

TOWN OF GLENVILLE, NEW YORK

FINANCIAL STATEMENTS
OF THE
GENERAL FUND, SPECIAL REVENUE FUNDS,
CAPITAL PROJECTS FUND AND FIDUCIARY FUND

Year ended December 31, 2010

TOWN OF GLENVILLE, NEW YORK

TABLE OF CONTENTS

	Page
Independent Auditor’s Report on the Financial Statements of the General Fund, Special Revenue Funds, Capital Projects Fund and Fiduciary Fund	1
Financial Statements	
Balance Sheet – All Governmental Fund Types	3
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) – All Governmental Fund Types	4
Statement of Fiduciary Net Assets – Fiduciary Fund	5
Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) – Budget and Actual – General Town Wide and Special Revenue Funds	6
Notes to Financial Statements	7
Supplementary Information	
Combining Balance Sheet – Governmental Fund Types – Special Revenue Funds	22
Combining Statement of Revenues, Expenditures and Changes in Funds Balance (Deficit) – Governmental Fund Types – Special Revenue Funds	23
Additional Reports	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24
Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance In Accordance with OMB Circular A-133	26
Schedule of Expenditures of Federal Awards and Notes	28
Schedule of Findings and Questioned Costs	29

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

To the Supervisor and Members of the Town Board
Town of Glenville, New York

We have audited the accompanying financial statements of the general fund, special revenue funds, capital projects fund and fiduciary fund of the Town of Glenville, New York (the "Town") as of and for the year ended December 31, 2010. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the general fund, special revenue funds, capital projects, and fiduciary fund and do not purport to, and do not, present fairly the government-wide financial position of the Town of Glenville, New York as of December 31, 2010, and the government-wide changes in its financial position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the general fund, special revenue funds, capital projects fund and fiduciary fund of the Town of Glenville, New York as of December 31, 2010, and the changes in financial position thereof and the respective budgetary comparison for the general fund and special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2011 on our consideration of the Town of Glenville, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion in the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the fund financial statements. The combining balance sheet and statement of revenues, expenditures and changes in fund balance – special revenue funds are presented for purposes of additional analysis and are not a required part of the fund financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the fund financial statements of the Town. The combining schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

UHY LLP

Albany, New York
July 27, 2011

TOWN OF GLENVILLE, NEW YORK
BALANCE SHEET – ALL GOVERNMENTAL FUND TYPES
December 31, 2010

	Governmental Fund Types		
	General Fund	Special Revenue	Capital Projects
ASSETS			
Cash and cash equivalents	\$ 970,708	\$ 5,737,027	\$ 1,481,287
Cash - restricted	19,936	1,084,027	-
Receivables	49,718	448,850	-
Due from other funds	3,748	65,380	-
Due from other governments	173,267	855,857	-
Prepaid expenses	44,206	151,118	-
Note receivable	-	782,736	-
Total assets	<u>\$ 1,261,583</u>	<u>\$ 9,124,995</u>	<u>\$ 1,481,287</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	\$ 56,154	\$ 187,538	\$ 16,000
Accrued liabilities	77,491	268,905	-
Due to other funds	696	65,884	250
Due to other governments	7,320	136,002	-
Deferred revenue	167,911	1,246,363	-
Bond anticipation notes payable	-	-	4,122,589
Total liabilities	<u>309,572</u>	<u>1,904,692</u>	<u>4,138,839</u>
FUND BALANCE (DEFICIT)			
Reserved for:			
Debt service	19,936	802,921	-
Capital purchases and repair	-	254,273	-
Miscellaneous reserve	-	26,833	-
Unreserved:			
Designated - encumbrances	-	1,124,805	-
Undesignated (deficit)	<u>932,075</u>	<u>5,011,471</u>	<u>(2,657,552)</u>
Total fund balance (deficit)	<u>952,011</u>	<u>7,220,303</u>	<u>(2,657,552)</u>
Total liabilities and fund balance	<u>\$ 1,261,583</u>	<u>\$ 9,124,995</u>	<u>\$ 1,481,287</u>

See notes to financial statements.

TOWN OF GLENVILLE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (DEFICIT) – ALL GOVERNMENTAL FUND TYPES
Year Ended December 31, 2010

	Governmental Fund Types		
	General Town Wide	Special Revenue	Capital Projects
REVENUES			
Real property taxes	\$ 1,715,308	\$ 5,778,429	\$ -
Sales tax	-	2,851,603	-
Departmental income	14,071	1,936,655	-
Intergovernmental charges	357,496	647,713	-
Use of money and property	7,949	99,495	-
Licenses and permits	35,347	1,750	-
Fines and forfeitures	205,736	-	-
Miscellaneous local sources	34,761	22,962	-
State aid	831,376	87,789	-
Federal aid	-	550,001	-
Total revenues	<u>3,202,044</u>	<u>11,976,397</u>	<u>-</u>
EXPENDITURES			
General government support	1,063,553	311,712	-
Public safety	713,889	2,848,597	121,552
Transportation	270,027	2,052,529	256,000
Health	-	1,743	-
Culture and recreation	138,014	252,121	-
Economic assistance and opportunity	932	-	-
Home and community services	51,207	2,446,795	110,857
Employee benefits	695,652	2,130,615	-
Debt service (principal of \$864,757 and interest of \$835,332)	253,039	1,447,050	-
Total expenditures	<u>3,186,313</u>	<u>11,491,162</u>	<u>488,409</u>
Excess (deficiency) of revenues over expenditures	<u>15,731</u>	<u>485,235</u>	<u>(488,409)</u>
OTHER FINANCING SOURCES			
Proceeds from general obligations and long-term notes payable	-	-	2,133,100
Proceeds from the sale of property and equipment	4,471	18,843	-
Other	-	13,522	-
Insurance recoveries	-	38,459	-
Operating transfers in (out)	(151,500)	(302,470)	453,970
Total other financing sources	<u>(147,029)</u>	<u>(231,646)</u>	<u>2,587,070</u>
Excess (deficiency) of revenues over expenditures and other financing sources	(131,298)	253,589	2,098,661
Fund balance (deficit), beginning of year	1,083,309	6,966,714	(4,756,213)
Fund balance (deficit), end of year	<u>\$ 952,011</u>	<u>\$ 7,220,303</u>	<u>\$ (2,657,552)</u>

See notes to financial statements.

TOWN OF GLENVILLE, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUND
December 31, 2010

ASSETS

Restricted cash	\$ 101,811
Note receivable	<u>394,167</u>
Total assets	<u><u>\$ 495,978</u></u>

LIABILITIES

Due from other funds	\$ 2,298
Other liabilities	<u>493,680</u>
Total liabilities	<u>495,978</u>

NET ASSETS

TOTAL LIABILITIES AND NET ASSETS

-
<u><u>\$ 495,978</u></u>

TOWN OF GLENVILLE, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT) – BUDGET AND ACTUAL – GENERAL TOWN WIDE AND SPECIAL REVENUE FUNDS

Year Ended December 31, 2010

	General Town Wide			Special Revenue Funds *		
	Modified Budget	Actual	Variance Favorable (Unfavorable)	Modified Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Real property taxes	\$ 1,648,479	\$ 1,715,308	\$ 66,829	\$ 5,293,280	\$ 5,323,402	\$ 30,122
Sales tax	-	-	-	2,744,518	2,851,603	107,085
Departmental income	11,125	14,071	2,946	140,000	1,868,302	1,728,302
Intergovernmental charges	354,527	357,496	2,969	2,283,274	647,713	(1,635,561)
Use of money and property	10,000	7,949	(2,051)	58,148	74,712	16,564
Licenses and permits	27,040	35,347	8,307	3,000	1,750	(1,250)
Fines and forfeitures	220,000	205,736	(14,264)	-	-	-
Miscellaneous local sources	1,100	34,761	33,661	12,300	22,962	10,662
State aid	808,564	831,376	22,812	194,753	87,789	(106,964)
Federal aid	-	-	-	-	80,587	80,587
Total revenues	<u>3,080,835</u>	<u>3,202,044</u>	<u>121,209</u>	<u>10,729,273</u>	<u>10,958,820</u>	<u>229,547</u>
EXPENDITURES						
General government support	1,277,936	1,063,553	214,383	328,086	311,712	16,374
Public safety	739,319	713,889	25,430	2,468,268	2,477,118	(8,850)
Transportation	290,615	270,027	20,588	2,310,490	2,014,096	296,394
Health	1,125	-	1,125	-	1,743	(1,743)
Culture and recreation	141,574	138,014	3,560	255,970	233,299	22,671
Economic assistance and opportunity	4,000	932	3,068	-	-	-
Home and community services	56,995	51,207	5,788	2,188,065	1,950,640	237,425
Employee benefits	757,465	695,652	61,813	2,570,932	2,130,615	440,317
Debt service (principal and interest)	253,128	253,039	89	1,382,367	1,447,050	(64,683)
Total expenditures	<u>3,522,157</u>	<u>3,186,313</u>	<u>335,844</u>	<u>11,504,178</u>	<u>10,566,273</u>	<u>937,905</u>
Excess (deficiency) of revenues over expenses	<u>(441,322)</u>	<u>15,731</u>	<u>457,053</u>	<u>(774,905)</u>	<u>392,547</u>	<u>1,167,452</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from the sale of property and equipment	-	4,471	4,471	28,000	18,843	(9,157)
Transfers in/(out)	(151,500)	(151,500)	-	(302,470)	(302,470)	-
Other	-	-	-	-	13,522	13,522
Insurance recoveries	-	-	-	-	38,459	38,459
Total other financing sources (uses)	<u>(151,500)</u>	<u>(147,029)</u>	<u>4,471</u>	<u>(274,470)</u>	<u>(231,646)</u>	<u>42,824</u>
Net change in fund balances	<u>\$ (592,822)</u>	<u>\$ (131,298)</u>	<u>\$ 461,524</u>	<u>\$ (1,049,375)</u>	<u>\$ 160,901</u>	<u>\$ 1,210,276</u>

*Includes town outside village, highway, water and sewer only.

See notes to financial statements.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Town provides the following basic services: police protection, parks and recreation, sewer, water, lighting and highway maintenance.

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

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

The Town has elected not to implement GASB 34 due to the costs associated with the development and maintenance of the information required to present government-wide financial statements. Accordingly these financial statements do not purport to, and do not, present fairly the government-wide financial position of the Town of Glenville. The accompanying financial statements present the financial position of the general fund, special revenue funds, capital projects fund and the fiduciary fund of the Town of Glenville, New York as of December 31, 2010. The financial statement also presents the changes in financial position of the Town’s general fund, special revenue funds and the capital projects fund and the respective budgetary comparison for the general fund and special revenue funds for the year ended December 31, 2010.

(a) Financial Reporting Entity

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

(b) Basis of Presentation – Fund Accounting

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

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of Presentation – Fund Accounting (Continued)

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

General Fund – The general fund is the 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. Most funds operate within the financial limits of an annual budget adopted by the Town Board. The following funds are accounted for in this group:

- 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 a drainage, water, sewer, park, recreation, fire protection and lighting district which supply services to portions of the Town.
- Special Grant Funds – used to account for federal monies received to provide 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.

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

(d) Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter, 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.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Basis of Accounting (Continued)

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

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 on a metered basis.

(f) 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. After April 30, taxes are considered delinquent. The balance and subsequent collections are remitted to the County and the County is responsible for the collection of delinquent taxes.

(g) 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. Prior to 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.

Special Revenue Funds – The budget and actual comparison for Special Revenue Funds, included in the Statement of Revenue, Expenditures and Changes in Fund Balance (Deficit) – Budget and Actual reflects budgeted and actual amounts for funds with legally authorized budgets.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Budgetary Data (Continued)

The special grant, recreation, drainage, parks, fire protection and various lighting districts funds have not been included in the budget comparison of the special revenue fund because they are not material funds or do not have a legally authorized budget. The actual activity of these unbudgeted funds, as follows, is provided in order to reconcile to the actual balances of the special revenue funds.

	Fund Balance Beginning of Year	Revenues	Expenditures	Other Financing Sources (Uses)	Fund Balance End of Year
Funds with budget included in budget comparison	\$ 6,324,333	\$ 10,958,820	\$ 10,566,273	\$ (231,646)	\$ 6,485,234
Funds excluded from above	642,381	1,017,577	924,889	-	735,069
Total special revenue funds	<u>\$ 6,966,714</u>	<u>\$ 11,976,397</u>	<u>\$ 11,491,162</u>	<u>\$ (231,646)</u>	<u>\$ 7,220,303</u>

(i) Account Groups

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

General Long-term Debt Account Group – This account group is used to record all long-term debt of the Town, such as compensated absences, installment purchases, and bonds. Information about general long-term debt is disclosed in Note 8.

Fixed Asset Account Group – This account group is used to record all capital assets of the Town, such as Land, Buildings and Machinery and Equipment. Information about general long term assets is disclosed in Note 4.

(j) Other

The following policies relate to transactions affecting governmental funds as well as the account groups.

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. In the event of termination or upon retirement, after ten years of service, except the Highway Department, which has no years of service requirement, an employee 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 compensated absences as the benefits are earned by 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 are expected to eventually qualify for.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Other (Continued)

In addition, the Town recognizes a liability for vesting sick leave as employees earn benefits and to the extent it is probable that the Town will compensate the employees for the benefits through cash payments, rather than be taken as absences due to illness or other contingencies for employees who, at the balance sheet date, currently are eligible to receive payments upon termination as well as other employees who are expected to become eligible in the future to receive such payments.

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

Payment of sick leave and compensated 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 compensated absences when such payment becomes due.

(l) Retirement Plans and Post-Retirement Health Insurance Benefits

The Town provides retirement benefits for its employees through participation in both the New York State and Local Police and Fire Retirement System and the New York State and Local Employees' Retirement System. These systems provide various plans and options, some of which require employee contributions.

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees, their spouses and certain survivors. All of the Town's employees may become eligible for these benefits if they reach normal retirement age and have worked for the Town at least ten years. The Town recognizes the cost of providing healthcare benefits by expensing the annual insurance costs, which were approximately \$1,535,000 for 2010 for both the 66 retirees and the 70 active employees.

(m) Capital Lease Obligations

Capital lease obligations for governmental funds are accounted for in the general long-term debt account group. The capitalized lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease discounted at the implicit rate of interest in the lease. Also, in the year an asset is acquired by capital lease in a governmental fund, the expenditure for the asset and the offsetting amount of the financing source are reflected in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit). Assets acquired under capital leases are accounted for in the general fixed asset account group.

(n) Estimates

The preparation of fund 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.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Other

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 leave. The Town is required to cover any amount of costs not reimbursed by Workers' Compensation.

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.

NOTE 2 — STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Certain capital projects had deficits totaling approximately \$3,821,000 at December 31, 2010; the entire deficit is caused by temporarily financing project costs through the issuance of bond anticipation notes (BAN). This portion of the deficit will be offset when permanent financing is issued and/or BAN principal payments are budgeted and paid in the governmental fund(s) responsible for the debt. Measures will have to be taken in future budgets of the sponsoring fund to fund these deficits or serial bonds will need to be issued.

NOTE 3 — CASH AND CASH EQUIVALENTS

(a) Policy and Collateral

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 U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State, or its localities.

Collateral is required for demand deposits and certificates of deposit 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 of New York, its municipalities and school districts.

At December 31, 2010, the bank balances held by the Town were fully collateralized.

(b) Restricted Cash

Restricted cash consists of the following at December 31, 2010:

General Fund – Cash restricted for debt service of approximately \$19,900.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 3 — CASH AND CASH EQUIVALENTS (Continued)

(b) Restricted Cash (Continued)

Special Revenue funds restricted cash balances consist of the following at December 31, 2010:

Outside Village Fund – Cash restricted for miscellaneous purposes of approximately \$26,800.

Highway Fund – Cash restricted for debt service of approximately \$800.

Sewer Fund – Cash restricted for repair reserves and debt service of approximately \$65,700 and \$222,300, respectively.

Water Fund – Cash restricted for repair reserves and debt service of approximately \$188,600 and \$579,900, respectively.

Fiduciary Fund – Restricted cash of approximately \$101,800 consists of \$53,700 restricted for Town official funds; \$38,000 restricted for the Maritime Center; and \$10,100 for other miscellaneous purposes.

NOTE 4 — FIXED ASSETS

As discussed in Note 1, the Town's fixed assets are recorded in the general fixed asset account group. The following provides a summary of changes in general fixed assets:

<u>Type</u>	<u>Balance January 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2010</u>
Land	\$ 913,176	\$ -	\$ -	\$ 913,176
Buildings	5,375,868	-	-	5,375,868
Improvements other than buildings	330,643	232,430	-	563,073
Machinery and equipment	6,540,248	367,830	88,000	6,820,078
Total	<u>\$ 13,159,935</u>	<u>\$ 600,260</u>	<u>\$ 88,000</u>	<u>\$ 13,672,195</u>

NOTE 5 — EMPLOYEE BENEFIT PLANS

(a) Plan Description

The Town of Glenville 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 (collectively the "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

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 5 — EMPLOYEE BENEFIT PLANS (Continued)

(a) Plan Description (Continued)

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.

(b) Funding Policy

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 until such time as they obtain ten years of service credit. 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 fiscal years ended March 31, 2011 and the two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2011	\$ 393,209	\$ 349,784
2010	\$ 288,796	\$ 408,819
2009	\$ 319,365	\$ 308,687

The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year. In 2010, the Town prepaid approximately \$105,600 in ERS and \$86,400 in PFRS.

NOTE 6 — DEFERRED REVENUE

Deferred revenue for the general fund and special revenue funds at December 31, 2010 primarily consist of grant funds not expended in addition to tax receivables not recognized as revenue based on availability under the modified accrual basis of accounting.

NOTE 7 — SALES TAX

Sales tax revenues are based upon an agreement with the County of Schenectady, the City of Schenectady and the towns within the County which provides for a distribution of sales tax revenues within the County in accordance with an allocation formula.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 8 — 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, 2010:

	<u>Bonds</u>	<u>Capital Leases</u>	<u>Landfill Closure Costs</u>	<u>Compensated Absences</u>	<u>Judgments and Claims</u>	<u>Due to ERS/PFRS</u>	<u>Other Postemployment Benefit Obligation</u>
Payable January 1, 2010	\$ 16,277,066	\$ 96,822	\$ 113,942	\$ 1,714,892	\$ 187,926	\$ 39,770	\$ -
Issued	2,133,100	-	-	-	-	-	-
Adoption of GASB 45 as of January 1, 2010	-	-	-	-	-	-	1,866,840
(Payments)	(800,901)	(63,856)	-	-	-	(39,770)	(521,128)
Net increase (decrease)	1,332,199	(63,856)	-	-	-	(39,770)	1,345,712
Other net increase (decrease)	-	-	(9,908)	55,988	40,284	-	-
Payable December 31, 2010	<u>\$ 17,609,265</u>	<u>\$ 32,966</u>	<u>\$ 104,034</u>	<u>\$ 1,770,880</u>	<u>\$ 228,210</u>	<u>\$ -</u>	<u>\$ 1,345,712</u>

(a) Bonds

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 local government, 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.

The following is a summary of bonds outstanding at December 31, 2010:

<u>Payable from Description</u>	<u>Original Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate (%)</u>	<u>Date Final Maturity</u>	<u>Outstanding</u>
Serial Bond - Landfill Closure	6/15/02	\$ 565,000	4.000%	6/15/17	\$ 314,100
Serial Bond - Sewer Fund	12/1/95	388,200	5.290%	12/1/14	80,000
Serial Bond - Water Fund	6/15/02	4,367,100	4.000%	6/15/27	3,440,900
Serial Bond - Sewer Fund	7/15/02	4,494,464	5.000%	10/15/31	3,255,000
Statutory Installment Bond - BH-BL Baseball	10/14/05	147,000	4.350%	10/14/17	85,750
Serial Bond - Various Public Improvements	12/1/05	9,416,000	4.000%	12/1/26	7,875,000
Serial Bond - Long Term Debt Fund	2/28/06	284,000	4.000%	2/28/11	56,800
Statutory Installment Bond - Hoffman Hill	11/5/07	107,501	3.950%	11/5/12	43,000
Statutory Installment Bond - Sewer Excess	12/28/07	386,667	4.690%	12/28/26	325,615
Serial Bond - Sewer Fund	6/1/10	2,133,100	0.000%	6/1/36	2,133,100
Total		<u>\$ 22,289,032</u>			<u>\$ 17,609,265</u>

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 8 — LONG-TERM DEBT (Continued)

(a) Bonds Payable (Continued)

The following table summarizes the Town's future debt service requirements on bonds as of December 31, 2010:

<u>Year Ending Date</u>	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest (Memorandum)</u>
2011	\$ 912,944	\$ 676,511
2012	881,144	642,454
2013	884,644	609,341
2014	909,644	575,621
2015	924,644	540,098
2016-2020	4,726,468	2,139,313
2021-2025	5,326,965	1,149,104
2026-2030	2,395,560	199,757
2031-2035	565,210	4,125
2036	82,042	-
	<u>\$ 17,609,265</u>	<u>\$ 6,536,324</u>

At December 31, 2010 the total outstanding bonds, capital leases and BANs of the Town aggregated \$21,764,820; \$10,499,004 of this amount was subject to the constitutional debt limit and represented less than 8% of its debt limit.

(b) Capital Leases

The Town is obligated under several leases which are accounted for as capital leases. The leased assets and related obligations are accounted for in the general fixed asset account group and the general long-term debt account group, respectively.

The following is a schedule of future minimum lease payments under the capital leases, together with the net present value of the minimum lease payments as of December 31, 2010.

2011	<u>\$ 33,678</u>
Minimum lease payments - capital lease	33,678
Less: amount representing interest	<u>712</u>
Present value - minimum lease payments	<u>\$ 32,966</u>

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 8 — LONG-TERM DEBT (Continued)

(c) Other Long-term Debt

In addition to the above long-term debt, the local government had the following non-current liabilities:

- Landfill Closure Costs – Represents the Town's estimated costs for future monitoring and maintenance of the Town's previously closed landfill. The estimated costs are amortized on a straight line basis through the year 2021.
- Compensated Absences – Represents the earned and unused portion of the liability for compensated absences. Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.
- Judgments and Claims – Represents the Town's share of its estimated sales tax and property tax overpayment claims made by various concerns conducting business within the Town's jurisdiction. Claims are liquidated through the general fund and recognized as expenditures when payment of the claim is both probable and the amount can be reasonably estimated.
- Due to ERS/PFRS – Relates to past service costs due to the New York State and Local Retirement System. The liability is being amortized on a straight line basis and was satisfied during the Town's 2010 calendar year.

(d) Other Postemployment Benefit Obligation (OPEB)

The Town implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of January 1, 2010. This Statement establishes standards for the recognition, measurement and presentation of retiree health insurance expenses.

The Town provides health care benefits for certain retired employees. These costs are recognized and expensed when paid in the fund financial statements. The obligation recognized under GASB Statement No. 45 is included in the general long-term debt account group which is not included in the fund financial statements.

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.

Funding Policy

The Town contributes sufficient amounts to the plan to satisfy current obligations on a pay-as-you-go basis. Contributions for current premiums for 2010 were approximately \$521,000.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 8 — LONG-TERM DEBT (Continued)

Funded Status and Funding Progress

The plan is unfunded. The following table sets forth the actuarial accrued liability and funded status of the plan as of January 1, 2010, the latest valuation date:

Unfunded Actuarial Accrued Liability (UAAL)	
Currently retired	\$ 9,315,331
Active employees	<u>5,077,773</u>
Actuarial accrued liability	14,393,104
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	14,393,104
Funded ratio	0%
Normal cost	\$ 245,447

The following table summarizes the amortization calculation of the UAAL as of the latest valuation date:

UAAL	\$ 14,393,104
Amortization period (years)	30
Amortization discount rate	4%
UAAL amortization amount	\$ 1,600,682

GASB Statement No. 45 was effective as of January 1, 2009. As a result, the Town recognized two years of UAAL amortization expense in the above schedule for 2010 as the Town did not implement the Statement until January 1, 2010.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for 2010:

Normal cost	\$ 245,447
Amortization of UAAL	<u>1,600,682</u>
ARC	1,846,129
Interest on OPEB obligation	<u>20,711</u>
OPEB recorded in long-term debt	<u>\$ 1,866,840</u>
Net OPEB obligation at beginning of year	\$ -
OPEB expense	1,866,840
OPEB contributions	<u>521,128</u>
Net OPEB obligation at end of year	<u>\$ 1,345,712</u>
Percentage of expense contributed	<u>27.9%</u>

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 8 — LONG-TERM DEBT (Continued)

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility consistent with the long-term perspective of the calculations.

The measurement date for the calculation was January 1, 2010 and the discount rate utilized was 4%. An ultimate trend rate of 5% was utilized for health care costs.

NOTE 9 — 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 benefited from the capital project financed by the BAN. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, providing that stipulated annual reductions of principal are made.

Bond anticipation notes are comprised of the following at December 31, 2010:

<u>Project</u>	<u>Original Date Issued</u>	<u>Interest Rate (%)</u>	<u>Balance January 1, 2010</u>	<u>Borrowings</u>	<u>Reductions</u>	<u>Balance December 31, 2010</u>
Woodhaven Sewer	4/3/2003	1.49	\$ 625,000	\$ -	\$ (25,000)	\$ 600,000
Water Dist. 11, Ext. 30	3/1/2003	1.25	272,875	-	(7,375)	265,500
Alplaus Sewer	6/7/2006	1.49	2,540,714	-	(2,540,714)	-
Rector Road	9/29/06	0.89	1,356,250	-	(131,250)	1,225,000
Woodcrest Sewer	6/8/08	1.07	280,333	-	(9,344)	270,989
Dispatch System	1/13/2009	0.99	1,515,000	-	(151,500)	1,363,500
Plow Truck	3/25/2009	1.17	177,000	-	(35,400)	141,600
Plow Truck	8/20/2010	0.87	-	256,000	-	256,000
Total BANS outstanding			<u>\$ 6,767,172</u>	<u>\$ 256,000</u>	<u>\$ (2,900,583)</u>	<u>\$ 4,122,589</u>

Interest paid on BANs and reported in the Town's Combined Statement of Revenues, Expenditures and Changes in Fund Balance totaled \$114,437.

NOTE 10 — INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables at December 31, 2010 were as follows:

<u>Fund Type</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General - Town Wide	\$ 3,748	\$ 696
Special Revenue	65,380	65,884
Capital	-	250
Fiduciary	-	2,298
Total	<u>\$ 69,128</u>	<u>\$ 69,128</u>

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 11 — RESERVES

(a) Reserves for Capital Purchases and Repairs

Established pursuant to General Municipal Law, Article 62, Section 6-D, there may be paid into the reserves such amounts as are provided by budgetary appropriation or such revenues as are not required by law to be paid into any other fund or account. Monies in the reserve for repairs may be appropriated only for repairs of capital improvements or equipment, which repairs are of a type not recurring annually or at shorter intervals, or to certain other reserve funds pursuant to law. Additionally, General Municipal Law, Section 6-C, established a capital reserve fund for the purchase of equipment or improvements for Water District #11.

At December 31, 2010 the balance of the reserves for purchases and repairs are as follows:

Special Revenue		
Sewer Districts	Repairs	\$ 65,672
Water Districts	Repairs	44,337
Water Districts	Purchase of equipment and improvements	144,264
		<u>254,273</u>

(b) Reserves for Debt Service

This reserve is used to account for remaining bond proceeds which were not utilized for the intended purpose. These moneys must be used to pay the debt service of the obligations from which they originated. At December 31, 2010, the balance of the reserves were as follows:

General		<u>\$ 19,936</u>
Special Revenue		
Highway		\$ 800
Sewer Districts		222,260
Water Districts		579,861
Total		<u>\$ 802,921</u>

NOTE 12 — COMMITMENTS AND CONTINGENCIES

(a) 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.

TOWN OF GLENVILLE, NEW YORK
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

NOTE 12 — COMMITMENTS AND CONTINGENCIES (Continued)

(b) 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.

(c) Joint Venture

The Towns of Glenville, Niskayuna, Rotterdam and the City of Schenectady and the Village of Scotia, New York, jointly comprise the Intermunicipal Watershed Rules and Regulations Board. The joint venture operates under the terms of an agreement dated July 11, 1991. The agreement was originally for a period of five years with an option for renewal in increments of five year periods. The agreement has been consistently renewed and is currently operating under a renewal period which expires in 2011. Separate financial statements are issued for the joint venture.

NOTE 13 — SUBSEQUENT EVENTS

Subsequent to December 31, 2010, the Town reissued certain BANs with a total principal amount of \$2,412,324 for an additional one year period (Note 9). Interest rates on these BANs range from .99% to 1.24%.

SUPPLEMENTARY INFORMATION

TOWN OF GLENVILLE, NEW YORK
COMBINING BALANCE SHEET – GOVERNMENTAL FUND TYPES – SPECIAL REVENUE FUNDS
December 31, 2010

	Special Revenue Funds							Totals
	Outside Village	Special Grant	Highway	Fire Protection	Other*	Sewer	Water	
ASSETS								
Cash	\$ 556,877	\$ 349,383	\$ 1,075,832	\$ 1,950	\$ 450,328	\$ 947,087	\$ 2,355,570	\$ 5,737,027
Cash - restricted	26,833	-	800	-	-	287,932	768,462	1,084,027
Receivables	169,186	-	156,687	-	-	4,381	118,596	448,850
Due from other funds	-	-	65,380	-	-	-	-	65,380
Due from other governments	428,253	-	427,604	-	-	-	-	855,857
Prepaid expenses	103,159	-	34,143	-	-	2,214	11,602	151,118
Note receivable	-	782,736	-	-	-	-	-	782,736
Total assets	\$ 1,284,308	\$ 1,132,119	\$ 1,760,446	\$ 1,950	\$ 450,328	\$ 1,241,614	\$ 3,254,230	\$ 9,124,995
LIABILITIES AND FUND BALANCE								
LIABILITIES								
Accounts payable	\$ 17,079	\$ 65,080	\$ 77,778	\$ -	\$ 414	\$ 9,000	\$ 18,187	\$ 187,538
Accrued liabilities	148,478	-	99,486	-	-	2,420	18,521	268,905
Due to other funds	17,894	1,200	-	-	268	2,013	44,509	65,884
Due to other governments	-	-	-	-	-	136,002	-	136,002
Deferred revenue	150,780	782,366	292,365	-	-	-	20,852	1,246,363
Total liabilities	334,231	848,646	469,629	-	682	149,435	102,069	1,904,692
FUND BALANCE								
Fund balances:								
Debt service reserve	-	-	800	-	-	222,260	579,861	802,921
Capital purchases and reserve	-	-	-	-	-	65,672	188,601	254,273
Miscellaneous reserve	26,833	-	-	-	-	-	-	26,833
Designated	54,000	-	580,300	-	-	-	490,505	1,124,805
Undesignated	869,244	283,473	709,717	1,950	449,646	804,247	1,893,194	5,011,471
Total fund balance	950,077	283,473	1,290,817	1,950	449,646	1,092,179	3,152,161	7,220,303
Total liabilities and fund balance	\$ 1,284,308	\$ 1,132,119	\$ 1,760,446	\$ 1,950	\$ 450,328	\$ 1,241,614	\$ 3,254,230	\$ 9,124,995

* Includes recreation, drainage, lighting and parks.

TOWN OF GLENVILLE, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND EQUITY –
GOVERNMENTAL FUND TYPES – SPECIAL REVENUE FUNDS
Year Ended December 31, 2010

	Special Revenue Funds							
	Outside Village	Special Grant	Highway	Fire Protection	Other*	Sewer	Water	Totals
REVENUES								
Real property taxes	\$ 2,547,748	\$ -	\$ 1,079,459	\$ 370,000	\$ 85,027	\$ 1,026,978	\$ 669,217	\$ 5,778,429
Sales tax	1,584,420	-	1,267,183	-	-	-	-	2,851,603
Departmental income	157,845	51,353	-	-	17,000	290,579	1,419,878	1,936,655
Intergovernmental charges	38,263	-	372,156	-	-	10,060	227,234	647,713
Use of money and property	21,083	22,878	7,624	5	1,900	11,803	34,202	99,495
Licenses and permits	-	-	1,750	-	-	-	-	1,750
Miscellaneous local sources	22,032	-	266	-	-	-	664	22,962
State aid	87,789	-	-	-	-	-	-	87,789
Federal aid	-	469,414	4,017	-	-	76,570	-	550,001
Total revenues	<u>4,459,180</u>	<u>543,645</u>	<u>2,732,455</u>	<u>370,005</u>	<u>103,927</u>	<u>1,415,990</u>	<u>2,351,195</u>	<u>11,976,397</u>
EXPENDITURES								
General government support	277,228	-	34,484	-	-	-	-	311,712
Public safety	2,477,118	-	-	371,479	-	-	-	2,848,597
Transportation	-	-	2,014,096	-	38,433	-	-	2,052,529
Health	1,743	-	-	-	-	-	-	1,743
Culture and recreation	233,299	-	-	-	18,822	-	-	252,121
Home and community services	21,293	481,541	-	-	14,614	736,666	1,192,681	2,446,795
Employee benefits	1,264,603	-	677,673	-	-	21,604	166,735	2,130,615
Debt service (principal and interest)	-	-	146,218	-	-	453,875	846,957	1,447,050
Total expenditures	<u>4,275,284</u>	<u>481,541</u>	<u>2,872,471</u>	<u>371,479</u>	<u>71,869</u>	<u>1,212,145</u>	<u>2,206,373</u>	<u>11,491,162</u>
Excess (deficiency) of revenues over expenses	<u>183,896</u>	<u>62,104</u>	<u>(140,016)</u>	<u>(1,474)</u>	<u>32,058</u>	<u>203,845</u>	<u>144,822</u>	<u>485,235</u>
OTHER FINANCING SOURCES (USES)								
Sale of property and equipment	5,721	-	2,172	-	-	-	10,950	18,843
Other	10,196	-	3,326	-	-	-	-	13,522
Insurance recoveries	9,576	-	8,114	-	-	12,171	8,598	38,459
Operating transfers in (out)	-	-	(135,400)	-	-	(128,445)	(38,625)	(302,470)
Total other financing sources (uses)	<u>25,493</u>	<u>-</u>	<u>(121,788)</u>	<u>-</u>	<u>-</u>	<u>(116,274)</u>	<u>(19,077)</u>	<u>(231,646)</u>
Net change in fund balances	209,389	62,104	(261,804)	(1,474)	32,058	87,571	125,745	253,589
Fund equity, beginning of year	<u>740,688</u>	<u>221,369</u>	<u>1,552,621</u>	<u>3,424</u>	<u>417,588</u>	<u>1,004,608</u>	<u>3,026,416</u>	<u>6,966,714</u>
Fund equity, end of year	<u>\$ 950,077</u>	<u>\$ 283,473</u>	<u>\$ 1,290,817</u>	<u>\$ 1,950</u>	<u>\$ 449,646</u>	<u>\$ 1,092,179</u>	<u>\$ 3,152,161</u>	<u>\$ 7,220,303</u>

* Includes recreation, drainage, lighting and parks.

ADDITIONAL REPORTS

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

To the Supervisor and Members of the Town Board
Town of Glenville, New York

We have audited the financial statements of the general fund, special revenue funds, capital projects fund and the fiduciary fund of the Town of Glenville, New York (the Town) as of and for the year ended December 31, 2010, and have issued our report thereon dated July 27, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of the Supervisor and Members of the Town Board, management, other within the Town and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

UHY LLP

Albany, New York
July 27, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Supervisor and Members of the Town Board
Town of Glenville, New York

Compliance

We have audited the compliance of the Town of Glenville, New York (the "Town") with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2010. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

Internal Control Over Compliance (Continued)

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

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

This report is intended solely for the information and use of the Supervisor and Members of the Town Board, management, others within the Town and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

UHY LLP

Albany, New York
July 27, 2011

TOWN OF GLENVILLE, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND NOTES
For the Year Ended December 31, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass- Through Number	Expenditures
<i>US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</i>			
Section 8 Housing Choice Vouchers	14.871	Not Applicable	\$ 325,081
Community Development Block Grants / Small Cities Program	14.219	Not Applicable	12,000
HOME Investment Partnerships Program	14.239	Not Applicable	<u>144,460</u>
Total U.S. Department of Housing and Urban development			<u>481,541</u>
<i>ENVIRONMENTAL PROTECTION AGENCY</i>			
PASSED THROUGH NEW YORK STATE			
Environmental Facilities Corporation:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	Not Applicable	<u>76,570</u>
Total Environmental Protection Agency			<u>76,570</u>
Total Expenditures of Federal Awards			<u><u>\$ 558,111</u></u>

NOTE 1 — BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant expenditures of the Town of Glenville, New York for the year ended December 31, 2010 and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

TOWN OF GLENVILLE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010

I. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
<ul style="list-style-type: none"> • Material weakness(es) identified? 	No
<ul style="list-style-type: none"> • Significant deficiencies identified that are not considered to be material weaknesses? 	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over the major programs:	
<ul style="list-style-type: none"> • Material weakness(es) identified? 	No
<ul style="list-style-type: none"> • Significant deficiencies identified that are not considered to be material weaknesses? 	None reported
Type of auditor's report issued on compliance for the major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of the major programs:

<u>Federal Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>
U.S. Department of Housing and Urban Development Section 8 Housing Choice Vouchers	14.871
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

TOWN OF GLENVILLE, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2010

II. Financial Statement Findings

None noted.

III. Federal Award Findings and Questioned Costs

None noted.

IV. Status of Prior Year Findings

None noted.