

**TOWN OF GLENVILLE, NEW YORK**

**Statutory Financial Statements**

**As of**

**December 31, 2012**

**Together with**

**Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

# **TOWN OF GLENVILLE, NEW YORK**

## **TABLE OF CONTENTS DECEMBER 31, 2012**

---

INDEPENDENT AUDITOR'S REPORT .....	1-2
STATUTORY FINANCIAL STATEMENTS:	
Balance sheet – Governmental funds, fiduciary fund, and account groups.....	3
Statement of revenue, expenditures and changes in fund balance – governmental funds.....	4
Notes to financial statements.....	5-19
SUPPLEMENTARY INFORMATION	
Statement of revenue, expenditures, and changes in fund balance – budget and actual – General town-wide fund .....	20
Combining balance sheet – special revenue funds .....	21
Combining statement of revenue, expenditures, and changes in fund balance – Special Revenue Funds .....	22

## **INDEPENDENT AUDITOR'S REPORT**

December 2, 2013

To the Town Board of  
Town of Glenville, New York:

### **Report on Financial Statements**

We have audited the accompanying financial statements of the Town of Glenville, New York (Town), which comprise the balance sheet – governmental funds, fiduciary fund, and account groups – statutory basis, and the statement of revenues, expenditures and changes in fund balance – governmental funds – statutory basis as of and for the year ended December 31, 2012, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the statutory basis as described in Note 1; this includes determining that the statutory basis of accounting is an acceptable basis of accounting for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

(Continued)

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

ROCHESTER • BUFFALO  
ALBANY • SYRACUSE  
NYC • PERRY  
GENEVA • UTICA

[www.bonadio.com](http://www.bonadio.com)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Glenville, New York, as of December 31, 2012, and the change in financial position for the year then ended, in accordance with the basis of the accounting as described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the statutory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements referred to above as a whole. The combining balance sheet – special revenue funds and combining statement of revenues, expenditures, and changes in fund balance – special revenue funds are presented for the purposes of additional analysis and is not a required part of the financial statements. The information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining balance sheet – special revenue funds and combining statement of revenues, expenditures, and changes in fund balance – special revenue funds are fairly stated, in all material respects, in relation to the financial statements as a whole.

*Bonadio & Co., LLP*

TOWN OF GLENVILLE, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS, FIDUCIARY FUND, AND ACCOUNT GROUPS  
DECEMBER 31, 2012

	Governmental Funds				Fiduciary Fund & Agency	Account Groups		Total (Memorandum Only)
	General Town-Wide	Special Revenue Funds	Capital Projects	Debt Service		General	General Long-Term Debt	
						Fixed Assets		
ASSETS								
Cash	\$ 857,895	\$ 7,167,245	\$ 1,231,423	\$ -	\$ 146,934	\$ -	\$ -	\$ 9,403,497
Cash, restricted	23,877	1,134,301	-	-	-	-	-	1,158,178
Accounts receivable	27,464	569,302	-	-	-	-	-	596,766
Due from other governments	205,112	594,531	-	-	-	-	-	799,643
Due from other funds	11,253	65,314	-	-	-	-	-	76,567
Prepaid expenditures	64,388	227,327	-	-	-	-	-	291,715
Other assets	-	-	-	-	324,697	-	-	324,697
General fixed assets	-	-	-	-	-	13,734,136	-	13,734,136
Amounts to be provided for long-term obligations	-	-	-	-	-	-	19,639,549	19,639,549
Total assets	\$ 1,189,989	\$ 9,758,020	\$ 1,231,423	\$ -	\$ 471,631	\$ 13,734,136	\$ 19,639,549	\$ 46,024,748
LIABILITIES AND FUND BALANCE (DEFICIT)								
LIABILITIES								
Accounts payable and accrued liabilities	\$ 88,350	\$ 452,096	\$ -	\$ -	\$ 142,015	\$ -	\$ -	\$ 682,461
Due to other governments	12,090	188,527	-	-	327,616	-	-	528,233
Due to other funds	4,318	60,996	9,253	-	2,000	-	-	76,567
Bond anticipation notes payable	-	-	3,399,150	-	-	-	-	3,399,150
Unearned revenue	205,000	205,400	-	-	-	-	-	410,400
Bonds payable	-	-	-	-	-	-	15,765,177	15,765,177
Compensated absences	-	-	-	-	-	-	1,781,075	1,781,075
Landfill closure/post-closure costs	-	-	-	-	-	-	84,218	84,218
Other postemployment benefits	-	-	-	-	-	-	2,009,079	2,009,079
Investment in general fixed assets	-	-	-	-	-	13,734,136	-	13,734,136
TOTAL LIABILITIES	309,758	907,019	3,408,403	-	471,631	13,734,136	19,639,549	38,470,496
FUND BALANCE (DEFICIT)								
Non-spendable	64,388	227,327	-	-	-	-	-	291,715
Restricted								
Debt service	23,877	863,399	-	-	-	-	-	887,276
Capital reserve	-	145,211	-	-	-	-	-	145,211
Repairs reserve	-	110,890	-	-	-	-	-	110,890
Other	-	14,801	-	-	-	-	-	14,801
Total restricted fund balance	23,877	1,134,301	-	-	-	-	-	1,158,178
Assigned								
Appropriated for subsequent year's expenditures	268,350	927,962	-	-	-	-	-	1,196,312
Operations of special revenue fund	-	6,561,411	-	-	-	-	-	6,561,411
Unappropriated	11,029	-	-	-	-	-	-	11,029
Total assigned fund balance	279,379	7,489,373	-	-	-	-	-	7,768,752
Unassigned	512,587	-	(2,176,980)	-	-	-	-	(1,664,393)
TOTAL FUND BALANCE (DEFICIT)	880,231	8,851,001	(2,176,980)	-	-	-	-	7,554,252
Total liabilities and fund balance (deficit)	\$ 1,189,989	\$ 9,758,020	\$ 1,231,423	\$ -	\$ 471,631	\$ 13,734,136	\$ 19,639,549	\$ 46,024,748

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Governmental Funds				Total Governmental Funds
	General Town-Wide	Special Revenue Funds	Capital Projects	Debt Service	
REVENUE:					
Real property taxes and tax items	\$ 1,905,722	\$ 6,256,154	\$ -	\$ -	\$ 8,161,876
Nonproperty tax items	-	2,960,011	-	-	2,960,011
Departmental income	14,781	2,122,793	-	-	2,137,574
Intergovernmental charges	26,241	354,664	-	-	380,905
Use of money and property	11,689	79,613	-	-	91,302
Licenses and permits	38,442	38,532	-	-	76,974
Fines and forfeitures	198,810	1,967	-	-	200,777
Sale of property and compensation of loss	6,330	64,967	-	-	71,297
Miscellaneous local sources	54,991	137,562	-	158,713	351,266
Interfund revenues	341,047	311,653	-	-	652,700
State aid	822,128	324,273	-	-	1,146,401
Federal aid	-	605,050	-	-	605,050
Total revenue	3,420,181	13,257,239	-	158,713	16,836,133
EXPENDITURES:					
General governmental support	1,003,132	158,311	-	-	1,161,443
Public safety	818,399	2,813,143	-	-	3,631,542
Health	-	4,242	-	-	4,242
Transportation	186,509	2,337,135	-	-	2,523,644
Economic assistance and opportunity	2,700	-	-	-	2,700
Culture and recreation	130,264	210,850	-	-	341,114
Home and community services	54,181	2,511,895	10,648	-	2,576,724
Employee benefits	785,290	2,581,461	-	-	3,366,751
Debt service - principal	291,531	971,337	-	-	1,262,868
Debt service - interest	40,829	489,080	-	-	529,909
Total expenditures	3,312,835	12,077,454	10,648	-	15,400,937
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	107,346	1,179,785	(10,648)	158,713	1,435,196
OTHER FINANCING SOURCES (USES):					
BANs redeemed from appropriations	-	-	311,724	-	311,724
Proceeds from advanced bond refunding	-	-	-	3,375,000	3,375,000
Payments to escrow agents for bond refunding	-	-	-	(3,533,713)	(3,533,713)
Operating transfers in	2,744	43,094	-	-	45,838
Operating transfers (out)	-	-	(45,838)	-	(45,838)
Total other financing sources (uses)	2,744	43,094	265,886	(158,713)	153,011
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	110,090	1,222,879	255,238	-	1,588,207
FUND BALANCE (DEFICIT) - beginning of year	770,141	7,628,122	(2,432,218)	-	5,966,045
FUND BALANCE (DEFICIT) - end of year	\$ 880,231	\$ 8,851,001	\$ (2,176,980)	\$ -	\$ 7,554,252

The accompanying notes are an integral part of these statements.

## **TOWN OF GLENVILLE, NEW YORK**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2012**

---

#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Organization**

The Town of Glenville, New York (Town) in Schenectady County, was incorporated in 1821. The Town is governed by its Charter, Town Law and other general laws of the State of New York, as well as various local laws and ordinances. The Town Board is the legislative body responsible for overall operations of the Town and consists of the Town Supervisor and four board members. The Town Supervisor serves as chief executive officer and chief fiscal officer.

The Town provides the following basic services: general government support, public safety, transportation, parks and recreation, sewer, water, lighting and highway maintenance.

##### **Financial Statement Presentation**

The Town has elected to prepare its financial statements using the statutory basis required by the New York State Office of the State Comptroller for annual reports to that office. This statutory basis is another comprehensive basis of accounting which varies from accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The statutory basis under the New York State Office of the Comptroller uses the modified accrual basis of accounting for governmental funds and fiduciary funds; accrual basis accounting is used for the account groups. This basis differs from GAAP primarily in that government wide financial statements are not prepared, nor is a Management's Discussion and Analysis prepared.

##### **Use of Estimates**

The preparation of financial statements in conformity with accounting practices described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying statutory financial statements follows.

##### **Financial Reporting Entity**

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. Based on the application of these criteria, the Town has determined there are no component units to be included in the financial statements.

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

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using the modified accrual basis with a current financial resources focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter, within 60 days, to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt and compensated absences, are recorded when the liability is incurred, if measurable.

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

Sales tax is recorded when it is susceptible to accrual. Fines and forfeitures and miscellaneous local source revenues are recorded when received in cash because they are generally not measurable until actually received. Inter-governmental revenues are accrued when their receipt occurs within sixty days of the end of the accounting period and such amounts relate to the current period. Departmental income, which consists principally of revenues generated from providing Town water and sewer services, are recorded annually when the meters are read and billings are generated.

The Town reports unearned revenue for certain revenues other than property taxes. Unearned revenues arise when potential revenue does not meet both of the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when the Town receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the combining balance sheet and revenue is recognized.

Governmental fund expenditures are recorded when the fund liability is incurred except that:

- Payment of prepaid expenses and purchase of inventory type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the “purchase” method, as opposed to the “consumption” method used in the government-wide financial statements.



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

**Measurement Focus and Basis of Accounting (Continued)**

- Principal and interest on indebtedness are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Compensated absences, such as sick leave and compensatory time, which vest or accumulate with eligible employees, are recorded as expenditures in the payroll period that the leave credits are used by employees.
- Costs of acquiring fixed assets are recorded as expenditures when the related acquisition amounts are due and payable.

**Fund Types and Account Groups**

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

General Fund – The general fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The fund operates within the financial limits of an annual budget adopted by the Town Board.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes. All funds, with the exception of the Special Grant Fund and the Recreation Fund, operate within the financial limits of an annual budget adopted by the Town Board and consist of the following:

- Town Outside Village Fund – used to account for transactions which by statute effect only those areas outside the boundaries of the Village located within the Town.
- Highway Fund – used to account for highway operations.
- Special District Funds – used to account for resources of the special districts. The Town has drainage, water, sewer, park, recreation, fire protection and lighting districts which supply services to portions of the Town.
- Special Grant Fund – used to account for federal monies received to subsidize rental housing and economic development assistance.

Capital Projects Fund – The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital facilities. Financing is generally provided from the proceeds of bond and note sales, transfers from other funds and or Federal and State grants.

Debt Service Fund – The Debt Service Fund is used to account for proceeds and payments related to the issuance of bond refunding or advanced bond refunding.

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

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

## **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

### **Fund Types and Account Groups (Continued)**

- General Long-term Debt Account Group – This account group is used to record all long-term debt of the Town, such as compensated absences, other post-employment benefits, and bonds.
- General Fixed Assets Account Group – This account group is used to record all general fixed assets of the Town by asset classification.

### **Budgetary Data**

General Budget Process – Prior to September 30 of each year, the Town Supervisor submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. No later than November 20, the budget is adopted by the Town Board. Any revisions to the budget are approved by the Town Board and are incorporated into the Town's modified budget. Town taxes are due and payable by January 31 without penalty and interest.

### **Cash**

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 or trust companies located within New York State. The Town Comptroller is authorized to use demand accounts and certificates of deposits. Permissible investments include obligations of the United States Treasury and United States agencies, repurchase agreements, and obligations of New York State, or its localities.

All deposits shall be fully secured by insurance of the FDIC or collateralized by obligations of the United States, federal agencies and obligations of the State of New York or its local governments.

### **Accounts Receivable**

Accounts receivable is shown at gross. No allowance for uncollectible accounts has been provided since it is believed that such an allowance would not be material.

### **Prepaid expenditures**

Prepaid expenditures represent payments made by the Town for which benefits extend beyond year-end.

### **Property Taxes**

Town real property taxes are levied together with Schenectady County property taxes annually no later than January 1 and become a lien on January 1. Taxes for County purposes are levied together with taxes for Town and special districts purposes as a single bill.

The Town is responsible for collecting Town and County taxes; however, the Town is authorized to satisfy its entire tax roll from the first taxes collected. The Town collects taxes from January 1 through April 30. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

### **Interfund Transactions**

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. Permanent transfers of funds include the transfer of expenditures and revenues to provide other services.

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

**Interfund Transactions (Continued)**

In the town-wide statements, the amounts reported on the Balance Sheet – governmental funds, fiduciary fund, and account groups for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the Balance Sheet – governmental funds, fiduciary fund, and account groups when it is the Town's practice to settle these amounts at a net balance based upon the right of legal offset.

**General Fixed Assets**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Donated assets are reported at estimated fair value on the date received.

The Town capitalizes all assets with a value greater than \$10,000 for land, buildings and improvements, and machinery and equipment. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Fixed assets are not depreciated.

**Compensated Absences**

Town employees are granted vacation, sick leave and earn compensatory absences in varying amounts. Vacation leave must be taken in the year earned unless approved by a supervisor. In most cases, upon separation of service, an employee with ten years or more of service, except the Highway Department employees, who have no years of service requirement, is entitled to payment for accumulated sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

The Town recognizes a liability for compensatory absences and additional salary-related items as the benefits are earned by the employees based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes compensatory absences that were earned but not used during the current or prior periods and for which employees can receive compensation in a future period. Amounts do not include leave expected to lapse and includes leave that new employees will eventually qualify for.

In addition, the Town recognizes a liability for vesting sick leave and additional salary-related items as employees earn benefits and to the extent it is probable that the Town will compensate the employees for the benefits through cash payments.

Estimated sick leave and compensatory absences accumulated by governmental fund type employees and additional salary related items have been recorded in the general long-term debt account group.

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

## **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(Continued)

### **Fund Balance**

There are five allowable classifications of fund balance:

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

Restricted – 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.

Committed – Includes amounts that can be used for the specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authority, i.e., the Town Board.

Assigned – Includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – Includes all other general fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town.

### **Order of Fund Balance Spending Policy**

The Town'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 assigned 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 unassigned fund balance.

### **Fund Deficit**

The capital projects fund has a fund deficit at December 31, 2012 which will be alleviated through the repayment and/or conversion of the bond anticipation notes into long term debt over the next few years.

### **Self-Insurance**

The Town participates in a public entity risk pool to cover losses under the Worker's Compensation Law. Other cities, towns, villages, fire districts, youth commissions and public benefit corporations can participate. Each participant is billed by the Plan for their share of the estimated costs for the ensuing year. Any deficiencies in the amount billed are added to the next year's bill.

In addition, the Town is self-insured for certain vehicle liability risks.

The Town is required to cover a portion of costs under Section 207-C of the General Municipal Law for police officers. Officers are entitled to their full pay when out on Workers Compensation leave. The Town is required to cover any amount of costs not reimbursed by Workers' Compensation.

The Town has no reported liability at December 31, 2012 for insured and uninsured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

### **Landfill Post-Closure Costs**

Landfill post-closure costs represent the remaining estimated non-current portion of future landfill monitoring and maintenance costs at December 31, 2012. The estimated costs are amortized on a straight line basis over through the year 2021, the anticipated conclusion of the post-closure monitoring requirements. Actual costs may vary due to inflation, changes in technology, or changes in regulations.

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

**Other Postemployment Benefits**

In addition to providing the retirement benefits described, the Town provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the Town and its employees. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working in the Town. The Town pays a variable percentage of the cost of premiums to various insurance companies.

**Retirement Benefits**

Retirement Systems

The Town's employees participate in the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System.

Deferred Compensation Plan

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Under the terms of the amended Plan agreement, these monies are not subject to the claims of the Town's general creditors after they are paid to the Plan's Trustee.

**Newly Adopted Accounting Standard**

During the year ended December 31, 2012, the Town adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Currently, there is no impact on the Town's financial statements for this statement.

**NOTE 2 — CASH**

Restricted cash has its use limited by legal requirements. These assets represent amounts required by local or state statute to be reserved for various purposes. Restricted cash consisted of the following at December 31, 2012:

General Fund

Debt service	\$ 23,877
--------------	-----------

Special Revenue Funds

General Town Outside:

Other	14,801
-------	--------

Highway:

Debt service	1,422
--------------	-------

Water:

Debt service	592,485
--------------	---------

Capital reserve	145,211
-----------------	---------

Repairs reserve	44,692
-----------------	--------

Sewer:

Debt service	269,492
--------------	---------

Repairs reserve	66,198
-----------------	--------

Total restricted cash	<u>\$ 1,158,178</u>
-----------------------	---------------------

**NOTE 2 — CASH (Continued)**

Deposits are exposed to custodial credit risk if they are not covered by depository insurance or collateral. At December 31, 2012, all of the Town's cash balances were either insured or collateralized with securities held by the pledging financial institutions' trust department in the Town's name.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash, including trust and agency funds	\$ 10,630,823	\$ 10,560,400
Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	\$ 9,782,277	
Covered by FDIC insurance	<u>1,531,715</u>	
Total	<u>\$ 11,313,992</u>	

The Town does not typically purchase investments for long enough duration to cause it to believe that it is exposed to any material interest rate risk.

The Town does not purchase investments denominated in foreign currency, and is therefore, not exposed to foreign credit risk.

**NOTE 3 — GENERAL FIXED ASSETS**

The Town's general fixed assets are recorded in the general fixed asset account group. The following provides a summary of changes in general fixed assets:

	December 31, 2011 <u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	December 31, 2012 <u>Balance</u>
Land	\$ 913,176	\$ -	\$ -	\$ 913,176
Buildings and improvements	5,375,868	-	-	5,375,868
Improvements other than buildings	573,073	-	-	573,073
Machinery and equipment	<u>6,778,074</u>	<u>117,437</u>	<u>23,492</u>	<u>6,872,019</u>
Total general fixed assets	<u>\$ 13,640,191</u>	<u>\$ 117,437</u>	<u>\$ 23,492</u>	<u>\$ 13,734,136</u>

**NOTE 4 — BOND ANTICIPATION NOTES PAYABLE**

Liabilities for bond anticipation notes (BANs) are accounted for in the Capital Projects Fund. Debt service expenditures are recorded in the fund that benefits from the capital project financed by the note. State law required that BANs issued for capital purposes be paid off or converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable public improvement projects (e.g. water or sewer improvements) may be renewed for periods equivalent to the maximum life of the permanent financing, providing that stipulated annual reductions of principal are made.

**NOTE 4 — BOND ANTICIPATION NOTES PAYABLE (Continued)**

Bond anticipation notes are comprised of the following at December 31, 2012:

	Beginning Balance	Issued	Redeemed	Ending Balance
BAN maturing 03/01/2013 0.78%	\$ 258,125	\$ -	\$ 7,375	\$ 250,750
BAN maturing 09/20/2013 0.59%	1,093,750	-	31,250	1,062,500
BAN maturing 01/11/2013 0.99%	1,212,000	-	151,500	1,060,500
BAN maturing 03/22/2013 0.85%	106,200	-	35,400	70,800
BAN maturing 08/16/2013 0.60%	204,800	-	51,200	153,600
BAN maturing 06/14/2013 0.70%	260,999	-	9,999	251,000
BAN maturing 03/22/2013 0.85%	575,000	-	25,000	550,000
	<u>\$ 3,710,874</u>	<u>\$ -</u>	<u>\$ 311,724</u>	<u>\$ 3,399,150</u>

**NOTE 5 — LONG-TERM DEBT**

The following is a summary of changes in long-term liabilities outstanding in the general long-term debt account group at December 31, 2012:

	Beginning Balance	Issued	Redeemed	Ending Balance	Amounts Due Within One Year
Bonds payable	16,696,321	3,375,000	4,306,144	15,765,177	919,644
Compensated absences	1,747,682	33,393	- (A)	1,781,075	-
Landfill closure/postclosure costs	94,126	-	9,908	84,218	-
Judgment and claims	258,337	-	258,337 (B)	-	-
Other postemployment benefits	1,792,443	216,636	-	2,009,079	-
Total long-term liabilities	<u>20,588,909</u>	<u>3,625,029</u>	<u>4,574,389</u>	<u>19,639,549</u>	<u>919,644</u>

(A) Additions and deletions to compensated absences are shown net because it is impracticable to determine these amounts separately.

(B) Potential Judgment and claims liabilities are adequately covered by insurance and/or will not result in material judgments against the Town.

**Bonds Payable**

The Town borrows money in order to construct infrastructure and perform 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 secured by the full faith and credit of the Town, are recorded in the General Long-term Debt Account Group. 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.

On May 8, 2012, \$3,375,000 in general obligation bonds with an average coupon interest rate of 3.16% were issued to advance refund \$3,355,000 of outstanding bonds with an average coupon interest rate of 4.99%. The net proceeds of \$3,474,450 (after \$158,713 of premiums received and payment of \$59,263 in underwriting fees, insurance, and other issuance costs) were used to purchase U. S. Government securities.

**NOTE 5 — LONG-TERM DEBT (Continued)****Bonds Payable (continued)**

Those securities were deposited into an irrevocable trust with an escrow agent to provide for the debt service payment on the call date of June 15, 2012. As a result, the bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements. This refunding decreases total debt service payments over the next 15 years by nearly \$612,000 resulting in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$510,000.

The following is a summary of bonds outstanding at December 31, 2012:

<u>Bond Issue</u>	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>
Serial Bonds - Sewer Fund	1995	2014	4.10%	\$ 388,200	\$ 40,000
Serial Bonds - Sewer Fund	2002	2031	5.00%	4,494,464	2,945,000
Statutory Installment Bonds - BH-BL Baseball	2005	2017	4.35%	147,000	61,250
Serial Bonds - Various Public Improvements	2005	2026	4.03%	9,416,000	7,160,000
Statutory Installment Bonds - Sewer Excess	2007	2026	4.69%	386,667	284,913
Serial Bonds - Sewer Fund	2010	2036	0.00%	2,133,100	1,969,014
Serial Bonds - Refunding 2002 Serial Bonds	2012	2027	2.0-4.0%	3,375,000	3,305,000
				<u>\$ 20,340,431</u>	<u>\$ 15,765,177</u>

The following is a summary of the maturity of bonds payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year Ending December 31,			
2013	\$ 919,644	\$ 500,838	\$ 1,420,482
2014	939,644	475,660	1,415,304
2015	949,644	449,818	1,399,462
2016	964,644	423,276	1,387,920
2017	989,644	395,405	1,385,049
2018-2022	4,796,966	1,539,159	6,336,125
2023-2027	4,846,613	630,858	5,477,471
2028-2032	1,030,210	61,893	1,092,103
2033-2037	<u>328,168</u>	<u>-</u>	<u>328,168</u>
Totals	<u>\$ 15,765,177</u>	<u>\$ 4,476,907</u>	<u>\$ 20,242,084</u>



## NOTE 6 — INTERFUND ACTIVITY

Interfund receivables and payables at December 31, 2012 were as follows:

	Interfund		Interfund	
	<u>Receivable</u>	<u>Payable</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General fund - town-wide	\$ 11,253	\$ 4,318	\$ 2,744	\$ -
General fund - town-outside	-	15,469	-	-
Highway fund	65,314	-	614	-
Sewer fund	-	505	42,480	-
Water fund	-	45,022	-	-
Capital Projects fund	-	9,253	-	45,838
Trust & agency	-	2,000	-	-
Total interfund activity	<u>\$ 76,567</u>	<u>\$ 76,567</u>	<u>\$ 45,838</u>	<u>\$ 45,838</u>

## NOTE 7 — SALES TAX

The Town is a beneficiary of a sales tax agreement with the County and City of Schenectady, effective December 1, 2012, for the period December 1, 2012 through November 30, 2020, wherein the County imposed a 3% county-wide sales tax to be allocated and distributed as follows:

### (a) 3% Sales Tax Revenues Distribution

<u>Sales Tax Periods</u>	<u>City</u>	<u>Towns as a Unit</u>
December 1, 2012 – November 30, 2013	\$11,700,000	\$7,772,064
December 1, 2013 – November 30, 2020	same % as '12/'13	\$7,772,064 / year

Based on the agreement, the Town of Glenville is scheduled to receive \$1,790,181 per year for each of the years covered by this agreement. In addition, the Town also receives a portion of a 0.5% county-wide sales tax imposed to fund the Schenectady Metroplex Development Authority. The Authority retains 70% of all monies collected through this source and distributes the other 30% to the towns and villages of Schenectady County. The towns and villages split this revenue proportionately based upon their populations as stated in the most recent federal decennial census. In 2012, the Town received \$838,148 from this sales tax source.

## NOTE 8 — EMPLOYEE BENEFIT PLANS

### Plan Description

The Town participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12207.

## NOTE 8 — EMPLOYEE BENEFIT PLANS (Continued)

### Funding Policy (Continued)

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 the first ten years of membership and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3% of their salary for the entire length of service.

For employees who joined after April 1, 2012, employees contribute 3% of their salary until April 1, 2013, and then contribute 3% to 6% of their salary throughout their active membership. Under the authority of the NYSRSSL, the Comptroller certifies annually the rates expressed as proportions of payroll of members, which is used in computing the contributions required to be made by employers to the pension accumulation fund.

The Town of Glenville is required to contribute at an actuarially determined rate. The required contributions for the Plan's current fiscal year and the two preceding years were:

	ERS	PFRS
March 31, 2013	\$ 610,277	\$ 535,902
March 31, 2012	548,719	407,022
March 31, 2011	393,209	349,784

The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year.

## NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

### Plan Description

The Town administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for certain qualifying retirees who have reached the age of 55 and have a certain number of years of service, and their eligible dependents. Retirees are required to pay between 0 - 10% of such costs dependent on the date of hire and are covered for life; eligible dependents are covered through the retiree's lifetime and are required to pay between 0 – 50% of costs.

### Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost is calculated based on the annual required contribution of the employer, (ARC), an amount actuarially determined in accordance with generally accepted accounting principles. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year plus the amortization of the unfunded actuarial. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Retirement Plan, and the changes in the Town's net OPEB obligation:

Annual required contribution	\$ 905,886
Interest on net OPEB obligation	71,699
Adjustment to ARC	(101,644)
Annual OPEB cost	875,941
Contributions made	(659,305)
Increase in net OPEB obligation	216,636
Net OPEB obligation - beginning of year	1,792,443
Net OPEB obligation - end of year	\$ 2,009,079

Percentage of annual OPEB cost contributed 75%

## NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

*Trend information* – The Town's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>Contribution (ARC)</u>	<u>OPEB Cost Contributed</u>	<u>% of ARC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/12	\$ 875,941	\$ 875,941	\$ 659,305	75.3%	\$ 2,009,079
12/31/11	\$ 1,061,786	\$ 1,061,786	\$ 615,055	57.9%	\$ 1,792,443
12/31/10	\$ 1,066,499	\$ 1,066,499	\$ 521,518	48.9%	\$ 1,345,712

### Funded Status and Funding Progress

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The OPEB Plan is currently not funded.

The schedule of funding progress presents information on the actuarial value of plan assets relative to the actuarial accrued liabilities for benefits.

### Schedule of Town's Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
1/1/2012	\$ -	\$ 12,491,846	\$ 12,491,846	N/A	\$ 4,625,762	270.05%
1/1/2011	\$ -	\$ 14,574,857	\$ 14,574,857	N/A	\$ 4,689,798	310.78%
1/1/2010	\$ -	\$ 14,393,104	\$ 14,393,104	N/A	\$ 4,597,841	313.04%

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members and include the types of benefits provided at the time of the 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 January 1, 2012 actuarial valuation, the following methods and assumptions were used:

Actuarial cost method	Projected unit credit
Discount rate*	4.0%
Medical care cost trend rate	7.06 (Pre 65) – 25.15% (Post 65) initially. The rate is reduced by decrements to an ultimate rate of 5.0%.
Unfunded actuarial accrued liability:	
Amortization period	30 years
Amortization method	Level dollar
Amortization basis	Open

\*As the plan is unfunded, the assumed discount rate considers that the Town's investment assets are low risk in nature, such as money market funds or certificates of deposit.

## **NOTE 10 — COMMITMENTS AND CONTINGENCIES**

### **Lawsuits**

The Town has been named in several lawsuits arising in the ordinary course of the Town's operations. These claims and lawsuits, in the opinion of management, after considering all relevant facts are either adequately covered by insurance or will not result in material judgments against the Town and, therefore, are not expected to have a material effect on the financial statements.

### **Grant Programs**

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

### **Joint Venture**

The Towns of Glenville, Niskayuna, Rotterdam, the City of Schenectady and the Village of Scotia, New York, jointly comprise the Intermunicipal Watershed Rules and Regulations Board. The venture operates under the terms of an agreement dated July 11, 1991. The agreement is for a period of five years with an option for renewal in increments of five year periods. Separate financial statements are issued for the joint venture.

## **NOTE 11 - ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of major fund calculations and limiting the use of the term deferred in the financial statements. The Town is required to adopt the provisions of No. 65 for the year ending December 31, 2013.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. This Statement improves accounting and financial reporting by clarifying guidance regarding risk financing, operating lease payments, and accounting for loans. The Town is required to adopt the provisions of Statement No. 66 for the year ending December 31, 2013.

In June 2012, the GASB issued Statements No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, and No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of Statement No. 67 is to improve financial reporting by state and local governmental pension plans.

Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria.

Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68, as well as for non-employer governments that have a legal obligation to contribute to those plans. The Town is required to adopt the provisions of these Statements for the year ending December 31, 2015, with early adoption encouraged.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

#### **NOTE 11 - ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED**

(Continued)

The term *government combinations* include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2014. A prospective basis should be applied and early adoption is encouraged.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. This Statement establishes accounting and financial reporting standards for financial guarantees that are non-exchange transactions (non-exchange financial guarantees) extended or received by a state or local government. As issued in this Statement, a non-exchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2014. A prospective basis should be applied and early adoption is encouraged.

Management is not able to estimate the extent of the potential impact of these Statements on the Town's financial statements.

#### **NOTE 12 – SUBSEQUENT EVENTS**

In March 2013, the Town issued \$6,825,000 of public improvements refunding serial bonds to refund the remaining balance of \$6,385,000 from the 2005 \$9,416,000 public improvement serial bonds. The Town will recognize an economic saving of approximately \$628,000 as a result of the refunding issue.

## **SUPPLEMENTARY INFORMATION**

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL TOWN-WIDE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance with Budgetary Actual
REVENUE:				
Real property taxes and tax items	\$ 1,887,883	\$ 1,887,883	\$ 1,905,722	\$ 17,839
Departmental income	13,836	13,836	14,781	945
Intergovernmental charges	-	-	26,241	26,241
Use of money and property	45,547	45,547	11,689	(33,858)
Licenses and permits	31,040	31,040	38,442	7,402
Fines and forfeitures	200,000	200,000	198,810	(1,190)
Sale of property and compensation for loss	-	-	6,330	6,330
Miscellaneous local sources	348,600	348,600	54,991	(293,609)
Interfund revenues	-	-	341,047	341,047
State aid	682,787	682,787	822,128	139,341
Total revenue	3,209,693	3,209,693	3,420,181	210,488
EXPENDITURES:				
General governmental support	1,157,916	1,157,916	1,003,132	154,784
Public safety	728,409	728,409	818,399	(89,990)
Health	1,000	1,000	-	1,000
Transportation	209,386	209,386	186,509	22,877
Economic assistance and opportunity	3,000	3,000	2,700	300
Culture and recreation	128,602	128,602	130,264	(1,662)
Home and community services	54,599	54,599	54,181	418
Employee benefits	927,132	927,132	785,290	141,842
Debt service - principal	268,911	268,911	291,531	(22,620)
Debt service - interest	55,938	55,938	40,829	15,109
Total expenditures	3,534,893	3,534,893	3,312,835	222,058
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(325,200)	(325,200)	107,346	432,546
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	2,744	2,744
NET CHANGE IN FUND BALANCE	(325,200)	(325,200)	110,090	435,290
FUND BALANCE - beginning of year	770,141	770,141	770,141	-
FUND BALANCE - end of year	\$ 444,941	\$ 444,941	\$ 880,231	\$ 435,290

The accompanying notes are an integral part of these statements.

TOWN OF GLENVILLE, NEW YORK  
COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS  
DECEMBER 31, 2012

	General Town-Outside	Highway Part-Town	Special Grant	Water	Drainage	Lighting	Park	Sewer	Recreation	Fire Protection	Total Special Revenue Funds
<b>ASSETS</b>											
Cash	\$ 917,580	\$ 1,169,339	\$ 875,977	\$ 2,158,386	\$ 101,426	\$ 91,439	\$ 5,020	\$ 1,528,619	\$ 317,322	\$ 2,137	\$ 7,167,245
Cash, restricted	14,801	1,422	-	782,388	-	-	-	335,690	-	-	1,134,301
Accounts receivable	171,028	9,955	181,432	144,487	-	-	-	-	62,400	-	569,302
Due from other governments	297,527	297,004	-	-	-	-	-	-	-	-	594,531
Due from other funds	-	65,314	-	-	-	-	-	-	-	-	65,314
Prepaid expenditures	152,643	55,006	-	17,106	-	-	-	2,572	-	-	227,327
<b>TOTAL ASSETS</b>	<b>\$ 1,553,579</b>	<b>\$ 1,598,040</b>	<b>\$ 1,057,409</b>	<b>\$ 3,102,367</b>	<b>\$ 101,426</b>	<b>\$ 91,439</b>	<b>\$ 5,020</b>	<b>\$ 1,866,881</b>	<b>\$ 379,722</b>	<b>\$ 2,137</b>	<b>\$ 9,758,020</b>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	124,433	269,989	-	37,907	252	4,011	-	6,412	9,092	-	452,096
Due to other governments	-	30,058	-	-	-	-	-	158,469	-	-	188,527
Due to other funds	15,469	-	-	45,022	-	-	-	505	-	-	60,996
Unearned revenue	-	-	205,400	-	-	-	-	-	-	-	205,400
<b>TOTAL LIABILITIES</b>	<b>139,902</b>	<b>300,047</b>	<b>205,400</b>	<b>82,929</b>	<b>252</b>	<b>4,011</b>	<b>-</b>	<b>185,386</b>	<b>9,092</b>	<b>-</b>	<b>907,019</b>
<b>FUND BALANCE</b>											
Nondisposable:											
Prepaid expenditures	152,643	55,006	-	17,106	-	-	-	2,572	-	-	227,327
Restricted for:											
Debt service	-	1,422	-	592,485	-	-	-	269,492	-	-	863,399
Capital reserve	-	-	-	145,211	-	-	-	-	-	-	145,211
Repairs reserve	-	-	-	44,692	-	-	-	66,198	-	-	110,890
Other	14,801	-	-	-	-	-	-	-	-	-	14,801
Assigned:											
Appropriated for ensuing year's budget	83,250	318,322	-	500,164	-	-	-	26,226	-	-	927,962
Operations of special revenue fund	1,162,983	923,243	852,009	1,719,780	101,174	87,428	5,020	1,337,007	370,630	2,137	6,561,411
	1,246,233	1,241,565	852,009	2,219,944	101,174	87,428	5,020	1,363,233	370,630	2,137	7,489,373
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>1,413,677</b>	<b>1,297,993</b>	<b>852,009</b>	<b>3,019,438</b>	<b>101,174</b>	<b>87,428</b>	<b>5,020</b>	<b>1,701,495</b>	<b>370,630</b>	<b>2,137</b>	<b>8,851,001</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>1,553,579</b>	<b>1,598,040</b>	<b>1,057,409</b>	<b>3,102,367</b>	<b>101,426</b>	<b>91,439</b>	<b>5,020</b>	<b>1,866,881</b>	<b>379,722</b>	<b>2,137</b>	<b>9,758,020</b>

The accompanying notes are an integral part of these statements.



TOWN OF GLENVILLE, NEW YORK  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2012

	General Town-Outside	Highway Part-Town	Special Grant	Water	Drainage	Lighting	Park	Sewer	Recreation	Fire Protection	Total Special Revenue Funds
REVENUE:											
Real property taxes and tax items	\$ 2,727,600	\$ 1,263,044	\$ -	\$ 695,504	\$ 31,400	\$ 53,192	\$ 2,035	\$ 1,086,846	\$ -	\$ 396,533	\$ 6,256,154
Nonproperty tax items	1,645,596	1,314,485	-	-	-	-	-	-	-	-	2,960,011
Departmental income	151,257	-	423,256	1,137,818	-	-	-	346,062	64,400	-	2,122,793
Intergovernmental charges	19,282	114,151	-	220,291	-	-	-	930	-	-	354,664
Use of money and property	17,272	3,032	12,573	40,703	31	32	1	5,166	799	4	79,613
Licenses and permits	-	38,532	-	-	-	-	-	-	-	-	38,532
Fines and forfeitures	1,967	-	-	-	-	-	-	-	-	-	1,967
Sale of property and compensation of loss	17,909	31,919	-	15,139	-	-	-	-	-	-	64,967
Miscellaneous local sources	99,953	25,401	-	10,945	-	-	-	1,263	-	-	137,562
Interfund revenues	17,362	294,291	-	-	-	-	-	-	-	-	311,653
State aid	11,349	312,924	-	-	-	-	-	-	-	-	324,273
Federal aid	22,811	89,675	384,446	56,146	-	-	-	51,972	-	-	605,050
Total revenue	4,732,298	3,487,454	820,275	2,176,546	31,431	53,224	2,036	1,492,239	65,199	396,537	13,257,239
EXPENDITURES:											
General governmental support	118,443	37,637	-	2,231	-	-	-	-	-	-	158,311
Public safety	2,416,790	-	-	-	-	-	-	-	-	396,353	2,813,143
Health	4,242	-	-	-	-	-	-	-	-	-	4,242
Transportation	-	2,299,237	-	-	-	37,898	-	-	-	-	2,337,135
Economic assistance and opportunity	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	184,846	-	-	-	-	-	-	-	26,004	-	210,850
Home and community services	258,478	-	-	-	-	-	-	-	-	-	251,896
Employee benefits	1,497,804	834,524	384,458	1,132,099	16,629	-	-	720,231	-	-	2,581,461
Debt service - principal	-	134,700	-	217,696	-	-	-	31,437	-	-	318,482
Debt service - interest	-	26,684	-	518,155	-	-	-	143,604	-	-	971,337
Total expenditures	4,480,603	3,332,782	384,458	2,185,973	16,629	37,898	-	1,213,794	26,004	396,353	12,077,454
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	251,695	154,672	435,817	(12,427)	14,802	15,326	2,036	278,465	39,195	184	1,179,785
OTHER FINANCING SOURCES (USES):											
Operating transfers in	-	-	-	-	-	-	-	42,480	-	-	42,480
Operating transfers (out)	-	614	-	-	-	-	-	-	-	-	614
Total other financing sources (uses)	-	-	-	-	-	-	-	42,480	-	-	42,480
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	251,695	155,286	435,817	(12,427)	14,802	15,326	2,036	320,965	39,195	184	1,222,879
FUND BALANCE - BEGINNING OF YEAR	1,161,992	1,142,707	416,192	3,031,865	86,372	72,102	2,984	1,380,530	331,435	1,953	7,628,122
FUND BALANCE - END OF YEAR	1,413,677	1,297,993	852,009	3,019,438	101,174	87,428	5,020	1,701,495	370,630	2,137	8,851,001

See independent auditor's report.

## REQUIRED COMMUNICATIONS

December 2, 2013

The Town Board and Town Supervisor  
Town of Glenville  
Glenville, New York

Dear Town Board and Supervisor:

We have audited the statutory balance sheet – governmental funds, fiduciary fund, and account groups of Town of Glenville, New York (Town) for the year ended December 31, 2012. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2013. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. As described in Note 1, the Town adopted Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

#### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

6 Wembley Court  
Albany, New York 12205  
p (518) 464-4080  
f (518) 464-4087

ROCHESTER • BUFFALO  
ALBANY • SYRACUSE  
NYC • PERRY  
GENEVA • UTICA

[www.bonadio.com](http://www.bonadio.com)

The most sensitive estimates affecting the Town's financial statements were:

Management's estimate of compensated absences is based on accrued time by employees multiplied by their hourly rates at year end.

Management's estimate of the other postemployment benefits is based on an actuarial calculation from a third party actuary.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

#### *Significant Financial Statement Disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosures of short-term and long-term debt of the Town are described in Notes 4 and 5.

The disclosure of other postemployment benefits in Note 9 to the financial statements describes the assumptions used and the components of the actuarial determined obligation.

The disclosure of the Town's future commitments and possible contingencies are described in Note 10.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a results of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated as of the date of this letter.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting practice prescribed by the New York State Office of the State Comptroller, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Town Board and management of Town of Glenville, New York and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Very truly yours,

*Bonadio & Co., LLP*

BONADIO & CO., LLP