

**TOWN OF GLENVILLE, NEW YORK**

**Statutory Financial Statements  
As of  
December 31, 2014  
Together with  
Independent Auditor's Report**

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

# TOWN OF GLENVILLE, NEW YORK

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## **INDEPENDENT AUDITOR'S REPORT**

July 17, 2015

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

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 revenue, expenditures and changes in fund balance – governmental funds – statutory basis as of and for the year ended December 31, 2014, and the related notes to the financial statements which collectively comprise the statutory financial statements listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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)

## **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, 2014, 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 opinions are not modified with respect to that matter.

### **Other Matters**

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements referred to above as a whole. The combining balance sheet – special revenue funds, and combining statement of revenue, expenditures, and changes in fund balance – special revenue funds is 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 was derived from and relates 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.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Glenville, New York's basic financial statements. The budgetary comparison information on page 21, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

TOWN OF GLENVILLE, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS, FIDUCIARY FUND, AND ACCOUNT GROUPS  
DECEMBER 31, 2014

|   | Governmental Funds  |                       |                    |              | Fiduciary Fund   | Account Groups       |                        | Total                |
|---|---------------------|-----------------------|--------------------|--------------|------------------|----------------------|------------------------|----------------------|
|   | General Town-Wide   | Special Revenue Funds | Capital Projects   | Debt Service | Trust & Agency   | General Fixed Assets | General Long-Term Debt | (Memorandum Only)    |
| <b>ASSETS</b>   |                     |                       |                    |              |                  |                      |                        |                      |
| Cash  | \$ 1,604,260        | \$ 7,598,657          | \$ 740,503         | \$ 20        | \$ 87,907        | \$ -                 | \$ -                   | \$ 10,031,347        |
| Cash, restricted  | 19,884              | 1,547,909             | -                  | -            | -                | -                    | -                      | 1,567,793            |
| Accounts receivable   | 10,256              | 347,077               | -                  | -            | -                | -                    | -                      | 357,333              |
| Loans receivable  | -                   | 127,812               | -                  | -            | -                | -                    | -                      | 127,812              |
| State and federal receivable  | -                   | 41,690                | -                  | -            | -                | -                    | -                      | 41,690               |
| Due from other governments  | 126,682             | 611,565               | -                  | -            | -                | -                    | -                      | 738,247              |
| Deposits with other governments   | -                   | 133,000               | -                  | -            | -                | -                    | -                      | 133,000              |
| Due from other funds  | 11,253              | 175,905               | -                  | -            | -                | -                    | -                      | 187,158              |
| Prepaid expenditures  | 63,939              | 244,473               | -                  | -            | -                | -                    | -                      | 308,412              |
| General fixed assets  | -                   | -                     | -                  | -            | -                | 14,463,738           | -                      | 14,463,738           |
| Amounts to be provided for long-term obligations                                    | -                   | -                     | -                  | -            | -                | -                    | 19,472,349             | 19,472,349           |
| <b>Total assets</b>   | <b>\$ 1,836,274</b> | <b>\$ 10,828,088</b>  | <b>\$ 740,503</b>  | <b>\$ 20</b> | <b>\$ 87,907</b> | <b>\$ 14,463,738</b> | <b>\$ 19,472,349</b>   | <b>\$ 47,428,879</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)</b>       |                     |                       |                    |              |                  |                      |                        |                      |
| <b>LIABILITIES</b>  |                     |                       |                    |              |                  |                      |                        |                      |
| Accounts payable and accrued liabilities  | 65,720              | 479,334               | 194,104            | -            | 85,907           | -                    | -                      | 825,065              |
| Due to other governments  | 416,857             | 303,217               | -                  | -            | -                | -                    | -                      | 720,074              |
| Due to other funds  | 28,034              | 147,871               | 9,253              | -            | 2,000            | -                    | -                      | 187,158              |
| Bond anticipation notes payable   | -                   | -                     | 2,164,520          | -            | -                | -                    | -                      | 2,164,520            |
| Bonds payable   | -                   | -                     | -                  | -            | -                | -                    | 14,915,889             | 14,915,889           |
| Compensated absences  | -                   | -                     | -                  | -            | -                | -                    | 1,833,323              | 1,833,323            |
| Judgment and claims   | -                   | -                     | -                  | -            | -                | -                    | 100,000                | 100,000              |
| Landfill closure/post-closure costs   | -                   | -                     | -                  | -            | -                | -                    | 64,402                 | 64,402               |
| Other postemployment benefits   | -                   | -                     | -                  | -            | -                | -                    | 2,558,735              | 2,558,735            |
| Investment in general fixed assets  | -                   | -                     | -                  | -            | -                | 14,463,738           | -                      | 14,463,738           |
| <b>TOTAL LIABILITIES</b>  | <b>510,611</b>      | <b>930,422</b>        | <b>2,367,877</b>   | <b>-</b>     | <b>87,907</b>    | <b>14,463,738</b>    | <b>19,472,349</b>      | <b>37,832,904</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |                       |                    |              |                  |                      |                        |                      |
| HAP payments received in advance  | -                   | 4,105                 | -                  | -            | -                | -                    | -                      | 4,105                |
| Small cities grant funding received in advance                                      | -                   | 127,812               | -                  | -            | -                | -                    | -                      | 127,812              |
| Unearned revenue - mortgage tax   | 122,000             | -                     | -                  | -            | -                | -                    | -                      | 122,000              |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>  | <b>122,000</b>      | <b>131,917</b>        | <b>-</b>           | <b>-</b>     | <b>-</b>         | <b>-</b>             | <b>-</b>               | <b>253,917</b>       |
| <b>FUND BALANCE</b>   |                     |                       |                    |              |                  |                      |                        |                      |
| Non-spendable   | 63,939              | 244,473               | -                  | -            | -                | -                    | -                      | 308,412              |
| Restricted  |                     |                       |                    |              |                  |                      |                        |                      |
| Debt service  | 19,884              | 1,267,722             | -                  | -            | -                | -                    | -                      | 1,287,606            |
| Capital reserve   | -                   | 134,334               | -                  | -            | -                | -                    | -                      | 134,334              |
| Repairs reserve   | -                   | 130,131               | -                  | -            | -                | -                    | -                      | 130,131              |
| Asset forfeiture funds  | -                   | 15,722                | -                  | -            | -                | -                    | -                      | 15,722               |
| <b>Total restricted fund balance</b>  | <b>19,884</b>       | <b>1,547,909</b>      | <b>-</b>           | <b>-</b>     | <b>-</b>         | <b>-</b>             | <b>-</b>               | <b>1,567,793</b>     |
| Assigned  |                     |                       |                    |              |                  |                      |                        |                      |
| Appropriated for subsequent year's expenditures                                     | 231,988             | 808,437               | -                  | -            | -                | -                    | -                      | 1,040,425            |
| Operations of special revenue fund  | -                   | 7,164,930             | -                  | -            | -                | -                    | -                      | 7,164,930            |
| <b>Total assigned fund balance</b>  | <b>231,988</b>      | <b>7,973,367</b>      | <b>-</b>           | <b>-</b>     | <b>-</b>         | <b>-</b>             | <b>-</b>               | <b>8,205,355</b>     |
| Unassigned  | 887,852             | -                     | (1,627,374)        | 20           | -                | -                    | -                      | (739,502)            |
| <b>TOTAL FUND BALANCE (DEFICIT)</b>   | <b>1,203,663</b>    | <b>9,765,749</b>      | <b>(1,627,374)</b> | <b>20</b>    | <b>-</b>         | <b>-</b>             | <b>-</b>               | <b>9,342,058</b>     |
| <b>Total liabilities, deferred inflows of resources, and fund balance (deficit)</b> | <b>\$ 1,836,274</b> | <b>\$ 10,828,088</b>  | <b>\$ 740,503</b>  | <b>\$ 20</b> | <b>\$ 87,907</b> | <b>\$ 14,463,738</b> | <b>\$ 19,472,349</b>   | <b>\$ 47,428,879</b> |

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, 2014**

|  | <b>Governmental Funds</b>    |                                  |                             |                         | <i>Total<br/>Governmental<br/>Funds</i> |
|--|------------------------------|----------------------------------|-----------------------------|-------------------------|---|
|  | <i>General<br/>Town-Wide</i> | <i>Special<br/>Revenue Funds</i> | <i>Capital<br/>Projects</i> | <i>Debt<br/>Service</i> |   |
| REVENUE:   |                              |                                  |                             |                         |   |
| Real property taxes and tax items                | \$ 2,038,135                 | \$ 6,391,713                     | \$ -                        | \$ -                    | \$ 8,429,848                            |
| Nonproperty tax items                            | -                            | 2,982,877                        | -                           | -                       | 2,982,877                               |
| Departmental income                              | 17,652                       | 2,231,350                        | -                           | -                       | 2,249,002                               |
| Intergovernmental charges                        | 19,576                       | 424,985                          | -                           | -                       | 444,561                                 |
| Use of money and property                        | 4,998                        | 46,470                           | -                           | -                       | 51,468                                  |
| Licenses and permits                             | 32,270                       | 46,070                           | -                           | -                       | 78,340                                  |
| Fines and forfeitures                            | 163,095                      | 6,718                            | -                           | -                       | 169,813                                 |
| Sale of property and compensation of loss        | 28                           | 44,314                           | -                           | -                       | 44,342                                  |
| Miscellaneous local sources                      | 30,191                       | 96,673                           | -                           | -                       | 126,864                                 |
| Interfund revenues                               | 340,164                      | 360,670                          | -                           | -                       | 700,834                                 |
| State aid  | 724,328                      | 46,480                           | -                           | -                       | 770,808                                 |
| Federal aid                                      | -                            | 329,466                          | -                           | -                       | 329,466                                 |
| Total revenue                                    | <u>3,370,437</u>             | <u>13,007,786</u>                | <u>-</u>                    | <u>-</u>                | <u>16,378,223</u>                       |
| EXPENDITURES:                                    |                              |                                  |                             |                         |   |
| General governmental support                     | 1,149,661                    | 178,444                          | -                           | -                       | 1,328,105                               |
| Public safety                                    | 858,883                      | 2,982,906                        | -                           | -                       | 3,841,789                               |
| Health   | -                            | 2,228                            | -                           | -                       | 2,228                                   |
| Transportation                                   | 186,929                      | 2,081,366                        | 194,105                     | -                       | 2,462,400                               |
| Economic assistance and opportunity              | 8,832                        | -                                | -                           | -                       | 8,832                                   |
| Culture and recreation                           | 118,672                      | 213,838                          | -                           | -                       | 332,510                                 |
| Home and community services                      | 33,936                       | 2,686,465                        | -                           | -                       | 2,720,401                               |
| Employee benefits                                | 682,003                      | 2,774,191                        | -                           | -                       | 3,456,194                               |
| Debt service - principal                         | 294,962                      | 1,070,547                        | -                           | -                       | 1,365,509                               |
| Debt service - interest                          | 38,027                       | 310,169                          | -                           | -                       | 348,196                                 |
| Total expenditures                               | <u>3,371,905</u>             | <u>12,300,154</u>                | <u>194,105</u>              | <u>-</u>                | <u>15,866,164</u>                       |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | (1,468)                      | 707,632                          | (194,105)                   | -                       | 512,059                                 |
| OTHER FINANCING SOURCES (USES):                  |                              |                                  |                             |                         |   |
| Serial bonds                                     | -                            | -                                | 775,000                     | -                       | 775,000                                 |
| BANs redeemed from appropriations                | -                            | -                                | 330,865                     | -                       | 330,865                                 |
| Operating transfers in                           | -                            | 470,908                          | -                           | -                       | 470,908                                 |
| Operating transfers (out)                        | -                            | -                                | (470,908)                   | -                       | (470,908)                               |
| Total other financing sources (uses)             | <u>-</u>                     | <u>470,908</u>                   | <u>634,957</u>              | <u>-</u>                | <u>1,105,865</u>                        |
| CHANGE IN FUND BALANCE                           | (1,468)                      | 1,178,540                        | 440,852                     | -                       | 1,617,924                               |
| FUND BALANCE (DEFICIT) - beginning of year       | <u>1,205,131</u>             | <u>8,587,209</u>                 | <u>(2,068,226)</u>          | <u>20</u>               | <u>7,724,134</u>                        |
| FUND BALANCE (DEFICIT) - end of year             | <u>\$ 1,203,663</u>          | <u>\$ 9,765,749</u>              | <u>\$ (1,627,374)</u>       | <u>\$ 20</u>            | <u>\$ 9,342,058</u>                     |

The accompanying notes are an integral part of these statements.

# **TOWN OF GLENVILLE, NEW YORK**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2014**

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

#### **Organization**

The Town of Glenville, New York (Town) located 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 an Other Comprehensive Basis of Accounting (OCBOA) 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 90 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 90 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:

- General 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 Part-Town 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)**

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. The Town has no committed fund balance at December 31, 2014.

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, 2014 which will be alleviated through the redemption and/or conversion of the bond anticipation notes into long term debt over future 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, 2014 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, 2014. The estimated costs are amortized on a straight line basis 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 Standards**

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. The term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The Town was required to adopt the provisions of this Statement for the year ended December 31, 2014.

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 was required to adopt the provisions of this Statement for the year ended December 31, 2014.

These adoptions did not have an immediate impact on the financial statements of the Town for the year ended December 31, 2014.

## 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, 2014:

|                              |                     |
|------------------------------|---------------------|
| <u>General Fund</u>          |                     |
| Debt service                 | \$ 19,884           |
| <u>Special Revenue Funds</u> |                     |
| General Town Outside:        |                     |
| Asset forfeiture funds       | 15,722              |
| Water:                       |                     |
| Debt service                 | 774,127             |
| Capital reserve              | 134,334             |
| Repairs reserve              | 44,784              |
| Sewer:                       |                     |
| Debt service                 | 493,595             |
| Repairs reserve              | 85,347              |
| Total restricted cash        | <u>\$ 1,567,793</u> |

Deposits are exposed to custodial credit risk if they are not covered by depository insurance or collateral. At December 31, 2014, 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<br/>Balance</u> | <u>Carrying<br/>Amount</u> |
|--|-------------------------|----------------------------|
| Cash, including trust and agency funds   | <u>\$ 11,467,709</u>    | <u>\$ 11,599,140</u>       |
| Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name | \$ 11,550,786           |                            |
| Covered by FDIC insurance  | <u>750,020</u>          |                            |
| Total  | <u>\$ 12,300,806</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,<br>2013 |                   |                  | December 31,<br>2014 |
|-----------------------------------|----------------------|-------------------|------------------|----------------------|
|                                   | <u>Balance</u>       | <u>Additions</u>  | <u>Disposals</u> | <u>Balance</u>       |
| Land                              | \$ 1,072,176         | \$ -              | \$ -             | \$ 1,072,176         |
| Buildings and improvements        | 5,375,868            | -                 | -                | 5,375,868            |
| Improvements other than buildings | 573,073              | -                 | -                | 573,073              |
| Machinery and equipment           | <u>7,121,149</u>     | <u>321,472</u>    | <u>-</u>         | <u>7,442,621</u>     |
| Total general fixed assets        | <u>\$ 14,142,266</u> | <u>\$ 321,472</u> | <u>\$ -</u>      | <u>\$ 14,463,738</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.

Bond anticipation notes are comprised of the following at December 31, 2014:

|                               | <u>Beginning<br/>Balance</u> | <u>Issued</u> | <u>Redeemed</u>   | <u>Converted to<br/>Serial Bonds</u> | <u>Ending<br/>Balance</u> |
|-------------------------------|------------------------------|---------------|-------------------|--------------------------------------|---------------------------|
| BAN maturing 01/10/2014 0.54% | \$ 909,000                   | \$ -          | \$ 134,000        | \$ 775,000                           | \$ -                      |
| BAN maturing 02/27/2015 0.85% | 243,375                      | -             | 7,375             | -                                    | 236,000                   |
| BAN maturing 03/21/2014 0.63% | 35,400                       | -             | 35,400            | -                                    | -                         |
| BAN maturing 03/20/2015 0.80% | 525,000                      | -             | 25,000            | -                                    | 500,000                   |
| BAN maturing 06/12/2015 0.74% | 240,960                      | -             | 10,040            | -                                    | 230,920                   |
| BAN maturing 08/14/2015 1.29% | 102,400                      | -             | 51,200            | -                                    | 51,200                    |
| BAN maturing 09/18/2015 0.75% | 1,031,250                    | -             | 31,250            | -                                    | 1,000,000                 |
| BAN maturing 12/04/2015 0.78% | <u>183,000</u>               | <u>-</u>      | <u>36,600</u>     | <u>-</u>                             | <u>146,400</u>            |
|                               | <u>\$ 3,270,385</u>          | <u>\$ -</u>   | <u>\$ 330,865</u> | <u>\$ 775,000</u>                    | <u>\$ 2,164,520</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, 2014:

|                                    | Beginning<br>Balance | Issued              | Redeemed            | Ending<br>Balance    |
|------------------------------------|----------------------|---------------------|---------------------|----------------------|
| Bonds payable                      | \$ 15,175,533        | \$ 775,000          | \$ 1,034,644        | \$ 14,915,889        |
| Compensated absences (A)           | 1,913,333            | -                   | 80,010              | 1,833,323            |
| Judgment and claims                | -                    | 100,000             | -                   | 100,000              |
| Landfill closure/postclosure costs | 74,310               | -                   | 9,908               | 64,402               |
| Other postemployment benefits      | <u>2,301,543</u>     | <u>903,259</u>      | <u>646,067</u>      | <u>2,558,735</u>     |
| Total long-term liabilities        | <u>\$ 19,464,719</u> | <u>\$ 1,778,259</u> | <u>\$ 1,770,629</u> | <u>\$ 19,472,349</u> |

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

### **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.

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.

On April 9, 2013, \$6,825,000 in general obligation bonds with an average coupon interest rate of 2.23% were issued to advance refund \$6,385,000 of outstanding bonds with an average coupon interest rate of 4.03%. The net proceeds of \$6,878,979 (after \$139,334 of premiums received and payment of \$85,335 in underwriting fees, insurance, and other issuance costs) were used to purchase U. S. Government securities.

Those securities were deposited into an irrevocable trust with an escrow agent to provide for the debt service payment on the call date of April 9, 2014. 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 13 years by over \$628,000 resulting in an economic gain of approximately \$556,000.

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

**Bonds Payable (continued)**

The following is a summary of bonds outstanding at December 31, 2014:

| <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                    | 2002          | 2031            | 5.00%                | \$ 4,494,464           | \$ 2,635,000         |
| Statutory Installment Bonds - BH-BL Baseball | 2005          | 2017            | 4.35%                | 147,000                | 36,750               |
| Statutory Installment Bonds - Sewer Excess   | 2007          | 2026            | 4.69%                | 386,667                | 244,211              |
| Serial Bonds - Sewer Fund                    | 2010          | 2036            | 0.00%                | 2,133,100              | 1,804,928            |
| Serial Bonds - Refunding 2002 Serial Bonds   | 2012          | 2027            | 2.0-4.0%             | 3,375,000              | 2,800,000            |
| Serial Bonds - Refunding 2005 Serial Bonds   | 2013          | 2026            | 2.0-3.0%             | 6,825,000              | 6,660,000            |
| Public Improvement (Serial) Bonds, 2014      | 2014          | 2018            | 1.85%                | 775,000                | 735,000              |
|  |               |                 |                      | <u>\$ 18,136,231</u>   | <u>\$ 14,915,889</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, |                      |                     |                      |
| 2015                            | \$ 1,189,644         | \$ 304,857          | \$ 1,494,501         |
| 2016                            | 1,199,644            | 280,499             | 1,480,143            |
| 2017                            | 1,224,644            | 254,934             | 1,479,578            |
| 2018                            | 1,147,394            | 228,652             | 1,376,046            |
| 2019                            | 977,393              | 204,803             | 1,182,196            |
| 2020-2024                       | 5,146,964            | 734,016             | 5,880,980            |
| 2025-2029                       | 3,145,912            | 171,349             | 3,317,261            |
| 2030-2034                       | 720,210              | 7,342               | 727,552              |
| 2035-2036                       | 164,084              | -                   | 164,084              |
| Totals                          | <u>\$ 14,915,889</u> | <u>\$ 2,186,452</u> | <u>\$ 17,102,341</u> |

**NOTE 6 — INTERFUND ACTIVITY**

Interfund receivables and payables at December 31, 2014 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         | \$ 28,034         | \$ -                | \$ -                 |
| General fund - town-outside | 22,374            | 51,115            | -                   | -                    |
| Highway part-town fund      | 134,124           | 19,407            | -                   | -                    |
| Sewer fund                  | -                 | 1,269             | 289,729             | -                    |
| Water fund                  | 19,407            | 75,917            | 181,179             | -                    |
| Drainage fund               | -                 | 130               | -                   | -                    |
| Park fund                   | -                 | 33                | -                   | -                    |
| Capital projects fund       | -                 | 9,253             | -                   | 470,908              |
| Trust & agency              | -                 | 2,000             | -                   | -                    |
| Total interfund activity    | <u>\$ 187,158</u> | <u>\$ 187,158</u> | <u>\$ 470,908</u>   | <u>\$ 470,908</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 3.0% county-wide sales tax to be allocated and distributed as follows:

(a) 3.0% 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 approximately \$1,790,000 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 2014, the Town received \$862,980 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.

### 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 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:

|                | <u>ERS</u> | <u>PFRS</u> |
|----------------|------------|-------------|
| March 31, 2015 | \$ 610,974 | \$ 551,687  |
| March 31, 2014 | 712,330    | 578,541     |
| March 31, 2013 | 610,277    | 535,902     |

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. Depending on the date of hire, retirees are covered either for life or until becoming Medicare-eligible. Eligible dependents are covered while the retiree is covered (either lifetime or until Medicare eligibility) 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.

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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            | \$ 941,711                 |
| Interest on net OPEB obligation         | 92,062                     |
| Adjustment to ARC                       | <u>(130,514)</u>           |
| Annual OPEB cost                        | 903,259                    |
| Contributions made                      | <u>(646,067)</u>           |
| Increase in net OPEB obligation         | 257,192                    |
| Net OPEB obligation - beginning of year | <u>2,301,543</u>           |
| Net OPEB obligation - end of year       | <u><u>\$ 2,558,735</u></u> |

Percentage of annual OPEB cost contributed 72%

*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>OPEB Cost Contributed</u> | <u>% of ARC Contributed</u> | <u>Net OPEB Obligation</u> |
|-------------------|------------------|------------------------------|-----------------------------|----------------------------|
| 12/31/14          | \$ 903,259       | \$ 646,067                   | 71.5%                       | \$ 2,558,735               |
| 12/31/13          | \$ 889,301       | \$ 596,837                   | 67.1%                       | \$ 2,301,543               |
| 12/31/12          | \$ 875,941       | \$ 659,305                   | 75.3%                       | \$ 2,009,079               |

**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> |
|---------------------------------|----------------------------------|--|----------------------------|---------------------|------------------------|--|
| 1/1/2014                        | \$ -                             | \$ 13,068,468  | \$ 13,068,468              | N/A                 | \$ 4,812,643           | 271.54%  |
| 1/1/2013                        | \$ -                             | \$ 12,730,181  | \$ 12,730,181              | N/A                 | \$ 4,718,277           | 269.81%  |
| 1/1/2012                        | \$ -                             | \$ 12,491,846  | \$ 12,491,846              | N/A                 | \$ 4,625,762           | 270.05%  |

## NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

### 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.

### Labor Relations

Town employees are represented by three bargaining units with the balance by Town rules and regulations. There are three bargaining unit contracts, two of which are expired and under negotiation as of December 31, 2014. The third contract was settled in January 2015 and extends through December 31, 2016.

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

In June 2012, the GASB issued Statement No. 68 *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. 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 Statement No. 68 for the year ending December 31, 2015, with early adoption encouraged.

In November 2013, the GASB issued Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Transition Date – an amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Town is required to adopt the provisions of this Statement in conjunction with GASB Statement No. 68, for the year ending December 31, 2015, with early adoption encouraged.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. The objective of this Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The Town is required to adopt the provisions of this Statement for the year ending December 31, 2016.

## **NOTE 12 – SUBSEQUENT EVENTS**

In January 2015, the Town issued a bond anticipation note for the purchase of a plow truck in the amount of \$196,000, at an interest rate of .95% that is due on December 4, 2015.

**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, 2014

|  | <u>Original<br/>Budget</u> | <u>Final<br/>Budget</u> | <u>Actual<br/>(Budgetary Basis)</u> | <u>Final Budget<br/>Variance with<br/>Budgetary Actual</u> |
|--|----------------------------|-------------------------|-------------------------------------|--|
| REVENUE:                                   |                            |                         |                                     |  |
| Real property taxes and tax items          | \$ 2,030,327               | \$ 2,030,327            | \$ 2,038,135                        | \$ 7,808   |
| Departmental income                        | 15,000                     | 15,000                  | 17,652                              | 2,652  |
| Intergovernmental charges                  | 22,835                     | 22,835                  | 19,576                              | (3,259)  |
| Use of money and property                  | 4,800                      | 4,800                   | 4,998                               | 198  |
| Licenses and permits                       | 32,020                     | 32,020                  | 32,270                              | 250  |
| Fines and forfeitures                      | 200,000                    | 165,000                 | 163,095                             | (1,905)  |
| Sale of property and compensation for loss | -                          | -                       | 28                                  | 28   |
| Miscellaneous local sources                | 38,580                     | 29,080                  | 30,191                              | 1,111  |
| Interfund revenues                         | 340,167                    | 340,167                 | 340,164                             | (3)  |
| State aid                                  | 852,965                    | 725,765                 | 724,328                             | (1,437)  |
| Federal aid                                | -                          | -                       | -                                   | -  |
| Total revenue                              | <u>3,536,694</u>           | <u>3,364,994</u>        | <u>3,370,437</u>                    | <u>5,443</u>   |
| EXPENDITURES:                              |                            |                         |                                     |  |
| General governmental support               | 1,307,747                  | 1,221,170               | 1,149,661                           | 71,509   |
| Public safety                              | 770,792                    | 910,157                 | 858,883                             | 51,274   |
| Health                                     | 1,000                      | 1,000                   | -                                   | 1,000  |
| Transportation                             | 198,466                    | 198,866                 | 186,929                             | 11,937   |
| Economic assistance and opportunity        | 43,000                     | 43,000                  | 8,832                               | 34,168   |
| Culture and recreation                     | 123,087                    | 130,449                 | 118,672                             | 11,777   |
| Home and community services                | 43,297                     | 40,497                  | 33,936                              | 6,561  |
| Employee benefits                          | 978,369                    | 728,419                 | 682,003                             | 46,416   |
| Debt service - principal                   | 272,463                    | 294,963                 | 294,962                             | 1  |
| Debt service - interest                    | 42,671                     | 40,671                  | 38,027                              | 2,644  |
| Total expenditures                         | <u>3,780,892</u>           | <u>3,609,192</u>        | <u>3,371,905</u>                    | <u>237,287</u>   |
| NET CHANGE IN FUND BALANCE                 | (244,198)                  | (244,198)               | (1,468)                             | 242,730  |
| FUND BALANCE - beginning of year           | <u>1,205,131</u>           | <u>1,205,131</u>        | <u>1,205,131</u>                    | <u>-</u>   |
| FUND BALANCE - end of year                 | <u>\$ 960,933</u>          | <u>\$ 960,933</u>       | <u>\$ 1,203,663</u>                 | <u>\$ 242,730</u>  |

The accompanying notes are an integral part of these statements.

**TOWN OF GLENVILLE, NEW YORK**  
**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2014**

|  | General<br>Town-Outside | Highway<br>Part-Town | Special<br>Grant  | Water               | Drainage          | Lighting          | Park            | Sewer               | Recreation        | Fire<br>Protection | Total<br>Special<br>Revenue Funds |
|--|-------------------------|----------------------|-------------------|---------------------|-------------------|-------------------|-----------------|---------------------|-------------------|--------------------|-----------------------------------|
| <b>ASSETS</b>  |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| Cash   | \$ 1,478,225            | \$ 767,418           | \$ 353,900        | \$ 2,431,706        | \$ 129,009        | \$ 114,219        | \$ 7,721        | \$ 1,937,925        | \$ 376,391        | \$ 2,143           | \$ 7,598,657                      |
| Cash, restricted   | 15,722                  | -                    | -                 | 953,245             | -                 | -                 | -               | 578,942             | -                 | -                  | 1,547,909                         |
| Accounts receivable  | 232,367                 | 4,709                | -                 | 107,813             | -                 | -                 | -               | 2,188               | -                 | -                  | 347,077                           |
| Loans receivable   | -                       | -                    | 127,812           | -                   | -                 | -                 | -               | -                   | -                 | -                  | 127,812                           |
| State and federal receivable                                 | 4,386                   | 37,304               | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 41,690                            |
| Due from other governments                                   | 290,995                 | 315,350              | -                 | 5,220               | -                 | -                 | -               | -                   | -                 | -                  | 611,565                           |
| Deposits with other governments                              | -                       | 133,000              | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 133,000                           |
| Due from other funds   | 22,374                  | 134,124              | -                 | 19,407              | -                 | -                 | -               | -                   | -                 | -                  | 175,905                           |
| Prepaid expenditures   | 164,585                 | 57,475               | -                 | 18,701              | -                 | -                 | -               | 3,712               | -                 | -                  | 244,473                           |
| <b>TOTAL ASSETS</b>  | <b>\$ 2,208,654</b>     | <b>\$ 1,449,380</b>  | <b>\$ 481,712</b> | <b>\$ 3,536,092</b> | <b>\$ 129,009</b> | <b>\$ 114,219</b> | <b>\$ 7,721</b> | <b>\$ 2,522,767</b> | <b>\$ 376,391</b> | <b>\$ 2,143</b>    | <b>\$ 10,828,088</b>              |
| <b>LIABILITIES</b>   |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| Accounts payable and accrued liabilities                     | 244,448                 | 98,382               | -                 | 115,231             | 1,088             | 3,741             | -               | 14,104              | 2,340             | -                  | 479,334                           |
| Due to other governments                                     | -                       | 1,495                | -                 | 145,866             | -                 | 195               | -               | 155,232             | -                 | 429                | 303,217                           |
| Due to other funds   | 51,115                  | 19,407               | -                 | 75,917              | 130               | -                 | 33              | 1,269               | -                 | -                  | 147,871                           |
| <b>TOTAL LIABILITIES</b>                                     | <b>295,563</b>          | <b>119,284</b>       | <b>-</b>          | <b>337,014</b>      | <b>1,218</b>      | <b>3,936</b>      | <b>33</b>       | <b>170,605</b>      | <b>2,340</b>      | <b>429</b>         | <b>930,422</b>                    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                         |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| HAP received in advance                                      | -                       | -                    | 4,105             | -                   | -                 | -                 | -               | -                   | -                 | -                  | 4,105                             |
| Small Cities grant funding received in advance               | -                       | -                    | 127,812           | -                   | -                 | -                 | -               | -                   | -                 | -                  | 127,812                           |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                   | <b>-</b>                | <b>-</b>             | <b>131,917</b>    | <b>-</b>            | <b>-</b>          | <b>-</b>          | <b>-</b>        | <b>-</b>            | <b>-</b>          | <b>-</b>           | <b>131,917</b>                    |
| <b>FUND BALANCE</b>  |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| <b>Nonspendable:</b>   |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| Prepaid expenditures   | 164,585                 | 57,475               | -                 | 18,701              | -                 | -                 | -               | 3,712               | -                 | -                  | 244,473                           |
| <b>Restricted for:</b>                                       |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| Debt service   | -                       | -                    | -                 | 774,127             | -                 | -                 | -               | 493,595             | -                 | -                  | 1,267,722                         |
| Capital reserve  | -                       | -                    | -                 | 134,334             | -                 | -                 | -               | -                   | -                 | -                  | 134,334                           |
| Repairs reserve  | -                       | -                    | -                 | 44,784              | -                 | -                 | -               | 85,347              | -                 | -                  | 130,131                           |
| Asset Forfeiture funds                                       | 15,722                  | -                    | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 15,722                            |
|  | 15,722                  | -                    | -                 | 953,245             | -                 | -                 | -               | 578,942             | -                 | -                  | 1,547,909                         |
| <b>Assigned:</b>   |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| Appropriated for ensuing year's budget                       | 71,969                  | 275,190              | -                 | 425,208             | -                 | -                 | -               | 36,070              | -                 | -                  | 808,437                           |
| Operations of special revenue fund                           | 1,660,815               | 997,431              | 349,795           | 1,801,924           | 127,791           | 110,283           | 7,688           | 1,733,438           | 374,051           | 1,714              | 7,164,930                         |
|  | 1,732,784               | 1,272,621            | 349,795           | 2,227,132           | 127,791           | 110,283           | 7,688           | 1,769,508           | 374,051           | 1,714              | 7,973,367                         |
| <b>TOTAL FUND BALANCE</b>                                    | <b>1,913,091</b>        | <b>1,330,096</b>     | <b>349,795</b>    | <b>3,199,078</b>    | <b>127,791</b>    | <b>110,283</b>    | <b>7,688</b>    | <b>2,352,162</b>    | <b>374,051</b>    | <b>1,714</b>       | <b>9,765,749</b>                  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE</b> | <b>\$ 2,208,654</b>     | <b>\$ 1,449,380</b>  | <b>\$ 481,712</b> | <b>\$ 3,536,092</b> | <b>\$ 129,009</b> | <b>\$ 114,219</b> | <b>\$ 7,721</b> | <b>\$ 2,522,767</b> | <b>\$ 376,391</b> | <b>\$ 2,143</b>    | <b>\$ 10,828,088</b>              |

See independent auditor's report.

**TOWN OF GLENVILLE, NEW YORK**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2014**

|   | General<br>Town-Outside | Highway<br>Part-Town | Special<br>Grant  | Water               | Drainage          | Lighting          | Park            | Sewer               | Recreation        | Fire<br>Protection | Total<br>Special<br>Revenue Funds |
|---|-------------------------|----------------------|-------------------|---------------------|-------------------|-------------------|-----------------|---------------------|-------------------|--------------------|-----------------------------------|
| <b>REVENUE:</b>   |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| Real property taxes and tax items   | \$ 2,964,444            | \$ 1,329,491         | \$ -              | \$ 567,654          | \$ 31,400         | \$ 52,028         | \$ 2,035        | \$ 1,026,231        | \$ -              | \$ 418,430         | \$ 6,391,713                      |
| Nonproperty tax items   | 1,656,534               | 1,328,343            | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 2,982,877                         |
| Departmental income   | 223,519                 | 3,311                | 27,212            | 1,602,701           | -                 | -                 | -               | 328,607             | 46,000            | -                  | 2,231,350                         |
| Intergovernmental charges   | 19,751                  | 108,739              | -                 | 293,695             | -                 | -                 | -               | 2,800               | -                 | -                  | 424,985                           |
| Use of money and property   | 8,364                   | 1,150                | 4,312             | 29,911              | 92                | 89                | 3               | 2,268               | 279               | 2                  | 46,470                            |
| Licenses and permits  | 11,270                  | 34,800               | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 46,070                            |
| Fines and Forfeitures   | 6,718                   | -                    | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 6,718                             |
| Sale of property and compensation of loss   | 5,956                   | 27,902               | -                 | 10,456              | -                 | -                 | -               | -                   | -                 | -                  | 44,314                            |
| Miscellaneous local sources   | 49,218                  | 34,094               | -                 | 11,998              | -                 | -                 | -               | 1,363               | -                 | -                  | 96,673                            |
| Interfund revenues  | 43,598                  | 297,665              | -                 | 19,407              | -                 | -                 | -               | -                   | -                 | -                  | 360,670                           |
| State aid   | 9,176                   | 37,304               | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 46,480                            |
| Federal aid   | -                       | -                    | 329,466           | -                   | -                 | -                 | -               | -                   | -                 | -                  | 329,466                           |
| Total revenue   | <u>4,998,548</u>        | <u>3,200,799</u>     | <u>360,990</u>    | <u>2,535,822</u>    | <u>31,492</u>     | <u>52,117</u>     | <u>2,038</u>    | <u>1,361,269</u>    | <u>46,279</u>     | <u>418,432</u>     | <u>13,007,786</u>                 |
| <b>EXPENDITURES:</b>  |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| General governmental support  | 131,048                 | 35,931               | -                 | 9,769               | -                 | 195               | -               | 1,072               | -                 | 429                | 178,444                           |
| Public safety   | 2,564,476               | -                    | -                 | -                   | -                 | -                 | -               | -                   | -                 | 418,430            | 2,982,906                         |
| Health  | 2,228                   | -                    | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | 2,228                             |
| Transportation  | -                       | 2,038,249            | -                 | -                   | -                 | 43,117            | -               | -                   | -                 | -                  | 2,081,366                         |
| Culture and recreation  | 202,745                 | -                    | -                 | -                   | -                 | -                 | 428             | -                   | 10,665            | -                  | 213,838                           |
| Home and community services   | 226,089                 | -                    | 329,466           | 1,388,811           | 15,216            | -                 | -               | 726,883             | -                 | -                  | 2,686,465                         |
| Employee benefits   | 1,620,739               | 902,685              | -                 | 216,199             | -                 | -                 | -               | 34,568              | -                 | -                  | 2,774,191                         |
| Debt service - principal  | -                       | 156,009              | -                 | 589,675             | -                 | -                 | -               | 324,863             | -                 | -                  | 1,070,547                         |
| Debt service - interest   | -                       | 15,028               | -                 | 228,006             | -                 | -                 | -               | 67,135              | -                 | -                  | 310,169                           |
| Total expenditures  | <u>4,747,325</u>        | <u>3,147,902</u>     | <u>329,466</u>    | <u>2,432,460</u>    | <u>15,216</u>     | <u>43,312</u>     | <u>428</u>      | <u>1,154,521</u>    | <u>10,665</u>     | <u>418,859</u>     | <u>12,300,154</u>                 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES  | <u>251,223</u>          | <u>52,897</u>        | <u>31,524</u>     | <u>103,362</u>      | <u>16,276</u>     | <u>8,805</u>      | <u>1,610</u>    | <u>206,748</u>      | <u>35,614</u>     | <u>(427)</u>       | <u>707,632</u>                    |
| <b>OTHER FINANCING SOURCES (USES):</b>  |                         |                      |                   |                     |                   |                   |                 |                     |                   |                    |                                   |
| Operating transfers in  | -                       | -                    | -                 | 181,179             | -                 | -                 | -               | 289,729             | -                 | -                  | 470,908                           |
| Operating transfers (out)   | -                       | -                    | -                 | -                   | -                 | -                 | -               | -                   | -                 | -                  | -                                 |
| Total other financing sources (uses)  | -                       | -                    | -                 | 181,179             | -                 | -                 | -               | 289,729             | -                 | -                  | 470,908                           |
| EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES | <u>251,223</u>          | <u>52,897</u>        | <u>31,524</u>     | <u>284,541</u>      | <u>16,276</u>     | <u>8,805</u>      | <u>1,610</u>    | <u>496,477</u>      | <u>35,614</u>     | <u>(427)</u>       | <u>1,178,540</u>                  |
| FUND BALANCE - BEGINNING OF YEAR  | <u>1,661,868</u>        | <u>1,277,199</u>     | <u>318,271</u>    | <u>2,914,537</u>    | <u>111,515</u>    | <u>101,478</u>    | <u>6,078</u>    | <u>1,855,685</u>    | <u>338,437</u>    | <u>2,141</u>       | <u>8,587,209</u>                  |
| FUND BALANCE - END OF YEAR  | <u>\$ 1,913,091</u>     | <u>\$ 1,330,096</u>  | <u>\$ 349,795</u> | <u>\$ 3,199,078</u> | <u>\$ 127,791</u> | <u>\$ 110,283</u> | <u>\$ 7,688</u> | <u>\$ 2,352,162</u> | <u>\$ 374,051</u> | <u>\$ 1,714</u>    | <u>\$ 9,765,749</u>               |

See independent auditor's report.