

I. Summary of Significant Accounting Policies

The Town of North Elba, New York (Town) was established in 1849 and is governed by Town Law of the State of New York, other general state laws, and various local laws and ordinances. The Town Board, which consists of a Supervisor and four councilmen, is the legislative body responsible for overall operations. The Supervisor serves as chief executive officer and as chief fiscal officer.

The Town provides the following basic services: general governmental support, fire protection, airport, highways and streets, a transfer station, public improvements, planning and zoning, general administrative services, water and sewer, and recreation (including a toboggan chute, equestrian show grounds and a golf course).

The financial statements of the Town have been prepared using the statutory basis of accounting as prescribed by the Office of the State Comptroller of the State of New York for submitting annual financial reports to that office. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The statutory basis of accounting referred to above is considered an Other Comprehensive Basis of Accounting (OCBOA), which differs from accounting principles generally accepted in the United States of America primarily because it does not reflect the adoption of GASB Statements Number 34, 38 and 45. Consequently, the accompanying statutory basis financial statements are not intended to present financial position or results of operations in accordance with accounting principles generally accepted in the United States of America.

In preparing financial statements in conformity with the statutory basis of accounting referred to above, Town management is required 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 statutory basis financial statements, and reported amount of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

The following is a summary of the Town's significant accounting policies consistently applied in the preparation of the accompanying statutory basis financial statements:

A. Financial Reporting Entity

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

Based on the criteria set forth in GASB 14 and 39, the Town of North Elba does not purport to have component units. The Town of North Elba is not considered a component unit of Essex County, New York or any other governmental entity.

B. Fund Accounting

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

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

The Town of North Elba records its transactions in the fund types and supplemental schedules described below.

1. Fund Categories

- a) Governmental Funds** - Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The following are the Town of North Elba's governmental fund types.

General Fund - the principal operating fund which includes all operations not required to be recorded in other funds.

Special Revenue Funds - used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Since the Town of North Elba, New York includes the incorporated Village of Lake Placid and a portion of the incorporated Village of Saranac Lake, certain funds are required by the prescribed accounting principles identified above to account for revenues generated to finance activities provided outside the villages. The following Special Revenue Funds are utilized:

Highway Town-wide Fund – used to account for revenues that are generated to finance expenditures for repairs and improvements to bridges.

Highway Outside Village Fund – used to account for revenues generated to finance expenditures for acquisition and repairs to highway machinery, snow removal, and repairs and improvements to town roads located outside the incorporated villages.

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Sewer Fund – to account for revenues generated to finance operations, including debt service, of sewer districts. The Town has one sewer district and has elected not to account for sewer operations as a business-type activity in an enterprise fund.

Water Fund – to account for revenues generated to finance operations, including debt service, of the Town's water districts. The Town has three water districts and has elected not to account for water operations as a business-type activity in an enterprise fund.

Fire Protection District Fund – to account for revenues generated to finance fire protection and prevention operations, including debt service, of the Town's fire protection districts. The Town has three fire protection districts.

Park District Fund – used to account for revenues generated to finance recreation activities, such as the Craig Wood Golf Course, operations of the Lake Placid Airport, the Town's funding of the Olympic Regional Development Authority, and other recreation activities.

Road District Fund (Special Miscellaneous) – used to account for revenues generated to finance the paving of a private road dedicated to the Town.

Capital Projects Fund - used to account for financial resources to be used for the acquisition and/or construction of major capital facilities for the town's various governmental funds.

- b) Fiduciary Funds** - used to account for assets held by the Town in a trustee or custodial capacity. Fiduciary funds may consist of pension trust funds, private purpose trust funds, investment trust funds and agency funds. Currently, the Town reports only agency funds and one private purpose trust fund, as follows:

Agency Funds - used to account for money (and/or property) received and held in the capacity of trustee, custodian or agent pending payment to the proper agencies or organizations.

Private Purpose Trust Fund – used to account for monies received from the Jewish Community Center of Saranac Lake, Inc., pursuant to certain trust agreements, to be invested in eligible investments, with the income generated from such investments to be used for the perpetual care and maintenance of lots in the Hebrew Memorial Cemetery.

2. Supplemental Schedules

Supplemental schedules are used to establish accounting control and accountability for capital assets and long-term debt for governmental activities. The two supplemental schedules are not "funds".

Non Current Governmental Assets - used to account for land, buildings, improvements other than buildings, and equipment utilized for the Town's various governmental activities.

Non Current Governmental Liabilities - used to account for all outstanding long-term debt used for the Town's various governmental activities.

C. Basis of Accounting/Measurement Focus

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

Modified Accrual Basis – The Town's governmental funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when they become susceptible to accrual, which is when they are both measurable and available. Measurable means the amounts can be reasonably determined and available means the cash resources are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues from real property taxes are considered to be available if collected within sixty (60) days of the end of the fiscal year. The Town's annual real property tax levies are guaranteed by the County of Essex, and the full amount of the levy is received each year. Accordingly, no outstanding tax receivables are shown in the Town's financial statements. A similar availability period is used to recognize other governmental fund revenues that are susceptible to accrual. Revenues susceptible to accrual include water rents, court fines and fees, sewer rents, state aid and federal aid. Various other revenues, such as recreation fees, licenses, permits and miscellaneous charges for services are generally measurable when received, and accordingly are recorded on a cash basis.

Expenditures are recorded when related liabilities are incurred except that:

- a. Payments for inventory-type items are recognized as expenditures at the time of purchase (purchase method).
- b. Payments of principal and interest on indebtedness are recognized as expenditures when the payments are due.

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- c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as an expenditure when paid.
- d. Costs of acquiring or improving capital assets are recorded as expenditures when applicable liabilities are incurred.
- e. Liability insurance costs are booked as a prepaid expense.

Supplemental schedules - General fixed assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received. While depreciation is reported, depreciation expense has not been expensed to governmental funds. General long-term debt liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity.

D. Fund Balances

In fiscal 2011, the Town implemented Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). GASB 54 changed the classification of fund balance to focus on the constraints imposed on resources in governmental funds, instead of the previous focus on availability for appropriation.

Fund balance is now broken down into five different classifications: non-spendable, restricted, committed, assigned, and unassigned.

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

Restricted consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Town Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance.

Assigned consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their

designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. The Town Board, by appointment in organizational minutes has authorized the Budget Officer to assign fund balance.

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

E. Property Taxes

Real property taxes are levied annually no later than January 1st and become a lien on January 1st. Taxes are collected by the Town's Tax Collecting Officer during the period January 1st to April 30th as specified in the annual tax warrant issued by the County of Essex. On or before the time of settlement with the County during April of each year, the Town receives the total amount of taxes levied for each particular fund and special district. After the expiration of the warrant period, unpaid tax accounts are returned to the County of Essex, and the County assumes all subsequent enforcement responsibility.

F. Budgetary Data

1. Budget Policies - The Town's budget policies follow the appropriate provisions of the Town Law of the State of New York, and are as follows:

- a. No later than October 5th, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1st for presentation to the Town Board. The tentative budget includes proposed expenditures and the proposed means of financing for the general fund and all special revenue funds other than the special grant fund.
- b. After public hearings are conducted to obtain taxpayer comments, no later than November 20th, the Town Board adopts the budgets for the general fund and applicable special revenue funds.
- c. Budgets for the capital projects fund are adopted by the Town Board on a project by project basis. Each capital project budget is established for the life of the project, and the appropriations provided do not lapse at the end of each year, but continue on until the applicable project is completed.
- d. All modifications made to each budget must be approved by the Town Board.

2. Encumbrances

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

3. Budget Basis of Accounting

Budgets for the governmental funds are adopted annually on a basis consistent with the statutory basis accounting principles prescribed by the State Comptroller of the State of New York for submitting financial reports to that office. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

G. Property, Plant and Equipment - General

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost or estimated historical costs in the Non- Current Governmental Assets supplemental schedule. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain infrastructure type improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems, have not been capitalized. Such assets normally are immovable and of value only to the Town of North Elba. Therefore, the purposes of stewardship for capital expenditures can be satisfied without recording these assets.

Accumulated depreciation has been provided on general fixed assets; interest on general fixed assets construction in progress has not been capitalized.

H. Insurance

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

I. Compensated Absences

Employees accrue vacation leave as follows:

Employees employed prior to January 1, 1994 accrue 20 days of vacation each year. Employees employed after January 1, 1994 accrue 5 days after one full year of service, 10 days after 2 full years of service, 15 days after 10 full years of service. Employees are entitled to accumulate up to thirty (30) days of vacation.

Employees accrue sick leave at the rate of 18 days per year and may accumulate such credits up to a total of 185 days. Employees who retire from Town service can elect to be compensated at 100% for 20 days; the remaining accumulated sick days may be added to credited service and used in the benefit calculation by the New York State and Local Employees' Retirement System.

Vested vacation and sick leave is recorded in proprietary funds as a liability and expense, and in governmental funds as a long-term liability in the non-current governmental liabilities supplemental schedule if payable from future financial resources, or as a fund liability and expenditures, if payable from current resources. The liability for compensated absences for the years ended December 31, 2011 and December 31, 2010 was \$392,467 and \$375,145, respectively, and is reported in the non-current governmental liabilities schedule.

J. Post Employment Benefits

In addition to providing pension benefits, the Town of North Elba provides health insurance coverage for retired employees. Substantially all of the Town of North Elba's employees may become eligible for these benefits if they reach normal retirement age while working for the Town of North Elba. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town of North Elba recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. In 2011 \$82,687 was paid on behalf of 16 retirees as compared to \$121,793 in 2010. Post employment benefits are recorded as expenditures in the general fund.

K. Landfill Closure and Post Closure Care Costs

State and federal laws and regulations require the Town of North Elba to perform certain maintenance and monitoring functions at the Town of North Elba Landfill after closure plan acceptance in 1990. During 2011 and 2010, the Town of North paid \$4,978 for the annual post closure monitoring event.

The Town currently operates a transfer station and contracts with Essex County for the transportation of waste. Expenditures for the operation of the transfer station are accounted for in the general fund.

II. Stewardship, Compliance, Accountability

Deficit Fund Balance

Several capital projects funds had a deficit fund balance at December 31, 2011. The deficits will be reduced as short-term debt is redeemed or converted to permanent financing, or as federal and state grants are received.

III. Detail Notes on All Funds and Supplemental schedules

A. Assets

1. Cash and Investments

The Town of North Elba investment policies are governed by State statutes. In addition, the Town of North Elba has its own written investment policy. Town of North Elba monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Deposits: All deposits, including certificates of deposit, are carried at cost plus accrued interest.

Investments: Investments are stated at cost plus accrued interest and are held by the Town of North Elba's third party custodial bank.

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the Town of North Elba's custodial bank in the Town of North Elba's name. They are scheduled on page 16 of the notes.

2. Changes in Capital Assets

A summary of changes in the Town's capital assets for governmental activities is shown on the following page.

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	Balance 12/31/2010	Additions	Deletions	Balance 12/31/2011
Land	\$ 848,939	\$ -	\$ -	\$ 848,939
Land Improvements	100,000	-	-	100,000
Building Improvements	15,205	5,956	-	21,161
Buildings	21,711,177	-	-	21,711,177
Machinery and Equipment	2,687,381	388,613	(58,597)	3,017,397
Totals	<u>25,362,702</u>	<u>394,569</u>	<u>(58,597)</u>	<u>25,698,674</u>
Less Accumulated Depreciation for:				
Land Improvements	(35,000)	(10,000)	-	(45,000)
Building Improvements	(362)	(1,452)	-	(1,814)
Buildings	(16,848,553)	(494,460)	-	(17,343,014)
Machinery and Equipment	(2,102,446)	(221,382)	58,597	(2,265,231)
Total Accumulated Depreciation*	<u>(18,986,361)</u>	<u>(727,295)</u>	<u>58,597</u>	<u>(19,655,059)</u>
Capital assets, net	<u>\$ 6,376,341</u>	<u>\$ (332,725)</u>	<u>\$ -</u>	<u>\$ 6,043,615</u>

* Depreciation is not currently charged to governmental functions

B. Liabilities

1. Pension Plans

Plan Description

The Town of North Elba participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides 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 shall adopt 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 System issues 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 12244.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local

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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 who contribute 3% of their salary for the entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. The required contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

	<u>ERS</u>
2011	\$ 223,797
2010	\$ 134,226
2009	\$ 94,064

Chapter 260 of the Laws of 2004 of the State of New York and Chapter 57 of the Laws of 2010 of the State of New York were enacted to allow local employers to amortize portions of their retirement bills following the specifications cited therein. The Town of North Elba did not amortize any portions of their retirement bills under these chapters of law.

2. Short-Term Debt

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects funds. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

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

<u>DESCRIPTION</u>	<u>Amount</u>	<u>Interest Rate</u>	
Construction of Six Athletic Fields	\$ 60,000	2.38%	Reissue

3. Long-Term Debt

- a. Outstanding indebtedness aggregated \$1,949,418. Of this amount, \$1,889,415 was subject to the constitutional debt limit and represented approximately 1.31% of its debt limit.

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- b. Serial Bonds -The Town of North Elba borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the non-current governmental liabilities schedule. 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.
- c. Other Long-Term Liabilities - In addition to the above long-term debt the local government had the following non-current liabilities:
 - 1) Installment Purchase Debt. Represents the remaining installments due on the purchase of equipment.
 - 2) Compensated Absences. Represents the value of earned and unused portions of the liability for compensated absences.
- d. The following is a summary of changes in long-term liabilities:

	Bonds	Compensated Absences
Payable at beginning of fiscal year	\$ 999,077	\$ 375,145
Additions	1,080,000	105,883
Deletions	189,662	88,561
Payable at end of fiscal year	<u>\$ 1,889,415</u>	<u>\$ 392,467</u>

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Long-Term Debt Maturity Schedule - The statement of serial bonds with corresponding maturity schedules is follows:

Description By Funds	Date Issued	Original Amount	Original Rate (%)	Final Maturity	Outstanding Balance
General Fund					
Landfill Closure Bond	07/01/95	\$ 1,600,000	5.02%	06/01/13	\$ 200,000
Special Revenue Funds					
Town outside Village Highway Equipment Purchase	01/18/11	200,000	2.75%	01/18/16	200,000
Road District Bond	12/10/07	42,000	4.60%	12/10/17	25,200
Park District Athletic Fields Bond	02/26/08	350,000	4.25%	02/26/23	280,800
Park District Equipment Purchases	01/18/11	130,000	2.75%	01/18/16	130,000
Park District Craig Wood Clubhouse Construction	10/28/11	750,000	3 to 4%	10/15/26	750,000
		<u>1,230,000</u>			<u>1,160,800</u>
Sewer District Bond	05/28/75	758,000	5.00%	11/01/14	61,400
			.721% to		
Sewer District Bond	07/24/03	130,950	4.612%	07/15/30	95,000
		<u>888,950</u>			<u>156,400</u>
Water District Bond	05/28/75	447,000	5.00%	11/01/14	13,600
Water District Bond	06/20/02	131,362	0.00%	06/20/32	91,951
Water District Bond	01/08/07	62,198	4.60%	01/08/19	41,464
		<u>640,560</u>			<u>147,015</u>
Total		<u>\$ 4,601,510</u>			<u>\$ 1,889,415</u>

The following is the Town's summary of future debt service requirements:

Years Ending December 31,	Principal	Interest	Total
2012	\$ 293,162	\$ 65,453	\$ 358,615
2013	278,162	53,934	332,096
2014	178,162	45,230	223,392
2015	158,162	39,317	197,479
2016	158,162	34,395	192,557
2017-2021	433,644	115,315	548,959
2022-2026	343,693	40,000	383,693
2027-2031	41,890	1,842	43,732
2032-2036	4,378	-	4,378
	<u>\$ 1,889,415</u>	<u>\$ 395,485</u>	<u>\$ 2,284,900</u>

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C. Inter-fund Receivables and Payables

	Receivables	Payables
General	\$ 649,341	\$ -
Park District	666	27,496
Capital Projects	27,496	642,154
Fire Protection Districts	-	851
Trust and Agency	-	7,003
	<u>\$ 677,504</u>	<u>\$ 677,504</u>

D. Fund Balances

1. Allocation of Fund Balance

Certain funds of the Town of North Elba apply to areas less than the entire Town of North Elba.
The fund balances at December 31, 2011 are as follows:

Fund Balances:	Nonspendable	Committed	Restricted	Assigned	Unassigned	Total
General Fund	\$ 64,107	\$ -	\$ -	\$ 390,391	\$ 1,548,255	\$ 2,002,753
Town-wide Highway	-	39,113	-	-	-	39,113
Town Outside Villages	15,098	110,000	-	471,352	-	596,450
Capital Projects	-	-	718,526	6,264	(105,960)	618,830
Special Revenue Funds						
Park District	28,198	-	-	87,749	-	115,947
Road Districts	-	-	-	24	-	24
Fire Protection Districts	-	-	-	91,348	(613)	90,736
Sewer District	-	-	-	23,359	-	23,359
Water Districts	-	-	-	123,131	-	123,131
Private Purpose Trust	-	-	26,989	-	-	26,989
	<u>\$ 107,404</u>	<u>\$ 149,113</u>	<u>\$ 745,515</u>	<u>\$ 1,193,618</u>	<u>\$ 1,441,682</u>	<u>\$ 3,637,332</u>

2. Adjustments to Fund Balance for 2011:

- (1) Contribution paid by other governments towards fuel dispensing system repair reserve per contractual agreement for 2011 totaling \$9,656.31 less expenditures for fuel dispensing system repairs and maintenance for 2011 totaling \$1,598.96.
- (2) Reclassification of 2011 airport liability insurance expense erroneously booked to general funds in 2010.
- (3) Reclassification of 2012 airport liability insurance expense erroneously booked to general funds in 2011.
- (4) Reclassification of January 2011 Health and Dental erroneously booked to 2010.
- (5) Setup of restricted unassigned fund balance for overpaid taxes received from Town

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Tax Collector pending location and notification of payee.

- (6) Reclassification of 2010 airport capital project expenditures erroneously booked to 2011.
- (7) Return of unspent funds transferred to airport capital project funds which were closed out during 2011.
- (8) Reclassification to restricted net assets for Olympic Torch Restoration Fund contribution.

	General	Town Wide Highway	Town Outside Village	Capital Projects	Park District
Per AUD: Beginning Fund Balance	1,830,540	283,783	581,112	(62,699)	333,912.47
Fund Balance Adjustments:					
(1)	8,057				
(2)	5,979				
(3)	5,979				
(4)	27,119		6,995		10,780
(5)	59				
(6)				3,397	
(7)					13,808
(8)					52
Beginning Fund Balance Restated:	\$ 1,877,733	\$ 283,783	\$ 588,107	\$ (59,302)	358,552

E. Deferred Compensation Plan

The Governmental Accounting Standards Board issued Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. This statement established accounting and financial reporting standards for Internal Revenue Code Section 457 deferred compensation plans of state and local governments.

As a result, Statement No. 32 became effective for the New York State Deferred Compensation Plan as of October 1, 1997. Since the plan no longer meets the criteria for inclusion in New York State's financial statements, municipalities which participate in the New York State's Deferred Compensation Plan are no longer required to report the value of the plan assets.

IV. Subsequent Events

In February 2012, the Town executed an agreement with the United Food and Commercial Workers International Union which remains in effect until December 31, 2014. The effective date of the agreement was January 1, 2012. The agreement provided for a wage increase for the 2011 calendar year and retroactive pay was issued to all union employees.

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Bank Balances & Collateralization

Banking Institution	Classification	Carrying Fund(s)	Bank Balance	FDIC Amount	Collateral Amount	Custodial Bank
	Demand Deposit	General, Part Town, Highway Townwide, Highway Part Town, Fire Protection, Sewer, Water	\$ 50,032			
	Demand Deposit	Park District	20,281			
NBT Bank NA	As listed above	As listed above	\$ 70,313	\$ 250,000	\$ 100,099	The Bank of New York
	Demand Deposit	General, Part Town, Highway Townwide, Highway Part Town, Park District, Fire Protection, Sewer, Water	\$ 34,116			
	Demand Deposit	Capital Projects	14,291			
	Demand Deposit	General, Part Town, Highway Townwide, Highway Part Town, Park District	10,482			
	Time Deposit	General, Part Town, Highway Townwide, Highway Part Town, Park District, Fire Protection, Sewer, Water, Capital Projects	2,799,087			
Adirondack Bank	As listed above	As listed above	\$ 2,857,976	\$ 250,000	\$ 3,042,342	M&T Investment Group
MBIA CLASS	Investments	General, Part Town, Highway Townwide, Highway Part Town, Park District, Fire Protection, Sewer, Water	\$ 10,003			
	Investments	Trust, Expendable, restricted	\$ 26,989			
	Investments	Trust & Agency, Guaranty Deposit	\$ 8,724	n/a	\$ 325,386,511	New York CLASS Holdings, consisting of pooled investments