

TOWN OF HENRIETTA

Monroe County, New York

BASIC FINANCIAL STATEMENTS

For Year Ended December 31, 2012

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Certified Public Accountants
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Certified Public Accountants

Independent Auditors' Report

To the Honorable Town Council
The Town of Henrietta
Monroe County, 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 Henrietta, Monroe County, New York, 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 of America; 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town'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.

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 of Henrietta, Monroe County, New York, as of December 31, 2012, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–12 and 42–45 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 of America, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relates 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 of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



May 1, 2013

Town of Henrietta, Monroe County, New York
Management's Discussion and Analysis (MD&A)

December 31, 2012

Introduction

Our discussion and analysis of the Town of Henrietta, Monroe County, New York's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2012. It should be read in conjunction with the basic financial statements to enhance understanding of the Town's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for year 2012 are as follows:

- ◆ On the government-wide financial statements, the total assets of the Town exceeded liabilities by \$56,710,565 (net position) an increase of \$1,340,418. Of the current year amount, the unrestricted portion is \$13,116,579. The balance of net position is either restricted for specific purposes or the net book value of capital assets.
- ◆ The Town's governmental fund financial statements report a combined ending fund balance of \$18,188,842, an increase of \$901,754 in comparison with the prior year. At the end of the current year, \$10,775,763 is available for spending at the Town's discretion.
- ◆ At the end of the current year, the fund balance of the General Fund was \$12,817,432 an increase of \$971,803 from the prior year.
- ◆ General revenues which include Sales Tax, State Aid-Mortgage Tax, Real Property Tax, Compensation for Loss, Investment Earnings, and Miscellaneous accounted for \$9,843,186 or 59% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$6,764,206 or 41% of total revenues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Henrietta's basic financial statements. The Town's basic financial statements are comprised 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 schedules in addition to the basic financial statements.

1. 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 government's net position changed during the most recent fiscal 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, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

2. Fund Financial Statements

- ◆ A *fund* is a 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 four major individual governmental funds; General Fund, Highway Fund, Sewer Fund, and Drainage 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 has elected to report the Capital Fund, the Public Library Fund, the Street Lighting Fund, the Consolidated Sewer Fund, the Parks Fund, and the Transportation Fund as non-major funds.

- ◆ The Town adopts an annual budget for each of its major funds. A budgetary comparison statement has been provided for each major fund 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 which accounts for assets held by the Town on behalf of others. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support the Town's programs.

The financial statements for the Town of Henrietta, Monroe County, New York can be found in the basic financial statement section of this report.

Major Features of the Town-Wide and Fund Financial Statements			
Features	Town-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Town	The activities of the Town that 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, 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

3. Notes to the 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. The notes to the financial statements can be found following the basic financial statement section of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Henrietta, Monroe County, New York, net position at the close of the current year were \$56,710,565.

Net Position

The Town's combined net position were larger on December 31, 2012, than they were the year before, as shown in table below:

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>	<u>% Variance</u>
Current Assets	\$ 19,012,232	\$ 18,041,526	5.38%
Capital Assets, Net	39,795,869	39,536,263	0.66%
Total Assets	\$ 58,808,101	\$ 57,577,789	2.14%
 <u>LIABILITIES</u>			
Current Liabilities	\$ 838,369	\$ 771,255	8.70%
Noncurrent Liabilities			
Due in One Year	197,292	186,597	5.73%
Due in More Than One Year	1,061,875	1,249,790	-15.04%
Total Liabilities	\$ 2,097,536	\$ 2,207,642	-4.99%
 <u>NET POSITION</u>			
Invested in Capital Assets, Net of Related Debt	\$ 38,565,869	\$ 38,126,263	1.15%
Restricted Capital Reserves	684,884	433,331	58.05%
Restricted Other Purposes	4,343,233	4,401,128	-1.32%
Unrestricted	13,116,579	12,409,425	5.70%
Total Net Position	\$ 56,710,565	\$ 55,370,147	2.42%

By far, the largest component of the Town's net position (68%) 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.

There are restricted net position balances in Capital Reserves, and Other Purposes, which constitute 9% of total net position. The remaining balance of unrestricted net position, which is a surplus of \$13,116,579 (23%), may be used to finance future operations.

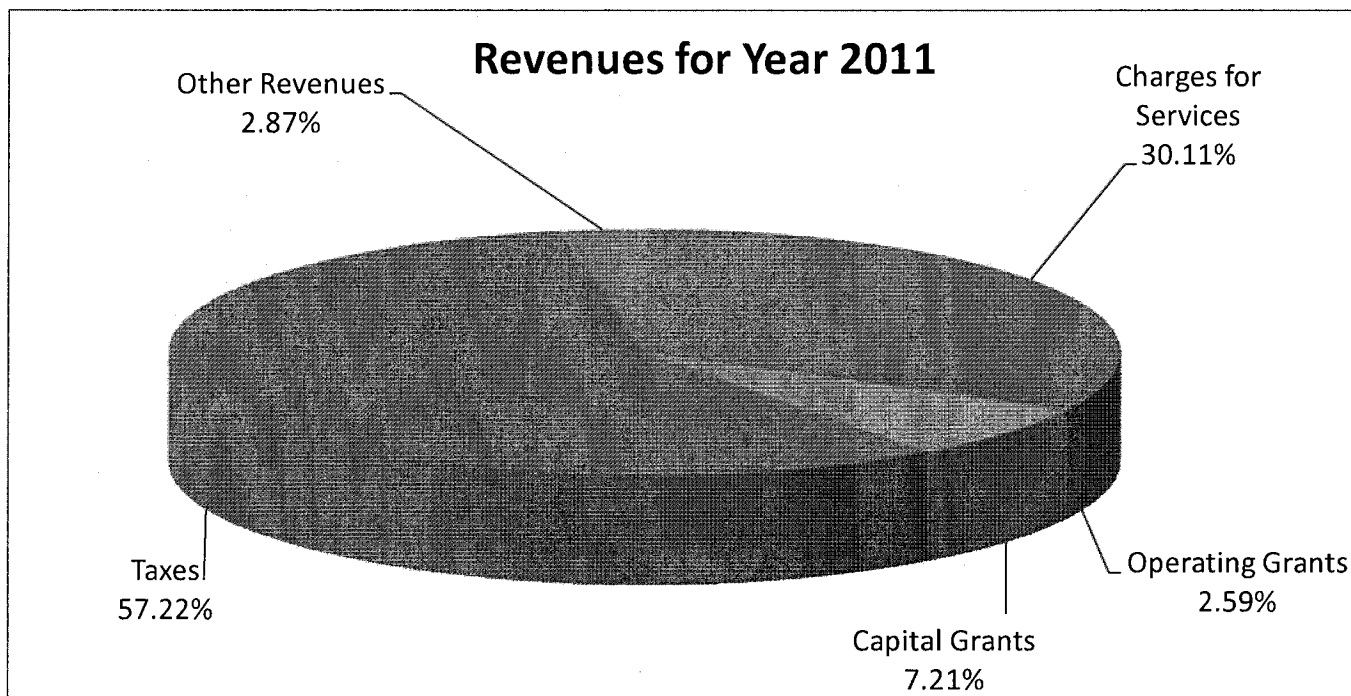
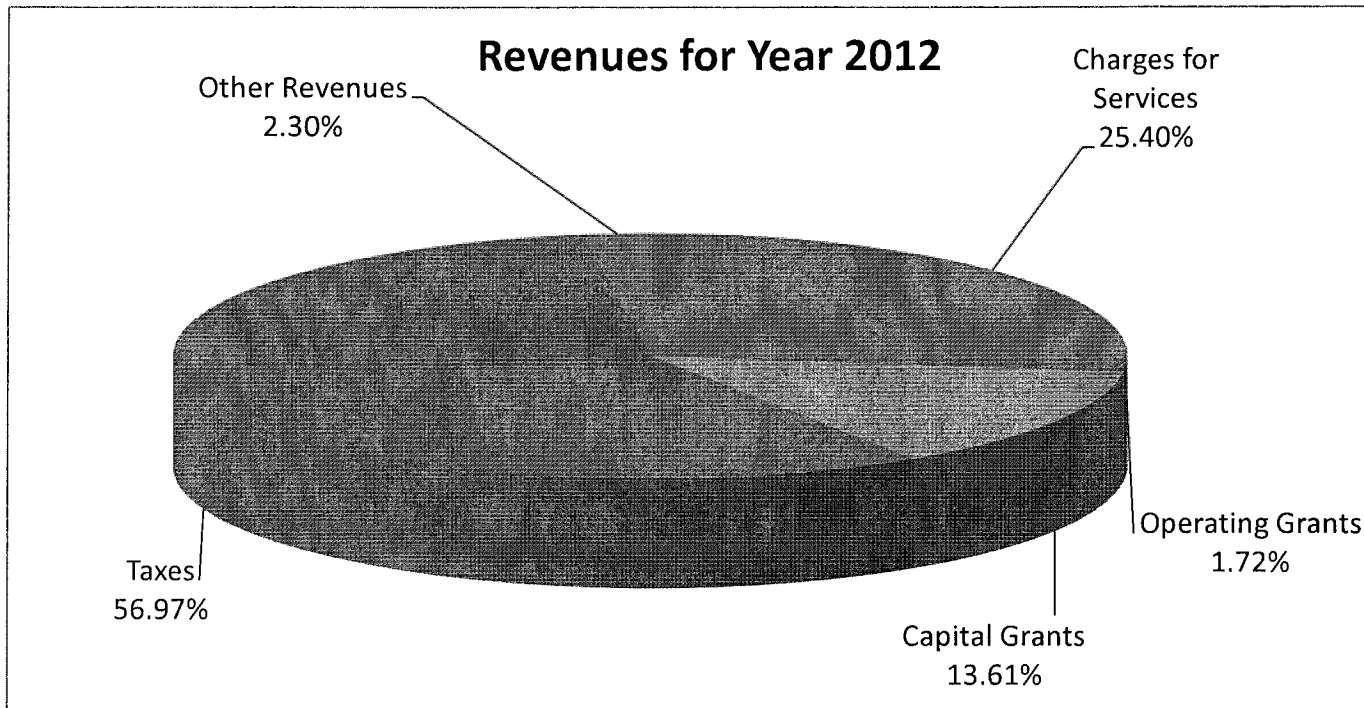
Changes in Net Position

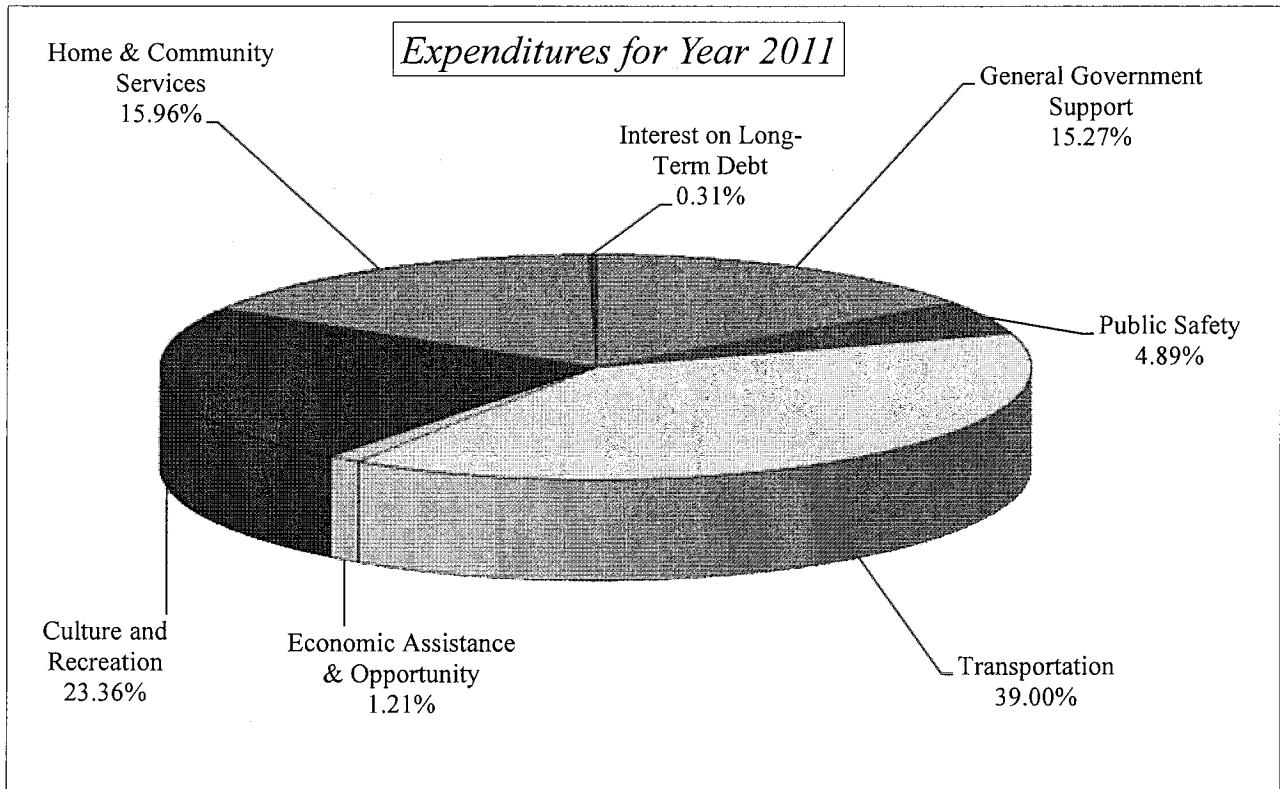
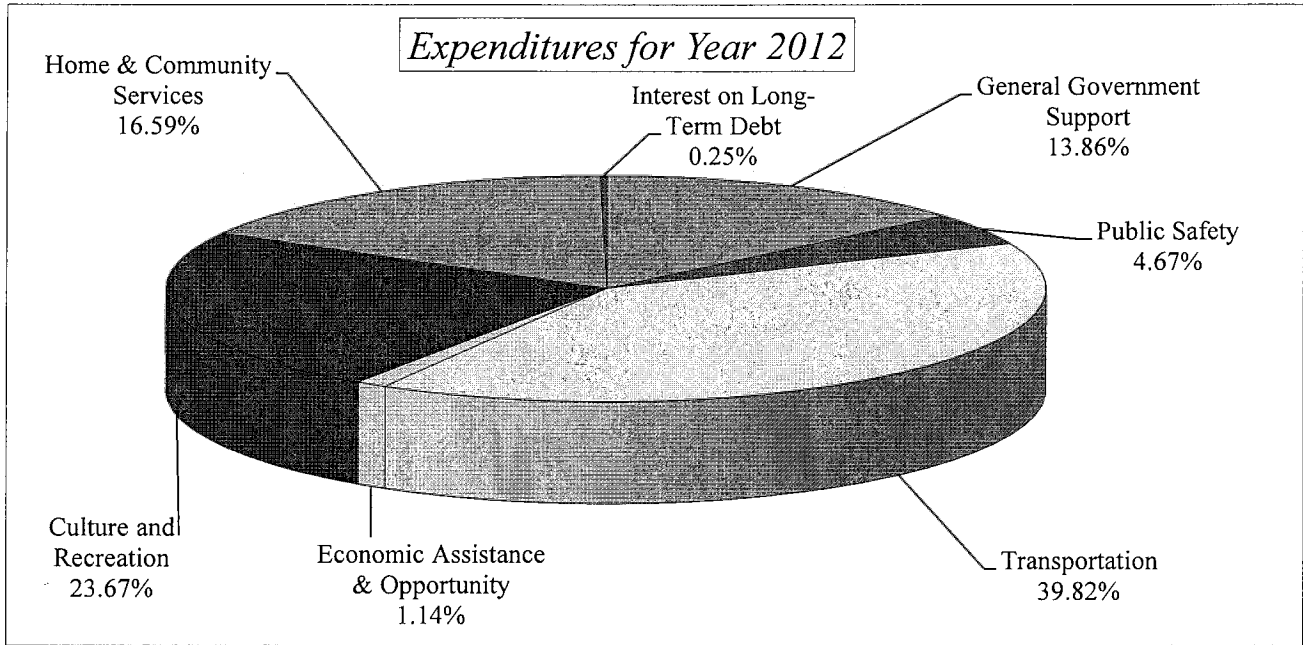
The Town’s total revenues were more for 2012 than they were the year before, increasing by 4% to \$16,607,392. The Town relies upon taxes, charges for services, capital and operating grants as their primary revenue sources.

The Town’s total expenditures were more for 2012 than they were the year before, increasing by 2% to \$15,266,974.

See table below:

			%
<u>Revenues:</u>	<u>2012</u>	<u>2011</u>	<u>Variance</u>
Charges for Services	\$ 4,218,745	\$ 4,831,744	-12.69%
Operating Grants & Contributions	285,312	414,991	-31.25%
Capital Grants & Contributions	2,260,149	1,156,190	95.48%
Taxes	9,461,316	9,181,421	3.05%
Other Revenues	381,870	461,318	-17.22%
Total Revenues	<u>\$ 16,607,392</u>	<u>\$ 16,045,664</u>	<u>3.50%</u>
<u>Expenditures:</u>			
General Government Support	\$ 2,116,758	\$ 2,284,470	-7.34%
Public Safety	713,675	731,285	-2.41%
Transportation	6,077,364	5,834,402	4.16%
Economic Assistance	174,029	181,021	-3.86%
Culture & Recreation	3,614,303	3,495,412	3.40%
Home & Community Services	2,532,359	2,388,329	6.03%
Interest on Long-Term Debt	38,486	45,179	-14.81%
Total Expenditures	<u>\$ 15,266,974</u>	<u>\$ 14,960,098</u>	<u>2.05%</u>
Change in Net Position	<u>\$ 1,340,418</u>	<u>\$ 1,085,566</u>	
Net Position - Beginning of Year	<u>55,370,147</u>	<u>54,284,581</u>	
Net Position - End of Year	<u>\$ 56,710,565</u>	<u>\$ 55,370,147</u>	





Financial Analysis of the Town of Henrietta'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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year and amounts to be applied against next years fund balance.

As of the end of the current year, the Town's combined governmental fund balances are \$18,188,842 which is greater than last year's ending fund balance of \$17,287,088.

Of the total combined fund balances, \$183,012 has been designated as nonspendable fund balance, \$5,114,557 has been designated as restricted fund balance, \$2,115,510 has been designated as assigned fund balance and the remaining balance of \$10,775,763 (unassigned fund balance) is primarily for providing cash flow and for future spending needs.

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 \$12,817,432, of which \$10,775,763 was unassigned. The fund balance for the Town of Henrietta's General Fund increased by \$971,803 compared with the prior year.

Budgetary Highlights

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

<u>Revenue Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanation for Budget Variance</u>
General Fund-Non-Property Taxes	\$919,562	Sales tax continues to be higher than expected given the current economic conditions.
General Fund-Miscellaneous	\$127,971	Timber harvest and cell tower rentals
General Fund-Interfund Revenue	\$200,265	General service garage chargebacks
Highway Fund-Operating Transfers-In	(\$369,538)	Board decision not to transfer money to Highway Fund.

<u>Expenditure Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanation for Budget Variance</u>
General Fund-General Government Support	\$749,528	Conservative budget estimates for fuel and utilities.
General Fund-Public Safety	\$111,889	Mostly due to professional fees being less than estimated.
General Fund-Employee Benefits	\$245,913	Actual employee benefit costs were less than estimated. Also, revised allocation of employee costs to other funds where applicable.
General Fund-Operating Transfers-Out	\$369,538	Board decision not to transfer money to Highway Fund.
Highway Fund-Transportation	\$404,099	Fewer projects completed and mild winter conditions.
Sewer Fund-Home and Community Services	\$123,218	Fewer sewer projects along with overall conservative budget estimates.
Drainage Fund-Home and Community Services	\$172,556	Fewer drainage projects identified.

Capital Assets

A listing of capital assets, net of accumulated depreciation, is reflected below:

	<u>2012</u>	<u>2011</u>
Land	\$ 3,671,258	\$ 3,671,258
Infrastructure	27,354,867	26,899,779
Buildings and Improvements	5,170,101	4,963,920
Machinery and Equipment	3,599,643	3,457,790
Work in Progress	-	543,516
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 39,795,869</u>	<u>\$ 39,536,263</u>

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

Long-Term Debt

The general obligation and other long-term debt of the Town is as follows:

	<u>2012</u>	<u>2011</u>
Serial Bonds	\$ 390,000	\$ 510,000
Revolving Fund Revenue Bonds	840,000	900,000
Compensated Absences	29,167	26,387
Total	<u>\$ 1,259,167</u>	<u>\$ 1,436,387</u>

The amount of principal paid on outstanding debt was \$180,000. 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

Substantial rate increases announced by the New York State Employees' Retirement System, combined with expanding health insurance costs, will require increases in budgetary allocations over the next several years.

Requests for Information

This financial report is designed to provide a general overview of the Town of Henrietta's finances for all 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 Henrietta
475 Calkins Road
P.O. Box 999
Henrietta, New York 14467-0999

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Net Position

December 31, 2012

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 16,977,437
Accounts receivable, net	836,459
Due from other governments, net	841,298
State and federal aid receivable	174,026
Prepaid items	183,012
Capital assets:	
Land and work in progress	3,671,258
Other capital assets, net of depreciation	36,124,611
TOTAL ASSETS	\$ 58,808,101
LIABILITIES	
Accounts payable and other current liabilities	\$ 495,533
Accrued liabilities	305,806
Unearned revenue	37,030
Noncurrent liabilities:	
Due in one year	197,292
Due in more than one year	1,061,875
TOTAL LIABILITIES	\$ 2,097,536
NET POSITION	
Net investment in capital assets	\$ 38,565,869
Restricted for:	
Capital reserves	684,884
Other purposes	4,343,233
Unrestricted	13,116,579
TOTAL NET POSITION	\$ 56,710,565

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Activities

For the Year Ended December 31, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets Primary Government</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Primary Government:					
Governmental Activities:					
General government support	\$ 2,116,758	\$ 26,978	\$ 261,652	\$ -	\$ (1,828,128)
Public safety	713,675	1,717,260	-	-	1,003,585
Transportation	6,077,364	776,090	-	993,246	(4,308,028)
Economic assistance and opportunity	174,029	-	-	-	(174,029)
Culture and recreation	3,614,303	785,815	23,660	-	(2,804,828)
Home and community services	2,532,359	912,602	-	1,266,903	(352,854)
Interest on long-term debt	38,486	-	-	-	(38,486)
Total Governmental Activities	\$ 15,266,974	\$ 4,218,745	\$ 285,312	\$ 2,260,149	\$ (8,502,768)
Total Primary Government	\$ 15,266,974	\$ 4,218,745	\$ 285,312	\$ 2,260,149	\$ (8,502,768)
 General Revenues:					
Taxes:					
Property taxes					\$ 5,579,730
Non-property taxes					3,019,562
Mortgage tax					862,024
Compensation for loss					67,519
Investment earnings					60,772
Miscellaneous					253,579
Total General Revenues					\$ 9,843,186
Change in Net Position					\$ 1,340,418
Net Position - Beginning					55,370,147
Net Position - Ending					\$ 56,710,565

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Balance Sheet

Governmental Funds

December 31, 2012

	Major		
	General Fund	Highway Fund	Sewer Fund
Assets			
Cash and cash equivalents	\$ 11,852,954	\$ 690,174	\$ 1,042,727
Receivables, net	404,755	890	430,814
Due from other governments, net	832,857	5,991	-
State and federal aid receivable	1,080	172,946	-
Prepaid items	64,138	60,247	17,299
Total Assets	\$ 13,155,784	\$ 930,248	\$ 1,490,840
Liabilities and Fund Balance			
Liabilities:			
Accounts payable and other current liabilities	\$ 219,772	\$ 200,270	\$ 37,340
Accrued liabilities	118,580	85,680	29,345
Overpayments and collections in advance	-	-	1,623
Unearned revenue	-	-	37,030
Total Liabilities	\$ 338,352	\$ 285,950	\$ 105,338
Fund Balances:			
Nonspendable	\$ 64,138	\$ 60,247	\$ 17,299
Restricted	684,884	-	1,368,203
Assigned	1,292,647	584,051	-
Unassigned	10,775,763	-	-
Total Fund Balances	\$ 12,817,432	\$ 644,298	\$ 1,385,502
Total Liabilities and Fund Balances	\$ 13,155,784	\$ 930,248	\$ 1,490,840

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Interest is accrued on outstanding bonds in the statement of net assets but not in the funds.

The following long-term obligations are not due and payable in the current period, therefore are not reported in the governmental funds:

Serial bonds payable

Compensated absences are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position.

Net Position of Governmental Activities

The notes to the financial statements are an integral part of this statement.

<u>Drainage Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,021,822	\$ 1,369,760	\$ 16,977,437
-	-	836,459
-	2,450	841,298
-	-	174,026
14,384	26,944	183,012
<u>\$ 2,036,206</u>	<u>\$ 1,399,154</u>	<u>\$ 19,012,232</u>

\$ 10,310	\$ 26,218	\$ 493,910
18,595	38,627	290,827
-	-	1,623
-	-	37,030
<u>\$ 28,905</u>	<u>\$ 64,845</u>	<u>\$ 823,390</u>

\$ 14,384	\$ 26,944	\$ 183,012
1,992,917	1,068,553	5,114,557
-	238,812	2,115,510
-	-	10,775,763
<u>\$ 2,007,301</u>	<u>\$ 1,334,309</u>	<u>\$ 18,188,842</u>
<u>\$ 2,036,206</u>	<u>\$ 1,399,154</u>	

39,795,869

(14,979)

(1,230,000)

(29,167)

\$ 56,710,565

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2012

	Major		
	General Fund	Highway Fund	Sewer Fund
Revenues:			
Real property and tax items	\$ 144,169	\$ 2,487,011	\$ 546,409
Non-property taxes	3,019,562	-	-
Departmental income	1,727,143	-	912,602
Intergovernmental charges	56,057	720,033	-
Use of money and property	41,942	5,178	3,651
Licenses and permits	524,752	-	-
Fines and forfeitures	207,319	-	-
Sale of property and compensation for loss	18,524	47,703	-
Miscellaneous	223,971	2,522	75
Interfund revenues	450,265	-	-
State and county aid	1,147,336	172,946	-
Total Revenues	\$ 7,561,040	\$ 3,435,393	\$ 1,462,737
Expenditures:			
Current:			
General government support	\$ 2,346,524	\$ 34,306	\$ 16,145
Public safety	566,105	-	-
Transportation	211,766	2,911,683	-
Economic assistance and opportunity	137,915	-	-
Culture and recreation	1,967,493	-	-
Home and community services	99,574	-	1,442,485
Employee benefits	856,897	666,941	286,582
Debt Service:			
Debt service - principal	120,000	-	-
Debt service - interest and other charges	22,963	-	-
Total Expenditures	\$ 6,329,237	\$ 3,612,930	\$ 1,745,212
Excess (deficiency) of revenue over expenditures	\$ 1,231,803	\$ (177,537)	\$ (282,475)
Other Financing Sources and Uses:			
Operating transfers - in	\$ -	\$ -	\$ -
Operating transfers - out	(260,000)	-	-
Total Other Financing Sources and Uses	\$ (260,000)	\$ -	\$ -
Net change in fund balances	\$ 971,803	\$ (177,537)	\$ (282,475)
Fund Balance - Beginning	11,845,629	821,835	1,667,977
Fund Balance - Ending	\$ 12,817,432	\$ 644,298	\$ 1,385,502

The notes to the financial statements are an integral part of this statement.

<u>Drainage Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 806,889	\$ 1,595,252	\$ 5,579,730
-	-	3,019,562
-	70,839	2,710,584
-	-	776,090
5,617	4,384	60,772
-	-	524,752
-	-	207,319
-	1,292	67,519
360	12,501	239,429
-	-	450,265
-	-	1,320,282
<u>\$ 812,866</u>	<u>\$ 1,684,268</u>	<u>\$ 14,956,304</u>
\$ 10,763	\$ 9,620	\$ 2,417,358
-	-	566,105
-	263,889	3,387,338
-	-	137,915
-	1,045,935	3,013,428
439,439	2,100	1,983,598
175,610	342,454	2,328,484
-	60,000	180,000
-	17,361	40,324
<u>\$ 625,812</u>	<u>\$ 1,741,359</u>	<u>\$ 14,054,550</u>
<u>\$ 187,054</u>	<u>\$ (57,091)</u>	<u>\$ 901,754</u>
\$ -	\$ 260,000	\$ 260,000
-	-	(260,000)
<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ -</u>
\$ 187,054	\$ 202,909	\$ 901,754
1,820,247	1,131,400	17,287,088
<u>\$ 2,007,301</u>	<u>\$ 1,334,309</u>	<u>\$ 18,188,842</u>

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 901,754

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Addition of assets	\$ 3,600,573	
Depreciation	(3,333,304)	
Gain/(Loss) on sale of assets	<u>(7,663)</u>	259,606

Bond and installment purchase debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. The following details these items as they effect the governmental activities:

Debt repayment	180,000
----------------	---------

Compensated absences represents the value of the earned and unused portion of the liability for vacation and compensatory time. They are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change of compensated absences. (2,780)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,838

Change in Net Position of Governmental Activities \$ 1,340,418

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2012

	<u>Expendable Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ -	\$ 2,629,735
Accounts receivable	-	2,500
	<u>-</u>	<u>2,500</u>
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 2,632,235</u>
LIABILITIES		
Parks capital	\$ -	\$ 1,146,054
Developer deposits	-	1,135,726
Other liabilities	-	350,455
	<u>-</u>	<u>350,455</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 2,632,235</u>
NET POSITION		
Unrestricted	<u>\$ -</u>	
TOTAL NET POSITION	<u>\$ -</u>	

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Notes To The Basic Financial Statements

December 31, 2012

I. Summary of Significant Accounting Policies:

The financial statements of the Town of Henrietta, Monroe County, New York (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. Financial Reporting Entity

The Town is governed by its charter, Town Law, other general laws of the State of New York, and various local laws. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the Supervisor and four Councilpersons. The Supervisor serves as Chief Executive Officer and Chief Fiscal Officer of the Town. The Supervisor is elected to serve a two year term. The Council persons are elected to serve four year terms with two Council persons on the ballot every two years.

The Town provides the following basic services to all or some residents of the Town: highway maintenance, recreation facilities and program, environmental services, sanitation and library services.

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 Town defines its reporting entity in accordance with GASB. Based on the criteria under this Statement, there are no component units to be included in the reporting entity.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

1. Government-Wide Statements

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds.

The government-wide statements are prepared using the economic resources measurement focus. This differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government –wide statements and the statements for governmental funds.

(I.) (Continued)

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Town's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which governmental function is self-financing or draws from the general operating fund.

2. Fund Financial Statements

Fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary Funds are reported by fund type.

The Governmental Funds are accounted for on the "flow of current financial resources" measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The private purpose trust fund is reported using the economic resources measurement focus.

- a. **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 following are the Town's governmental fund types.

1. Major Governmental Funds

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

Highway Fund - a special revenue fund used to account for taxes, user fees, or other revenues which are raised or received to provide highway services to areas throughout the Town.

Sewer Fund - a special revenue fund used to account for user fees or other revenues which are raised to provide sewer services to Town residents.

Drainage Fund - a special revenue fund used to account for the financial transactions of drainage districts.

(I.) (Continued)

2. **Non-Major Governmental Funds**

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

Capital Projects Fund - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities, or the acquisition of equipment.

Special Revenue Funds - 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 are non-major special revenue funds utilized by the Town:

Public Library Fund	Transportation Fund
Street Lighting Fund	Consolidated Sewer Fund
Parks Fund	

b. **Fiduciary Funds**

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

Agency Fund – is custodial in nature and does not present results of operations or have measurement focus. The Agency Fund is accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity.

3. **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary Funds also use the accrual basis of accounting.

a. **Modified Accrual**

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both available and measurable. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable- type grants, town clerk fees and snow and ice reimbursements. The Town considers all revenues as available if collected within one year from the balance sheet date. Property taxes are recognized when taxes are received. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due and compensated absences which are recorded when due/paid.

(I.) (Continued)

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the Town will receive any amounts; therefore, revenues are recognized based upon the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In all cases, monies received before the revenue recognition criteria have been met are reported as deferred revenue.

b. Accrual

Under this basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred regardless of the timing of cash inflows and outflows.

C. Assets, Liabilities, and Equity

1. Cash and Investments

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

State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments are stated at cost, which approximates market value.

2. Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Management has deemed amounts to be fully collectible and as such no allowance has been provided. Major receivable balances for the governmental activities include sales tax and sewer fees.

3. Inventory

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.

4. Due To/From Other Funds

The amounts reported on the Governmental Funds Balance Sheet for due to and due from other funds represents amounts due between different fund types (general, highway 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.

(I.) (Continued)

5. **Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both governmental-wide and fund financial statements.

6. **Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Town. Purchased assets are recorded as expenditures in the fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets (back to January 1, 1974) have been valued at estimated historical cost.

A capitalization threshold of \$2,500 is used to report capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Class</u>	<u>Life in Years</u>
Buildings	15-20 Years
Water & Sewer Systems	30 Years
Machinery and Equipment	5-15 Years
Improvements; Parking Lots	5-10 Years
Roads, Sidewalks, Curbing, Light Systems, Gutters	30 Years

7. **Unearned Revenue**

The Town reports deferred revenues in its basic financial statements. Deferred revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Deferred revenue also arises when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to resources, the liability for deferred revenue is removed and revenue is recognized.

8. **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities and long-term obligations are reported in the town-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds 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.

(I.) (Continued)

a. **Compensatory Absences**

Pursuant to contractual agreements, Town employees are credited with a maximum of 22 days vacation, on the employee's anniversary date; no more than five days of vacation leave credits may be carried into a subsequent anniversary period, and this option may be exercised only every other year, for bargaining unit employees. An individual who leaves the employment of the Town is entitled to be paid for unused vacation leave.

b. **Other Benefits**

Town employees participate in the New York State Employees' Retirement System.

In addition to providing pension benefits, the Town provides post-employment health coverage to retired employees in accordance with the provision of various employment contracts in effect at the time of retirement. The Town recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

9. **Encumbrances**

For financial reporting purposes encumbrances have been reclassified to assigned fund balance on the governmental funds for general fund and assigned or restricted fund balance in the highway and sewer fund. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, town-wide capital improvement project and nonmajor funds.

10. **Equity Classifications**

a. **Government-Wide Statements**

Equity is classified as net position and displayed in three components:

1. **Net investment in capital assets** - consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Additionally, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
2. **Restricted net position** - consists of restricted assets (i.e. restrictions imposed by (1). external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enable legislation) reduced by liabilities and deferred inflows related to those assets.
3. **Unrestricted net position** - consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

b. **Financial Statements –Fund Balance**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.
2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
4. **Unassigned fund balance** – Amounts that are available for town purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund.

c. The Board has passed the following policies that relate to GASB No. 54:

1. **Assigned fund balance** – The purchasing agent is responsible for all of the purchasing activities of the Town and therefore, is designated as having the authority to assign amounts intended to be used for a specific purpose. (Encumbrances at year-end will now be considered assigned funds.)

The Town Board has the authority to assign fund balance for the purpose of tax reduction on an annual basis. (Appropriation of fund balance for ensuing year's budget)

2. **Spending policy** – Resources will generally be spent from Budgetary Appropriations first. Utilization of reserve funds will be determined based on the legal appropriation of such funds which require either the Town Board and/or Town voter approval. Furthermore, assigned amounts will be considered expended when the transaction for which the assignment was made does occur.
3. **Order of fund balance** – The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Special revenue fund balances are classified as assigned, and any remaining fund balance amounts other than the General Fund are classified as restricted.

(I.) (Continued)

In the General Fund, assigned fund balance is determined before the remaining amounts which are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

It is possible for the funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance.

D. Revenues, Expenditures/Expenses

1. Revenues

Real Property taxes are levied annually, no later than December 31, and become a lien on January 1. Taxes are collected during the period January 1 to March 31. Taxes for County purposes are levied together with taxes for Town and special district purposes on a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Uncollected taxes at June 1 are turned over to Monroe County for collection.

The County of Monroe currently imposes a *sales and use tax*. Based upon a complex formula, a portion of the total revenue collected is allocated annually to the Town in four quarterly installments.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

2. Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character:	Current (further classified by function)
	Debt Service
	Capital outlay

In the fund financial statements, governmental funds report expenditures of financial resources. Government-wide financial statements report expenses relating to use of economic resources.

E. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

(I.) (Continued)

1. **Fund Financial Statements**

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. **Interfund loan** – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. **Interfund services** – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. **Interfund reimbursements** – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds
- d. **Interfund transfers** – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

2. **Government-Wide Financial Statements**

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

- a. **Internal balances** – amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental columns of the Statement of Net Position, except for the net residual amounts due between governmental funds.
- b. **Internal activities** – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

F. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

G. **Impact of Recently Issued Accounting Principles**

1. **Changes in Accounting Standards**

GASB has issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Statement of Net Assets is renamed the Statement of Net Position and includes four components: assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The Town adopted the provisions of the statement for the year ended December 31, 2012.

(I.) (Continued)

2. **Recently Issued Accounting Pronouncements**

The GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, which will be effective for the year ending December 31, 2013.

The GASB has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which will be effective for the year ending December 31, 2013.

The GASB has issued Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*, which will be effective for the year ending December 31, 2014.

The GASB has issued Statement No. 68, *Accounting and Reporting for Pension Plans – an Amendment of GASB Statement No. 27*, which will be effective for the year ending December 31, 2015.

The GASB has issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, which will be effective for the year ending December 31, 2014.

The Town is currently studying these statements and plans on adoption as required.

II. **Stewardship, Compliance and Accountability:**

By its nature as a local government unit, the Town is subject to various federal, state and local laws and contractual regulations. An analysis of the Town's compliance with significant laws and regulations and demonstration of its stewardship over Town resources follows.

A. **Budgetary Data**

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

- a. No later than September 30, the budget officer submits a tentative budget to the Town Clerk for submission to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than December 20, the Town Board adopts the budget.
- c. All modifications of the budget must be approved by the Town Board. (However, the Town Supervisor is authorized to transfer certain budgeted amounts within departments.)
- d. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects which remain in effect for the life of the project.

(II.) (Continued)

2. **Budget Basis of Accounting**

Budget(s) 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.

3. **Revenue Restrictions**

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are those revenues raised for the special district special revenue funds.

B. **Deposit and Investment Laws and Regulations**

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 the date of acquisition.

New York State Law governs the Town's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

III. **Detail Notes on All Funds and Account Groups:**

A. **Cash**

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these notes.

The Town's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution		9,357,996
Collateralized within Trust department or agent		9,080,637
Total	\$	<u>18,438,633</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$806,289 within the governmental funds.

(III.) (Continued)

B. Receivables

Receivables at December 31, 2012 consisted of the following:

<u>Description</u>	<u>Amount</u>
State Aid	\$ 1,080
State Aid - Chips	172,946
Monroe County Sales Tax	812,116
Monroe County, Miscellaneous	25,942
Fire Alarms	18,800
Fines, Fees, and Forfeitures	15,186
G.S.G. Charge Backs	179,749
Town Clerk Report	49,168
Building Report	29,136
Engineering	63,872
Sewer Rents Receivable	429,789
Property Maintenance	48,585
Miscellaneous	5,414
Total	\$ 1,851,783

C. Interfund Revenues and Expenditures

Interfund revenues and expenditures at December 31, 2012 were as follows:

<u>Fund</u>	<u>Interfund Revenues</u>	<u>Interfund Expenditures</u>
General	\$ -	\$ 260,000
Library	260,000	-
Total	\$ 260,000	\$ 260,000

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position.

The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are expected to be repaid within one year.

(III.) (Continued)

D. Changes In Fixed Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>01/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/12</u>
<u>Capital assets not being Depreciated:</u>				
Land	\$ 3,671,258	\$ -	\$ -	\$ 3,671,258
Work in progress	543,516	-	(543,516)	-
<i>Total capital assets not being depreciated</i>	<u>\$ 4,214,774</u>	<u>\$ -</u>	<u>\$ (543,516)</u>	<u>\$ 3,671,258</u>
<u>Other capital assets:</u>				
Buildings and improvements	\$ 10,762,764	\$ 446,388	\$ -	\$ 11,209,152
Machinery and equipment	6,332,650	564,715	(335,930)	6,561,435
Infrastructure	62,391,995	3,132,986	-	65,524,981
<i>Total other capital assets at historical cost</i>	<u>\$ 79,487,409</u>	<u>\$ 4,144,089</u>	<u>\$ (335,930)</u>	<u>\$ 83,295,568</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	\$ 5,798,844	\$ 240,207	\$ -	\$ 6,039,051
Machinery and equipment	2,874,860	415,199	(328,267)	2,961,792
Infrastructure	35,492,216	2,677,898	-	38,170,114
<i>Total accumulated depreciation</i>	<u>\$ 44,165,920</u>	<u>\$ 3,333,304</u>	<u>\$ (328,267)</u>	<u>\$ 47,170,957</u>
<i>Other capital assets, net</i>	<u>\$ 35,321,489</u>	<u>\$ 810,785</u>	<u>\$ (7,663)</u>	<u>\$ 36,124,611</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 39,536,263</u>	<u>\$ 810,785</u>	<u>\$ (551,179)</u>	<u>\$ 39,795,869</u>

Depreciation expense for the period was charged to functions/programs as follows:

<u>Governmental Activities:</u>	
General Government	\$ 65,339
Public Safety	26,000
Transportation	2,417,454
Culture and Recreation	184,708
Home and Community Services	639,803
Total Depreciation Expense	<u><u>\$ 3,333,304</u></u>

E. Long-Term Debt

At December 31, 2012 the total outstanding obligations of the Town aggregated \$1,259,167 as follows:

- Environmental Facilities Corp./Revolving Fund Revenue Bonds** - The Town has borrowed money from the Environmental Facilities Corp. for water pollution control in the Town. The interest is subsidized by the Environmental Facilities Corp. through the State Revolving Fund by approximately one half.

(III.) (Continued)

2. **Serial Bonds** - The Town, borrows money in order to acquire land or high cost equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the Town. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Interest on long-term debt for the year was composed of:

Interest paid	\$ 40,324
<u>Less:</u> interest accrued in the prior year	(16,817)
<u>Plus:</u> interest accrued in the current year	14,979
Total interest expense	<u><u>\$ 38,486</u></u>

3. **Other Long-Term Obligations** - In addition to long-term bonded debt the Town had the following other obligations:

Compensated Absences - represents the value of earned and unused vacation leave and compensatory time.

4. **Summary of Debt** - The following is a summary of obligations outstanding at December 31, 2012:

	<u>Balance</u> <u>1/1/2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2012</u>	<u>Classified As</u>	
					<u>Current</u>	<u>Non-Current</u>
Serial Bonds	\$ 510,000	\$ -	\$ 120,000	\$ 390,000	\$ 130,000	\$ 260,000
Revolving Fund Revenue Bonds	900,000	-	60,000	840,000	60,000	780,000
Compensated Absences	26,387	2,780	-	29,167	7,292	21,875
Total Obligations	<u><u>\$ 1,436,387</u></u>	<u><u>\$ 2,780</u></u>	<u><u>\$ 180,000</u></u>	<u><u>\$ 1,259,167</u></u>	<u><u>\$ 197,292</u></u>	<u><u>\$ 1,061,875</u></u>

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

(III.) (Continued)

5. **Debt Maturity Schedule** - The following is a statement of bonds with corresponding maturity schedules:

<u>Purpose</u>	<u>Date</u>	<u>Interest</u>	<u>Amount Outstanding 12/31/12</u>	<u>Year of Final Maturity</u>
Serial and Statutory - Public Improvement	2001	4.25%	\$ 390,000	2015
Revolving Fund Revenue Bonds -				
State Water Pollution Control**	2010C	0.95%-3.38%*	200,000	2019
State Water Pollution Control**	2007D	3.63%*	640,000	2028
Total			\$ 1,230,000	

* This interest is subsidized by the Environmental Facilities Corporation through the State Revolving Fund by approximately one half.

** The interest paid on these bonds was paid net of interest revenue earned as follows:

<u>Bond</u>	<u>Gross Interest Expense</u>	<u>Interest and Subsidy Revenue</u>	<u>Net Interest Paid</u>
2010C	\$ 5,356	\$ 2,678	\$ 2,678
2007D	29,049	14,366	14,683
Total	\$ 34,405	\$ 17,044	\$ 17,361

The Town had entered into an agreement with South Central Pure Waters District of Monroe County, whereby the District assumed responsibility for the operation and maintenance costs of the Town's sewage treatment.

6. The following table summarizes the Town's future debt service requirements as of December 31, 2012:

<u>Year</u>	<u>Bonds</u>	<u>Interest</u>
2013	\$ 190,000	\$ 50,376
2014	190,000	42,678
2015	195,000	34,822
2016	65,000	26,631
2017	65,000	24,336
2018-22	260,000	86,216
2023-27	220,000	36,851
2028	45,000	1,069
Total	\$ 1,230,000	\$ 302,979

In prior years, the Town defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. \$200,000 of bonds outstanding are considered defeased.

(III.) (Continued)

F. Fund Balances/Net Position

1. Fund Balances

a. Nonspendable

The Town has the following nonspendable funds:

Nonspendable Prepaid Items - The Town has prepaid various items and the cash is no longer available therefore those funds are nonspendable.

b. Restricted

Currently, New York State laws still use the terminology reserves. The Town currently utilizes the following reserves which are classified as restricted funds:

Special Districts – Town special districts fund balance is considered restricted as the revenues are raised by a specific taxing jurisdiction and can only be expended for that purpose. The Town has the following special districts:

Street Lighting	Consolidated Sewer	Parks
Sewer	Drainage	Transportation

Capital Reserves - As provided in General Municipal Law Section 6, the Town has established the following Capital Reserve:

	<u>Balance</u> <u>01/01/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/12</u>
<u>General Fund -</u> Capital Building Reserve	\$ 433,331	\$ 251,553	\$ -	\$ 684,884

c. Assigned

The Town has the following assigned funds:

General Fund –	1. Appropriated for Taxes 2. Encumbrances
Highway Fund –	1. Year End Equity 2. Encumbrances 3. Appropriated for Taxes
Sewer Fund –	1. Year End Equity 2. Encumbrances
Capital Projects –	1. Year End Equity
Library Fund –	1. Year End Equity 2. Appropriated for Taxes

Encumbrances represent purchase commitments made by the Town’s purchasing agent through their authorization of a purchase order prior to year end. The Town assignment is based on the functional level of expenditures.

(III.) (Continued)

Significant encumbrances for the general fund, management has determined that amounts in excess of \$65,000 are considered significant and are summarized below:

- There were no significant encumbrances in General Fund.

The remaining funds do not have encumbrances that are considered significant.

d. Unassigned

Unassigned funds include the residual classification for the Town's general fund and all spendable amounts not contained in other classifications.

The following table summarizes the Town's fund balance according to the descriptions above:

FUND BALANCE:	General Fund	Highway Fund	Sewer Fund	Drainage Fund	Capital Projects	Non- Major Funds	Total
Nonspendable -							
Prepaid items	\$ 64,138	\$ 60,247	\$ 17,299	\$ 14,384	\$ -	\$ 26,944	\$ 183,012
Total Nonspendable	\$ 64,138	\$ 60,247	\$ 17,299	\$ 14,384	\$ -	\$ 26,944	\$ 183,012
Restricted -							
Appropriated for taxes	\$ -	\$ -	\$ 395,146	\$ 76,390	\$ -	\$ 58,663	\$ 530,199
Capital project #2	-	-	-	-	116,613	-	116,613
Sewer project	-	-	-	-	2,613	-	2,613
DPW project	-	-	-	-	2,179	-	2,179
Capital reserve	684,884	-	-	-	-	-	684,884
Transportation	-	-	-	-	-	594,177	594,177
Parks	-	-	-	-	-	23,787	23,787
Sewer	-	-	973,057	-	-	-	973,057
Street lighting	-	-	-	-	-	210,169	210,169
Consolidated sewer	-	-	-	-	-	60,352	60,352
Drainage	-	-	-	1,916,527	-	-	1,916,527
Total Restricted	\$ 684,884	\$ -	\$ 1,368,203	\$ 1,992,917	\$ 121,405	\$ 947,148	\$ 5,114,557
Assigned -							
Appropriated for taxes	\$ 1,288,626	\$ 390,045	\$ -	\$ -	\$ -	\$ 26,622	\$ 1,705,293
Highway	-	194,006	-	-	-	-	194,006
Library	-	-	-	-	-	212,190	212,190
General government support	3,033	-	-	-	-	-	3,033
Economic opportunity and development	100	-	-	-	-	-	100
Culture and recreation	888	-	-	-	-	-	888
Total Assigned	\$ 1,292,647	\$ 584,051	\$ -	\$ -	\$ -	\$ 238,812	\$ 2,115,510
Unassigned	\$ 10,775,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,775,763
TOTAL FUND BALANCE	\$ 12,817,432	\$ 644,298	\$ 1,385,502	\$ 2,007,301	\$ 121,405	\$ 1,212,904	\$ 18,188,842

(III.) (Continued)

The following special revenue funds restricted fund balances have monies appropriated for 2013 taxes:

	<u>Total</u>
Street Lighting	\$ 4,613
Transportation	23,500
Parks	<u>30,550</u>
Total Special Revenue	
Restricted Appropriated for Taxes	<u>\$ 58,663</u>

2. **Net Position - Restricted for Other Purposes**

Represents those amounts which have been restricted by enabling legislation or Board Resolutions.

	<u>Total</u>
Sewer	\$ 1,385,502
Consolidated Sewer	60,352
Drainage	2,007,301
Street lighting	214,782
Parks	57,619
Transportation	<u>617,677</u>
Total Net Position - Restricted	
for Other Purposes	<u>\$ 4,343,233</u>

IV. **Other Notes:**

A. **Employee Pension and Other Benefit Plans**

1. **Pension Plans**

Plan Description

The Town participates in the New York State and Local Employees' Retirement System (ERS). This is a cost sharing multiple employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transactions 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 System, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

(IV.) (Continued)

Funding Policy

The System is noncontributory for the employee, except for those who joined the system after July 27, 1976 and before January 1, 2010 with less than ten years membership, who contribute 3% of their salary. Those joining on or after January 1, 2010 are required to contribute 3.5% of their annual salary for their entire career. For NYSERS 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.

The Town of Henrietta, Monroe County, New York is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>ERS</u>
2012	\$ 733,565
2011	\$ 676,647
2010	\$ 427,832

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

2. Deferred Compensation Plan

The Town maintains a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code for which Town employees have the option to participate.

3. Postemployment Benefits

The Town does not provide postemployment benefits in the form of health insurance after retirement, however, the Town does provide life insurance coverage and survivor benefits for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. The life insurance is provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

The amount of life insurance will be equal to 90% of the amount for which an employee would be insured prior to retirement. This amount will decrease by 10% on each anniversary thereafter. Each reduced amount will be rounded to the nearest multiple of \$1,000, if not already an even multiple thereof, subject to a minimum of \$5,000. Amounts ending in \$500 will be rounded to the next higher multiple of \$1,000.

The Town's cost for postemployment life insurance to cover 28 retirees during 2012 was \$1,478. Since this is an immaterial amount the Town will continue on a pay as you go basis and no actuarial computation is anticipated to be completed.

(IV.) (Continued)

4. Compensatory Absences

Pursuant to contractual agreements, Town employees are credited with a maximum of 22 days vacation, on the employee's anniversary date; no more than five days of vacation leave credits may be carried into a subsequent anniversary period for bargaining unit employees. An individual who leaves the employment of the Town is entitled to be paid for unused vacation leave. The expense for those fringe benefits is recorded at the time the benefit is paid. The Town's computed accrued vacation pay liability at December 31, 2012 amounts to \$29,167.

Also, pursuant to agreement, employees can receive disability for a maximum of 165 days per year; a portion of the expense of this benefit is covered by insurance.

5. Health Reimbursement Account

The Town implemented a Health Reimbursement Account Plan (HRA). The Town contributes to the Plan for eligible employees based upon employment criteria as outlined in the Plan document. The eligible expenses allowed for reimbursement under the Plan are medical expenses as defined by IRS Code Section 213(d) and eligible over the counter medical expenses.

The Plan is accounted for on a calendar year basis. Any participant's funds remaining in the account at the end of a Plan year will be rolled over and added to the account of the next Plan year. The Plan is accounted for in the Town's Trust and Agency Fund and any unfunded liability is recorded proportionately in the funds. The balance in the account at December 31, 2012 totaled \$39,256.

B. Risk Management

1. General Information

The Town is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

C. Commitments and Contingencies

1. Contingent Liabilities

Program and administrative costs are subject to audit and adjustment by various State agencies. Differences between ultimate settlements and estimated costs included in the financial statements are recorded in the year of settlement. Town management believes that it is in substantial compliance with all program requirements.

2. Litigation

As of the report date, there are several pending notices of claim that have been filed against the Town, however, management believes they will be covered by the Town's insurance.

(IV.) (Continued)

3. Leases

a. Operating Leases

The Town of Henrietta court facilities currently rents space on a month to month basis. The total cost of renting this space for 2012 totaled \$59,500.

The Town of Henrietta recreation facilities currently rents space on a month to month basis. The total cost of renting this space for 2012 totaled \$58,500.

b. Monroe County Water Authority Retail Lease Agreement

The Monroe County Water Authority executed a retail lease agreement with the Town on July 8, 2002. The agreement states that the Authority will lease, maintain, repair, and operate the facilities of the District. As part of the agreement, the Authority agreed to undertake a capital improvement program to make improvements to the water system to be completed within five years of the agreement. The retail lease agreement has a term of 40 years and will automatically renew for two additional periods of 20 years each unless notice of cancellation is given by either party.

D. Rental of Town Property

The Town rents property to Sprint, Cricket, and T-Mobile Cellular for cellular tower usage. The Town also rents property for agricultural purposes. The total rental income received and accrued for the year ended December 31, 2012 totaled \$76,165.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Fund Types
For the Year Ended December 31, 2012

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 100,000	\$ 100,000	\$ 144,169	\$ -	\$ 44,169
Non-property taxes	2,100,000	2,100,000	3,019,562	-	919,562
Departmental income	1,683,628	1,683,628	1,727,143	-	43,515
Intergovernmental charges	50,000	50,000	56,057	-	6,057
Use of money and property	53,500	53,500	41,942	-	(11,558)
Licenses and permits	484,000	484,000	524,752	-	40,752
Fines and forfeitures	225,000	225,000	207,319	-	(17,681)
Sale of property and compensation for loss	11,000	11,000	18,524	-	7,524
Miscellaneous	96,000	96,000	223,971	-	127,971
Interfund revenues	250,000	250,000	450,265	-	200,265
State and county aid	1,100,674	1,100,674	1,147,336	-	46,662
Total Revenues	\$ 6,153,802	\$ 6,153,802	\$ 7,561,040	\$ -	\$ 1,407,238
Expenditures:					
Current:					
General government support	\$ 3,173,443	\$ 3,099,085	\$ 2,346,524	\$ 3,033	\$ 749,528
Public safety	677,994	677,994	566,105	-	111,889
Transportation	277,892	268,892	211,766	-	57,126
Economic assistance and opportunity	153,998	154,033	137,915	100	16,018
Culture and recreation	1,882,431	2,040,169	1,967,493	888	71,788
Home and community services	110,850	103,522	99,574	-	3,948
Employee benefits	1,102,810	1,102,810	856,897	-	245,913
Debt Service:					
Debt service - principal	120,000	120,000	120,000	-	-
Debt service - interest and other charges	22,963	22,963	22,963	-	-
Total Expenditures	\$ 7,522,381	\$ 7,589,468	\$ 6,329,237	\$ 4,021	\$ 1,256,210
Excess (deficiency) of revenue over expenditures	\$ (1,368,579)	\$ (1,435,666)	\$ 1,231,803	\$ (4,021)	\$ 2,663,448
Other Financing Sources and Uses:					
Operating transfers - out	\$ (629,538)	\$ (629,538)	\$ (260,000)	\$ -	\$ 369,538
Total Other Financing Sources and Uses	\$ (629,538)	\$ (629,538)	\$ (260,000)	\$ -	\$ 369,538
Net change in fund balances	\$ (1,998,117)	\$ (2,065,204)	\$ 971,803	\$ (4,021)	\$ 3,032,986
Fund Balance - Beginning	11,845,629	11,845,629	11,845,629	-	-
Fund Balance - Ending	\$ 9,847,512	\$ 9,780,425	\$ 12,817,432	\$ (4,021)	\$ 3,032,986

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Fund Types
December 31, 2012

HIGHWAY FUND					
	Original Budget		Actual	Encumbrances	Variance
	(Incl. Carryover Encumbrances)	Budget (Amended)			
Revenues:					
Real property and tax items	\$ 2,426,244	\$ 2,426,244	\$ 2,487,011	\$ -	\$ 60,767
Intergovernmental charges	625,000	625,000	720,033	-	95,033
Use of money and property	6,500	6,500	5,178	-	(1,322)
Sale of property and compensation for loss	25,000	25,000	47,703	-	22,703
Miscellaneous	5,000	5,000	2,522	-	(2,478)
State and county aid	172,771	172,771	172,946	-	175
Total Revenues	\$ 3,260,515	\$ 3,260,515	\$ 3,435,393	\$ -	\$ 174,878
Expenditures:					
Current:					
General government support	\$ 42,500	\$ 42,500	\$ 34,306	\$ -	\$ 8,194
Transportation	3,316,450	3,316,450	2,911,683	668	404,099
Employee benefits	722,736	722,736	666,941	-	55,795
Total Expenditures	\$ 4,081,686	\$ 4,081,686	\$ 3,612,930	\$ 668	\$ 468,088
Excess (deficiency) of revenue over expenditures	\$ (821,171)	\$ (821,171)	\$ (177,537)	\$ (668)	\$ 642,966
Other Financing Sources and Uses:					
Operating transfers - in	\$ 369,538	\$ 369,538	\$ -	\$ -	\$ (369,538)
Total Other Financing Sources and Uses	\$ 369,538	\$ 369,538	\$ -	\$ -	\$ (369,538)
Net change in fund balances	\$ (451,633)	\$ (451,633)	\$ (177,537)	\$ (668)	\$ 273,428
Fund Balance - Beginning	821,835	821,835	821,835	-	-
Fund Balance - Ending	\$ 370,202	\$ 370,202	\$ 644,298	\$ (668)	\$ 273,428

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Fund Types
For the Year Ended December 31, 2012

SEWER FUND

	Original Budget				
	(Incl. Carryover	Budget		Encumbrances	Variance
	Encumbrances)	(Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 546,409	\$ 546,409	\$ 546,409	\$ -	\$ -
Departmental income	954,705	954,705	912,602	-	(42,103)
Use of money and property	5,000	5,000	3,651	-	(1,349)
Miscellaneous	500	500	75	-	(425)
Total Revenues	\$ 1,506,614	\$ 1,506,614	\$ 1,462,737	\$ -	\$ (43,877)
Expenditures:					
Current:					
General government support	\$ 18,000	\$ 18,000	\$ 16,145	\$ -	\$ 1,855
Home and community services	1,598,535	1,566,659	1,442,485	956	123,218
Employee benefits	254,745	286,621	286,582	-	39
Total Expenditures	\$ 1,871,280	\$ 1,871,280	\$ 1,745,212	\$ 956	\$ 125,112
Excess (deficiency) of revenue over expenditures	\$ (364,666)	\$ (364,666)	\$ (282,475)	\$ (956)	\$ 81,235
Fund Balance - Beginning	1,667,977	1,667,977	1,667,977	-	-
Fund Balance - Ending	\$ 1,303,311	\$ 1,303,311	\$ 1,385,502	\$ (956)	\$ 81,235

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General and Major Special Revenue Fund Types
For the Year Ended December 31, 2012

	DRAINAGE FUND			
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Variance
Revenues:				
Real property and tax items	\$ 806,889	\$ 806,889	\$ 806,889	\$ -
Use of money and property	8,500	8,500	5,617	(2,883)
Sale of property and compensation for loss	500	500	-	(500)
Miscellaneous	-	-	360	360
Total Revenues	\$ 815,889	\$ 815,889	\$ 812,866	\$ (3,023)
Expenditures:				
Current:				
General government support	\$ 17,000	\$ 17,000	\$ 10,763	\$ 6,237
Home and community services	611,995	611,995	439,439	172,556
Employee benefits	186,894	186,894	175,610	11,284
Total Expenditures	\$ 815,889	\$ 815,889	\$ 625,812	\$ 190,077
Excess (deficiency) of revenue over expenditures	\$ -	\$ -	\$ 187,054	\$ 187,054
Fund Balance - Beginning	1,820,247	1,820,247	1,820,247	-
Fund Balance - Ending	\$ 1,820,247	\$ 1,820,247	\$ 2,007,301	\$ 187,054

The notes to the financial statements are an integral part of this statement.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

	Capital Projects Fund	Public Library Fund	Street Lighting Fund	Consolidated Sewer Fund
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Cash and cash equivalents	\$ 121,405	\$ 269,971	\$ 238,545	\$ 60,352
Due from other governments, net	-	2,450	-	-
Prepaid items	-	23,662	-	-
Total Assets	<u>\$ 121,405</u>	<u>\$ 296,083</u>	<u>\$ 238,545</u>	<u>\$ 60,352</u>
 Liabilities and Fund Balance				
Liabilities:				
Accounts payable and other current liabilities	\$ -	\$ 362	\$ 23,763	\$ -
Accrued liabilities	-	33,247	-	-
Total Liabilities	<u>\$ -</u>	<u>\$ 33,609</u>	<u>\$ 23,763</u>	<u>\$ -</u>
 Fund Balances:				
Nonspendable	\$ -	\$ 23,662	\$ -	\$ -
Restricted	121,405	-	214,782	60,352
Assigned	-	238,812	-	-
Total Fund Balances	<u>\$ 121,405</u>	<u>\$ 262,474</u>	<u>\$ 214,782</u>	<u>\$ 60,352</u>
Total Liabilities and Fund Balances	<u>\$ 121,405</u>	<u>\$ 296,083</u>	<u>\$ 238,545</u>	<u>\$ 60,352</u>

Parks Fund	Transportation Fund	Total Nonmajor Governmental Funds
\$ 61,810	\$ 617,677	\$ 1,369,760
-	-	2,450
3,282	-	26,944
<u>\$ 65,092</u>	<u>\$ 617,677</u>	<u>\$ 1,399,154</u>
\$ 2,093	\$ -	\$ 26,218
5,380	-	38,627
<u>\$ 7,473</u>	<u>\$ -</u>	<u>\$ 64,845</u>
\$ 3,282	\$ -	\$ 26,944
54,337	617,677	1,068,553
-	-	238,812
<u>\$ 57,619</u>	<u>\$ 617,677</u>	<u>\$ 1,334,309</u>
<u>\$ 65,092</u>	<u>\$ 617,677</u>	<u>\$ 1,399,154</u>

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2012

	Capital Projects Fund	Public Library Fund	Street Lighting Fund	Consolidated Sewer Fund
Revenues:				
Real property and tax items	\$ -	\$ 1,058,166	\$ 265,424	\$ 79,462
Departmental income	-	70,839	-	-
Use of money and property	335	1,363	830	52
Sale of property and compensation for loss	-	1,292	-	-
Miscellaneous	-	12,501	-	-
Total Revenues	\$ 335	\$ 1,144,161	\$ 266,254	\$ 79,514
Expenditures:				
Current:				
General government support	\$ -	\$ 8,174	\$ -	\$ -
Transportation	-	-	259,669	-
Culture and recreation	-	937,749	-	-
Home and community services	-	-	-	2,100
Employee benefits	-	293,190	-	-
Debt Service:				
Debt service - principal	-	-	-	60,000
Debt service - interest and other charges	-	-	-	17,361
Total Expenditures	\$ -	\$ 1,239,113	\$ 259,669	\$ 79,461
Excess (deficiency) of revenue over expenditures	\$ 335	\$ (94,952)	\$ 6,585	\$ 53
Other Financing Sources and Uses:				
Operating transfers - in	\$ -	\$ 260,000	\$ -	\$ -
Total Other Financing Sources and Uses	\$ -	\$ 260,000	\$ -	\$ -
Net change in fund balances	\$ 335	\$ 165,048	\$ 6,585	\$ 53
Fund Balance - Beginning	121,070	97,426	208,197	60,299
Fund Balance - Ending	\$ 121,405	\$ 262,474	\$ 214,782	\$ 60,352

Parks Fund	Transportation Fund	Total Nonmajor Governmental Funds
\$ 192,200	\$ -	\$ 1,595,252
-	-	70,839
310	1,494	4,384
-	-	1,292
-	-	12,501
<u>\$ 192,510</u>	<u>\$ 1,494</u>	<u>\$ 1,684,268</u>
\$ 1,446	\$ -	\$ 9,620
-	4,220	263,889
108,186	-	1,045,935
-	-	2,100
49,264	-	342,454
-	-	60,000
-	-	17,361
<u>\$ 158,896</u>	<u>\$ 4,220</u>	<u>\$ 1,741,359</u>
<u>\$ 33,614</u>	<u>\$ (2,726)</u>	<u>\$ (57,091)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,000</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,000</u>
\$ 33,614	\$ (2,726)	\$ 202,909
24,005	620,403	1,131,400
<u>\$ 57,619</u>	<u>\$ 617,677</u>	<u>\$ 1,334,309</u>