June 10, 2013
Regular Meeting

Agenda

1. Call Meeting to Order
2. Pledge of Allegiance
3. Exit Message
4. FYI: Remind residents to sign attendance sheet
5. Roll Call
6. Public Comment
7. Motion to approve the agenda
8. Presentation of Audit Report, Heidi Bresler
9. Resolution to accept Auditors report.
10. Motion to approve minutes of the May 13, 2013 meeting.
11. Resolution to approve vouchers
12. Motion to pay prior to abstract of the MVP bill in the amount of $4,619.70 and the Univera dental bill in the amount of $413.00.
13. Mowing bids – Dan Strong
14. Motion to approve Smoking Signs
15. Resolution in support of New York Senate Bill S1894- Inmates to make medical co-payments
16. Motion to appoint Katie Marks as Alternate to the Zoning Board of Appeals
17. Michael Patterson – OTS Presentation
18. Chips Payment
19. Resolution to approve an Engineering Agreement Amendment – WD #9.
20. Generator – Dan Strong
21. NYS Retirement
22. Close

TOWN OF ALBION, NEW YORK

Basic Financial Statements
as of December 31, 2012
Together with
Independent Auditor's Report

DRAFT

TOWN OF ALBION, NEW YORK

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OMB CIRCULAR A-133

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SECTION A

BASIC FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

May 30, 2013

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

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Albion, New York (the Town) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as 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 accounting principles generally accepted in the United States; this includes 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 opinions.

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(Continued)

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States.

Report on Required Supplementary Information
Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3-9 and budgetary comparison information on pages 33-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Supplementary Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2013 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

TOWN OF ALBION, NEW YORK

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED DECEMBER 31, 2012

The management's discussion and analysis of the Town of Albion, New York's (the Town's) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2012. Please read it in conjunction with the Town's basic financial statements.

FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the assets of the Town exceeded its liabilities by $7,463,070. Of this amount, the unrestricted portion is $1,496,367. The balance of net position is considered the net investment in capital assets.

- General revenues, which include Non-Property Taxes and Real Property Tax, are $1,252,034, or 58%, of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants, and Capital Grants accounted for $895,730, or 42%, of total revenues.

- The Town's governmental fund financial statements report a combined ending fund balance of $1,542,503.

- At the end of the current year, the unassigned fund balance of the General Fund was $540,184.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains individual fund statements and supplemental schedules in addition to the basic financial statements.

Government-Wide Financial Statements
The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

- The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

- The *statement of activities* presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

- The *governmental* activities of the Town include highway maintenance, snow removal, general administrative support, community service, fire protection services, water services, and interest on long-term debt.

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OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements

A *fund* is a self-balancing grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: Governmental Funds and Fiduciary Funds.

- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

  Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

  The Town maintains six major individual governmental funds; General Fund, General-Town Outside Village, Highway Townwide Fund, Water Fund, Highway Part-Town Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund.

  The Town adopts an annual budget for the General Fund, General Town-Outside Village, Highway-Townwide Fund, Highway Fund-Part-Town and Water Fund. A budgetary comparison statement has been provided for each major fund with an annually adopted budget within the basic financial statements to demonstrate compliance with the budget.

- The *Fiduciary Funds* are used to account for assets held by the Town in an agency capacity on behalf of others. Fiduciary Funds are not reflected in the government-wide financial statement because the resources of these funds are *not*, and never will be, available to support the Town's programs.

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OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Major Features of the Town-Wide and Fund Financial Statements

		Fund Financial Statements	
Features	Town-Wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire Town	The activities of the Town are not proprietary or fiduciary, such as General administration, Highway, and Library	Instances in which the Town administers resources on behalf of someone else
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet, Statement of Revenues and Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Position, and Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position.

Table 1 - Net Position

	2012	2011 (Unaudited)
Assets:		
Cash	$ 1,664,402	$ 1,233,148
Other assets	347,456	621,858
Capital assets, net	8,909,703	8,540,085
Total assets	$ 10,921,561	$ 10,395,091
Liabilities:		
Accounts payable and accrued liabilities	$ 113,720	$ 49,032
Other liabilities	355,635	154,460
Noncurrent liabilities	2,989,136	3,098,862
Total liabilities	$ 3,458,491	$ 3,302,354
Net position:		
Net investment in capital assets	$ 5,966,703	$ 5,495,885
Unrestricted	1,496,367	1,596,852
Total net position	$ 7,463,070	$ 7,092,737

By far, the largest component of the Town's net position (80%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the residents and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position, which was $1,496,367 (20%) and $1,596,852 (22%) in 2012 and 2011, respectively, may be used to finance future operations.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Table 2 - Change in Net Position

	2012	% of Total	2011 (Unaudited)	% of Total
Revenues:				
Charges for services	$ 457,203	21%	$ 477,831	23%
Operating grants and contributions	71,632	3%	137,035	6%
Capital grants and contributions	368,895	18%	12,123	1%
Taxes	1,232,762	57%	1,325,600	59%
Other revenues	19,272	1%	16,545	2%
Total revenues	2,147,764	100%	1,969,134	100%
Expenses:				
General governmental support	434,768	24%	454,947	27%
Public safety	112,304	6%	104,866	6%
Transportation	309,033	17%	462,086	27%
Public health	1,519	-%	1,456	-%
Economic assistance and opportunity	13,500	1%	11,000	-%
Culture and recreation	10,450	1%	6,450	-%
Home and community services	351,888	20%	127,788	8%
Depreciation expense - unallocated	260,522	15%	249,344	15%
Employee benefits - unallocated	144,253	8%	127,219	8%
Interest on long-term debt	139,194	8%	136,300	9%
Total expenses	1,777,431	100%	1,683,456	100%
Change in net position	370,333		285,678	
Net position - beginning of year	7,092,737		6,807,059	
Net position - end of year	$ 7,463,070		$ 7,092,737	

The Town relies upon taxes, charges for services, operating grants, and capital grants as their primary revenue sources. Expenses are evenly distributed dependent on the Town's services.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year. Amounts to be applied against next year's fund balance are reported as assigned resources.

As of the end of the current year, the Town's combined governmental fund balances were $1,542,503.

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FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

Governmental Funds (Continued)

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the General Fund was $602,324, of which $540,184 was unassigned. The fund balance for the Town's General Fund increased by 45% in 2012, as a function of the Town's operating activities.

Budgetary Highlights

The key budget variances for the major funds are listed below.

Revenue Items	Budget Variance	Explanation for Budget Variance
Highway Fund-Part Town-State Aid	$ (47,864)	CHIPS was budgeted for but ultimately not used in 2012. These funds were rolled over into the 2013 year and will be used then.

Expenditure Items	Budget Variance	Explanation for Budget Variance
Highway Fund- Part Town-Transportation	$ 63,528	The positive variance is due to cost containment by the highway superintendent.
Water Fund-Home and community services	$ 23,466	The positive variance is because the Town budgeted for expenditures that were ultimately not required for construction of the new water district.

Capital Assets

Capital assets, net of accumulated depreciation, are reflected below:

Class	2012	2011
Land	$ 71,754	$ 71,754
Work in progress	683,247	531,249
Buildings	343,475	354,170
Equipment	352,623	324,880
Infrastructure	7,486,347	7,230,290
Total capital assets, net of accumulated depreciation	$ 8,909,703	$ 8,540,085

During 2012, there were $631,162 of capital asset additions offset by $260,522 of depreciation expense.

More detailed information about the Town's capital assets is presented in the notes to the financial statements.

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FINANCIAL ANALYSIS OF THE TOWN'S FUNDS (Continued)

Long-Term Liabilities

The Town's general obligation and other long-term debt outstanding, was as follows at December 31:

	2012	2011
Serial bonds	$ 2,943,000	$ 3,044,200
Compensated absences	46,136	54,662
Total	$ 2,989,136	$ 3,098,862

The amount of principal paid on outstanding debt was $101,200 in 2012 and approximately $100,000 in 2011.

More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

FACTORS BEARING ON THE TOWN'S FUTURE

The budget for 2013 is realistic with the Town's spending. To date in 2013, the Town has reduced its spending by trying to control costs and has effectively done so. The Town does not expect additional federal aid in 2013. Future challenges to the Town include rising costs of retirement and health insurance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

The Town of Albion
3665 Clarendon Road
Albion, New York 14411
(585)589-7048
Attn: Supervisor's office

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TOWN OF ALBION, NEW YORK

STATEMENT OF NET POSITION
DECEMBER 31, 2012

ASSETS	
Cash and cash equivalents	$ 1,664,402
Receivables	337,706
Due from other funds, net	4,156
Prepaid expenses	5,594
Capital assets, net	8,909,703
Total assets	10,921,561
LIABILITIES	
Accounts payable	64,998
Accrued liabilities	48,722
Bond anticipation notes payable	352,250
Due to other governments	3,385
Long-term obligations -	
Due within one year	112,034
Due in more than one year	2,877,102
Total liabilities	3,458,491
NET POSITION	
Net investment in capital assets	5,966,703
Unrestricted	1,496,367
Total net position	$ 7,463,070

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The accompanying notes are an integral part of these statements.

TOWN OF ALBION, NEW YORK

STATEMENT OF ACTIVITIES AND CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
PRIMARY GOVERNMENT:					
Governmental activities -					
General governmental support	$ 434,768	$ 58,639	$ 71,632	$ -	$ (304,497)
Public safety	112,304	7,405	-	-	(104,899)
Public health	1,519	-	-	-	(1,519)
Transportation	309,033	103,048	-	-	(205,985)
Economic assistance and opportunity	13,500	-	-	-	(13,500)
Culture and recreation	10,450	-	-	-	(10,450)
Home and community services	351,888	288,111	-	366,895	303,118
Depreciation expense-unallocated	260,522	-	-	-	(260,522)
Employee benefits-unallocated	144,253	-	-	-	(144,253)
Interest on long-term debt	139,194	-	-	-	(139,194)
Total governmental activities	$ 1,777,431	$ 457,203	$ 71,632	$ 366,895	(881,701)

Real property taxes and real property tax items	$ 1,108,228
Nonproperty tax items	124,534
Use of money and property	2,930
Sale of property and compensation for loss	4,906
Miscellaneous	11,436
Total general revenues	1,252,034
Change in net position	370,333
Net position - beginning of year	7,092,737
Net position - end of year	$ 7,463,070

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The accompanying notes are an integral part of these statements.

TOWN OF ALBION, NEW YORK

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	General Fund	General - Town Outside Village	Highway Town-Wide Fund	Water Fund	Highway Part-Town Fund	Capital Proj Fund
ASSETS						
Cash and cash equivalents	$ 103,027	$ 295,418	$ 212,409	$ 643,766	$ 234,611	$ 96,
Receivables	11,826	125	-	63,680	-	257,
Due from other funds	520,202	-	1,012	12,076	911	
Prepaid expenditures	2,681	890	25	1,690	25	
Total assets	$ 637,736	$ 296,433	$ 213,446	$ 721,212	$ 235,547	$ 353,
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	$ 10,356	$ 125	$ 9,432	$ 44,194	$ 66	$
Accrued liabilities	21,671	6,229	8,749	2,913	8,749	
Bond anticipation notes payable	-	-	-	-	-	352,
Due to other funds	-	-	1	141,937	-	393,
Due to other governments	3,385	-	-	-	-	
Total liabilities	35,412	6,354	18,182	189,044	8,815	746,
FUND BALANCES:						
Nonspendable	2,681	890	25	1,690	25	
Assigned	59,459	289,189	195,239	530,478	226,707	
Unassigned	540,184	-	-	-	-	(393,
Total fund balances	602,324	290,079	195,264	532,168	226,732	(393,
Total liabilities and fund balances	$ 637,736	$ 296,433	$ 213,446	$ 721,212	$ 235,547	$ 353,

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The accompanying notes are an integral part of these statements.

TOWN OF ALBION, NEW YORK

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2012

Total fund balance - governmental funds		$ 1,542,503
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not current financial resources and; therefore, are not reported in the funds.		
Cost of capital assets	12,074,335	
Accumulated depreciation	(3,164,632)	
		8,909,703
Compensated absences are not reported in the funds under fund accounting, but are expensed in the statement of activities as the liability is incurred.		(46,136)
Long-term debt is not due and payable in the current period and; therefore, is not reported as a fund liability.		(2,943,000)
Total net position of governmental activities		$ 7,463,070

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The accompanying notes are an integral part of these statements.

TOWN OF ALBION, NEW YORK

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

	General Fund	General - Town Outside Village	Highway Fund Townwide	Water Fund	Highway Fund Part-Town	Capital Proje Fund
REVENUES:						
Real property taxes and tax items	$ 605,354	$ -	$ -	$ 226,141	$ 121,067	$
Nonproperty tax items	10,835	113,699	-	-	-	
Departmental income	4,706	7,405	-	267,085	-	
Intergovernmental charges	1,956	-	103,048	-	-	
Use of money and property	769	399	361	1,002	347	
Licenses and permits	5,916	-	-	-	-	
Fines and forfeitures	46,061	-	-	-	-	
Sale of property and compensation for loss	1,031	-	3,875	-	-	
Miscellaneous	2,747	-	1,068	6,653	1,068	
State aid	71,632	-	-	-	-	
Federal aid	-	-	-	-	-	366,
Total revenues	751,007	121,503	108,352	500,781	122,482	366,
EXPENDITURES:						
General governmental support	425,182	837	-	7,727	-	
Public safety	6,713	3,250	-	-	-	
Public health	240	1,279	-	-	-	
Transportation	45,984	-	225,625	-	78,369	
Economic assistance and opportunity	-	13,500	-	-	-	
Culture and recreation	450	10,000	-	-	-	
Home and community services	15,124	62,380	-	265,148	-	590,
Employee benefits	71,657	11,160	33,152	5,898	30,191	
Debt service -						
Principal	-	-	-	88,950	-	
Interest	-	-	-	118,669	-	
Total expenditures	565,350	92,406	258,777	486,392	108,560	590,
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	185,657	29,097	(150,425)	14,389	13,922	(223,
OTHER FINANCING SOURCES:						
BANs redeemed from appropriations	-	-	-	-	-	12,
Operating transfers - in	-	-	-	41,536	-	
Operating transfers - out	-	-	-	-	-	(41,
Total other financing sources and uses	-	-	-	41,536	-	(28,
CHANGE IN FUND BALANCE	185,657	29,097	(150,425)	55,925	13,922	(252,
FUND BALANCE - beginning of year	416,667	260,982	345,689	476,243	212,810	(141,
FUND BALANCE - end of year	$ 602,324	$ 290,079	$ 195,264	$ 532,168	$ 226,732	$ (393,

The accompanying notes are an integral part of these statements.

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TOWN OF ALBION, NEW YORK

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2012

Net change in fund balances - governmental funds		$ (109,011)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as expense. Also, depreciation is recorded in the statement of activities, but not as a change in fund balance of the governmental funds. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.		
Capital additions	631,162	
Depreciation	(260,522)	
		370,640
Losses on capital assets is not recorded in the governmental funds, but is recorded on the statement of activities.		(1,022)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		101,200
The change in compensated absences is reported in the statement of activities, but does not require the use of current financial resources and; therefore, this is not reported as an expenditure in the governmental funds.		8,526
Change in net position of governmental activities		$ 370,333

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The accompanying notes are an integral part of these statements.

TOWN OF ALBION, NEW YORK

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2012

	Expendable Trust	Agency Fund
ASSETS		
Cash and cash equivalents	$ 4,597	$ 16,183
Total assets	4,597	16,183
LIABILITIES		
Other liabilities		12,027
Due to other funds	-	4,156
Total liabilities	-	16,183
NET POSITION	$ 4,597	$ -

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The accompanying notes are an integral part of these statements.

TOWN OF ALBION, NEW YORK

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2012

	Expendable Trust
ADDITIONS	
Contributions	$ -
Total additions	-
CHANGE IN NET POSITION	-
NET POSITION - BEGINNING OF YEAR	4,597
NET POSITION - END OF YEAR	$ 4,597

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The accompanying notes are an integral part of these statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Albion, New York (the Town) are prepared in accordance with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

A. Financial Reporting Entity

The Town, which was established in 1828, is governed by Town Law, other general laws of the State of New York and various local laws. The Town Board, which is the legislative body is responsible for the overall operation of the Town.

The Town provides the following basic services to all or some residents of the Town: fire protection, maintenance of Town roads, recreation, water, sewer, and general administration.

The Town has five water districts serving approximately five hundred customers. Water is supplied to Water Districts 1 and 2 from the Village of Albion and to Water Districts 3, 4, & 5 from the Town of Barre.

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

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no other entities included in the Town's reporting entity.

B. Basis of Presentation

Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Government - Wide Financial Statements (Continued)
The government-wide Statement of Net Position reports the governmental activities on a consolidated basis and reports on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position. The Town first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (restricted purposes and agency). Since by definition these assets are being held for the benefit of a third party and can not be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

Fund Financial Statements
The emphasis in fund financial statements is on the major fund in the governmental activities category. Non-major funds by category are summarized into a single column. Generally accepted accounting principles sets forth minimum criteria (percentage of the assets/deferred inflows, liabilities/deferred outflows, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

Separate financial statements are provided for governmental funds and fiduciary funds. Each fund is accounted for by providing a separate self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Governmental Funds - Governmental funds are those major and non-major funds 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 next page describes the Town's governmental fund types.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Governmental Funds:

- **General Fund** - the Town uses the General Fund as the primary operating fund of the Town. It includes all revenues and expenditures not required by law to be accounted for in other funds.

- **General Fund - Outside Village** – the Town uses the General Fund – Outside Village for operations solely in the portion of the Town which lies outside the Village of Albion (the Village). The Village is an independent governmental entity located with the Town. This fund accounts for selected services which by various New York statutes, cannot be charged to taxable properties located in the Village.

- **Highway - Townwide Fund** – the Town uses the Highway – Townwide Fund to account for revenues and expenditures that are legally restricted for highway purposes.

- **Water Fund** - the Town uses the Water Fund to account for revenues and expenditures that are legally restricted for water source and supply.

- **Highway Part-Town Fund** - the Town uses the Highway Part-Town Fund to account for revenues and expenditures that are legally restricted for highway purposes for those items which are required by statute to be a charge on the area of the Town outside the incorporated Village.

- **Capital Projects Fund** - the Town uses the Capital Projects Fund to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment other than those financed by the enterprise, or internal service funds.

Non-Major Governmental Funds
The other funds which do not meet the major fund criteria are aggregated and reported as non-major governmental funds. The following are reported as non-major governmental funds:

- **Special Revenue Fund** - used to account for taxes, user fees, or other revenues which are raised or received to provide special services to areas that may or may not encompass the whole Town. The following is a non-major special revenue fund utilized by the Town:
    - Fire Protection Fund
    - Sewer Fund

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

- Agency Funds - The Town uses this fund to account for money (and/or property) received and held in the capacity of trustee, custodian, or agent.

- Expendable Trust Fund - the Town uses these funds to account for all other trust arrangements under which principal and income benefit individuals, private organizations or other governments.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting/Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The Town's financial statements are prepared in accordance with accounting principles generally accepted in the United States as prescribed by the GASB, which is the primary standard setting body for establishing governmental accounting and financial reporting principles.

1. Accrual

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and donations are recognized in the year in which all eligibility requirements have been satisfied.

2. Modified Accrual

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 30 days after the end of the year.

Material revenues that are accrued include real property taxes, state and federal aid, distributed sales taxes, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

- Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursement.
- Principal and interest on indebtedness are not recognized as an expenditure until due and paid.
- Compensated absences, such as vacation and compensatory time which vests or accumulates, are charged as an expenditure when paid.

D. Real Property Taxes

Real property taxes are levied in late November and become a lien on January 1st. Taxes are collected during the period January 1st to April 30th.

Unpaid town taxes are turned over to Orleans County (the County) for enforcement. Any such taxes remaining unpaid at year end are relevied as County taxes in the subsequent year.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Cash Equivalents

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

F. Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

G. Insurance

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. 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. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

H. Long-Term Debt

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal, interest and other long term benefits are reported as expenditures.

I. Fund Balance

Accounting principles generally accepted in the United States provide clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Nonspendable Fund Balance**
  These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

- **Restricted Fund Balance**
  These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The Town had no restricted fund balance at December 31, 2012.

- **Committed Fund Balance**
  These are amounts that can be used only for specific purposes determined by a formal action of the Town Board prior to year-end. The Town Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Town Board. The Town had no committed fund balance at December 31, 2012.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Fund Balance (Continued)

- **Assigned Fund Balance**
  These are amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. It is at the discretion of the Town Board to make assignments as it sees fit.

- **Unassigned Fund Balance**
  These are all other spendable amounts.

When an expenditure is incurred for which restricted, committed, assigned, or unassigned fund balances are available, the Town will consider amounts to have been spent first out of restricted funds, then committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Board has provided otherwise in its commitment or assignment actions.

J. Due To/From Other Funds

The amounts reported on the Governmental Funds Balance Sheet for due to and from other funds represents amounts due between different fund types (i.e. general, highway fund-part-town, and non-major funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

K. Prepaid Items

Inventory purchases in the General and Special Revenue Funds are recorded as expenditures at the time of purchase and year-end balances are not maintained.

Prepaid items represent payments made by the Town for which benefits extend beyond year end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as assets on the statement of net assets or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

L. Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded at fair market value at the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following useful lives:

Class	Life in Years
Buildings	40 years
Equipment	5 - 15 years
Infrastructure	40 years

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Compensated Absences

Town employees are granted vacation leave and earn compensated absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and unused compensated absences at various rates subject to certain maximum limitations.

N. Short-Term Debt

The Town may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years of the original issue date.

O. Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Compensated absences that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

P. Interfund Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with certain interfund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financial or other services.

Q. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates.

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2. STEWARDSHIP

A. Budgetary Data

1. **Budget Policies** - The budget policies are as follows:

   a. No later than October 5th, the Town Supervisor submits a tentative budget to the Town Board for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing.

   b. After public hearings are conducted to obtain taxpayer comments, no later than the Thursday immediately following the general election, the Town Board adopts the budget. Appropriations established by the budget constitute a limitation on expenditures which may be incurred.

   c. All modifications of the budget must be approved by the Town Board and all appropriation lapses at fiscal year-end.

2. **Budget Basis of Accounting**

   Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Capital Projects Fund
At December 31, 2012, the capital projects fund has a deficit of $393,585. This deficit principally results from the issuance of two Bond Anticipation Notes (BANs) payable of $352,250. When these BANs are bonded, the deficit will decrease.

3. DEPOSITS

The Town currently follows an investment and deposit policy as directed by State statutes, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Town Supervisor.

Interest Rate Risk
Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Town's investment policy, governed by the State statutes, does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk
The Town's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Town's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Special time deposit accounts in, or certificates of deposit issued by, a bank or trust company located and authorized to do business in the State of New York
- Obligations of the United States of America
- Obligations of New York State

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3. DEPOSITS (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. In accordance with the Town's investment and deposit policy, all deposits of the Town including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the FDIC, shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The Town restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

The Town's aggregate bank balances, for the primary government and fiduciary funds, at December 31, 2012 were insured and collateralized as follows:

Description	Bank Balance	Carrying Amount
Cash and cash equivalents	$ 1,755,813	$ 1,685,182
Category 1: Covered by FDIC insurance	$ 504,602	
Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	1,389,059	
	$ 1,893,661	

4. RECEIVABLES AND OTHER ASSETS

Receivables

Receivables at December 31, 2012 for individual funds consisted of the following which are stated at net realizable value. Town management has deemed the amounts to be fully collectible:

Description	General Fund	Water Fund	General Outside Village	Capital Projects Fund	Nonmajor Funds
4th quarter water billings	$ -	$ 63,680	$ -	$ -	$ -
Grants receivable	-	-	-	263,419	-
Accounts receivable	11,826	-	125	-	4,978
Total	$ 11,826	$ 63,680	$ 125	$ 263,419	$ 4,978

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5. CAPITAL ASSETS

A summary of changes in the capital assets for the year ended December 31, 2012 is as follows:

Type	Balance 1/01/12	Increases	Decreases	Transfers	Balance 12/31/12
Capital assets not being depreciated:					
Land	$ 71,754	$ -	$ -	$ -	$ 71,754
Work in progress	531,249	590,217	-	(438,218)	683,247
Total capital assets not being depreciated	603,003	590,217	-	(438,218)	755,001
Depreciable capital assets:					
Buildings	427,829	-	-	-	427,829
Equipment	750,258	40,945	(25,290)	-	765,913
Infrastructure	9,687,374	-	-	438,218	10,125,592
Total depreciable capital assets	10,865,461	40,945	(25,290)	438,218	11,319,334
Less: Accumulated depreciation:					
Buildings	(73,659)	(10,696)	-	-	(84,354)
Equipment	(397,635)	(67,666)	24,268	-	(441,033)
Infrastructure	(2,457,084)	(182,161)	-	-	(2,639,245)
Total accumulated depreciation for depreciable capital assets, net	(2,928,378)	(260,522)	24,268	-	(3,164,632)
Total depreciable assets, net	7,937,082	219,577	(1,022)	438,218	8,154,701
Governmental activities capital assets, net	$ 8,540,085	$ 370,640	$ (1,022)	$ -	$ 8,909,703

6. SHORT-TERM DEBT

Bond anticipation notes (BANs) are generally accounted for in the capital projects fund. The BANs were used to finance construction on the water districts.

The following is a summary of changes in short-term debt for the year ended December 31, 2012:

Balance, January 1, 2012	$ 148,000
Increases	352,250
Decreases	(148,000)
Balance, December 31, 2012	$ 352,250

Description	Original Issue Date	Amount Outstanding at 12/31/12	Interest Rate	Maturity
Water #1	2011	$135,250	1.90%	11/15/2013
Water #9	2012	$217,000	1.94%	11/7/2013
	Total	$352,250		

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7. LONG-TERM OBLIGATIONS

Bonds Payable

The governmental activities had the following changes in its long-term obligations during the year ended December 31, 2012:

Description	Balance 12/31/11	Additions	Deletions	Balance 12/31/12	Due within One year
Serial bonds	$ 3,044,200	$ -	$ (101,200)	$2,943,000	$ 100,500
Compensated absences	54,662	-	(8,526)	46,136	11,534
	$ 3,098,862	$ -	$ (109,726)	$2,989,136	$ 112,034

Additions and deletions to compensated absences are shown net as it is impractical to determine these amounts separately.

The following is a statement of serial bonds and statutory installment bonds with corresponding maturity schedules.

Description	Issue Date	Maturity	Interest	12/31/12 Balance	Amount Due Within One Year
Water Fund:					
Water District #3	12/93	12/22	5.75%	$ 440,000	$ 40,000
Water District #4	11/02	03/40	4.50%	60,100	1,200
Water District #4	11/02	03/40	4.50%	283,300	5,900
Water District #5	09/02	09/39	4.50%	936,200	18,500
Water District #6	12/07	06/45	4.50%	287,000	3,000
Water District #6	12/07	06/45	4.50%	51,000	1,000
Water District #7	08/10	03/48	4.00%	133,000	2,000
Water District #8	09/09	08/47	2.625%	337,400	5,900
Sewer Fund:					
Sewer #1	10/08	10/32	4.50%	415,000	23,000
Total				$ 2,943,000	$ 100,500

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7. LONG-TERM OBLIGATIONS (Continued)

The amounts payable for each of the years ending December 31 are as follows:

	Principal	Interest	Total
2013	$ 100,500	$ 116,592	$ 217,092
2014	102,700	113,868	216,568
2015	109,200	111,045	220,245
2016	110,500	108,017	218,517
2017	112,000	104,930	216,930
2018 - 2022	573,800	451,876	1,025,676
2023 - 2027	410,500	351,547	762,047
2028 - 2032	485,600	254,966	740,566
2033 - 2037	475,000	150,174	625,174
2038 - 2042	299,400	55,644	355,044
2043 - 2047	156,800	15,239	172,039
2048	7,000	140	7,140
	$ 2,943,000	$ 1,834,036	$ 4,777,036

Total interest expense and cash paid for interest was $139,194 for the year ended December 31, 2012.

8. PENSION PLAN

Plan Description

The Town participates in the New York State and Local Employees' Retirement System (the System). This is a cost sharing multiple employer retirement systems. 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 System and for the custody and control of its 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, New York 12244.

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8. PENSION PLAN (Continued)

Funding Policy

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

The System is noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the System after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the System more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the System contribute 3% of their salary throughout their active membership. The Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who joined on or after April 1, 2012 contribute 3% of their reportable salary.

The System cannot be diminished or impaired. Benefits can be reduced for future membership only by an act of the New York State Legislature. The Town's contributions for the years 2012, 2011 and 2010 were equal to the required contributions for the plan fiscal year as follows:

Year	The System
2012	$ 42,323
2011	$ 41,752
2010	$ 22,845

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

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9. INTERFUND ACTIVITIES

Interfund receivables and payables between governmental activities are eliminated on the statement of r assets. The Town typically loans resources between funds for the purpose of mitigating the effects transient cash flow issues.

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

Fund	Interfund Receivables	Interfund Payables	Interfund Revenues	Interfund Expenditures
General	$ 520,202	$ -	$ -	$ -
General Town Outside Village	-	-	-	-
Highway Townwide	1,012	1	-	-
Highway Part-Town	911	-	-	-
Water	12,076	141,937	41,536	-
Sewer	5,807	-	-	-
Fire protection	-	-	-	-
Capital projects	-	393,914	-	41,536
Trust and agency	-	4,156	-	-
Total	$ 540,008	$ 540,008	$ 41,536	$ 41,536

10. FUND BALANCES

As of December 31, 2012, fund balances are composed of the following:

	General Fund	General - Outside Village	Highway Town-Wide	Water Fund	Highway Part-Town	Capital Projects Fund
Nonspendable -						
Prepaid expenditures	$ 2,681	$ 890	$ 25	$ 1,690	$ 25	$ -
Assigned -						
Appropriations	59,459	16,600	159,879	11,475	4,000	-
Other spendable amounts		272,589	35,360	519,003	222,707	-
Unassigned	540,184	-	-	-	-	(387,263)
Total	$ 602,324	$ 290,079	$ 195,264	$ 532,168	$ 226,732	$ (387,263)

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11. COMMITMENTS AND CONTINGENCIES

Commitments

The Town may participate in federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Litigation

There are tax certiorari claims requesting reduction of assessments pending. The outcome of the tax certiorari claims is undeterminable at this time; as such no allowance has been recorded.

12. IMPACT OF FUTURE GASB PRONOUNCEMENTS

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This standard establishes accounting and financial reporting standards that reclassify, as deferred resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows or inflows of resources, certain items that were previously reported as assets and liabilities. The Town is required to adopt the provisions of Statement No. 65 for the year ending December 31, 2013. The Town's management has not yet assessed the impact of this statement on its future financial statements.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. This standard improves accounting and financial reporting by clarifying guidance regarding risk financing, operating lease payments, and accounting for loans. The Town is required to adopt the provisions of Statement No. 66 for the year ending December 31, 2013. The Town's management has not yet assessed the impact of this statement on its future financial statements.

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25*. This standard improves accounting and financial reporting by expanding disclosures and required supplementary information of state and local governmental pension plans. The Town is required to adopt the provisions of Statement No. 67 for the year ending December 31, 2014. The Town's management has not yet assessed the impact of this statement on its future financial statements.

In June 2012, the GASB issued Statement No. 68, *Accounting and Reporting for Pension Plans*. This standard improves accounting and financial reporting by requiring governments to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits through additional disclosures and required supplementary information. The Town is required to adopt the provisions of Statement No. 68 for the year ending December 31, 2015. The Town's management has not yet assessed the impact of this statement on its future financial statements.

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TOWN OF ALBION, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	GENERAL FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes and tax items	$ 609,252	$ 609,252	$ 605,354	$ (3,898)
Nonproperty tax items	4,662	4,662	10,835	6,173
Departmental income	3,500	3,500	4,706	1,206
Intergovernmental charges	1,700	1,700	1,956	256
Use of money and property	600	600	769	169
Licenses and permits	3,500	3,500	5,916	2,416
Fines and forfeitures	37,000	37,000	46,061	9,061
Sale of property and compensation for loss	-	650	1,031	381
Miscellaneous	-	2,700	2,747	47
State aid	67,000	67,835	71,632	3,797
Total revenues	727,214	731,399	751,007	19,608
EXPENDITURES:				
General governmental support	433,128	441,742	425,182	16,560
Public safety	6,100	9,291	6,713	2,578
Public health	1,000	1,000	240	760
Transportation	45,850	46,097	45,984	113
Culture and recreation	500	500	450	50
Home and community services	2,500	15,606	15,124	482
Employee benefits	82,361	82,361	71,657	10,704
Total expenditures	571,439	596,597	565,350	31,247
CHANGE IN FUND BALANCE	155,775	134,802	185,657	50,855
FUND BALANCE - beginning of year	416,667	416,667	416,667	-
FUND BALANCE - end of year	$ 572,442	$ 551,469	$ 602,324	$ 50,855

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The accompanying notes are an integral part of this supplementary information.

TOWN OF ALBION, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL-TOWN OUTSIDE VILLAGE FOR THE YEAR ENDED DECEMBER 31, 2012

	GENERAL-TOWN OUTSIDE VILLAGE			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Nonproperty tax items	$ 110,500	$ 110,500	$ 113,699	$ 3,199
Departmental income	3,000	3,000	7,405	4,405
Use of money and property	438	438	399	(39)
Total revenues	113,938	113,938	121,503	7,565
EXPENDITURES:				
General governmental support	31,750	28,500	837	27,663
Public safety	-	3,250	3,250	-
Public health	600	600	1,279	(679)
Economic assistance and opportunity	13,500	13,500	13,500	-
Culture and recreation	10,000	10,000	10,000	-
Home and community services	65,350	65,350	52,380	12,970
Employee benefits	9,338	9,338	11,160	(1,822)
Total expenditures	130,538	130,538	92,406	38,132
CHANGE IN FUND BALANCE	(16,600)	(16,600)	29,097	45,697
FUND BALANCE - beginning of year	260,982	260,982	260,982	-
FUND BALANCE - end of year	$ 244,382	$ 244,382	$ 290,079	$ 45,697

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The accompanying notes are an integral part of this supplementary information.

TOWN OF ALBION, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY- TOWNWIDE FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	HIGHWAY-TOWNWIDE FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Intergovernmental charges	$ 91,000	$ 93,021	$ 103,048	$ 10,027
Use of money and property	500	500	361	(139)
Sale of property and compensation for loss	-	-	3,875	3,875
Miscellaneous	-	-	1,068	1,068
Total revenues	91,500	93,521	108,352	14,831
EXPENDITURES:				
Transportation	214,158	219,129	225,625	(6,496)
Employee benefits	37,221	34,271	33,152	1,119
Total expenditures	251,379	253,400	258,777	(5,377)
CHANGE IN FUND BALANCE	(159,879)	(159,879)	(150,425)	9,454
FUND BALANCE - beginning of year	345,689	345,689	345,689	-
FUND BALANCE - end of year	$ 185,810	$ 185,810	$ 195,264	$ 9,454

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The accompanying notes are an integral part of this supplementary information.

TOWN OF ALBION, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - HIGHWAY FUND PART-TOWN
FOR THE YEAR ENDED DECEMBER 31, 2012

	HIGHWAY FUND - PART-TOWN			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes and tax items	$ 121,067	$ 121,067	$ 121,067	$ -
Use of money and property	850	850	347	(503)
Miscellaneous	-	-	1,068	1,068
State aid	47,864	47,864	-	(47,864)
Total revenues	169,781	169,781	122,482	(47,299)
EXPENDITURES:				
Transportation	142,500	141,897	78,369	63,528
Employee benefits	31,281	31,884	30,191	1,693
Total expenditures	173,781	173,781	108,560	65,221
CHANGE IN FUND BALANCE	(4,000)	(4,000)	13,922	17,922
FUND BALANCE - beginning of year	212,810	212,810	212,810	-
FUND BALANCE - end of year	$ 208,810	$ 208,810	$ 226,732	$ 17,922

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The accompanying notes are an integral part of this supplementary information.

TOWN OF ALBION, NEW YORK

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2012

	WATER FUND			
	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES:				
Real property taxes and tax items	$ 226,141	$ 226,141	$ 226,141	$ -
Departmental income	214,806	241,561	267,085	25,524
Use of money and property	1,270	1,270	1,002	(268)
Miscellaneous	2,670	3,260	6,553	3,293
Total revenues	444,887	472,232	500,781	28,549
EXPENDITURES:				
General governmental support	9,351	9,435	7,727	1,708
Home and community services	231,383	288,614	265,148	23,466
Employee benefits	5,873	5,873	5,898	(25)
Debt service -				
Principal	88,950	88,950	88,950	-
Interest	120,805	120,805	118,669	2,136
Total expenditures	456,362	513,677	486,392	27,285
INTERFUND TRANSFERS - IN	-	-	41,536	41,536
CHANGE IN FUND BALANCE	(11,475)	(41,445)	55,925	42,800
FUND BALANCE - beginning of year	476,243	476,243	476,243	-
FUND BALANCE - end of year	$ 464,768	$ 434,798	$ 532,168	$ 97,370

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The accompanying notes are an integral part of this supplementary information.

TOWN OF ALBION, NEW YORK

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2012

	Sewer Fund	Fire Protection Fund	Total
ASSETS			
Cash and cash equivalents	$ 71,156	$ 7,708	$ 78,864
Receivables	4,978	-	4,978
Due from other funds	5,807	-	5,807
Prepaid expenditures	283	-	283
Total assets	$ 82,224	$ 7,708	$ 89,932
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accrued liabilities	$ 411	$ -	$ 411
Total liabilities	411	-	411
FUND BALANCES:			
Nonspendable	283	-	283
Assigned	81,530	7,708	89,238
Total fund balances	81,813	7,708	89,521
Total liabilities and fund balances	$ 82,224	$ 7,708	$ 89,932

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The accompanying notes are an integral part of this supplementary information.

TOWN OF ALBION, NEW YORK

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Sewer Fund	Fire Protection Fund	Total
REVENUES:			
Real property taxes and tax items	$ 50,765	$ 104,901	$ 155,666
Departmental income	21,026	-	21,026
Use of money and property	45	-	45
Total revenues	71,836	104,901	176,737
EXPENDITURES:			
Public safety	-	102,341	102,341
Home and community services	19,236	-	19,236
Employee benefits	721	-	721
Debt service -			
Principal	25,000	-	25,000
Interest	20,525	-	20,525
Total expenditures	65,482	102,341	167,823
CHANGE IN FUND BALANCE	6,354	2,560	8,914
FUND BALANCE - beginning of year	75,459	5,148	80,607
FUND BALANCE - end of year	$ 81,813	$ 7,708	$ 89,521

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The accompanying notes are an integral part of this supplementary information.

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SECTION B

OMB CIRCULAR A-133

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

May 30, 2013

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Albion, New York (the Town) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 30, 2013.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the schedule of findings and questioned costs (Finding 2012-1 and Finding 2012-2) to be material weaknesses.

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(Continued)

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

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

Town's Response to Findings
The Town's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

May 30, 2013

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

Report on Compliance for Each Major Federal Program
We have audited the Town of Albion, New York's (the Town's), compliance with the types of the compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended December 31, 2012. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on the Major Federal Program
In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

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(Continued)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance
Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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TOWN OF ALBION, NEW YORK

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

Federal Grantor/Pass-Through Grantor/Federal Program or Cluster Title	Federal CFDA Number	Amounts Expended
U.S. Department of Agriculture:		
Water and Waste Disposal Loans and Grants (Section 306C)	10.770	$ 590,217
Total Expenditures of Federal Awards		$ 590,217

DRAFT

TOWN OF ALBION, NEW YORK

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. GENERAL

The accompanying schedule of expenditures of federal awards presents the activity of the federal award programs of the Town of Albion, New York (the Town). The schedule includes expenditures of federal programs received directly from federal agencies, as well as federal assistance passed through other organizations. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

2. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is presented in conformity with accounting principles generally accepted in the United States.

3. MATCHING COSTS

Matching costs, i.e., the Town's share of certain program costs, are not included in the schedule of expenditures of federal awards.

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TOWN OF ALBION, NEW YORK

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Town of Albion, New York (the Town).

2. Two material weaknesses relating to the audit of the basic financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the basic financial statements of the Town were disclosed during the audit.

4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for each Major Federal Program; and Report on Internal Control Over Compliance.

5. The auditor's report on compliance for the major federal award programs for the Town expresses an unqualified opinion.

6. No audit findings relative to the financial statement audit for the Town are required to be reported in accordance with Section 501(a) of OMB Circular A-133.

7. The program tested as a major program was:

   - CFDA No. 10.770 – Water and Waste Disposal Loans and Grants (Section 306C)

8. The threshold for distinguishing Types A and B programs was $300,000.

9. The Town was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Finding 2012-1

Condition: There was no listing of capital assets maintained by the Town. After a list was compiled, there was an audit adjustment of approximately $9 million to correct the Town's books.

Criteria: The Town is required to track its capital assets in accordance with generally accepted accounting principles.

Cause: The infrastructure was not recorded by the Town.

Effect: The Town's infrastructure had not been recorded by the Town each year, and this large error had not been prevented or detected by the controls of the Town for the year ended December 31, 2012.

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B. FINDINGS - FINANCIAL STATEMENT AUDIT (Continued)

Finding 2012-1 (Continued)

Recommendation: We strongly recommend that the Town review its policies over capital assets and ensure that a physical inventory is taken at least once a year.

Management Response: Going forward, management has implemented a procedure with the accounting firm to ensure all capital assets are recorded.

Finding 2012-2

Condition: The Town required an audit adjustment of approximately $260,000 to properly state revenue and receivables related to a grant for federal aid.

Criteria: Generally accepted accounting principles require revenue and receivables to be recorded in the period that it is earned.

Cause: The internal controls of the Town did not catch the material error.

Effect: The Town's revenue and receivable were understated by approximately $260,000, and this significant error had not been prevented or detected by the controls of the Town for the year ended December 31, 2012.

Recommendation: We recommend that the Town reviews its year-end close of its financials to ensure that all material receivables and related revenues are recorded in the correct period.

Management Response: Management and the Board will work with its accounting firm to ensure that all revenue and receivables are recorded in the correct period.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

DRAFT

TOWN OF ALBION, NEW YORK

Communication of Matters Related to Internal Control Over Financial Reporting and Other Matters
May 30, 2013

DRAFT

6/4/2013 11:24 AM

May 30, 2013

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

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Albion, New York (the Town) as of and for the year ended December 31, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed on the following page, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

This communication is intended solely for the information and use of management, the Town Board, others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

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TOWN OF ALBION, NEW YORK

COMMUNICATION OF MATTERS RELATED TO INTERNAL CONTROL OVER FINANCIAL REPORTING AND OTHER MATTERS
MAY 30, 2013

INTERNAL CONTROL RELATED MATTERS

We consider the following to be *material weaknesses*:

1. CAPITAL ASSETS

Observation
We noted that there was no list of capital assets being maintained by the Town. In addition, after a list was compiled, we noted that the list was approximately $9 million different than what was being reported on the Annual Update Document each year.

Recommendation
We recommend that the Town maintain an active listing of capital assets going forward. This will assist the Town in making business decisions and in deciding what to insure. We understand that in 2013, management has implemented a procedure with the accounting firm to ensure all capital assets are recorded.

2. GRANT RECEIVABLE AND REVENUE

Observation
We noted that the Town's revenue and receivables were understated by approximately $260,000. This receivable and related revenue was related to a grant for federal aid for construction of the Town's water district. Generally accepted accounting principles require that grant revenue and receivable be recorded in the period that it is earned, which is normally at the same time the funds were expended. As a result, a material audit adjustment was required to properly state the financial statements at December 31, 2012.

Recommendation
We recommend that the Town review its closing procedures to ensure that all revenue and receivables are recorded in the correct period.

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June 10, 2013

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Albion, New York (the Town) for the year ended December 31, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 9, 2012. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT FINDINGS

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

There were no particularly sensitive estimates contained in the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

There were no particularly sensitive disclosures contained in the financial statements. The financial statement disclosures are neutral, consistent, and clear.

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SIGNIFICANT AUDIT FINDINGS (Continued)

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The misstatement identified by our audit, and corrected by management, is displayed on Exhibit A.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 30, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors.

However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

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

* * * * * * *

This information is intended solely for the use of the Town Board and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

DRAFT

TOWN OF ALBION, NEW YORK Exhibit A

DECEMBER 31, 2012
SUMMARY OF AUDIT ADJUSTMENTS

Capital Projects Fund

Change in fund balance - unadjusted	$ (509,198)
Current year audit adjustment:	
To properly record revenue and receivable related to a federal grant.	257,097
Change in fund balance - adjusted	$ (252,101)

DRAFT

May 13, 2013

Town of Albion regular Town Board meeting held in the Town hall, 3665 Clarendon Rd.

Meeting called to order at 7:00 pm.

Pledge of Allegiance was said and the exit message was given.

Present was Councilperson Daniel Poprawski, Councilperson Timothy Neilans, Supervisor Dennis Stirk, Councilperson Jake Olles and Councilperson Matthew Passarell.

Supervisor Dennis Stirk: Does anyone have any comments or questions for the Board.

Those in attendance were given the opportunity to comment and/ or ask questions.

Supervisor Dennis Stirk: I need a motion to approve the agenda.

Motion was made by Councilperson Daniel Poprawski and was seconded by Councilperson Jake Olles to approve the agenda with the additions of guidelines for information, flower purchase and speakers for the downtown area. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: I need a motion for the guidelines for information.

Motion was made by Councilperson Timothy Neilans and was seconded by Councilperson Jake Olles that request for information from the Board members shall be delivered to them 10 business days from the request. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: I need a motion for the flowers for downtown.

Motion was made by Councilperson Jake Olles and was seconded by Councilperson Timothy Neilans to amend a motion on the purchase of the flowers for downtown. The motion shall be amended that the Town of Albion will be billed by the vendor with authorization for the purchase signed by Lisa Stratton or Debbie Ashworth. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: I will make a motion for the speakers for Downtown.

Motion was made by Supervisor Dennis Stirk and was seconded by Councilperson Jake Olles to approve the purchase of 10 speakers at a cost of $71.99 each to be installed in the Downtown area. The purchase of these will be contingent on the Village of Albion's acceptance of these gifts. If the Village of Albion accepts the funds will be expended from B7310.4. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Timothy Neilans, nay
Councilperson Jake Olles, aye

Councilperson Matthew Passarell, nay

Supervisor Dennis Stirk: I need a motion to approve the minutes.

Motion was made by Councilperson Jake Olles and was seconded by Councilperson Daniel Poprawski to approve the minutes of the April 8, 2013 meeting as published and submitted. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye **Councilperson Timothy Neilans, aye**
Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, aye

Supervisor Dennis Stirk: I need a resolution for the vouchers.

Resolution #63 Payment of Claims

Whereas, the following are against the Town:

General A & B #'s – 134 – 166	**$ 25,759.74**
Highway DA & DB #'s – 73 – 93	**$ 9,450.57**
Water Districts #'s – 21 – 31	**$ 40,557.21**
Sewer District #'s – 5 – 6	**$ 2,965.90**
Grant #9 #'s – 2 – 4	**$ 23,744.05**
For a grand total of	**$102,477.47**

Motion was made by Councilperson Jake Olles and was seconded by Supervisor Dennis Stirk to approve payment of the above listed claims. Resolution duly adopted by the following vote:

Councilperson Daniel Poprawski, aye **Councilperson Timothy Neilans, aye**
Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, aye

Councilperson Timothy Neilans objected to voucher #152, Robert Roberson
Councilperson Matthew Passarel objected to voucher #152, Robert Roberson

Supervisor Dennis Stirk: I need a motion for the MVP bill.

Motion was made by Councilperson Mathew Passarell and was seconded by Councilperson Daniel Poprawski to approve payment prior to abstract of the MVP health care bill in the amount of $4,619.70. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye **Councilperson Timothy Neilans, aye**
Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, aye

Supervisor Dennis Stirk: Next is the smoking policy.

After discussion the following action was taken:

Motion was made by Councilperson Timothy Neilans and was seconded by Councilperson Matthew Passarell authorizing the Town of Albion campus at 3665 Clarendon Rd smoke free. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye **Councilperson Timothy Neilans, aye**
Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, aye

Supervisor Dennis Stirk: Dan, generator information.

Dan Strong explained the bids he received for a generator for the Town of Albion and asked the Board to approve

Supervisor Dennis Stirk: I need a resolution for the labor to install the generator.

Resolution #64 Labor for Installation of Generator

Motion was made by Supervisor Dennis Stirk and was seconded by Councilperson Matthew Passarell to accept the bid from Suburban Electric to install the generator, gas line, transfer switch and new 100 amp emergency sub panel at a cost of $4,782.00. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Resolution #65 Generator

Motion was made by Councilperson Matthew Passarell and seconded by Councilperson Jake Olles authorizing the purchase of a Generac, GEN5887S, generator from Better Power in the amount of $4,479.00. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: I need a motion to accept the review of the Town Clerk and Court Clerk records.

Motion was made by Councilperson Daniel Poprawski and was seconded by Supervisor Dennis Stirk to accept the review of the Town Clerk, Tax Collector and Court Clerk as submitted by Baldwin Business Services. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, nay
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: Next is the mowing bid. I make a motion to reject this and have it rebid.

Motion was made Supervisor Dennis Stirk and was seconded by Councilperson Jake Olles to reject the one bid received from Blue Top Management and re-bid. The bids received from the second bidding will be submitted at the June meeting. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: I need a resolution for the final pay application.

Resolution #65 Final Pay Application WD#9 – Sergi Construction

Motion was made by Supervisor Dennis Stirk and was seconded by Councilperson Jake Olles authorizing the final payment to Sergi Construction for WD#9 in the amount of $12,902.77. The final pay application in its entirety is hereby filed with and made a part of these minutes. Resolution duly adopted by the following vote:

Councilperson Daniel Poprawski, aye
Councilperson Timothy Neilans, aye

Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, aye

Supervisor Dennis Stirk: I need a resolution authorizing Jed to buy a truck.

Resolution #66 2013 Ford F550 Truck

Motion was made by Supervisor Dennis Stirk and was seconded by Councilperson Daniel Poprawski authorizing Highway Superintendent Jed Standish to purchase a 2013 Ford F550 4WD truck off State Bid list in the amount of $76,948.17. Said vehicle purchase proposal is hereby filed with and made a part of these minutes. Resolution duly adopted by the following vote:

Councilperson Daniel Poprawski, aye **Councilperson Timothy Neilans, nay**
Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, nay

Supervisor Dennis Stirk: I need a motion to accept Katie Marks resignation.

Motion was made by Councilperson Jake Olles and was seconded by Supervisor Dennis Stirk to accept the resignation of Katie Marks from the Zoning Board of Appeal effective immediately. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye **Councilperson Timothy Neilans, aye**
Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, aye

Supervisor Dennis Stirk: I need a motion to appoint Gary Katsanis to the Zoning Board of Appeals.

Motion was made by Councilperson Jake Olles and was seconded by Supervisor Dennis Stirk appointing Gary Katsanis from Alternate member of the Zoning Board of Appeals to member to fill the remaining term of Katie Marks which expires December 31, 2016. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye **Councilperson Timothy Neilans, aye**
Supervisor Dennis Stirk, aye **Councilperson Jake Olles, aye**
Councilperson Matthew Passarell, aye

Supervisor Dennis Stirk: I need a resolution for the budget modification for Water District #9.

Resolution #67 Budget Modification – Water District #9

Whereas, the Town of Albion developed the budget for the Water District No. 9 project based on estimates for the costs for various budget line items, and

Whereas, the actual costs for these items were more or less than the budgeted amounts, as follows:

Budget Item	Approved Budget	Increase (Decrease)	Modified Budget
Net Interest	$2,000.00	($1,375.00)	$625.00
Fiscal Coordination	$10,500.00	($9,700.00)	$800.00
Miscellaneous	$3,750.00	($1,400.00)	$2,350.00

GVT Track work	$20,000.00	($5,970.00)	$11,530.00

Be it resolved that the Town Board hereby authorizes the balances in the budget line items to be reduced as shown above and the transfer of these funds ($18,445.00) to the Contingency.

Motion was made by Councilperson Matthew Passarell and was seconded by Councilperson Jake Olles authorizing the adoption of this resolution. Resolution duly adopted by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: I make a motion to send a letter of support for the downtown farmers market.

Motion was made by Supervisor Dennis Stirk and was seconded by Councilperson Matthew Passarell authorizing a letter be sent to the Village of Albion supporting the upcoming Farmers Market in the downtown. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Supervisor Dennis Stirk: I will make a motion to close.

Motion was made by Supervisor Dennis Stirk and was seconded by Councilperson Jake Olles to close the meeting at 7:43 pm. Motion carried by the following vote:

Councilperson Daniel Poprawski, aye
Supervisor Dennis Stirk, aye
Councilperson Matthew Passarell, aye
Councilperson Timothy Neilans, aye
Councilperson Jake Olles, aye

Tobacco Free Sign Request

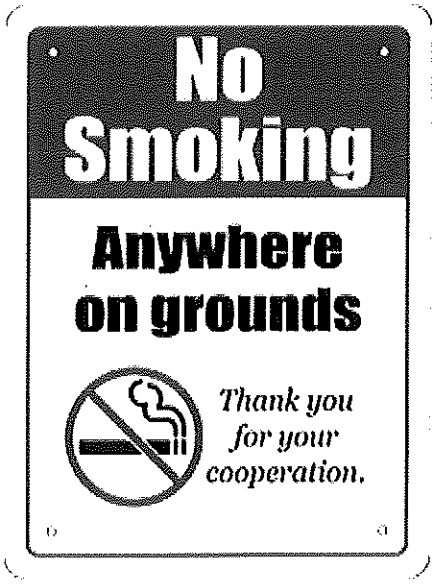
Kevin J. Keenan, Project Director
Smoke Free NOW
430 East Main Street, Batavia, NY 14020
585-815-1875 kkeenan@gcasa.org

1

2

3

4



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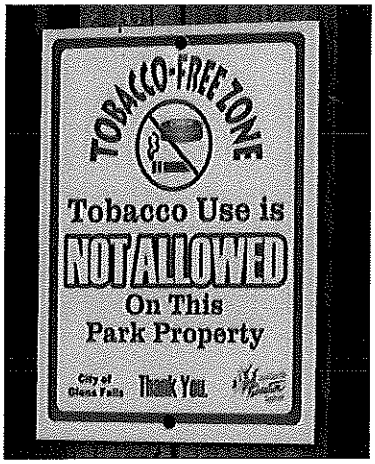

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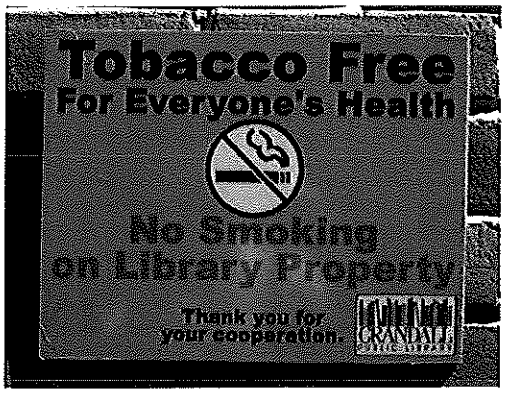

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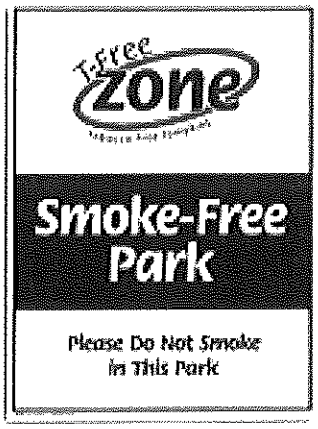

Tobacco Free Signage Request Form

Sign #	Org./Location	Amount	Cost
1			
2			
3			
4			
5			
6			
7			
Logo			

SMOKE FREE NOW
A COALITION TO REDUCE TOBACCO USE
GENESEE · ORLEANS · WYOMING
A program of gcasa funded by the NYS Bureau of Tobacco Use Prevention and Control

RESOLUTION NO. 188-513

RESOLUTION IN SUPPORT OF NEW YORK STATE SENATE BILL S1894 – AN ACT TO AMEND THE CORRECTION LAW IN RELATION TO REQUIRING INMATES TO MAKE MEDICAL CO-PAYMENTS

WHEREAS, on January 9, 2013, Senator Michael F. Nozzolio sponsored bill S1894 in the New York State Senate 2013-2014 regular session, calling for an amendment to the correction law requiring inmates to make medical co-payments for medical services rendered within the jail. A companion bill in the Assembly, bill A6205 was introduced on March 15, 2013 sponsored by Assemblymen James Tedisco and Brian Kolb; and

WHEREAS, the cost for providing medical care has increased exponentially over the past several years, including prescription medications and in-jail medical treatment, without sufficient relief through state and federal reimbursements; and

WHEREAS, the savings that could be realized by decreasing the number of frivolous medical claims, in addition to the revenue generated by co-payments, would allow jail staff to provide better, more comprehensive care to those inmates with valid medical needs; and

WHEREAS, recorded spending by Orleans County Jail inmates for 2012 of $69,089.13 on commissary items demonstrates their ability to pay a medical co-pay without creating a financial hardship; and

WHEREAS, it is the consensus of this legislative body that requiring small medical co-payments from inmates will deter malingers who abuse the current system, and will also help defray the escalating cost of providing healthcare; and

WHEREAS, it is acknowledged that lack of funds on the part of an inmate will never be grounds for denying medical treatment as guaranteed under the Eighth Amendment to the Constitution of the United States; now, be it

RESOLVED, that the Orleans County Legislature strongly supports New York State Senate Bill S1894, which seeks to implement a medical co-payment system for inmate healthcare; and be it

FURTHER RESOLVED, that the Clerk of the Legislature shall forward copies of this resolution to Governor Cuomo; Senator George D. Maziarz; Senator Dean G. Skelos; Members of the Assembly Steve Hawley and Jane L. Corwin; Speaker of the Assembly Sheldon Silver; Assembly Minority Leader Brian M. Kolb; NYSAC; InterCounty of Western New York, Orleans County Towns; and all others deemed necessary and proper.

Moved, Johnson; second, Bower.
Adopted. 5 ayes; 0 nays; 2 absent, Allport and Smith.

This is **EXHIBIT K**, consisting of **2** pages, referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated **July 12, 2010**.

AMENDMENT TO OWNER-ENGINEER AGREEMENT
Amendment No. 1

1. *Background Data:*

   a. Effective Date of Owner-Engineer Agreement: July 12, 2010

   b. Owner: Town of Albion

   c. Engineer: Chatfield Engineers, P.C.

   d. Project: Town of Albion Water District No. 9

2. *Description of Modifications:*

[NOTE TO USER: Include the following paragraphs that are appropriate and delete those not applicable to this amendment. Refer to paragraph numbers used in the Agreement or a previous amendment for clarity with respect to the modifications to be made. Use paragraph numbers in this document for ease of reference herein and in future correspondence or amendments.]

a. Engineer shall perform or furnish the following Additional Services:

- ***Additional Study and Report Phase Services*** *completed prior to preparation of the Engineering Services Agreement. Chatfield Engineers completed the evaluation of various areas of service including preliminary cost estimates, revisions to the Preliminary Engineering Report and meetings with the Town to develop the project. The Town has requested that we include these fees in the Project so they may be reimbursed as a project cost. Chatfield Engineers has previously been paid for these items.*

- ***Reduction in Resident Project Representation Services*** *based upon the actual hours necessary, based upon the Contractors Schedule.*

- ***Additional Construction Phase Engineering Services*** *associated with the use of remaining grant funds, including coordination with the Town, Grant Administrator and USDA Rural Development.*

b. The Scope of Services currently authorized to be performed by Engineer in accordance with the Agreement and previous amendments, if any, is modified as follows: ***(No Changes)***

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c. The responsibilities of Owner are modified as follows: ***(No Changes)***

d. For the Additional Services or the modifications to services set forth above, Owner shall pay Engineer the following additional or modified compensation:

➢ ***Additional Study and Report Phase Services:***	***+$ 339.50***
➢ ***Reduction in Resident Project Representation Services***	***-$ 1,092.00***
➢ ***Additional Construction Phase Engineering Services***	***+$1,092.00***
Net Increase in Fees	***+ $ 339.50***

e. The schedule for rendering services is modified as follows: ***(No Changes)***

f. Other portions of the Agreement (including previous amendments, if any) are modified as follows: ***(No Changes)***

Engineering Amendment Attachment is attached to this Exhibit

5. Agreement Summary (Reference only)

a. Original Agreement amount:	$ 67,626.00
b. Net change for prior amendments:	$ 1,360.00
c. This amendment amount:	$ 339.50
d. Adjusted Agreement amount:	**$ 69,325.50**

The foregoing Agreement Summary is for reference only and does not alter the terms of the Agreement, including those set forth in Exhibit C.

Owner and Engineer hereby agree to modify the above-referenced Agreement as set forth in this Amendment. All provisions of the Agreement not modified by this or previous Amendments remain in effect. The Effective Date of this Amendment is June 10, 2013

OWNER: Town of Albion	ENGINEER: Chatfield Engineers, P.C.
By: Dennis Stirk	By: Paul R. Chatfield, P.E.
Title: Town Supervisor	Title: President
Date Signed: June 10, 2013	Date Signed: May 29, 2013

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USDA - Rural Development
Engineering Amendment Attachment
(EJCDC E-500, Exhibit K - 2008 Edition)

Amendment No. Two (2)

Applicant/Borrower: Town of Albion Water District No. 9

Engineer/Architect: Chatfield Engineers, P.C.

	Original Agreement Amount	Previous Increase/ Decrease	Increase/ Decrease this Amendment	Revised Amount
Study and Report Phase	$2,500.00	$0.00	$339.50	$2,839.50
Preliminary Design Phase	$13,706.00	$0.00	$0.00	$13,706.00
Final Design Phase	$13,490.00	$0.00	$0.00	$13,490.00
Bidding and Negotiation Phase	$2,258.00	$0.00	$0.00	$2,258.00
Construction Phase Services	$9,914.00	$0.00	$1,092.00	$11,006.00
Post Construction Phase	$918.00	$0.00	$0.00	$918.00
Resident Inspection	$21,840.00	$0.00	($1,092.00)	$20,748.00
Additional/Other Services (Specify):				
Printing	$3,000.00	$0.00	$0.00	$3,000.00
Preparation of Easement Maps		$1,360.00	$0.00	$1,360.00
				$0.00
				$0.00
				$0.00
				$0.00
Totals	$67,626.00	$1,360.00	$339.50	$69,325.50

USDA - Rural Development Concurrence

By: _____

Typed Name: John T. Helgren, P.E.

Title: State Engineer for USDA - RD

Date: _____

Updated: 9/09

INVOICE

CHATFIELD ENGINEERS, P.C. • 1800 English Road • Rochester, New York 14616
(585) 227-6040 • Fax (585) 227-4233

Client:

Town of Albion
3665 Clarendon Road
Albion, NY 14411

Invoice #: 94-201-35

Project:
General Engineering Services
CE#94-201

Date:	Billing Period:
4/2/2008	3/1/08 - 3/31/08

Name	Date	Description	Hours	Rate	Amount
PRC	3/6/2008	Preparation of cost estimates for future Water District #9	1	97.00	97.00
JAF	3/25/2008	Summitt Lubricants - Coordination with developer's engineer re: site plan	0.5	62.00	31.00
JAF	3/31/2008	Attend meeting in Albany at Senator Maziarz' office with John Gavenda & Judy Koehler re: district formation for Water Districts 7 and 8	10.5	62.00	651.00
JAF	3/31/2008	Less Courtesy Discount for above		-651.00	-651.00

Total Amount Due This Invoice = $128.00

Note - PRC = Paul R. Chatfield, P.E.; JAF = Jason A. Foote, P.E.

Authorized Signature

4/1/08
Date

INVOICE

CHATFIELD ENGINEERS, P.C. • 2800 Dewey Avenue • Rochester, New York 14616
(585) 227-6040 • Fax (585) 227-4233

Client:

Town of Albion
3665 Clarendon Road
Albion, NY 14411

Invoice #: 94-201-45

Project:
General Engineering Services
CE# 94-201

Date:	Billing Period:
2/2/2010	10/1/09 - 1/31/10

Name	Date	Description	Hours	Rate	Amount
PRC	1/8/2010	Revisions for Water District #9 Engineering Report	2	97.00	194.00
PRC	1/11/2010	Attended meeting regarding Water District #9 and Sewer District #3	1	97.00	97.00

$ 194
$ 48.50
$ 242.50
INVOICE #94-201-45 97.00
INVOICE #94-201-35
TOTAL = $ 339.50

Total Amount Due This Invoice = $291.00

Note: PRC = Paul R. Chatfield, P.E.

Authorized Signature

2/2/10
Date

FORM E

RURAL DEVELOPMENT (RD) PROJECT BUDGET/COST CERTIFICATION

Project Name: Town of Albion Water Dist. No. 9

Date: 05/10/13

Report No.: 8
Actual:
Estimate:

Funding Source(s)	Amount
RD Loan	$194,000.00
RD Loan	
RD Grant	$480,000.00
RD Grant	
SUB TOTAL:	$674,000.00

Other Funding Source(s)		Amount
Other Source:	Town	$49,000.00
Other Source:		
Other Source:		
SUBTOTAL:		$49,000.00
TOTAL:		$723,000.00

ITEM	APPROVED BUDGET	MODIFIED BUDGET	PREVIOUS EXPENDITURES	EXPENDITURES THIS PERIOD	EXPENDITURES TO DATE	BALANCE REMAINING
A. ADMINISTRATIVE						
1. Legal	$34,000.00	$34,000.00	$24,051.11		$24,051.11	$9,948.89
2. Bonding	$15,000.00	$15,000.00	$2,733.80		$2,733.80	$12,266.20
3. Net Interest	$2,000.00	$2,000.00	$0.00		$0.00	$2,000.00
4. Fiscal Coordination	$10,500.00	$10,500.00	$0.00		$0.00	$10,500.00
5. Project Management	$8,000.00	$8,000.00	$7,500.00		$7,500.00	$500.00
6. Lands & Rights of Way						
7. NEPA & SEQR Review	$4,000.00	$4,000.00	$4,000.00		$4,000.00	$0.00
8. Miscellaneous	$3,750.00	$3,750.00	$2,096.20		$2,096.20	$1,653.80
Total A. Administrative	$77,250.00	$77,250.00	$40,381.11	$0.00	$40,381.11	$36,868.89
B. TECHNICAL SVCS.						
1. Engineering						
a. Study and Report Phase	$2,500.00	$2,500.00	$2,500.00		$2,500.00	$0.00
b. Preliminary Engineering Phase	$13,706.00	$13,706.00	$13,706.00		$13,706.00	$0.00
c. Design Phase	$13,490.00	$13,490.00	$13,490.00		$13,490.00	$0.00
d. Bidding and Negotiations	$2,258.00	$2,258.00	$2,258.00		$2,258.00	$0.00
e. Construction Phase	$9,914.00	$9,914.00	$9,715.72	$198.28	$9,914.00	$0.00
f. Post Construction Phase	$918.00	$918.00	$0.00	$918.00	$918.00	$0.00
g. Resident Project Representation	$21,840.00	$21,840.00	$19,773.00	$195.00	$19,968.00	$1,872.00
h. Document Printing	$3,000.00	$3,000.00	$3,000.00		$3,000.00	$0.00
i. Easements		$1,360.00		$1,360.00	$1,360.00	$0.00
Total B. Technical Svcs.	$67,626.00	$68,986.00	$64,442.72	$2,671.28	$67,114.00	$1,872.00
C. CONSTRUCTION						
1. Construction Contracts						
a. Contract 1 - Sergi Construction	$520,207.50	$516,111.00	$503,208.23	$12,902.77	$516,111.00	$0.00
b. Contract 2						
c. Contract 3						
d. Contract 4						
e. Contract 5						
2. Direct Expenditures						
a. GVT track work	$20,000.00	$20,000.00	$4,500.00	$9,530.00	$14,030.00	$5,970.00
b.						
c.						
Total C. Construction	$540,207.50	$536,111.00	$507,708.23	$22,432.77	$530,141.00	$5,970.00
D. CONTINGENCY						
1. Contingency	$37,916.50	$40,653.00				
Total D. Contingency	$37,916.50	$40,653.00				$40,653.00
TOTAL PROJECT COST	$723,000.00	$723,000.00	$612,532.06	$25,104.05	$637,636.11	$85,363.89

I certify to the best of my knowledge and belief that the billed costs or disbursements are in accordance with the terms of the project and that the reimbursement represents the Federal share due, which has not been previously requested and that an inspection has been performed and all work is in accordance with the the terms of the award.

SEE NOTES ON TAB SHEETS

5/9/13

Applicant Title

Engineer/ Architect

Reviewed By _____ Date Reviewed _____ Prepared by Kathleen Dean

(revised 11/2008)

Understanding Your Responsibilities

Decision Tree — Due Dates for Your Log

Decision Tree

DAY 1 If Your Term of Office or Appointment To Office Begins On...	DAY 150 Your Log Should Be Completed By	DAY 180 Submit Your Log To Clerk By
January 1, 2013*	May 30, 2013	June 29, 2013
April 1, 2013	August 28, 2013	September 27, 2013
July 1, 2013	November 27, 2013	December 27, 2013
January 1, 2014	May 30, 2014	June 29, 2013
April 1, 2014	August 28, 2014	September 27, 2014
July 1, 2014	November 27, 2014	December 27, 2014

*As an example, a County Sheriff who is elected on Tuesday, November 6, 2012 would begin his/her new four-year term on January 1, 2013.

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