

TOWN OF COPAKE, NEW YORK

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

DECEMBER 31, 2018

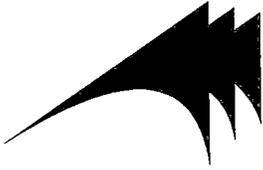
TOWN OF COPAKE, NEW YORK

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Sickler, Torchia  
Allen & Churchill, CPA's, PC  
*Your Partner When It Counts*

Robert J. Allen, CPA  
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INDEPENDENT ACCOUNTANT'S DISCLAIMER

To Town Board of the  
Town of Copake  
Copake, New York

The accompanying financial statements of the Town of Copake (the Town) as of and for the year ended December 31, 2018, which collectively comprise the Town's annual financial report update document included in the accompanying prescribed form, were not subjected to an audit, review, or compilation engagement by us. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

  
Hudson, New York  
February 28, 2019

All Numbers in This Report  
Have Been Rounded To  
The Nearest Dollar

**ANNUAL FINANCIAL REPORT**

**UPDATE DOCUMENT**

**For The**

**TOWN of Copake**

**County of Columbia**

**For the Fiscal Year Ended 12/31/2018**

\*\*\*\*\*

**AUTHORIZATION**

**ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:**

1. **\*\*\*Every Municipal Corporation \*\*\* shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation \*\*\***

5. **All reports shall be certified by the officer making the same and shall be filed with the Comptroller \*\*\* It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report \*\*\***

**State of NEW YORK  
Office of The State Comptroller  
Division of Local Government and School Accountability  
Albany, New York 12236**

TOWN OF Copake

\*\*\* FINANCIAL SECTION \*\*\*

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2017 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2018:

- (A) GENERAL
- (CM) MISCELLANEOUS SPECIAL REV
- (DA) HIGHWAY-TOWN-WIDE
- (K) GENERAL FIXED ASSETS
- (SL) LIGHTING
- (TA) AGENCY
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2017 represent data filed by your government with OSC as reviewed and adjusted where necessary.

\*\*\* SUPPLEMENTAL SECTION \*\*\*

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

Balance Sheet

Code Description	2017	EdpCode	2018
<b>Assets</b>			
Cash	1,759,517	A200	2,287,208
Petty Cash	420	A210	420
<b>TOTAL Cash</b>	<b>1,759,937</b>		<b>2,287,628</b>
Accounts Receivable	22,070	A380	17,830
<b>TOTAL Other Receivables (net)</b>	<b>22,070</b>		<b>17,830</b>
Due From Other Funds	15,136	A391	
<b>TOTAL Due From Other Funds</b>	<b>15,136</b>		<b>0</b>
Due From Other Governments	175,518	A440	194,350
<b>TOTAL Due From Other Governments</b>	<b>175,518</b>		<b>194,350</b>
Prepaid Expenses	4,717	A480	5,257
<b>TOTAL Prepaid Expenses</b>	<b>4,717</b>		<b>5,257</b>
Cash Special Reserves	900,000	A230	1,111,603
<b>TOTAL Restricted Assets</b>	<b>900,000</b>		<b>1,111,603</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>2,877,378</b>		<b>3,616,668</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

Balance Sheet

Code Description	2017	EdpCode	2018
Accounts Payable	12,915	A600	9,947
<b>TOTAL Accounts Payable</b>	<b>12,915</b>		<b>9,947</b>
Accrued Liabilities	2,168	A601	2,168
<b>TOTAL Accrued Liabilities</b>	<b>2,168</b>		<b>2,168</b>
Overpayments & Clearing Account	453	A690	453
<b>TOTAL Other Liabilities</b>	<b>453</b>		<b>453</b>
Due To Other Funds		A630	3,261
<b>TOTAL Due To Other Funds</b>	<b>0</b>		<b>3,261</b>
<b>TOTAL Liabilities</b>	<b>15,536</b>		<b>15,829</b>
<b>Fund Balance</b>			
Not in Spendable Form	4,717	A806	5,257
<b>TOTAL Nonspendable Fund Balance</b>	<b>4,717</b>		<b>5,257</b>
Capital Reserve	800,000	A878	1,010,314
Reserve For Repairs	100,000	A882	101,289
<b>TOTAL Restricted Fund Balance</b>	<b>900,000</b>		<b>1,111,603</b>
Unassigned Fund Balance	1,957,125	A917	2,483,979
<b>TOTAL Unassigned Fund Balance</b>	<b>1,957,125</b>		<b>2,483,979</b>
<b>TOTAL Fund Balance</b>	<b>2,861,842</b>		<b>3,600,839</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>2,877,378</b>		<b>3,616,668</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
<b>Revenues</b>			
Real Property Taxes	283,581	A1001	283,581
<b>TOTAL Real Property Taxes</b>	<b>283,581</b>		<b>283,581</b>
Interest & Penalties On Real Prop Taxes	11,484	A1090	8,319
<b>TOTAL Real Property Tax Items</b>	<b>11,484</b>		<b>8,319</b>
Non Prop Tax Dist By County	526,123	A1120	579,869
Franchises	23,706	A1170	25,735
<b>TOTAL Non Property Tax Items</b>	<b>549,829</b>		<b>605,604</b>
Clerk Fees	2,843	A1255	1,670
Public Pound Charges, Dog Control Fees	330	A1550	60
Zoning Fees	3,637	A2110	1,711
Planning Board Fees	2,850	A2115	1,550
<b>TOTAL Departmental Income</b>	<b>9,660</b>		<b>4,991</b>
Misc Revenue, Other Govts	28,496	A2389	28,552
Share of Joint Activity, Other Govts	9,020	A2390	8,250
<b>TOTAL Intergovernmental Charges</b>	<b>37,516</b>		<b>36,802</b>
Interest And Earnings	3,364	A2401	24,314
Rental of Real Property	3,735	A2410	3,120
<b>TOTAL Use of Money And Property</b>	<b>7,099</b>		<b>27,434</b>
Dog Licenses	988	A2544	800
Building And Alteration Permits	59,418	A2555	61,451
Permits, Other	125	A2590	125
<b>TOTAL Licenses And Permits</b>	<b>60,531</b>		<b>62,376</b>
Fines And Forfeited Bail	40,196	A2610	44,354
<b>TOTAL Fines And Forfeitures</b>	<b>40,196</b>		<b>44,354</b>
Sales, Other	15	A2655	
Sales of Equipment	13,470	A2665	5,260
Insurance Recoveries	2,882	A2680	41,511
<b>TOTAL Sale of Property And Compensation For Loss</b>	<b>16,367</b>		<b>46,771</b>
Refunds of Prior Year's Expenditures	3,915	A2701	33,252
Gifts And Donations	30,921	A2705	27,000
Employees Contributions	1,456	A2709	1,248
Unclassified (specify)	30,534	A2770	864
<b>TOTAL Miscellaneous Local Sources</b>	<b>66,826</b>		<b>62,364</b>
St Aid, Revenue Sharing	11,239	A3001	11,239
St Aid, Mortgage Tax	107,221	A3005	120,228
St Aid - Other (specify)	5,100	A3089	3,200
St Aid, Youth Programs	1,429	A3820	1,429
<b>TOTAL State Aid</b>	<b>124,989</b>		<b>136,096</b>
<b>TOTAL Revenues</b>	<b>1,208,078</b>		<b>1,318,692</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>1,208,078</b>		<b>1,318,692</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
<b>Expenditures</b>			
Legislative Board, Pers Serv	12,788	A10101	14,420
Legislative Board, Contr Expend	1,195	A10104	1,195
<b>TOTAL Legislative Board</b>	<b>13,983</b>		<b>15,615</b>
Municipal Court, Pers Serv	34,116	A11101	33,204
Municipal Court, Equip & Cap Outlay	4,800	A11102	1,527
Municipal Court, Contr Expend	5,720	A11104	2,959
<b>TOTAL Municipal Court</b>	<b>44,636</b>		<b>37,690</b>
Supervisor,pers Serv	12,875	A12201	12,875
Supervisor,contr Expend	23,058	A12204	23,951
<b>TOTAL Supervisor</b>	<b>35,933</b>		<b>36,826</b>
Assessment, Pers Serv	33,876	A13551	34,510
Assessment, Contr Expend	15,465	A13554	13,002
<b>TOTAL Assessment</b>	<b>49,341</b>		<b>47,512</b>
Clerk,pers Serv	36,640	A14101	39,073
Clerk,contr Expend	2,085	A14104	2,750
<b>TOTAL Clerk</b>	<b>38,725</b>		<b>41,823</b>
Law, Contr Expend	39,481	A14204	37,117
<b>TOTAL Law</b>	<b>39,481</b>		<b>37,117</b>
Records Mgmt, Contr Expend	940	A14604	
<b>TOTAL Records Mgmt</b>	<b>940</b>		<b>0</b>
Buildings, Pers Serv	15,300	A16201	15,300
Buildings, Contr Expend	29,564	A16204	29,830
<b>TOTAL Buildings</b>	<b>44,864</b>		<b>45,130</b>
Central Print & Mail,contr Expend	6,307	A16704	9,378
<b>TOTAL Central Print &amp; Mail</b>	<b>6,307</b>		<b>9,378</b>
Central Data Process & Cap Outlay	828	A16802	669
Central Data Process, Contr Expend	4,138	A16804	3,567
<b>TOTAL Central Data Process</b>	<b>4,966</b>		<b>4,236</b>
Unallocated Insurance, Contr Expend	33,683	A19104	34,608
<b>TOTAL Unallocated Insurance</b>	<b>33,683</b>		<b>34,608</b>
Municipal Assn Dues, Contr Expend	1,000	A19204	1,000
<b>TOTAL Municipal Assn Dues</b>	<b>1,000</b>		<b>1,000</b>
<b>TOTAL General Government Support</b>	<b>313,859</b>		<b>310,935</b>
Control of Animals, Pers Serv	3,600	A35101	3,829
Control of Animals, Contr Expend	2,580	A35104	35
<b>TOTAL Control of Animals</b>	<b>6,180</b>		<b>3,864</b>
Safety Inspection, Pers Serv	20,541	A36201	21,766
Safety Inspection, Contr Expend	578	A36204	638
<b>TOTAL Safety Inspection</b>	<b>21,119</b>		<b>22,404</b>
<b>TOTAL Public Safety</b>	<b>27,299</b>		<b>26,268</b>
Registrar of Vital Stat Contr Expend	1,130	A40204	230
<b>TOTAL Registrar of Vital Stat Contr Expend</b>	<b>1,130</b>		<b>230</b>
<b>TOTAL Health</b>	<b>1,130</b>		<b>230</b>
Street Admin, Pers Serv	65,381	A50101	66,272

TOWN OF Copake  
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For the Fiscal Year Ending 2018

(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
<b>Expenditures</b>			
Street Admin, Contr Expend	200	A50104	250
<b>TOTAL Street Admin</b>	<b>65,581</b>		<b>66,522</b>
Garage, Contr Expend	23,665	A51324	18,789
<b>TOTAL Garage</b>	<b>23,665</b>		<b>18,789</b>
Street Lighting, Contr Expend		A51824	
<b>TOTAL Street Lighting</b>	<b>0</b>		<b>0</b>
Sidewalks, Contr Expend	774	A54104	736
<b>TOTAL Sidewalks</b>	<b>774</b>		<b>736</b>
<b>TOTAL Transportation</b>	<b>90,020</b>		<b>86,047</b>
Publicity, Contr Expend	1,216	A64104	1,048
<b>TOTAL Publicity</b>	<b>1,216</b>		<b>1,048</b>
Veterans Service, Contr Expend	500	A65104	500
<b>TOTAL Veterans Service</b>	<b>500</b>		<b>500</b>
Programs For Aging, Contr Expend	425	A67724	408
<b>TOTAL Programs For Aging</b>	<b>425</b>		<b>408</b>
<b>TOTAL Economic Assistance And Opportunity</b>	<b>2,141</b>		<b>1,956</b>
Parks, Contr Expend		A71104	
<b>TOTAL Parks</b>	<b>0</b>		<b>0</b>
Playgr & Rec Centers, Pers Serv	9,558	A71401	9,957
Playgr & Rec Centers, Equip & Cap Outlay	50,991	A71402	
Playgr & Rec Centers, Contr Expend	16,201	A71404	26,111
<b>TOTAL Playgr &amp; Rec Centers</b>	<b>76,750</b>		<b>36,068</b>
Youth Prog, Pers Serv	18,963	A73101	20,824
Youth Prog, Contr Expend	5,653	A73104	6,432
<b>TOTAL Youth Prog</b>	<b>24,616</b>		<b>27,256</b>
Historian, Contr Expend	425	A75104	425
<b>TOTAL Historian</b>	<b>425</b>		<b>425</b>
Historical Property, Contr Expend	1,218	A75204	1,075
<b>TOTAL Historical Property</b>	<b>1,218</b>		<b>1,075</b>
Celebrations, Contr Expend	4,285	A75504	1,701
<b>TOTAL Celebrations</b>	<b>4,285</b>		<b>1,701</b>
<b>TOTAL Culture And Recreation</b>	<b>107,294</b>		<b>66,525</b>
Zoning, Pers Serv	3,062	A80101	2,955
Zoning, Contr Expend	2,625	A80104	2,670
<b>TOTAL Zoning</b>	<b>5,687</b>		<b>5,625</b>
Planning, Pers Serv	5,369	A80201	5,168
Planning, Contr Expend	3,447	A80204	7,515
<b>TOTAL Planning</b>	<b>8,816</b>		<b>12,683</b>
Cemetery, Pers Serv	109	A88101	120
Cemetery, Contr Expend	1,816	A88104	
<b>TOTAL Cemetery</b>	<b>1,925</b>		<b>120</b>
<b>TOTAL Home And Community Services</b>	<b>16,428</b>		<b>18,428</b>
State Retirement System	18,408	A90108	19,461
Social Security, Employer Cont	22,310	A90308	23,183
Disability Insurance, Empl Bnfts	482	A90558	389

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

Results of Operation

Code Description	2017	EdpCode	2018
<b>Expenditures</b>			
Hospital & Medical (dental) Ins, Empl Bnft	30,261	A90608	26,276
<b>TOTAL Employee Benefits</b>	<b>71,461</b>		<b>69,309</b>
<b>TOTAL Expenditures</b>	<b>629,632</b>		<b>579,698</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>629,632</b>		<b>579,698</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

**Analysis of Changes in Fund Balance**

Code Description	2017	EdpCode	2018
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>2,283,396</b>	<b>A8021</b>	<b>2,861,842</b>
Prior Period Adj -Decrease In Fund Balance		A8015	
<b>Restated Fund Balance - Beg of Year</b>	<b>2,283,396</b>	<b>A8022</b>	<b>2,861,842</b>
ADD - REVENUES AND OTHER SOURCES	1,208,078		1,318,692
DEDUCT - EXPENDITURES AND OTHER USES	629,632		579,698
<b>Fund Balance - End of Year</b>	<b>2,861,842</b>	<b>A8029</b>	<b>3,600,836</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

Budget Summary

Code Description	2018	EdpCode	2019
<b>Estimated Revenues</b>			
Est Rev - Real Property Taxes	283,581	A1049N	283,581
Est Rev - Real Property Tax Items	10,000	A1099N	10,000
Est Rev - Non Property Tax Items	310,000	A1199N	310,000
Est Rev - Departmental Income	1,250	A1299N	1,250
Est Rev - Intergovernmental Charges	35,131	A2399N	36,631
Est Rev - Use of Money And Property	1,750	A2499N	6,750
Est Rev - Licenses And Permits	29,423	A2599N	29,693
Est Rev - Fines And Forfeitures	35,000	A2649N	35,000
Est Rev - Miscellaneous Local Sources	2,997	A2799N	2,493
Est Rev - State Aid	101,700	A3099N	141,700
<b>TOTAL Estimated Revenues</b>	<b>810,832</b>		<b>857,098</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>810,832</b>		<b>857,098</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(A) GENERAL

Budget Summary

Code	Description	2018	EdpCode	2019
<b>Appropriations</b>				
	App - General Government Support	437,679	A1999N	423,334
	App - Public Safety	31,100	A3999N	30,850
	App - Health	1,100	A4999N	1,000
	App - Transportation	106,440	A5999N	103,275
	App - Economic Assistance And Opportunity	8,750	A6999N	8,750
	App - Culture And Recreation	65,525	A7999N	80,675
	App - Home And Community Services	44,275	A8999N	72,875
	App - Employee Benefits	115,963	A9199N	136,339
<b>TOTAL Appropriations</b>		<b>810,832</b>		<b>857,098</b>
<b>TOTAL Appropriations And Other Uses</b>		<b>810,832</b>		<b>857,098</b>

TOWN OF Copake  
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(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2017	EdpCode	2018
<b>Assets</b>			
Cash	17,595	CM200	20,287
<b>TOTAL Cash</b>	<b>17,595</b>		<b>20,287</b>
Accounts Receivable		CM380	
<b>TOTAL Other Receivables (net)</b>	<b>0</b>		<b>0</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>17,595</b>		<b>20,287</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2017	EdpCode	2018
Accounts Payable		CM600	
<b>TOTAL Accounts Payable</b>	<b>0</b>		<b>0</b>
<b>TOTAL Liabilities</b>	<b>0</b>		<b>0</b>
<b>Fund Balance</b>			
Assigned Unappropriated Fund Balance	17,595	CM915	20,287
<b>TOTAL Assigned Fund Balance</b>	<b>17,595</b>		<b>20,287</b>
<b>TOTAL Fund Balance</b>	<b>17,595</b>		<b>20,287</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>17,595</b>		<b>20,287</b>

TOWN OF Copake  
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(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2017	EdpCode	2018
<b>Revenues</b>			
Interest And Earnings		CM2401	51
<b>TOTAL Use of Money And Property</b>	<b>0</b>		<b>51</b>
Unclassified (specify)	6,302	CM2770	4,328
<b>TOTAL Miscellaneous Local Sources</b>	<b>6,302</b>		<b>4,328</b>
<b>TOTAL Revenues</b>	<b>6,302</b>		<b>4,379</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>6,302</b>		<b>4,379</b>

TOWN OF Copake  
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For the Fiscal Year Ending 2018

(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2017	EdpCode	2018
<b>Expenditures</b>			
Other Culture And Recreation-Contr Expend	4,785	CM79894	1,688
<b>TOTAL Other Culture And Recreation-Contr Expend</b>	<b>4,785</b>		<b>1,688</b>
<b>TOTAL Culture And Recreation</b>	<b>4,785</b>		<b>1,688</b>
<b>TOTAL Expenditures</b>	<b>4,785</b>		<b>1,688</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>4,785</b>		<b>1,688</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(CM) MISCELLANEOUS SPECIAL REV

**Analysis of Changes in Fund Balance**

Code Description	2017	EdpCode	2018
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>16,079</b>	<b>CM8021</b>	<b>17,596</b>
<b>Restated Fund Balance - Beg of Year</b>	<b>16,079</b>	<b>CM8022</b>	<b>17,596</b>
ADD - REVENUES AND OTHER SOURCES	6,302		4,379
DEDUCT - EXPENDITURES AND OTHER USES	4,785		1,688
<b>Fund Balance - End of Year</b>	<b>17,596</b>	<b>CM8029</b>	<b>20,287</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code	Description	2017	EdpCode	2018
<b>Assets</b>				
	Cash	422,894	DA200	280,555
<b>TOTAL Cash</b>		<b>422,894</b>		<b>280,555</b>
	Accounts Receivable	3,205	DA380	1,222
<b>TOTAL Other Receivables (net)</b>		<b>3,205</b>		<b>1,222</b>
	Due From Other Governments	2,504	DA440	
<b>TOTAL Due From Other Governments</b>		<b>2,504</b>		<b>0</b>
	Prepaid Expenses	28,886	DA480	30,996
<b>TOTAL Prepaid Expenses</b>		<b>28,886</b>		<b>30,996</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>		<b>457,489</b>		<b>312,773</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2017	EdpCode	2018
Accounts Payable	19,407	DA600	9,575
<b>TOTAL Accounts Payable</b>	<b>19,407</b>		<b>9,575</b>
Accrued Liabilities	15,633	DA601	16,409
<b>TOTAL Accrued Liabilities</b>	<b>15,633</b>		<b>16,409</b>
<b>TOTAL Liabilities</b>	<b>35,040</b>		<b>25,984</b>
<b>Fund Balance</b>			
Not in Spendable Form	28,886	DA806	30,996
<b>TOTAL Nonspendable Fund Balance</b>	<b>28,886</b>		<b>30,996</b>
Assigned Appropriated Fund Balance	25,000	DA914	25,000
Assigned Unappropriated Fund Balance	368,563	DA915	230,794
<b>TOTAL Assigned Fund Balance</b>	<b>393,563</b>		<b>255,794</b>
<b>TOTAL Fund Balance</b>	<b>422,449</b>		<b>286,790</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>457,489</b>		<b>312,774</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2017	EdpCode	2018
<b>Revenues</b>			
Real Property Taxes	846,275	DA1001	846,275
<b>TOTAL Real Property Taxes</b>	<b>846,275</b>		<b>846,275</b>
Sales Tax (from County)	157,000	DA1120	157,000
<b>TOTAL Non Property Tax Items</b>	<b>157,000</b>		<b>157,000</b>
Transportation Services, Other Govts	18,784	DA2300	17,536
<b>TOTAL Intergovernmental Charges</b>	<b>18,784</b>		<b>17,536</b>
Interest And Earnings	300	DA2401	309
<b>TOTAL Use of Money And Property</b>	<b>300</b>		<b>309</b>
Sales, Other	1,718	DA2655	786
Sales of Equipment		DA2665	15,070
<b>TOTAL Sale of Property And Compensation For Loss</b>	<b>1,718</b>		<b>15,856</b>
Refunds of Prior Year's Expenditures	1,588	DA2701	7,382
Employees Contributions	3,748	DA2709	4,561
<b>TOTAL Miscellaneous Local Sources</b>	<b>5,336</b>		<b>11,943</b>
St Aid, Consolidated Highway Aid	185,895	DA3501	185,964
<b>TOTAL State Aid</b>	<b>185,895</b>		<b>185,964</b>
Fed Aid Emer Disaster Assist		DA4960	25,583
<b>TOTAL Federal Aid</b>	<b>0</b>		<b>25,583</b>
<b>TOTAL Revenues</b>	<b>1,215,308</b>		<b>1,260,466</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>1,215,308</b>		<b>1,260,466</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2017	EdpCode	2018
<b>Expenditures</b>			
Maint of Streets, Pers Serv	156,462	DA51101	147,504
Maint of Streets, Contr Expend	231,298	DA51104	226,168
<b>TOTAL Maint of Streets</b>	<b>387,760</b>		<b>373,672</b>
Perm Improve Highway, Equip & Cap Outlay	185,895	DA51122	185,964
<b>TOTAL Perm Improve Highway</b>	<b>185,895</b>		<b>185,964</b>
Machinery, Equip & Cap Outlay	6,425	DA51302	230,212
Machinery, Contr Expend	83,928	DA51304	83,188
<b>TOTAL Machinery</b>	<b>90,353</b>		<b>313,400</b>
Snow Removal, Pers Serv	174,725	DA51421	201,735
Snow Removal, Contr Expend	121,372	DA51424	135,216
<b>TOTAL Snow Removal</b>	<b>296,097</b>		<b>336,951</b>
<b>TOTAL Transportation</b>	<b>960,105</b>		<b>1,209,987</b>
State Retirement, Empl Bnfts	42,953	DA90108	45,409
Social Security , Empl Bnfts	24,851	DA90308	24,679
Disability Insurance, Empl Bnfts	179	DA90558	140
Hospital & Medical (dental) Ins, Empl Bnft	105,670	DA90608	109,330
Other Employee Benefits (spec)	6,951	DA90898	6,581
<b>TOTAL Employee Benefits</b>	<b>180,604</b>		<b>186,139</b>
<b>TOTAL Expenditures</b>	<b>1,140,709</b>		<b>1,396,126</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>1,140,709</b>		<b>1,396,126</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(DA) HIGHWAY-TOWN-WIDE

**Analysis of Changes in Fund Balance**

Code Description	2017	EdpCode	2018
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>347,850</b>	<b>DA8021</b>	<b>422,449</b>
Prior Period Adj -Decrease In Fund Balance		DA8015	
<b>Restated Fund Balance - Beg of Year</b>	<b>347,850</b>	<b>DA8022</b>	<b>422,449</b>
ADD - REVENUES AND OTHER SOURCES	1,215,308		1,260,466
DEDUCT - EXPENDITURES AND OTHER USES	1,140,709		1,396,126
<b>Fund Balance - End of Year</b>	<b>422,449</b>	<b>DA8029</b>	<b>286,789</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2018	EdpCode	2019
<b>Estimated Revenues</b>			
Est Rev - Real Property Taxes	846,275	DA1049N	846,275
Est Rev - Non Property Tax Items	157,000	DA1199N	157,000
Est Rev - Intergovernmental Charges	15,550	DA2399N	15,550
Est Rev - Use of Money And Property	300	DA2499N	300
Est Rev - Sale of Prop And Comp For Loss	4,643	DA2699N	15,643
Est Rev - Miscellaneous Local Sources	4,002	DA2799N	6,105
Est Rev - State Aid	131,185	DA3099N	131,185
<b>TOTAL Estimated Revenues</b>	<b>1,158,955</b>		<b>1,172,058</b>
Appropriated Fund Balance	25,000	DA599N	25,000
<b>TOTAL Estimated Other Sources</b>	<b>25,000</b>		<b>25,000</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>1,183,955</b>		<b>1,197,058</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2018	EdpCode	2019
<b>Appropriations</b>			
App - Transportation	964,420	DA5999N	974,623
App - Employee Benefits	219,535	DA9199N	222,435
<b>TOTAL Appropriations</b>	<b>1,183,955</b>		<b>1,197,058</b>
<b>TOTAL Appropriations And Other Uses</b>	<b>1,183,955</b>		<b>1,197,058</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(K) GENERAL FIXED ASSETS

Balance Sheet

Code/Description	2017	EdpCode	2018
<b>Assets</b>			
Land	189,415	K101	189,415
Buildings	1,289,881	K102	1,289,881
Machinery And Equipment	2,455,750	K104	2,685,962
<b>TOTAL Fixed Assets (net)</b>	<b>3,935,046</b>		<b>4,165,258</b>
Deferred Outflows of Resources - Pensions		K496	
<b>TOTAL Deferred Outflows of Resources</b>	<b>0</b>		<b>0</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>3,935,046</b>		<b>4,165,258</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2017	EdpCode	2018
<b>Liabilities, Deferred Inflows And Fund Balance</b>			
Total Non-Current Govt Assets	3,935,046	K159	4,165,258
<b>TOTAL Investments in Non-Current Government Assets</b>	<b>3,935,046</b>		<b>4,165,258</b>
<b>TOTAL Fund Balance</b>	<b>3,935,046</b>		<b>4,165,258</b>
<b>TOTAL</b>	<b>3,935,046</b>		<b>4,165,258</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(SL) LIGHTING

Balance Sheet

Code Description	2017	EdpCode	2018
<b>Assets</b>			
Cash	19,155	SL200	18,167
<b>TOTAL Cash</b>	<b>19,155</b>		<b>18,167</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>19,155</b>		<b>18,167</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(SL) LIGHTING

Balance Sheet

Code/Description	2017	EdpCode	2018
Accounts Payable	1,325	SL600	1,325
<b>TOTAL Accounts Payable</b>	<b>1,325</b>		<b>1,325</b>
<b>TOTAL Liabilities</b>	<b>1,325</b>		<b>1,325</b>
<b>Fund Balance</b>			
Assigned Appropriated Fund Balance	2,000	SL914	3,000
Assigned Unappropriated Fund Balance	15,830	SL915	13,842
<b>TOTAL Assigned Fund Balance</b>	<b>17,830</b>		<b>16,842</b>
<b>TOTAL Fund Balance</b>	<b>17,830</b>		<b>16,842</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>19,155</b>		<b>18,167</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(SL) LIGHTING

Results of Operation

Code Description	2017	EdpCode	2018
<b>Revenues</b>			
Real Property Taxes	12,540	SL1001	12,540
<b>TOTAL Real Property Taxes</b>	<b>12,540</b>		<b>12,540</b>
Interest And Earnings		SL2401	
<b>TOTAL Use of Money And Property</b>	<b>0</b>		<b>0</b>
<b>TOTAL Revenues</b>	<b>12,540</b>		<b>12,540</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>12,540</b>		<b>12,540</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(SL) LIGHTING

Results of Operation

Code Description	2017	EdpCode	2018
<b>Expenditures</b>			
Street Lighting, Contr Expend	14,656	SL51824	13,528
<b>TOTAL Street Lighting</b>	<b>14,656</b>		<b>13,528</b>
<b>TOTAL Transportation</b>	<b>14,656</b>		<b>13,528</b>
<b>TOTAL Expenditures</b>	<b>14,656</b>		<b>13,528</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>14,656</b>		<b>13,528</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(SL) LIGHTING

**Analysis of Changes in Fund Balance**

Code Description	2017	EdpCode	2018
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>19,946</b>	<b>SL8021</b>	<b>17,830</b>
<b>Restated Fund Balance - Beg of Year</b>	<b>19,946</b>	<b>SL8022</b>	<b>17,830</b>
ADD - REVENUES AND OTHER SOURCES	12,540		12,540
DEDUCT - EXPENDITURES AND OTHER USES	14,656		13,528
<b>Fund Balance - End of Year</b>	<b>17,830</b>	<b>SL8029</b>	<b>16,842</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(TA) AGENCY

Balance Sheet

Code Description	2017	EdpCode	2018
<b>Assets</b>			
Cash	26,840	TA200	10,719
<b>TOTAL Cash</b>	<b>26,840</b>		<b>10,719</b>
Due From Other Funds		TA391	3,261
<b>TOTAL Due From Other Funds</b>	<b>0</b>		<b>3,261</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>26,840</b>		<b>13,980</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(TA) AGENCY

Balance Sheet

Code Description	2017	EdpCode	2018
Due To Other Funds	15,136	TA630	
<b>TOTAL Due To Other Funds</b>	<b>15,136</b>		<b>0</b>
Guaranty & Bid Deposits	6,894	TA30	6,894
Other Funds (specify)	4,810	TA85	7,087
<b>TOTAL Agency Liabilities</b>	<b>11,704</b>		<b>13,981</b>
<b>TOTAL Liabilities</b>	<b>26,840</b>		<b>13,981</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>26,840</b>		<b>13,981</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2017	EdpCode	2018
<b>Assets</b>			
Total Non-Current Govt Liabilities	213,039	W129	126,493
<b>TOTAL Provision To Be Made In Future Budgets</b>	<b>213,039</b>		<b>126,493</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>213,039</b>		<b>126,493</b>

TOWN OF Copake  
Annual Update Document  
For the Fiscal Year Ending 2018

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2017	EdpCode	2018
Net Pension Liability -Proportionate Share	123,027	W638	41,366
Compensated Absences	90,012	W687	85,127
<b>TOTAL Other Liabilities</b>	<b>213,039</b>		<b>126,493</b>
Deferred Inflows of Resources - Pensions		W697	
<b>TOTAL Deferred Inflows of Resources</b>	<b>0</b>		<b>0</b>
<b>TOTAL Liabilities</b>	<b>213,039</b>		<b>126,493</b>
<b>TOTAL Liabilities</b>	<b>213,039</b>		<b>126,493</b>

**TOWN OF Copake  
Statement of Indebtedness  
For the Fiscal Year Ending 2018**

3/6/2019

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First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
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TOWN OF Copake  
Schedule of Time Deposits and Investments  
For the Fiscal Year Ending 2018

	EDP Code	Amount
<b>CASH:</b>		
On Hand	9Z2001	
Demand Deposits	9Z2011	\$3,750,079.00
Time Deposits	9Z2021	
<b>Total</b>		<b>\$3,750,079.00</b>
 <b>COLLATERAL:</b>		
- FDIC Insurance	9Z2014	\$500,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$3,250,079.00
<b>Total</b>		<b>\$3,750,079.00</b>
 <b>INVESTMENTS:</b>		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

TOWN OF Copake  
Bank Reconciliation  
For the Fiscal Year Ending 2018

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-2817	\$101,289	\$0	\$0	\$101,289
****-2818	\$1,010,313	\$0	\$0	\$1,010,313
****-5399	\$31,533	\$0	\$21,580	\$9,953
****-5406	\$10,680	\$194	\$155	\$10,719
****-5414	\$20,287	\$0	\$0	\$20,287
****-5422	\$2,396	\$0	\$0	\$2,396
****-5430	\$1,310,898	\$0	\$0	\$1,310,898
****-HRAA	\$201,308	\$0	\$0	\$201,308
****-NBOK	\$1,061,375	\$0	\$0	\$1,061,375
<b>Total Adjusted Bank Balance</b>				<b>\$3,728,538</b>
Petty Cash				\$420.00
Adjustments				\$0.00
Total Cash				9ZCASH * <u>\$3,728,958</u>
Total Cash Balance All Funds				9ZCASHB * <u>\$3,728,959</u>

\* Must be equal



**TOWN OF Copake  
Employee and Retiree Benefits  
For the Fiscal Year Ending 2018**

<b>Total Full Time Employees:</b>					
<b>Total Part Time Employees:</b>					
<b>Account Code</b>	<b>Description</b>	<b>Total Expenditures (All Funds)</b>	<b># of Full Time Employees</b>	<b># of Part Time Employees</b>	<b># of Retirees</b>
90108	State Retirement System	\$64,870.00	8	8	4
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$47,862.00	8	32	
90408	Worker's Compensation Insurance				
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance	\$529.00	8	24	
90608	Hospital and Medical (Dental) Insurance	\$135,606.00	8	4	
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits	\$6,581.00	8		
<b>Total</b>		<b>\$255,448.00</b>			
Computed Total From Financial Section (comparative purposes only)		<b>\$255,448.00</b>			

TOWN OF Copake  
 Energy Costs and Consumption  
 For the Fiscal Year Ending 2018

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$320	128	gallons	
Diesel Fuel	\$58,002	25,210	gallons	
Fuel Oil	\$4,112	1,917	gallons	
Natural Gas			cubic feet	
Electricity	\$28,533	211,982	kilowatt-hours	
Coal			tons	
Propane	\$8,086	5,351	gallons	

CERTIFICATION OF CHIEF FISCAL OFFICER

I, Jeff Nayer , hereby certify that I am the Chief Fiscal Officer of the Town of Copake , and that the information provided in the annual financial report of the Town of Copake , for the fiscal year ended 12/31/2018 , is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Town of Copake , and adopted by me as my signature for use in conjunction with the filing of the Town of Copake's annual financial report, I am evidencing my express intent to authenticate my certification of the Town of Copake's annual financial report for the fiscal year ended 12/31/2018 and filed by means of electronic data transmission.

Sickler, Torchia, Allen & Chur  
Name of Report Preparer if different  
than Chief Fiscal Officer

Michael A Torchia CPA, CVA  
Name

(518) 828-4616  
Telephone Number

Shareholder  
Title

230 Mountain View Road, Copake, N  
Official Address

02/22/2019  
Date of Certification

(518) 828-4616  
Official Telephone Number

**TOWN OF Copake  
Financial Comments  
For the Fiscal Year Ending 2018**

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The fund financial statements of the Town of Copake, New York (Town) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units, to the extent appropriate for the prescribed form. The prescribed form is intended to comply with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity:

The Town, which was established in 1823, is governed by its charter, municipal law and other general laws of the State of New York, and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of five members (with each member having an equal vote). The Town Supervisor serves as Chief Executive and Fiscal Officer of the Town.

The following basic services are provided: public safety, transportation, highways and streets, sanitation, economic assistance and opportunity, culture and recreation, home and community services, public improvements, planning, and general administrative services.

All governmental activities and functions performed for the Town are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the Town of Copake, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statements 14, 39, 61 and 80.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14, 39, 61 and 80 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria the following is a brief review of certain entities considered in determining the Town of Copake's reporting entity.

- I. There are no other entities included in the reporting entity, nor are there any joint ventures excluded from the reporting entities.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

II. Excluded From Reporting Entity:

Although the following organizations, functions or activities are related to the Town they are not included in the Town's reporting entity because of the reasons noted:

The Town exercises no oversight over the operations of the Copake Fire District, the Hillsdale-Copake Fire District, the Craryville Fire District, the Roeliff Jansen Community Library, or the Hillsdale-Copake Light District. The Town levies and collects real property taxes and turns them over to these entities. For the year ended December 31, 2018, these amounts were as follows:

	<u>2018</u>
Copake Fire District	\$ 395,415
Hillsdale-Copake Fire District	57,968
Craryville Fire District	107,998
Roeliff Jansen Community Library	55,000
Hillsdale-Copake Light District	<u>553</u>
	<u>\$ 616,934</u>

B. Fund Accounting:

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Town records its transactions in the fund types and account groups described below.

I. Fund Categories:

a. Governmental Funds:

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon determination of financial position and changes in financial position (the sources, uses, and balances of current financial resources). The following are the Town's governmental fund types.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

1. General Fund:

The General Fund is the principal fund of the Town and includes all operations not required to be recorded in other funds.

2. Special Revenue Funds:

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following Special Revenue Funds are utilized:

- (a) Highway Funds are used to account for revenues and expenditures for maintenance of Town highways.
- (b) Special District Funds are used to account for the resources of special districts. The Town has a lighting district that is used to account for tax revenues and expenditures for electric and maintenance of lights within the lighting districts.
- (c) Special Grant Funds are used to account for grant funds received from governmental sources.
- (d) Miscellaneous Special Revenue Fund accounts for trust arrangements under which principal and income will be used to benefit the Town's regular programs.

b. Fiduciary Funds:

Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity.

I. Trust and Agency Funds:

Trust and Agency Funds are used to account for money (and/or property) received and held in the capacity of trustees, custodians, or agents. These include expendable trusts, non-expendable trusts, and agency funds.

II. Private-Purpose Trust Funds:

Private-Purpose Trust Funds are used to accounts for all other trust arrangements under which principals and interest benefit individuals, private organizations or other governments.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

III. Account Groups:

Account groups are used to establish accounting control and accountability for the Town's non-current government assets and non-current government liabilities. The two account groups are not "funds". They are concerned only with the measurement of financial position, and not with the results of operations.

a. Non-Current Government Assets Account Group:

This group of accounts is used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes.

b. Non-Current Government Liability Account Group:

This group of accounts is established to account for all long-term debts.

C. Basis of Accounting/Measurement Focus:

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, liabilities and deferred revenues are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured (i.e. expenditures or expenses).

I. Modified Accrual Basis:

All Governmental Funds and Fiduciary Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days of the end of the current fiscal year.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made, all other grant requirements have been met, and the resources are available.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Expenditures are recorded when the fund liability is incurred except that:

- a. Expenditures for prepaid and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as expenditures until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as expenditures when paid (see Note 1.H).
- d. Other Post-Employment Benefits are charged as expenditures when payment is due.

II. Account Groups:

Non-current government assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received. No provision for depreciation is made. Non-current government liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity. Long-term liabilities for retirement and compensated absences are recorded when the Town's obligation can be reasonably estimated.

D. Fund Balances:

Fund balance is now broken down into five difference classifications: non-spendable, restricted, committed, assigned, and unassigned focusing on the constraints imposed on resources in governmental funds:

I. Non-Spendable:

Consists of assets that are inherently non-spendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and principal of endowments.

II. Restricted:

Consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. The Town has restricted fund balance of \$1,111,603 in the General Fund as of December 31, 2018.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

III. Committed:

Consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town has no committed fund balance as of December 31, 2018.

IV. Assigned:

Consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body of official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.

The Board, by resolution, to adopt the 2019 budget, has authorized the Town Supervisor to assign fund balance. Appropriations reported in the General, Highway and Lighting fund amounted to \$0, \$25,000 and \$3,000, respectively, as of December 31, 2018.

V. Unassigned:

Represents the residual classification for the government's general fund, and could report a surplus or deficit. In funds other than the general fund, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

When resources are available from multiple classifications, the Town spends funds in the following order: restricted, committed, assigned, unassigned.

The Town has the authority to carry over a "reasonable amount" of committed, assigned and unassigned fund balance consistent with the "reasonable amount" statutes.

E. Encumbrances:

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes in order to reserve that portion of the applicable appropriations, is employed by the Town. Encumbrances are reported as restrictions, commitments or assignments of fund balance since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

F. Property, Plant, and Equipment – General:

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost (or estimated historical cost) in the Schedule of Non-Current Government Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain infrastructure type improvements other than buildings, including roads, bridges, curbs and gutters, streets, and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the Town. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. No depreciation has been provided on non-current government assets, nor has interest on non-current government assets construction-in-progress been capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures in governmental funds. Capital assets are not shown on governmental fund balance sheets.

G. Investments:

An investment is a security or other asset (a) that a government holds primarily for the purpose of income or profit and (b) with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value, except certificates of deposit, which are reported at cost.

H. Compensated Absences:

Employees accrue vacation based primarily on the number of years employed up to a maximum rate of 160 hours with pay. Employees who are separated from services and who have accrued vacation leave to their credit, shall be paid the salary equivalent to the accrued vacation leave.

Employees accrue sick leave at the rate of 8 days per year and may accumulate up to a maximum of 200 days.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Vested vacation and sick leave is recorded in long-term debt as a liability and expensed when used. The liability for compensated absences decreased by \$4,885 during the year to \$85,127 and is reported in the Schedule of Non-Current Government Liabilities.

I. Post-Employment Benefits:

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors' benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the year ended December 31, 2018, \$5,548 was paid on behalf of the two retirees and recorded as an expenditure in the General fund.

J. Insurance:

The Town of Copake assumes the liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

K. Departures from General Accepted Accounting Principles (GAAP):

The Town has prepared these statements in the accompanying prescribed form to comply with the requirements of the State of New York, Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, which differs from accounting principles generally accepted in the United States. Notable departures from GAAP include:

- I. No provision for capitalizing infrastructure has been recorded.
- II. No provision for depreciation of Non-Current Government Assets has been recorded.
- III. The absence of an entity-wide Statement of Net Assets and Statement of Activities.
- IV. The absence of a Management, Discussion and Analysis.
- V. A statement comparing budget vs. actual is required under generally accepted accounting principles. While the Annual Update Document includes both actual and budget schedules, there is no direct comparison of the two.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- VI. Actuarial methods and assumptions used to report valuations of the ARC, the annual OPEB cost, and the funding status and funding progress of the OPEB Plan have not been established.
- VII. A Schedule of the Local Government's Proportionate Share of the Net Pension Liability for the New York State Employees' Retirement System is required under GAAP.
- VIII. A Schedule of the Local Government's Contribution for the New York State Employees' Retirement System is required under GAAP.
- IX. The absence of references to the "accompanying notes and accountant's disclaimer report" on each page of the financial statements and to the "accountant's disclaimer report" on each page of any supplementary information.

The effect of these departures on the financial statements has not been determined.

L. New Accounting Standards:

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2018, the Town implemented the following new standards issued by GASB:

--GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, effective for reporting periods beginning after June 15, 2017. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, established new accounting and financial reporting requirements for other post-employment benefits (OPEB) plans.

--The GASB has issued Statement No. 85, *Omnibus 2017*, which seeks to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017, with earlier application encouraged.

--The GASB has issued Statement No. 86, *Certain Debt Extinguishment Issues*, which finalizes Exposure Draft (ED) No. 19-25E of the same name, and seeks to (1) improve consistency in accounting and financial reporting for certain debt extinguishments and (2) enhance the decision-usefulness of such information. The requirements of Statement No. 86 are effective for reporting periods beginning after June 15, 2017, with earlier application encouraged.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

M. Future Changes in Accounting Standards:

The GASB has issued Statement No. 83, *Certain Asset Retirement Obligations*, effective for reporting periods beginning after June 15, 2018.

The GASB has issued Statement No. 84, *Fiduciary Activities*, which finalizes Exposure Draft No. 3-13E of the same name, and establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, with earlier application encouraged.

The GASB has issued Statement No. 87, *Leases*, which finalizes Exposure Draft (ED) No. 3-24E of the same name, and establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged.

The GASB has issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which finalizes Exposure Draft (ED) No. 3-30, and seeks to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, while providing financial statement users with additional essential information concerning debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, with earlier application encouraged.

The GASB has issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, which seeks to (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) simplify accounting for interest costs incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, with earlier application encouraged.

The GASB has issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*, which seek to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, with earlier application encouraged.

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

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

N. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY:

A. Budgetary Data:

The budget policies are as follows:

- I. No later than September 30, the Budget Officer submits a tentative budget to the Town Clerk, who then has until October 5 to submit the budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- II. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- III. All modifications of the budget must be approved by the governing board.
- IV. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

B. Property Taxes:

Real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to May 31. Taxes for the Town and special district purposes are levied together with taxes for the county purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bill. The county assumes enforcement responsibility for all taxes levied in the Town.

In June of 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Town of Copake in a particular year, beginning with the 2012 fiscal year. The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS:

A. Assets:

I. Cash and Investment Policies:

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC insured commercial banks located within the state. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, and obligations of New York State and its localities.

Collateral is required for demand deposits and certificates of deposit at 105 percent 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 and school districts.

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 percent of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

II. Cash and Cash Equivalents – Custodial Credit, Concentration of Credit, Interest Rate, and Foreign Currency Risks:

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these notes.

As of December 31, 2018, \$-0- of the Town's bank balance of \$3,750,079 was exposed to custodial credit risk as follows:

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

	Balance	FDIC		Total
	12/31/18	Insurance	Collateral	Coverage
				12/31/18
Kinderhook Bank	\$ 2,374,285	\$ 250,000	\$ 2,124,285	\$ 2,374,285
Bank of Greene County	<u>1,375,794</u>	<u>250,000</u>	<u>1,125,794</u>	<u>1,375,794</u>
	<u>\$ 3,750,079</u>	<u>\$ 500,000</u>	<u>\$ 3,250,079</u>	<u>\$ 3,750,079</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute or contributor guidance to be reserved for various purposes. Restricted cash as of year-end includes \$1,111,603 within the governmental funds and \$-0- in the fiduciary funds.

III. Changes in Non-Current Government Assets:

A summary of changes in non-current government assets is as follows:

	Balance			Balance
	12/31/17	Additions	Deletions	12/31/18
Land	\$ 189,415	\$ -	\$ -	\$ 189,415
Buildings	1,289,881	-	-	1,289,881
Machinery and Equipment	<u>2,455,750</u>	<u>230,212</u>	<u>-</u>	<u>2,685,962</u>
	<u>\$ 3,935,046</u>	<u>\$ 230,212</u>	<u>\$ -</u>	<u>\$ 4,165,258</u>

B. Liabilities:

I. Pension Plans:

a. General Information:

The Town participates in the New York State Employees' Retirement System (NYSERS). These are cost-sharing, multiple-employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

b. Plan Description

The Town participates in the New York State and Local Employees' Retirement System (ERS) which is collectively referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, 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 Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

c. Benefits Provided:

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

i. Tiers 1 and 2:

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

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

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

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

ii. Tiers 3, 4, and 5:

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

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

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

iii. Tier 6:

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

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

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

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

iv. Ordinary Disability Benefits:

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

v. Accidental Disability Benefits:

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

vi. Ordinary Death Benefits:

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

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

vii. Post-Retirement Benefit Increases

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

d. Contributions:

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
2018	64,870
2017	61,361
2016	68,104

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

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

At December 31, 2018, the Town reported a liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net position liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

This information was provided by the ERS System in reports provided to the Town.

	<u>ERS</u>
Actuarial Valuation Date	4/1/2017
Net Pension (Asset)/Liability	\$ 41,336
Town's Portion of the Plan's Total Net Pension (Asset)/Liability	0.0012808%

For the year ended December 31, 2018, the Town recognized pension expense of \$64,870 for ERS, within the fund financial statements. At December 31, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences Between Expected and Actual Experience	\$ 14,743	\$ 12,183
Changes of Assumptions	27,409	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	60,037	118,508
Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	28,587	4,462
Town's Contributions Subsequent to the Measurement Date	<u>64,870</u>	<u>-</u>
Total	<u>\$ 195,646</u>	<u>\$ 135,153</u>

\$64,870 reported as deferred outflows of resource related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2018.

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

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

	<u>ERS</u>
Year Ended:	
2019	19,433
2020	13,998
2021	(25,740)
2022	(12,068)
2023	-
Thereafter	-
	<u>(4,377)</u>

i. Actuarial Assumptions:

The total pension liability at March 31, 2018 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 assumptions:

	<u>ERS</u>
Measurement Date	March 31, 2018
Actuarial Valuation Date	April 1, 2017
Interest Rate	7.00%
Salary Scale	3.80%
Decrement Tables	April 1, 2010 - March 31, 2015
	System's Experience
Inflation Rate	2.50%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized below:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	36%	4.55%
International Equity	14%	6.35%
Private Equity	10%	7.50%
Real Estate	10%	5.55%
Alternative Investments	5%	3.75-5.68%
Total Equities	75%	
Domestic Fixed Income Securities	0%	0.00%
Global Fixed Income Securities	0%	0.00%
Real Assets	3%	5.29%
Bonds and Mortgages	17%	1.31%
Short-Term	1%	(0.25%)
Inflation-Indexed Bonds	4%	1.25%
Total Fixed Income	25%	
Total	100%	

iii. Discount Rate:

The discount rate used to calculate the total pension liability was 7.00 % for ERS. The projection of cash flows used to determine the discount rate 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.

iv. Sensitivity of the Proportionate Share of the Net Pension to the Discount Rate Assumption:

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0% for ERS, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (6.0% for ERS) or 1-percentage point higher (8.0% for ERS) than the current rate:

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

ERS	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's Proportionate Share of the Net Pension (Asset) Liability	\$ 312,760	\$ 41,336	\$ (188,277)

v. Pension Plan Fiduciary Net Position:

The components of the current-year net pension (asset)/liability of the employers as of March 31, 2018, were as follows:

	(Dollars in the Thousands)
	<u>ERS</u>
Valuation Date	4/1/2017
Employers' Total Pension Liability	\$ 183,400,590
Plan Net Position	<u>180,173,145</u>
Employers' Net Pension Liability/(Asset)	<u>\$ 3,227,445</u>
Plan Net Position as a percentage to the Systems' Total Pension Liability/(Asset)	98.24%

vi. Payables to the Pension Plan:

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2018 represent the projected employer contribution for the period of April 1, 2018 through December 31, 2018 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2018, amounted to \$0 payable, as the Town paid the March 2018 obligation in full prior to year-end.

II. Indebtedness:

a. Short-Term Debt:

The Town may issue Tax Anticipation Notes (TANs), in anticipation of receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund.

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

The Town issued no short-term debt in 2018.

b. Long-Term Debt:

The local government had the following non-current liabilities:

1. Outstanding indebtedness aggregated \$-0-.
2. Serial Bonds (and Capital Notes):

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Schedule of Non-Current Governmental Liabilities. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

3. Other Long-Term Liabilities:

- (a) Compensated Absences – Represents the value of earned and unused portion of the liability for compensated absences.
- (b) At December 31, 2018 the unused portion for the highway fund totaled \$85,127.

4. Summary of changes in long-term liabilities:

Long-Term Debt	Balance 12/31/17	Additions	Deletions	Balance 12/31/18
Compensated Absences	\$ 90,012	\$ -	\$ 4,885	\$ 85,127
Net Pension Liability - Proportionate Share	123,027	-	81,691	41,336
	<u>\$ 213,039</u>	<u>\$ -</u>	<u>\$ 86,576</u>	<u>\$ 126,463</u>

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

NOTE 3 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

C. Interfund Receivables and Payables at December 31, 2018:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ -	\$ 3,261	\$ -	\$ -
Special Revenue:				
Special Grant	-	-	-	-
Highway	-	-	-	-
Park	-	-	-	-
Capital Projects	-	-	-	-
Highway	-	-	-	-
Total Government Activities	-	3,261	-	-
Fiduciary Trust and Agency	3,261	-	-	-
Totals	<u>\$ 3,261</u>	<u>\$ 3,261</u>	<u>\$ -</u>	<u>\$ -</u>

D. Fund Equity:

Appropriated Fund Balance:

The Town has appropriated the following amounts to be used to reduce taxes for the year ending December 31, 2018:

Fund	Appropriated to Fund
General	\$ -
Highway	25,000
Lighting	3,000
	<u>\$ 28,000</u>

E. Restricted Reserves:

The operating fund equity includes reserve funds established pursuant to State Law for the following purposes:

Fund	Purpose	Balance at Dec. 31, 2018
General	Capital Reserve	\$ 1,010,314
General	Repair Reserve	101,289
		<u>\$ 1,111,603</u>

TOWN OF COPAKE, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2018

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NOTE 4 – COMMITMENTS AND CONTINGENCIES:

The Town has received grants in varying amounts, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the State and Federal governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.