TOWN OF HENRIETTA

Monroe County, New York

BASIC FINANCIAL STATEMENTS

For Year Ended December 31, 2014

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Raymond F. Wager, CPA, P.C. Certified Public Accountants

Shareholders:

Raymond F. Wager, CPA Thomas J. Lauffer, CPA Thomas C. Zuber, CPA Members of
American Institute of
Certified Public Accountants
and
New York State Society of
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, 2014, 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, 2014, 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, budgetary comparison information, and schedule of funding progress postemployment benefit plan on pages 3-12 and 44-48 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 collectively comprise the Town of Henrietta, Monroe County, New York's basic financial statements. 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. Raymond of mages GA. PC

April 13, 2015

Town of Henrietta, Monroe County, New York

Management's Discussion and Analysis (MD&A)

December 31, 2014

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, 2014. 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 2014 are as follows:

- On the government-wide financial statements, the total assets of the Town exceeded liabilities by \$58,281,093 (net position) an increase of \$1,245,647. Of the current year amount, the unrestricted portion is \$13,329,799. The balance of net position is either restricted for specific purposes or the net investment in capital assets.
- ♦ The Town's governmental fund financial statements report a combined ending fund balance of \$20,890,969, a decrease of \$282,200 in comparison with the prior year. At the end of the current year, \$7,176,288 is available for spending at the Town's discretion.
- ♦ At the end of the current year, the fund balance of the General Fund was \$8,727,309 a decrease of \$5,779,931 from the prior year.
- ♦ General revenues which include Property Taxes, Non-Property Taxes, Mortgage Tax, Compensation for Loss, Investment Earnings, and Miscellaneous accounted for \$11,184,774 or 57% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$8,271,459 or 43% 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 six major individual governmental funds; General Fund, Heavy Equipment Capital Project, Town Facility Capital Project, 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 Public Library Fund, the Street Lighting Fund, the Consolidated Sewer Fund, the Parks Fund, the Ambulance Fund, the Transportation Fund, the Park Land Deposits Fund, and other capital projects 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-Wid	le and Fund Financial Sta	ntements			
		Fund Financ	ial Statements			
	Town-Wide	Governmental	Fiduciary			
<u>Features</u>	Statements	<u>Funds</u>	<u>Funds</u>			
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 \$58,281,093.

Net Position

The Town's combined net position was larger on December 31, 2014, than they were the year before, as shown in table below:

					%
<u>ASSETS</u>		<u> 2014</u>		<u>2013</u>	<u>Variance</u>
Current Assets	\$	21,797,274	\$	21,815,941	-0.09%
Capital Assets, Net		39,163,932	·	37,802,615	3.60%
Total Assets	\$	60,961,206	_\$_	59,618,556	2.25%
<u>LIABILITIES</u>					
Current Liabilities	\$	917,235	\$	655,739	39.88%
Noncurrent Liabilities					
Due in One Year		207,974		196,597	5.79%
Due in More Than One Year		1,554,904		1,730,774	-10.16%
Total Liabilities	_\$_	2,680,113	\$	2,583,110	3.76%
NET POSITION					
Net Investment in Capital Assets	\$	38,313,932	\$	36,762,615	4.22%
Restricted Capital Reserves		687,430		686,112	0.19%
Restricted Other Purposes		5,949,932		5,620,078	5.87%
Unrestricted		13,329,799		13,966,641	-4.56%
Total Net Position	_\$_	58,281,093	_\$_	57,035,446	2.18%

By far, the largest component of the Town's net position (66%) 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, Other Purposes, which constitute 11% of total net position. The remaining balance of unrestricted net position, which is a surplus of \$13,329,799 (23%), may be used to finance future operations.

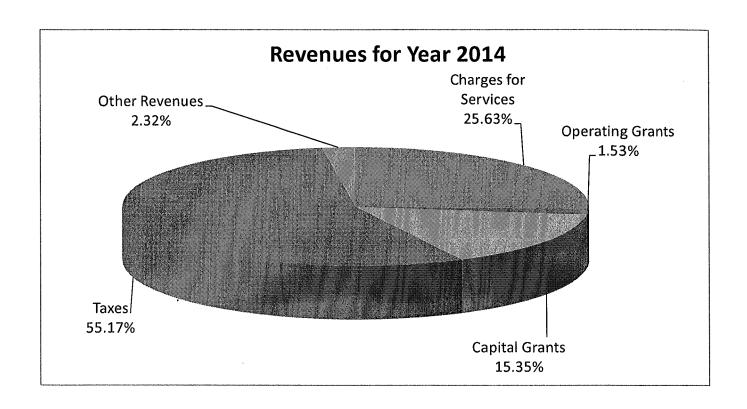
Changes in Net Position

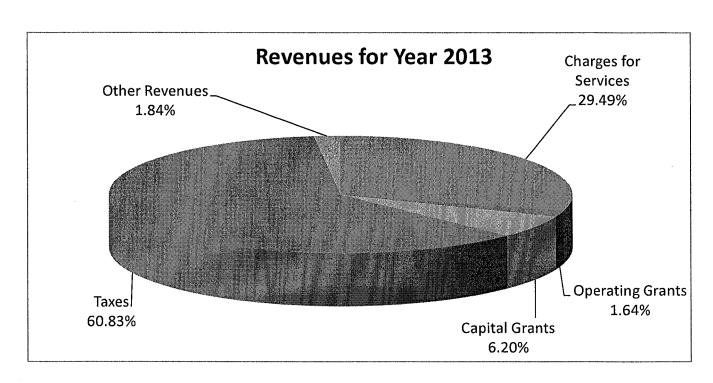
The Town's total revenues were more for 2014 than they were the year before, increasing by 12% to \$19,456,233. The Town relies upon taxes, charges for services, capital and operating grants as their primary revenue sources.

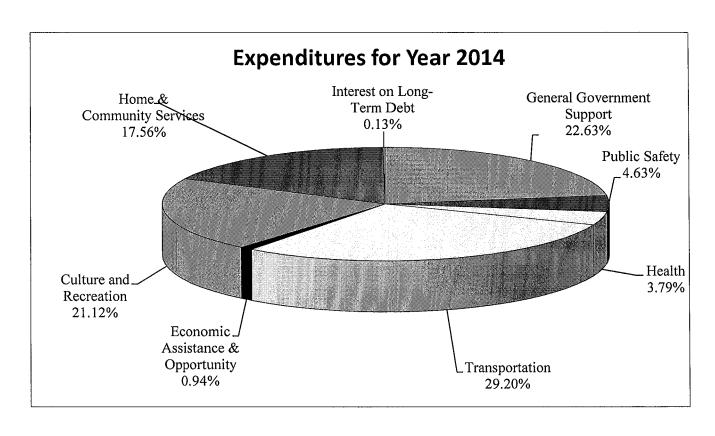
The Town's total expenditures were less for 2014 than they were the year before, decreasing to \$18,210,586.

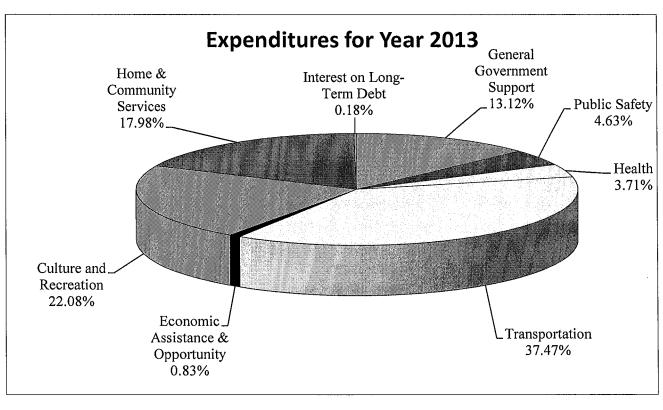
See table below:

Revenues: Charges for Services Operating Grants & Contributions Capital Grants & Contributions Taxes	\$	2014 4,987,096 296,997 2,987,366 10,734,290	\$ 2013 5,121,116 285,590 1,076,194 10,561,974	% <u>Variance</u> -2.62% 3.99% 177.59% 1.63%
Other Revenues	·	450,484	 319,018	41.21%
Total Revenues		19,456,233	\$ 17,363,892	12.05%
Expenditures:				
General Government Support	\$	4,120,513	\$ 2,390,121	72.40%
Public Safety		842,377	843,462	-0.13%
Health		690,297	676,762	2.00%
Transportation		5,318,045	6,827,641	-22.11%
Economic Assistance		171,252	151,674	12.91%
Culture & Recreation		3,845,593	4,022,619	-4.40%
Home & Community Services		3,196,986	3,276,801	-2.44%
Interest on Long-Term Debt		25,523	 32,261	-20.89%
Total Expenditures	_\$_	18,210,586	\$ 18,221,341	-0.06%
Change in Net Position	\$	1,245,647	\$ (857,449)	
Net Position - Beginning of Year		57,035,446	57,892,895	
Net Position - End of Year		58,281,093	\$ 57,035,446	









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 \$20,946,939 which is less than last year's ending fund balance of \$21,173,169.

Of the total combined fund balances, \$238,492 has been designated as nonspendable fund balance, \$6,647,767 has been designated as restricted fund balance, \$6,884,392 has been designated as assigned fund balance and the remaining balance of \$7,176,288 (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 \$8,727,309, of which \$7,176,288 was unassigned. The fund balance for the Town of Henrietta's General Fund decreased by \$5,779,931 compared with the prior year.

Budgetary Highlights

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

Expenditure Items	Budget Variance Original Vs. Amended	Explanation for Budget Variance
General Fund-General Government		
Support	\$969,728	Tax payer assistance program
General Fund-Transfers-Out	\$5,435,000	Board approved transfers to capital projects fund
Drainage Fund-Home and Community		
Services	\$191,474	Additional storm pipe, Stone Hill Estates

Revenue Items	Budget Variance Amended Vs. <u>Actual</u>	Explanation for Budget Variance
General Fund-Non-Property Taxes	\$539,409	Sales tax was higher than anticipated
General Fund-Interfund Revenues	\$294,423	Service garage chargebacks based on use
Highway Fund-Intergovernmental Charges	\$333,408	Increased snow and ice removal services for state and county
Sewer Fund-Transfers-In	\$119,344	Unexpended balances of two capital projects closed out and returned to sewer fund

Expenditure Items	Budget Variance Amended Vs. Actual	Explanation for Budget Variance
The second secon	Actual	
General Fund-General Government		Conservative budgeting for utilities and not as much
Support	\$388,452	spent on capital outlay for facilities
Sewer Fund-Home and Community		
Services	\$212,868	Conservative budgeting for sanitary sewer repair
Drainage Fund-Home and Community		
Services	\$129,010	Conservative budgeting for drainage capital outlay

Capital Assets

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

	<u>2014</u>	<u>2013</u>
Land	\$ 3,671,258	\$ 3,671,258
Infrastructure	26,859,772	25,496,945
Buildings and Improvements	4,772,097	4,987,220
Machinery and Equipment	 3,860,805	 3,647,192
Total Capital Assets, Net of		
Accumulated Depreciation	\$ 39,163,932	 37,802,615

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>2014</u>	<u>2013</u>
Serial Bonds	\$ 130,000	\$ 260,000
Revolving Fund Revenue Bonds	720,000	780,000
Compensated Absences	51,894	26,387
OPEB	 860,984	 860,984
Total	\$ 1,762,878	\$ 1,927,371

The amount of principal paid on outstanding debt was \$190,000. 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

- The effects of the Tax Cap on the budget process
- The requirement from the State for consolidated services with other state and local governments
- Continued implementation costs related to the Health Care Reform Act
- Anticipated increases in Health Care costs
- Maintaining upgrades to software due to security issues
- Implementation of security changes to meet the Work Place Violence requirements
- New York State Retirement System cost

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

Statement of Net Postion

December 31, 2014

	Governmental		
ASSETS		Activities	
Cash and cash equivalents	\$	19,482,664	
Accounts receivable, net		1,807,861	
State and federal aid receivable		268,257	
Prepaid items		238,492	
Capital assets:			
Land and work in progress		3,671,258	
Other capital assets, net of depreciation		35,492,674	
TOTAL ASSETS	\$	60,961,206	
LIABILITIES			
Accounts payable and other current liabilities	\$	799,704	
Accrued liabilities		88,873	
Unearned revenue		15,159	
Overpayments and Collections in Advance		13,499	
Noncurrent liabilities:			
Due in one year		207,974	
Due in more than one year		1,554,904_	
TOTAL LIABILITIES	\$	2,680,113	
NET POSITION			
Net investment in capital assets	\$	38,313,932	
Restricted for:			
Capital reserves		687,430	
Restricted other purposes		5,949,932	
Unrestricted		13,329,799	
TOTAL NET POSITION	\$	58,281,093	

Statement of Activities

For the Year Ended December 31, 2014

<u>Functions/Programs</u>		Expenses		harges for Services	O Gı	am Revenue perating rants and ntributions	G	Capital Grants and ontributions	Re C N Go	t (Expense) evenue and Changes in et Position Primary overnment vernmental Activities
Primary Government:										
Governmental Activities:										
General government support	\$	4,120,513	\$	25,560	\$	273,169	\$	-	\$	(3,821,784)
Public safety		842,377		2,064,441		-		-		1,222,064
Health		690,297		-		-		-		(690,297)
Transportation		5,318,045		1,078,507		-		1,912,431		(2,327,107)
Economic assistance and opportunity		171,252		-		-		-		(171,252)
Culture and recreation		3,845,593		810,381		23,828		-		(3,011,384)
Home and community services		3,196,986		1,008,207		-		1,074,935		(1,113,844)
Interest on long-term debt		25,523		-				-		(25,523)
Total Governmental Activities	_\$_	18,210,586	\$	4,987,096	\$	296,997	\$	2,987,366	\$	(9,939,127)
Total Primary Government	\$	18,210,586	\$	4,987,096	\$	296,997	\$	2,987,366	\$	(9,939,127)
		neral Revenu	es:							
	T	axes:								
		Property taxe							\$	6,446,446
Non-property taxes								3,389,409		
Mortgage tax							898,435			
		ompensation for		SS						141,671
		vestment earn	ings							59,763
Miscellaneous							249,050			
	1	Cotal General	Revo	enues						11,184,774
		Change in Net	Posi	ition					\$	1,245,647
	N	et Position - E	Begin	ning						57,035,446
	N	et Position - I	Endir	ıg					\$	58,281,093

Balance Sheet

Governmental Funds

December 31, 2014

	Major						
	General		Heav	Heavy Equipment		wn Facility	Highway
		Fund	Capital Project		Capital Project		Fund
Assets							
Cash and cash equivalents	\$	7,647,030	\$	408,876	\$	5,000,154	\$ 412,511
Receivables, net		387,084		-		-	1,903
Due from other governments, net		865,246		-		-	22,851
State and federal aid receivable		12,667				-	255,590
Prepaid items		83,581		-		-	78,511
Total Assets	\$	8,995,608	\$	408,876	_\$	5,000,154	\$ 771,366
Liabilities and Fund Balances							
Liabilities:							
Accounts payable and other current liabilities	\$	221,838	\$	253,773	\$	-	\$ 177,864
Accrued liabilities		46,461		-			17,691
Overpayments and collections in advance		-		-		-	-
Unearned revenue		-				-	
Total Liabilities	\$	268,299	\$	253,773		-	\$ 195,555
Fund Balances:							
Nonspendable	\$	83,581	\$	-	\$	-	\$ 78,511
Restricted		687,430		-		-	-
Assigned		780,010		155,103		5,000,154	497,300
Unassigned		7,176,288		-		-	
Total Fund Balances	\$	8,727,309	\$	155,103	\$	5,000,154	\$ 575,811
Total Liabilities and							
Fund Balances	\$	8,995,608	\$	408,876	\$	5,000,154	\$ 771,366

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

OPEB Liability

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.

			ľ	Nonmajor		
Sewer)	Drainage	Go	vernmental	G	overnmental
Fund		Fund		<u>Funds</u>		Funds
1.250.745	\$	1.933.775	\$	2.829.573	\$	19,482,664
	•		Ψ			885,014
,		_		-		922,847
,		_		_		268,257
22,543		18,745		35,112		238,492
	\$	1,952,520	\$	2,866,185	\$	21,797,274
96,880	\$	21,087	\$	28,262	\$	799,704
2,046		2,603		9,142		77,943
13,499		-		-		13,499
15,159		_		-		15,159
127,584	\$	23,690	\$	37,404	\$	906,305
22,543	\$	18,745	\$	35,112	\$	238,492
1,652,438		1,910,085		2,341,844		6,591,797
-		-		451,825		6,884,392
_		_				7,176,288
1,674,981	\$	1,928,830	\$	2,828,781	\$	20,890,969
1,802,565	\$	1,952,520	\$	2,866,185		
	96,880 2,046 13,499 15,159 127,584 22,543 1,652,438	96,880 \$ 2,046 13,499 15,159 127,584 \$ 22,543 1,652,438 - 1,674,981 \$	Fund Fund 1,250,745 \$ 1,933,775 494,527 - 34,750 - 22,543 18,745 1,802,565 \$ 1,952,520 96,880 \$ 21,087 2,046 2,603 13,499 - 15,159 - 127,584 \$ 23,690 22,543 \$ 1,910,085 - - 1,652,438 1,910,085 - - 1,674,981 \$ 1,928,830	Sewer Fund Drainage Fund Go Fund 1,250,745 \$ 1,933,775 \$ 494,527 34,750 - - 22,543 18,745 - 1,802,565 \$ 1,952,520 \$ 96,880 \$ 21,087 \$ 2,046 2,046 2,603 - 15,159 - - 127,584 \$ 23,690 \$ 22,543 \$ 1,910,085 - - - - 1,652,438 1,910,085 - - - - 1,674,981 \$ 1,928,830 \$	Fund Funds 1,250,745 \$ 1,933,775 \$ 2,829,573 494,527 - 1,500 34,750 - - 22,543 18,745 35,112 1,802,565 \$ 1,952,520 \$ 2,866,185 96,880 \$ 21,087 \$ 28,262 2,046 2,603 9,142 13,499 - - 15,159 - - 127,584 \$ 23,690 \$ 37,404 22,543 \$ 1,910,085 2,341,844 - - - 1,652,438 1,910,085 2,341,844 - - - 1,674,981 \$ 1,928,830 \$ 2,828,781	Sewer Fund Drainage Fund Governmental Funds Governmental Funds 1,250,745 \$ 1,933,775 \$ 2,829,573 \$ 494,527 - 1,500 34,750

39,163,932

(10,930)

(850,000)

(860,984)

(51,894) \$ 58,281,093

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2014

	Major								
		General	Heavy Equipment Town Facility				Highway		
		Fund	Cap	ital Project	Cap	oital Project		<u>Fund</u>	
Revenues:									
Real property and tax items	\$	144,235	\$	-	\$	-	\$	2,555,968	
Non-property taxes		3,389,409		-		-		-	
Departmental income		1,999,009		-		-		-	
Intergovernmental charges		45,099		-		-		1,033,408	
Use of money and property		48,704		5		154		1,060	
Licenses and permits		524,671		-		-		-	
Fines and forfeitures		255,822		_		-		-	
Sale of property and									
compensation for loss		52,132		-		-		82,040	
Miscellaneous		70,610		-		-		6,022	
Interfund revenues		544,423		-		-		-	
State and county aid		1,195,432		-		-		244,429	
Federal aid		-		-		-		-	
Total Revenues	\$	8,269,546	\$	5	\$	154	\$	3,922,927	
Expenditures:									
Current:									
General government support	\$	3,689,108	\$	-	\$	-	\$	30,264	
Public safety		652,476		-		-		· .	
Health		-		-		-		-	
Transportation		200,385		254,902		-		3,408,393	
Economic assistance and opportunity		131,358		, -		-		_	
Culture and recreation		1,908,976		_		-		-	
Home and community services		126,733		_		_		-	
Employee benefits		1,166,220		_		_		857,238	
Debt Service:								•	
Debt service - principal		130,000		_		_		-	
Debt service - interest and other charges		11,863		-		_		-	
Total Expenditures	\$	8,017,119	\$	254,902	\$	-	\$	4,295,895	
Excess (deficiency) of revenue									
over expenditures	\$_	252,427	\$_	(254,897)	\$	154	\$	(372,968)	
Other Financing Sources and Uses:									
Transfers - in	\$	2,180	\$	410,000	\$	5,000,000	\$	394,538	
Transfers - out		(6,034,538)		_		-		-	
Total Other Financing	-				-				
Sources and Uses	_\$	(6,032,358)	\$	410,000	\$	5,000,000	\$	394,538	
Net change in fund balances	\$	(5,779,931)	\$	155,103	\$	5,000,154	\$	21,570	
Fund Balance - Beginning		14,507,240		-				554,241	
Fund Balance - Ending	\$	8,727,309	\$	155,103	\$	5,000,154	\$	575,811	

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

				Nonmajor			Total		
	Sewer	I	Drainage	Go			vernmental		
	Fund		Fund	Funds			Funds		
\$	551,916	\$	815,249	\$	2,379,078	\$	6,446,446		
	-		-		-		3,389,409		
	1,008,207		-		120,880		3,128,096		
	-		-		-		1,078,507		
	2,067		3,877		3,896		59,763		
	-		-		-		524,671		
	-		-		-		255,822		
	-		30,650		1,598		166,420		
	88		56		17,104		93,880		
	73,870		-		-		618,293		
	-		-		-		1,439,861		
	106,750		-				106,750		
\$	1,742,898	\$	849,832	\$	2,522,556	\$	17,307,918		
\$	14,425	\$	10,819	\$	7,719	\$	3,752,335		
	-		_		-		652,476		
	-		-		690,297		690,297		
	-		-		277,709		4,141,389		
	-		-		-		131,358		
	-		-		1,072,826		2,981,802		
	1,404,701		743,917		1,800		2,277,151		
	167,729		161,982		392,581		2,745,750		
	-		-		60,000		190,000		
	_		_		15,697		27,560		
	1,586,855	\$	916,718	\$	2,518,629		17,590,118		
\$	156,043	_\$	(66,886)	\$	3,927	\$	(282,200)		
٠	110.044	.		*	220.000	*	. 1 m . 0 . 0		
\$	119,344	\$	-	\$	230,000	\$	6,156,062		
					(121,524)		(6,156,062)		
\$	119,344	\$	-	_\$_	108,476	\$	<u></u>		
\$	275,387	\$	(66,886)	\$	112,403	\$	(282,200)		
	1,399,594		1,995,716		2,716,378		21,173,169		
\$	1,674,981	\$	1,928,830	\$	2,828,781	\$	20,890,969		

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, 2014

Net Change in Fund Balances - Total Governmental Funds

\$ (282,200)

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	\$ 3,626,917
Depreciation	(2,184,010)
Gain/(Loss) on sale of assets	(81,590)

1,361,317

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:

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.

Debt repayment

(25,507)

190,000

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

2,037

Change in Net Position of Governmental Activities

1,245,647

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

Statement of Fiduciary Net Position Fiduciary Funds

December 31, 2014

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 1,265,259
TOTAL ASSETS	\$ 1,265,259
LIABILITIES	
Accounts payable	\$ 44
Developer deposits	984,650
Other liabilities	280,565
TOTAL LIABILITIES	\$ 1,265,259

Notes To The Basic Financial Statements

December 31, 2014

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.

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

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

<u>Heavy Equipment Capital Project</u> – used to account for financial resources and activity associated with the purchase of heavy pieces of equipment.

<u>Town Facility Capital Project</u> – used to account for the financial resources and activity associated with the reconstruction of the Town Facility Capital Project.

<u>Highway Fund</u> - 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.

(I.) (Continued)

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

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

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.

Other 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.

<u>Special Revenue Funds</u> - 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 Consolidated Sewer Fund Ambulance Fund Park Land Deposits Fund Street Lighting Fund Parks Fund Transportation Fund

b. Fiduciary Funds

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

<u>Agency Fund</u> – 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.

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. <u>Prepaid Items</u>

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.

5. <u>Capital Assets</u>

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:

Class	Life in Years
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

6. Unearned Revenue

The Town reports deferred revenues in its basic financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned 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 unearned revenue is removed and revenue is recognized.

7. 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.

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 postemployment 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.

8. 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.

9. 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. <u>Unrestricted net position</u> 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. <u>Nonspendable fund balance</u> 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. <u>Assigned fund balance</u> 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. <u>Unassigned fund balance</u> 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. <u>Assigned fund balance</u> 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.

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.

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. <u>Interfund loan</u> – amounts provided with a requirement for repayment are reported as interfund receivables and payables.

(I.) (Continued)

- **b.** <u>Interfund services</u> sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- **c.** <u>Interfund reimbursements</u> 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.** <u>Interfund transfers</u> 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.** <u>Internal balances</u> 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.** <u>Internal activities</u> 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

At December 31, 2014, the Town implemented the following new standards issued by GASB:

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 GASB has issued Statement No. 70, Accounting and Financial Reporting for Non-exchange Financial Guarantees, which will be effective for the year ending December 31, 2014.

2. Recently Issued Accounting Pronouncements

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

The GASB has issued Statement No. 72, Fair Value Measurement and Application, which will be effective for the year ending December 31, 2016.

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. <u>Budget Policies</u> The budget policies are as follows:
 - a. No later than October 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.

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	3,948,619
Collateralized within Trust department or agent	 10,291,553
Total	\$ 14,240,172

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 \$6,647,767 within the governmental funds.

(III.) (Continued)

B. Receivables

Receivables at December 31, 2014 consisted of the following:

Description	Amount
State Aid - Snow and Ice	\$ 255,590
Community Development Block grant	34,750
Monroe County Sales Tax	860,585
Monroe County, Miscellaneous	27,511
Fire Alarms	550
Fines, Fees, and Forfeitures	23,059
G.S.G. Charge Backs	124,991
Town Clerk Report	44,341
Building Department	43,676
Engineering	51,552
Sewer Rents Receivable	494,527
Property Maintenance	95,512
Miscellaneous	19,474
Total	\$ 2,076,118

C. <u>Interfund Revenues and Expenditures</u>

Interfund revenues and expenditures at December 31, 2014 were as follows:

	Interfund	Interfund
<u>Fund</u>	Revenues	Expenditures
General Fund	\$ 2,180	\$ 6,034,538
Heavy Equipment Capital Project	410,000	-
Town Facility Capital Project	5,000,000	-
Highway Fund	394,538	-
Sewer Fund	119,344	-
Other Capital Projects	-	121,524
Public Library Fund	230,000	_
Total	\$ 6,156,062	\$ 6,156,062

Interfund transfers were made for Board approved funding of capital projects and budgeted transfers between operating funds.

(III.) (Continued)

D. Changes In Fixed Assets

A summary of changes in capital assets follows:

Type		Balance 01/01/14	1	Additions	I	Deletions	Balance 12/31/14
Capital assets not being Depreciated:							
Land	\$	3,671,258	\$		\$		\$ 3,671,258
Total capital assets not being							
depreciated	\$	3,671,258	\$	-	\$	-	\$ 3,671,258
Other capital assets:							
Buildings and improvements	\$	11,269,883	\$	29,988	\$	-	\$ 11,299,871
Machinery and equipment		6,810,660		794,855		(420,789)	7,184,726
Infrastructure		66,381,477		2,802,074			69,183,551
Total other capital assets at							
historical cost	_\$_	84,462,020	_\$_	3,626,917	\$	(420,789)	\$ 87,668,148
Less accumulated depreciation for:							
Buildings and improvements	\$	6,282,663	\$	245,111	\$	-	\$ 6,527,774
Machinery and equipment		3,163,468		499,652		(339,199)	3,323,921
Infrastructure		40,884,532		1,439,247		-	42,323,779
Total accumulated depreciation	\$	50,330,663	\$	2,184,010	\$	(339,199)	\$ 52,175,474
Other capital assets, net	\$	34,131,357	\$	1,442,907	\$	(81,590)	\$ 35,492,674
Governmental activities capital							
assets, net	_\$_	37,802,615	\$	1,442,907	\$	(81,590)	\$ 39,163,932
							

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

Governmental Activities:

General Government	\$ 61,592
Public Safety	31,258
Transportation	1,165,474
Culture and Recreation	216,306
Home and Community Services	 709,380
Total Depreciation Expense	\$ 2,184,010

E. Long-Term Debt

At December 31, 2014 the total outstanding obligations of the Town aggregated \$1,762,878 as follows:

1. <u>Environmental Facilities Corp./Revolving Fund Revenue Bonds</u> - 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)

:

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

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

\$ 27,560	(12,967)	10,930	\$ 25,523
Interest paid	Less: interest accrued in the prior year	Plus: interest accrued in the current year	Total interest expense

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

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

OPEB Liability- represents health and life insurance benefits provided to employees upon retirement.

Summary of Debt - The following is a summary of obligations outstanding at December 31, 2014: લ

	,\	Balance					Balance	4)		Classif	Classified As	
		1/1/2014	Ad	ditions	ă	Deletions	12/31/20]	4 1	Ö	ırrent	Non-Curren	rent
Serial Bonds	€\$	\$ 260,000	↔	1	↔	130,000	\$ 130,0	00(↔	130,000	₩	ı
Revolving Fund Revenue Bonds		780,000		•		60,000	720,0	00(65,000		000,
Compensated Absences		26,387		25,507		1	51,894	94		12,974		920
OPEB		860,984		1			860,5	84		-	098	984
Total Obligations	∞	\$ 1,927,371	S	25,507	S	190,000	\$ 1,762,878	878	S	207,974	\$ 1,554,904	904

Additions and deletions to compensated absences are shown net since it is impractical to determine these amounts separately. **Debt Maturity Schedule** - The following is a statement of bonds with corresponding maturity schedules:

Purpose	Date	Interest	Ou	Amount itstanding .2/31/14	Year of Final Maturity
Serial and Statutory -			-		
Public Improvement	2001	4.25%	\$	130,000	2015
Revolving Fund Revenue Bonds -					
State Water Pollution Control	2010C	0.95%-3.38%*		150,000	2019
State Water Pollution Control	2007D	3.63%*		570,000	2028
Total			\$	850,000	

- * 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:

	Gross	Interest and		
	Interest	Subsidy	Ne	t Interest
Bond	Expense	Revenue		<u>Paid</u>
2010C	\$ 4,563	\$ 2,281	\$	2,282
2007D	26,253	12,837		13,416
Total	\$ 30,816	\$ 15,118	\$	15,698

The Town 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, 2014:

Year	<u>Bonds</u>	<u>Interest</u>
2015	\$ 195,000	\$ 34,822
2016	65,000	26,631
2017	65,000	24,336
2018	70,000	21,840
2019	70,000	19,134
2020-24	205,000	66,196
2025-28	 180,000	 16,965
Total	\$ 850,000	\$ 209,924

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. \$150,000 of bonds outstanding are considered defeased.

F. Fund Balances/Net Position

1. Fund Balances

a. Nonspendable

The Town has the following nonspendable funds:

<u>Nonspendable Prepaid Items</u> - 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:

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

	1	Balance					I	Balance
General Fund -	0	1/01/14	<u>Ad</u>	<u>ditions</u>	<u>Dele</u>	<u>tions</u>	<u>1</u>	2/31/14
Capital Building Reserve	\$	686,112	\$	1,318	\$		\$	687,430

<u>Special Districts</u> – 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:

Sewer	Drainage	Street Lighting
Consolidated Sewer	Parks	Ambulance
Transportation	Parks Land Deposits	

c. Assigned

The Town has the following assigned funds:

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

(III.) (Continued)

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.

For significant encumbrances for the General Fund, management has determined that amounts in excess of \$75,000 are considered significant. There were no significant encumbrances at year end.

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

d. <u>Unassigned</u>

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:

EXIMIN DAY ANGE.		General	Н	lighway		Sewer	D	rainage		Capital		Non- Major		T-4-1
FUND BALANCE: Nonspendable -		Fund		<u>Fund</u>		<u>Fund</u>		<u>Fund</u>	P	rojects		<u>Funds</u>		<u>Total</u>
Prepaid items	\$	83,581	\$	78,511	\$	22,543	\$	18,745	\$	_	\$	35,112	\$	238,492
Restricted -	Ψ.	03,301	Ψ	70,311	-	22,343	Ψ	10,743	Ψ		Ψ	33,112	Ψ	230,472
Appropriated for taxes	\$	_	\$	_	\$	328,569	\$	84,090	\$	_	\$	47,028	\$	459,687
Capital reserve	Ψ	687,430	Ψ	-	Ψ	-	Ψ	0·1,000 -	Ψ	_	Ψ	17,020	Ψ	687,430
Transportation				_		_		_		•		595,429		595,429
Parks		_										154,592		154,592
Park Land Deposits		_		_						_		1,247,590		1,247,590
Ambulance		-		-		_						36,214		36,214
Sewer		_		-		1,323,869		-		_		,		1,323,869
Street lighting		-		_		-		-		-		200,632		200,632
Consolidated sewer		_		_		_		-		-		60,359		60,359
Drainage		_		-		_		1,825,995		-		´ -		1,825,995
Total Restricted	\$	687,430	\$		\$	1,652,438		1,910,085	\$	-	\$	2,341,844	\$	6,591,797
Assigned -											***************************************			
Appropriated for taxes	\$	766,010	\$	-	\$	-	\$	-	\$	-	\$		\$	766,010
Town Facility		-		-		-			5	,000,154		_		5,000,154
Heavy Equipment		_		•						155,103		_		155,103
Highway		-		497,300		_		-		· -		_		497,300
Library		-				_		_		_		451,825		451,825
General government												·		
support		2,406		-		-		-		_		-		2,406
Public safety		-		-		_				-		-		-
Economic opportunity														
and development		265		-		_		-		_		-		265
Culture and recreation		11,329		-		-		-		_		-		11,329
Total Assigned	\$	780,010	\$	497,300	\$	-	\$	-	\$ 5	,155,257	\$	451,825	\$	6,884,392
Unassigned	\$	7,176,288	\$	_	\$	_	\$	_	\$	-	\$	_	\$	7,176,288
TOTAL FUND BALANCE	\$	8,727,309	\$	575,811	\$	1,674,981	\$	1,928,830	\$ 5	5,155,257	\$	2,828,781	\$	20,890,969

(III.) (Continued)

The following special revenue funds restricted and assigned fund balances have monies appropriated for 2015 taxes:

	<u>Total</u>
Street Lighting	\$ 4,421
Transportation	24,300
Parks	18,307
Total Special Revenue	
Restricted Appropriated for Taxes	\$ 47,028

2. Net Position - Restricted for Other Purposes

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

	<u>Total</u>
Sewer	\$ 1,674,981
Consolidated Sewer	60,359
Drainage	1,928,830
Street Lighting	205,053
Parks	177,176
Park Land Deposits	1,247,590
Ambulance	36,214
Transportation	 619,729
Total Net Position - Restricted	
for Other Purposes	\$ 5,949,932

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.

Funding Policy

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% to 3.5% of their salary. With the exception of ERS tier V and VI employees, employees in the system more than ten years are no longer required to contribute. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. For NYSERS and NYSPFRS, 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:

	ERS
2014	\$ 950,075
2013	\$ 886,818
2012	\$ 733,565

The Town's 2014-15 contribution is due February 1, 2015 with an option to prepay on December 15, 2014. The Town chose the prepay option resulting in savings of \$8,663. The Town's contributions made to the System were equal to 100 percent of the contributions required for each year.

2. <u>Deferred Compensation Plan</u>

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. 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, 2014 amounts to \$51,894.

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.

4. 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, 2014 totaled \$93,406.

5. Other Postemployment Benefits

The Town has begun providing postemployment coverage to retired employees in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements.

In accordance with GASB Statement #45, Accounting and Financial Reporting by employers for Postemployment Benefits Other than Pensions, the town is required to calculate and record a net other postemployment benefit obligation at year end. The net other postemployment benefit obligation is basically the cumulative difference between the actuarially required contribution and the actual contributions made. The Town has elected to record the entire actuarial accrued liability at year end instead of using the amortization option.

The Town recognizes the cost of providing health and life insurance annually as expenditures in the governmental fund financial statements as payments are made. For the year ended December 31, 2014 the Town recognized \$9,072 for its share of insurance premiums for currently enrolled retirees.

Funded Status and Funding Progress - As of December 31, 2013, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$860,984, and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability of \$860,984. The covered payroll (annual payroll of active employees covered by the plan) was \$4,007,213, and the ratio of the UAAL to the covered payroll was 21.49%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplemental information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

(IV.) (Continued)

In the December 31, 2013 actuarial valuation, the Entry Age Normal method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate that was initially 7.8% and will ultimately decrease to 4.2%. Both rates included a 2.5% inflation assumption.

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. <u>Commitments and Contingencies</u>

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.

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 2014 totaled \$80,813.

The Town of Henrietta recreation facilities currently rents space on a month to month basis. The total cost of renting this space for 2014 totaled \$87,823.

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, 2014 totaled \$76,164. In addition, the Town leases office space and farmland, for which \$2,700 was received in 2014.

Required Supplemental Information TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Schedule of Funding Progress of Post Employment Benefit Plan (Unaudited)

For Year Ended December 31, 2014

				(4)		(6)
				Unfunded		UAAL
		(2)		Actuarial	(5)	As a
Actuarial	(1)	Actuarial	(3)	Accrued	Active	Percentage
Valuation	Actuarial	Accrued	Funded	Liability	Members	of Covered
Date	Value of	Liability	Ratio	(UAAL)	Covered	Payroll
December 31,	December 31, Assets		(1)/(2)	(2) - (1)	Payroll	(4) / (5)
2013	\$ -	\$ 860,984	0.00%	\$ 860,984	\$ 4,007,213	21.49%

Required Supplemental Information

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types (Unaudited)

For the Year Ended December 31, 2014

				(GEN	ERAL FUND				
	Ori	ginal Budget		V-1						
	(Inc	l. Carryover		Budget						
	Enc	eumbrances)	(.	Amended)		Actual	Encu	ımbrances		Variance
Revenues:						· · ·				
Real property and tax items	\$	125,000	\$	125,000	\$	144,235	\$	=	\$	19,235
Non-property taxes		2,850,000		2,850,000		3,389,409		-		539,409
Departmental income		1,890,000		1,890,000		1,999,009		-		109,009
Intergovernmental charges		70,000		70,000		45,099		-		(24,901)
Use of money and property		28,000		28,000		48,704		-		20,704
Licenses and permits		523,000		532,548		524,671		-		(7,877)
Fines and forfeitures		201,000		201,000		255,822		-		54,822
Sale of property and										
compensation for loss		6,000		11,854		52,132		-		40,278
Miscellaneous		125,000		126,395		70,610				(55,785)
Interfund revenues		250,000		250,000		544,423				294,423
State and county aid		1,133,660		1,133,660		1,195,432		-		61,772
Total Revenues	\$	7,201,660	\$	7,218,457	\$	8,269,546	\$	-	\$	1,051,089
Expenditures:										
Current:										
General government support	\$	3,110,238	\$	4,079,966	\$	3,689,108	\$	2,406	\$	388,452
Public safety		677,095		668,157		652,476		, -		15,681
Transportation		268,719		270,250		200,385		-		69,865
Economic assistance and opportunity		158,211		158,211		131,358		265		26,588
Culture and recreation		1,961,504		2,024,288		1,908,976		11,329		103,983
Home and community services		113,577		140,651		126,733		,		13,918
Employee benefits		1,224,614		1,187,991		1,166,220		_		21,771
Debt Service:		, ,		,,		-,				,
Debt service - principal		130,000		130,000		130,000				
Debt service - interest and other charges		11,836		11,863		11,863				
Total Expenditures	\$	7,655,794	\$	8,671,377	\$	8,017,119	\$	14,000	\$	640,258
Excess (deficiency) of revenue										
over expenditures	\$	(454,134)	\$	(1,452,920)	\$	252,427	\$	(14,000)	\$	1,691,347
Other Financing Sources and Uses:				-				· · · · · · · · · · · · · · · · · · ·		
Transfers - in	\$	-	\$	•	\$	2,180	\$	-	\$	2,180
Transfers - out		(599,538)		(6,034,538)		(6,034,538)		-		· -
Total Other Financing			********			•				
Sources and Uses	\$	(599,538)	\$	(6,034,538)	\$	(6,032,358)	\$		_\$_	2,180
Net change in fund balances	\$	(1,053,672)	\$	(7,487,458)	\$	(5,779,931)	\$	(14,000)	\$	1,693,527
Fund Balance - Beginning		14,507,240		14,507,240		14,507,240		_		
Fund Balance - Ending	\$	13,453,568	\$	7,019,782	\$	8,727,309	\$	(14,000)	\$	1,693,527

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Required Supplemental Information

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types (Unaudited)

For the Year Ended December 31, 2014

	HIGHWAY FUND									
	Ori	ginal Budget								
	(Inc	l. Carryover	Budget							
	Enc	umbrances)	(Amended)	Actual	Encu	mbrances	Variance			
Revenues:										
Real property and tax items	\$	2,523,738	\$ 2,523,738	\$ 2,555,968	\$	-	\$	32,230		
Intergovernmental charges		700,000	700,000	1,033,408		-		333,408		
Use of money and property		6,500	6,500	1,060		-		(5,440)		
Sale of property and										
compensation for loss		25,000	25,000	82,040		-		57,040		
Miscellaneous		5,000	5,000	6,022		-		1,022		
State and county aid		172,945	244,429	244,429		-		-		
Total Revenues	\$	3,433,183	\$ 3,504,667	\$ 3,922,927	\$	-	\$	418,260		
Expenditures:										
Current:		•								
General government support	\$	38,500	\$ 35,964	\$ 30,264	\$	-	\$	5,700		
Transportation		3,413,894	3,436,400	3,408,393		3,565		24,442		
Employee benefits		838,372	857,879	857,238		-		641		
Total Expenditures	\$	4,290,766	\$ 4,330,243	\$ 4,295,895	\$	3,565	\$	30,783		
Excess (deficiency) of revenue										
over expenditures	\$	(857,583)	\$ (825,576)	\$ (372,968)	\$	(3,565)	\$	449,043		
Other Financing Sources and Use	es:									
Transfers - in	\$	369,538	\$ 394,538	\$ 394,538	\$		\$	-		
Total Other Financing					-					
Sources and Uses		369,538	\$ 394,538	\$ 394,538	\$	-	\$			
Net change in fund balances	\$	(488,045)	\$ (431,038)	\$ 21,570	\$	(3,565)	\$	449,043		
Fund Balance - Beginning		554,241	554,241	554,241			A			
Fund Balance - Ending	\$	66,196	\$ 123,203	\$ 575,811	\$	(3,565)	\$	449,043		

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

Required Supplemental Information TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types (Unaudited)

For the Year Ended December 31, 2014

				SEWER	R FUI	ND		
	Orig	ginal Budget						
	(Inc	l. Carryover		Budget				
	Enc	umbrances)	(/	Amended)		Actual	<u>Variance</u>	
Revenues:								
Real property and tax items	\$	551,916	\$	551,916	\$	551,916	\$	-
Departmental income		954,705		954,705		1,008,207		53,502
Use of money and property		5,000		5,000		2,067		(2,933)
Sale of property and								
Miscellaneous		500		500		88		(412)
Interfund revenues		-				73,870		73,870
Federal aid		-				106,750		106,750
Total Revenues	\$	1,512,121	\$	1,512,121		1,742,898	\$	230,777
Expenditures:								
Current:								
General government support	\$	18,000	\$	18,000	\$	14,425	\$	3,575
Home and community services		1,617,569		1,617,569		1,404,701		212,868
Employee benefits		239,453		239,453		167,729		71,724
Total Expenditures	\$	1,875,022	\$	1,875,022	\$	1,586,855	\$	288,167
Excess (deficiency) of revenue	÷							
over expenditures	\$	(362,901)	\$	(362,901)	\$	156,043	\$	518,944
Other Financing Sources and Uses	:							
Transfers - in	\$	_	\$		\$	119,344	\$	119,344
Total Other Financing								
Sources and Uses	_\$	_	_\$_	-	\$	119,344	\$	119,344
Net change in fund balances	\$	(362,901)	\$	(362,901)	\$	275,387	\$	638,288
Fund Balance - Beginning		1,399,594		1,399,594		1,399,594		-
Fund Balance - Ending	\$	1,036,693	\$	1,036,693	\$	1,674,981	\$	638,288

Notes to Required Supplemental Information:

A reconciliation is not necessary since there are no encumbrances reported in this fund at December 31, 2014.

Required Supplemental Information TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types (Unaudited)

For the Year Ended December 31, 2014

		DRAINAGE FUND									
	Orig	ginal Budget									
	(Incl. Carryover Encumbrances)			Budget					•		
			(Amended)		Actual		Encumbrances		Variance		
Revenues:											
Real property and tax items	\$	815,249	\$	815,249	\$	815,249	\$	-	\$	-	
Use of money and property		6,000		6,000		3,877		~		(2,123)	
Sale of property and											
compensation for loss		500		500		30,650		-		30,150	
Miscellaneous		•				56				56	
Total Revenues	\$	821,749	\$	821,749	\$	849,832	\$		\$	28,083	
Expenditures:											
Current:											
General government support	\$	16,000	\$	16,000	\$	10,819	\$	-	\$	5,181	
Home and community services		684,753		876,227		743,917		3,300		129,010	
Employee benefits		209,083		182,643		161,982				20,661	
Total Expenditures	\$	909,836	\$	1,074,870	\$	916,718	\$	3,300	\$	154,852	
Excess (deficiency) of revenue											
over expenditures	\$	(88,087)	\$	(253,121)	\$	(66,886)	\$	(3,300)	\$	182,935	
Fund Balance - Beginning		1,995,716		1,995,716		1,995,716		_		-	
Fund Balance - Ending	\$	1,907,629	\$	1,742,595	_\$_	1,928,830	\$	(3,300)	\$	182,935	

Notes to Required Supplemental Information:

A reconciliation is not necessary since encumbrances are presented in a separate column on this schedule.

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2014

	Cap	her oital jects	Public Library Fund	Street Lighting Fund		
Assets						
Cash and cash equivalents	\$	-	\$ 463,949	\$	229,736	
Receivables, net			-		-	
Prepaid items		<u>-</u>	 30,835			
Total Assets	\$	-	\$ 494,784	\$	229,736	
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and other current liabilities	\$	-	\$ 2,982	\$	24,683	
Accrued liabilities		-	9,142		-	
Total Liabilities	\$	_	\$ 12,124	\$	24,683	
Fund Balances:						
Nonspendable	\$	-	\$ 30,835	\$	-	
Restricted		-	-		205,053	
Assigned		<u>-</u>	 451,825		-	
Total Fund Balances	\$	_	\$ 482,660	\$	205,053	
Total Liabilities and Fund Balances	\$		\$ 494,784	\$	229,736	

Consolidated Sewer Fund		r Parks Ambulance			Trai	nsportation Fund	Park Land Deposits Fund	Total Nonmajor Governmental Funds		
\$	60,359	\$	173,496	\$	36,214	\$	619,729	\$ 1,246,090	\$	2,829,573
	-		-		-		-	1,500		1,500
\$		\$	4,277		_	\$	-	 •		35,112
	60,359		177,773	\$	36,214		619,729	\$ 1,247,590	\$	2,866,185
\$	· -	\$	597	\$	-	\$	-	\$ -	\$	28,262
\$	-	\$	597	\$	-	\$	-	\$ -	\$	9,142
\$	-	\$	4,277	\$	-	\$	-	\$ -	\$	35,112
	60,359		172,899 -		36,214		619,729	1,247,590		2,341,844 451,825
\$	60,359	\$	177,176	\$	36,214	\$	619,729	\$ 1,247,590	\$	2,828,781

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, 2014

	(Other Capital Projects	 Public Library Fund	Street Lighting Fund		
Revenues:						
Real property and tax items	\$	-	\$ 1,150,631	\$	268,391	
Departmental income		••	69,380		-	
Use of money and property		6	689		472	
Sale of property and compensation for loss		-	1,598		-	
Miscellaneous		-	17,099		-	
Total Revenues	\$	6	\$ 1,239,397	\$	268,863	
Expenditures:						
Current:			and the second			
General government support	\$	140	\$ 6,442	\$	-	
Health		-	-		-	
Transportation		-	-		277,709	
Culture and recreation		-	1,009,940		-	
Home and community services		-	-		-	
Employee benefits		-	340,447		-	
Debt Service:						
Debt service - principal		-	-		444	
Debt service - interest and other charges		-	_			
Total Expenditures	\$	_	\$ 1,356,829	\$	277,709	
Excess (deficiency) of revenue						
over expenditures	\$	6	\$ (117,432)	\$	(8,846)	
Other Financing Sources and Uses:						
Transfers - in	\$	-	\$ 230,000	\$	-	
Transfers - out		(121,524)	-		-	
Total Other Financing						
Sources and Uses	\$	(121,524)	\$ 230,000	\$	-	
Net change in fund balances	\$	(121,518)	\$ 112,568	\$	(8,846)	
Fund Balance - Beginning		121,518	370,092		213,899	
Fund Balance - Ending	\$	~	\$ 482,660	\$	205,053	

Consolidated Sewer Fund		Sewer Parks			nbulance Fund	Trai	nsportation Fund		Park Land Deposits Fund	Total Nonmajor Governmental Funds			
\$	77,497	\$	192,262	\$	690,297	\$	_	. \$	-	\$	2,379,078		
Ψ		Ψ	-	Ψ	-	Ψ	-	. Ψ	51,500	Ψ	120,880		
	-		172		29		1,005		1,523		3,896		
	_		-		_		-		-		1,598		
	-		5		-		-		-		17,104		
\$	77,497	\$	192,439	\$	690,326	\$	1,005	\$	53,023	\$	2,522,556		
\$	-	\$	1,202	\$	75	\$	-	\$	-	\$	7,719		
	-		-		690,297		-		-		690,297		
	-		-		-		-		-		277,709		
	-		62,886		-		-		-		1,072,826		
	1,800				-		-		-		1,800		
	-		52,134		-		-		-		392,581		
	60,000		-		-		-		-		60,000		
	15,697										15,697		
	77,497		116,222		690,372	\$	<u> </u>		-		2,518,629		
	-		76,217	\$	(46)	\$	1,005	_\$_	53,023	_\$	3,927		
\$	-	\$	-	\$	-	\$	-	\$	-	\$	230,000		
·									-		(121,524)		
\$	_	_\$		\$	<u>-</u>	\$	-	\$	-	\$	108,476		
\$	-	\$	76,217	\$	(46)	\$	1,005	\$	53,023	\$	112,403		
	60,359		100,959		36,260		618,724		1,194,567		2,716,378		
\$	60,359	\$	177,176	\$	36,214	\$	619,729	\$	1,247,590	\$	2,828,781		