Asset (Liability)	$ (1,257,000)	$ (557,446)	$ 33,647

PFRS	1% Decrease (6.00%)	Current Assumption (7.00%)	1% Increase (8.00%)
Employer's Proportionate Share Of The Net Pension Asset (Liability)	$ (1,755,447)	$ (785,926)	$ 26,744

Note 7: Pension Plans (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset (liability) of the employers as of the respective valuation dates were as follows:

	(Dollars in Thousands)		
	ERS	**PFRS**	**Total**
Valuation Date	April 1, 2015	April 1, 2015	
Employer's Total Pension Asset (Liability)	$ (172,303,544)	$ (30,347,727)	$ (202,651,271)
Plan Net Position	$ 156,253,265	$ 27,386,940	$ 183,640,205
Employer's Net Pension Asset (Liability)	$ (16,050,279)	$ (2,960,787)	$ (19,011,066)
Ratio Of Plan Net Position To The Employers' Total Pension Asset (Liability)	90.70%	90.20%	

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of May 31, 2016 represent the projected employer contribution for the period of April 1, 2016 through May 31, 2016, based on paid ERS and PFRS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of May 31, 2016 amounted to $63,778.

Note 7: Pension Plans (Continued)

Restatement of Net Position

For the fiscal year ended May 31, 2016, the Village implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - Amendment to GASB Statement No. 27*. The implementation of Statement No. 68 resulted in the reporting of deferred outflow of resources, and liabilities, related to the Village's participation in the Employees' Retirement Systems and Police and Fire Retirement Systems. The Village's net position has been restated as follows:

Net position beginning of year, as previously stated	$ 3,252,959
GASB Statement No. 68 implementation:	
Beginning System liability - Police and Fire Retirement System	(60,027)
Beginning System liability - Employees' Retirement System	(100,038)
Beginning deferred outflow resources - PFRS	63,386
Beginning deferred outflow resources - ERS	56,294
Net Position Beginning Of Year, As Restated	$ 3,212,574

Note 8: Commitments And Contingencies

Risk financing and related insurance - The Village is exposed to various risks of loss related to torts, theft, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

Other item - The Village has received grants which may be subject to audit by agencies of the State. Such audits may result in disallowances and a request for a return of funds to the State governments. The local government administration believes disallowances, if any, will be immaterial.

Note 9: Deferred Compensation Plan

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

The Village funds all amounts of compensation deferred under the Plan, at the direction of the covered employee, through investments in mutual funds.

All amounts of compensation deferred under the Plan are held in trust for the exclusive benefit of plan participants and beneficiaries. Plan assets have not been used for any purpose other than payment of benefits.

Note 10: Service Award Program

The Village of Menands, New York's financial statements are for the year ended May 31, 2016. However, the information contained in this note is based on information for the Village of Menands, New York Service Award Program for the Program year ending on December 31, 2015, which is the most recent program year for which complete information is available.

Length of Service Award Program - The Village established a defined contribution Service Award Program (referred to as a "LOSAP" - Length of Service Award Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1994, for the active volunteer firefighter members of the Menands Fire Company No. 1. The Program was established pursuant to Article 11-A of the New York State General Municipal Law. The Program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. The Village is the sponsor of the Program and the Program administrator.

Program description

Participation, vesting, and service credit - In a defined contribution LOSAP, each participant has an individual program account. The Program account balance of a participating 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 Village) earned by the Program assets and allocated to the participant's program account.

Note 10: Service Award Program (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 Program's entitlement age is sixty. 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 the Menands Fire Company No. 1.

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 Village and credited to the account of a participant who earned fifty points during a calendar year is currently $700. The maximum number of years of service credit a participant may earn is forty years under the Program. Currently, there are no other forms of payment of a volunteer's earned service award under the Program. Except in the case of death or total and permanent disablement, service awards may commence to be paid when 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 increase their service award payments. 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.

Fiduciary investment and control - After the end of each calendar year, the Fire Company prepares and certifies a list of names of all persons who were active volunteer members of the Fire Company during the year indicating which volunteers earned fifty points. The certified list is delivered to the Board of Trustees for the Board's review and approval. The Fire Company must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Board of Trustees.

The Board of Trustees has retained Penflex, Inc. to assist in the administration of the Program. Based on the certified calendar year volunteer firefighter listings, Penflex, Inc. determines and certifies in writing to the Board of Trustees 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 Village then authorizes, in writing, the custodian of the Village of Menands, New York's LOSAP trust funds to pay the service award. No service award benefit payment is made without the written certification from Penflex and the written directive from the authorized representative of the Board of Trustees.

Note 10: Service Award Program (Continued)

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 Board of Trustees created a Service Award Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Village Clerk. The Board of Trustees is the Program Trustee.

Authority to invest the Program assets is vested in the Program Trustee. Program assets are invested in accordance with a statutory prudent person rule. Program assets are invested through Morgan Stanley Smith Barney.

Program financial condition

Assets And Liabilities

Certificates of deposit	$ 204,523
Cash and money market	23,433
Sponsor contributions receivable	9,800
Less: liabilities	-
Total Net Assets Available For Benefits	$ 237,756
Unfunded Liability For Prior Service	$ -

Note 10: Service Award Program (Continued)

Receipts And Disbursements

Plan net assets - beginning of year	$ 229,917
Changes during the year:	
Plan contributions	11,860
Investment income earned	896
Changes in fair market value of investments	38
Plan benefit withdrawals and adjustments	(4,955)
Plan Net Assets - End Of Year	$ 237,756

Contributions

Amount Of Sponsor's Required Contribution	$ 11,860
Amount Of Sponsor's Actual Contribution	$ 11,860

Administration Fees

Fees Paid To Administrative/Actuarial Services Provider (Paid Directly By The Village)	$ 3,495

Note 11: Fund Balance - Reserve For Restricted Purposes

General Fund - Consists of various legally segregated amounts for equipment purchases.

Capital Fund - Consists of current authorized capital projects. There were no restricted or encumbrance amounts at May 31, 2016.

Water Fund - Consists of authorized contracts of future expenditures for authorized projects within the water fund. The total restricted encumbrance balance was $358,700 at May 31, 2016.

Sewer Fund - Consists of authorized contracts of future expenditures for authorized projects within the sewer fund. The total restricted encumbrance balance was $461,000 at May 31, 2016.

Note 12: Other Post-Employment Benefits

In a previous year, the Village implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Reporting by Employers for Post-Employment Benefits Other than Pensions* (OPEB), for certain post-employment health care benefits provided by the Village. The Village elected to implement this statement prospectively.

Plan description - The Village administers a single-employer defined benefit healthcare plan (the Plan) that provides medical insurance to its employees and their eligible dependents.

Employees and their dependents may elect to remain in the Plan upon retirement up to age 65. After age 65 the Village's insurance coverage becomes secondary to the retiree's Medicare insurance. The Plan has 16 retirees and spouses receiving benefits and has a total of 26 active participants and dependents. Of that active total, 21 are not yet eligible to receive benefits.

Eligibility criteria for the Plan was established by NYS LRS and may only be amended by the Village. The Village has not established a trust or Village fund for the Plan. The Village does not issue stand alone financial statements for this Plan. All financial information related to the Plan is accounted for in the Village's basic financial statements.

During the year 2016, $157,544 was paid on behalf of 16 retirees and spouses and was recorded as an expenditure in the General Fund.

Funding Policy - For the year ended May 31, 2016, the Village's contribution was $157,544, which includes both an estimate of the implied subsidy described above and the explicit subsidy paid on behalf of eligible retirees. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as may be determined annually by the Board.

Annual OPEB cost and net OPEB obligation - The Village's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (or funding excess) over a period not to exceed thirty years.

Note 12: Other Post-Employment Benefits (Continued)

The following table shows the components of the Village's annual OPEB cost for the year ended May 31, 2016, the amount actually contributed to the Plan, and changes in the Village's net OPEB obligation to the Plan:

Annual required contribution	$ 381,059
Interest on net OPEB obligation	34,399
Adjustment to annual required contribution	(54,234)
Annual OPEB cost (expense)	361,224
Contributions made	(157,544)
Increase in net OPEB obligation	203,680
Net OPEB obligation - beginning of year	859,984
Net OPEB Obligation - End Of Year	$ 1,063,664

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the fiscal years ended May 31, 2014, 2015, and 2016, were as follows:

Year Ending	Annual OPEB Cost	Percentage Of Annual OPEB Cost Contributed	Net OPEB Obligation
May 31, 2014	$ 290,277	33%	$ 674,057
May 31, 2015	$ 290,277	36%	$ 859,984
May 31, 2016	$ 361,224	44%	$ 1,063,664

Funded status and funding progress - Because the Plan has fewer than 200 members, the Village is required to obtain an actuarial valuation at least every three years. The most recent actuarial valuation was performed as of May 31, 2016. Accordingly, the Village will be required to obtain a subsequent actuarial valuation within three years of that date. As of May 31, 2016, the actuarial accrued liability for benefits was $3,643,163, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was $1,374,662, and the ratio of unfunded actuarial liability (UAAL) to the covered payroll was 265%.

Note 12: Other Post-Employment Benefits (Continued)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Village's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the 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 actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 31, 2016 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return and an annual healthcare cost trend rate of 10.50% initially, reduced by decrements to an ultimate rate of 3.84% at fiscal year ending 2086. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The UAAL is being amortized using a level-dollar payment basis over an open period of 30 years remaining amortization period of 24 years.

Note 13: Operating Lease

The Village's leasing operation consists of one inter-municipal agreement for the use of a Village fire truck. The lease is classified as an operating lease between the Village and a municipality.

Lease payments are charged to the municipality at $83.33 per day, which is approximately $2,500 per month. Either party has the option to terminate the lease agreement pursuant to specific terms and a future maturity schedule is not applicable.

REQUIRED SUPPLEMENTARY INFORMATION (OTHER THAN MD&A)

VILLAGE OF MENANDS, NEW YORK

Schedule Of Revenues, Expenditures, And Changes In Fund Balance - Budget (Non-GAAP Basis) And Actual - General And Special Revenue Fund Types

For The Year Ended May 31, 2016

	General Fund			
	Original Budget	Final Budget	Actual (Budgetary Basis) (See Note A)	Variance With Final Budget Postive (Negative)
Revenues:				
Real property taxes	$ 2,206,234	$ 2,206,234	$ 2,214,528	$ 8,294
Nonproperty tax items	1,455,000	1,455,000	1,517,907	62,907
Departmental income	22,800	22,800	100,226	77,426
Intergovernmental charges	5,000	5,000	1,666	(3,334)
Use of money and property	1,000	1,000	1,168	168
Fines and forfeitures	190,000	190,000	242,677	52,677
Miscellaneous local sources	-	-	56,463	56,463
State aid	141,112	141,112	164,690	23,578
Total revenues	4,021,146	4,021,146	4,299,325	278,179
Expenditures:				
General government support	834,826	976,288	899,002	77,286
Public safety	1,423,441	2,390,626	2,277,206	113,420
Transportation	793,270	793,270	616,392	176,878
Culture and recreation	139,052	139,852	121,093	18,759
Home and community services	242,907	242,907	216,340	26,567
Employee benefits	1,043,750	1,038,050	927,578	110,472
Debt service - principal and interest	53,900	69,400	65,764	3,636
Total expenditures	4,531,146	5,650,393	5,123,375	527,018
Other financing sources (uses):				
Proceeds from debt	-	-	800,000	800,000
Operating transfers in (out)	(35,000)	(35,000)	(34,999)	1
Total other financing sources (uses)	(35,000)	(35,000)	765,001	800,001
Total Changes To (Appropriations) Revenue	$ (545,000)	$ (1,664,247)	(59,049)	$ 1,605,198

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures.

Uses/outflows of resources:

Actual amounts (budgetary basis) "total changes to appropriations" from the budgetary comparison schedule	(59,049)
Encumbrances for services, supplies, and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year they are received for financial reporting purposes	-
Transfers to other reserve cash funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	35,000
Total Excess (Deficiency) Of Revenues And Other Financing Sources (Uses) Over Expenditures As Reported On The Statement Of Revenues, Expenditures, And Changes In Fund Balances - Governmental Funds	$ (24,049)

See paragraph on supplementary schedules included in independent auditors' report

Schedule 1 (Continued)

VILLAGE OF MENANDS, NEW YORK

Schedule Of Revenues, Expenditures, And Changes In Fund Balance - Budget (Non-GAAP Basis) And Actual -
General And Special Revenue Fund Types

For The Year Ended May 31, 2016

Water Fund				Sewer Fund			
Original Budget	**Final Budget**	**Actual (Budgetary Basis) (See Note A)**	**Variance With Final Budget Postive (Negative)**	**Original Budget**	**Final Budget**	**Actual (Budgetary Basis) (See Note A)**	**Variance With Final Budget Postive (Negative)**
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-	-
951,500	951,500	970,202	18,702	526,000	526,000	541,374	15,374
-	-	-	-	60,000	60,000	69,178	9,178
500	500	64	(436)	200	200	156	(44)
-	-	-	-	-	-	-	-
-	-	1,500	1,500	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
952,000	952,000	971,766	19,766	586,200	586,200	610,708	24,508
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
953,139	2,109,539	1,685,614	423,925	500,050	1,422,050	825,535	596,515
100,850	101,850	87,395	14,455	64,350	64,350	50,120	14,230
125,300	125,300	124,891	409	21,800	21,800	21,381	419
1,179,289	2,336,689	1,897,900	438,789	586,200	1,508,200	897,036	611,164
-	-	-	-				
-	-	500,000	500,000	-	-	-	-
-	-	500,000	500,000	-	-	-	-
$ (227,289)	$(1,384,689)	(426,134)	$ 958,555	$ -	$ (922,000)	(286,328)	$ 635,672
		(426,134)				(286,328)	
		358,700				461,000	
		-				-	
		$ (67,434)				$ 174,672	

See paragraph on supplementary schedules included in independent auditors' report

VILLAGE OF MENANDS, NEW YORK

Schedule Of Funded Status And Funding Progress - Other Post-Employment Benefits

For The Year Ended May 31, 2016

Actuarial Valuation Date	Actuarial Value Of Assets (a)	Actuarial Accrued Liability (AAL)-- 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)
5/31/2016	$ -	$ 3,643,163	$ 3,643,163	0%	$ 1,374,662	265%
5/31/2013	$ -	$ 3,161,400	$ 3,161,400	0%	$ 1,207,396	262%
5/31/2010	$ -	$ 1,790,289	$ 1,790,289	0%	$ 1,342,614	133%

Schedule 3A

VILLAGE OF MENANDS, NEW YORK

Schedule Of Village of Menands's (VOM)
Proportionate Share Of The Net Pension Liability

NYSLRS Pension Plan - ERS
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2016*
VOM's proportion of the net pension (liability) asset	0.0034731%
VOM's proportionate share of the net pension (liability) asset	$ (557,446)
VOM's covered-employee payroll	$ 973,307
VOM's proportionate share of the net pension (liability) asset as a percentage of its covered-employee payroll	57.27%
Plan fiduciary net position as a percentage of the total pension liability	90.70%

* The amounts presented for the fiscal year were determined as of the measurement date March 31.

VILLAGE OF MENANDS, NEW YORK

Schedule Of Village of Menands's (VOM) Contributions

NYSLRS Pension Plan - ERS
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2016*
Contractually required contribution	$ 137,520
Contributions in relation to the contractually required contribution	137,520
Contribution Deficiency (Excess)	$ -
VOM's covered-employee payroll	$ 973,307
Contributions as a percentage of covered-employee payroll	14.13%

* The amounts presented for the fiscal year were determined as of the measurement date March 31.

VILLAGE OF MENANDS, NEW YORK

Schedule Of Village of Menands's (VOM)
Proportionate Share Of The Net Pension Liability

NYSLRS Pension Plan - PFRS
Last 10 Fiscal Years*
(Dollar amounts in thousands)

		2016*
VOM's proportion of the net pension (liability) asset		0.0265445%
VOM's proportionate share of the net pension (liability) asset	$	(785,926)
VOM's covered-employee payroll	$	630,096
VOM's proportionate share of the net pension (liability) asset as a percentage of its covered-employee payroll		124.73%
Plan fiduciary net position as a percentage of the total pension liability		90.20%

* The amounts presented for the fiscal year were determined as of the measurement date March 31.

VILLAGE OF MENANDS, NEW YORK

Schedule Of Village of Menands's (VOM) Contributions

NYSLRS Pension Plan - PFRS
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2016*
Contractually required contribution	$ 102,643
Contributions in relation to the contractually required contribution	102,643
Contribution Deficiency (Excess)	$ -
VOM's covered-employee payroll	$ 630,096
Contributions as a percentage of covered-employee payroll	16.29%

* The amounts presented for the fiscal year were determined as of the measurement date March 31.