

TOWN OF BRIGHTON

Monroe County, New York

BASIC FINANCIAL STATEMENTS

For Year Ended December 31, 2014

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American Institute of
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Certified Public Accountants

Independent Auditors' Report

To the Honorable Town Council
The Town of Brighton
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 Brighton, 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 Town'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 Brighton, 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

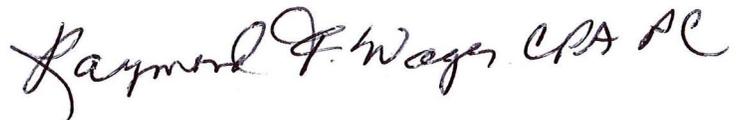
Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress of postemployment benefit plan, and budgetary comparison information on pages 3–12 and 52–54 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 Brighton, 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States 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.



March 31, 2015

Management's Discussion and Analysis

Town of Brighton, Monroe County, New York

December 31, 2014

As the management of the Town of Brighton, Monroe County, New York, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2014. This discussion and analysis should be read in conjunction with the financial statements and the accompanying notes to the statements.

The Basic Financial Statements consist of a series of inter-related financial statements. The Statement of Net Position and Statement of Activities provide information about the activities of the Town as a whole, presenting both short term and longer-term views of the Town's finances. For governmental activities, the Town's traditional fund financial statements tell the reader how Town provided services and programs were financed in 2014, as well as what resources are available for future spending. Fund financial statements report on the Town's operations in greater detail than the government-wide statements, and concentrate on the Town's most significant funds (identified as "major" funds), with less significant (or "non-major") funds accumulated for presentation in one column. Fiduciary funds statements provide information about financial activities for which the Town acts solely as trustee or agent for the benefit of organizations or persons outside of the Town government.

Reporting on the Town as an Entity:

The Statement of Net Position and the Statement of Activities

The Statement of Net Position includes Assets and Liabilities of the Town as a whole, with the difference between Assets and Liabilities reported as the Total Net Position. The Statement of Activities presents financial information as to how the Town's Net Assets changed during the fiscal year, with all changes being reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Over time, increases or decreases in the Town's Net Position is one indicator of whether its "financial health" is strengthening or deteriorating. These statements are inclusive of all of the Town's basic services including police, public works/highway, parks, recreation, and library. Both statements utilize the accrual basis of accounting, the same accounting method used by most private-sector organizations.

**Reporting the Town’s Most Significant Funds:
Fund Financial Statements**

The Fund Financial Statements provide detailed financial information about the most significant funds of the Town, not the Town as a whole. Some funds (most notably the General and Highway Funds) are established as required by State law, while other funds (such as the Library Fund) are established at the Town’s discretion to help it account for and manage money for specific purposes. All of the Town’s funds are classified as Governmental Funds which focus on near-term inflows and outflows of spendable resources, and on balances of spendable resources still available at the end of the fiscal year. This measurement focus is known as the modified accrual basis of accounting.

Financial information is presented separately in the Governmental Funds Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Town’s General Fund, Highway Fund, and two Capital Project (a Roof Replacement at Town Hall and a Dump Truck purchase) each being considered a major fund. Financial information for all other Governmental Funds is combined into a single, aggregated presentation. Individual fund data for each of the non-major funds is provided in the Combining Statements provided at the end of these Basic Financial Statements.

Compliance with the Original and Final Operating Budget for the Town’s major funds is reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual.

In that the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information provided in each. The reader may then better understand the long-term impacts of near-term financing decisions. The reconciliation of total Fund Balances to the Net Position of Governmental Activities provided in the Governmental Funds Balance Sheet, and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances to the Statement of Activities facilitate the comparison between Governmental Funds and Governmental Activities.

**Reporting the Town’s Fiduciary Responsibilities:
The Town as Trustee**

Fiduciary Funds are not reported in the government-wide financial statements in that the resources of those funds are not available to support the Town’s services and programs. The Town is responsible for ensuring that the assets reported in these funds are utilized for their intended purpose. The Town’s fiduciary activities are reported in the Statement of Fiduciary Net Position and in the Statement of Changes in Fiduciary Net Position and are prepared using the full accrual basis of accounting.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements provide additional information essential to a clear understanding of the financial information provided in the government-wide and fund financial statements.

Combining Financial Statements

The Combining Balance Sheet – Non-major Special Revenue Funds and the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for the Town’s non-major Special Revenue Funds present individual fund information for each of the Town’s Special Revenue Funds (other than the Highway Fund). The totals provided in these statements are brought forward to the Combining Balance Sheet and the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances for Non-Major Governmental Funds inclusive of the Debt Service Fund and the Capital Projects Fund. These combining statements provide a frame of reference for the aggregations provided in the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances.

The Town as a Whole Governmental Activities

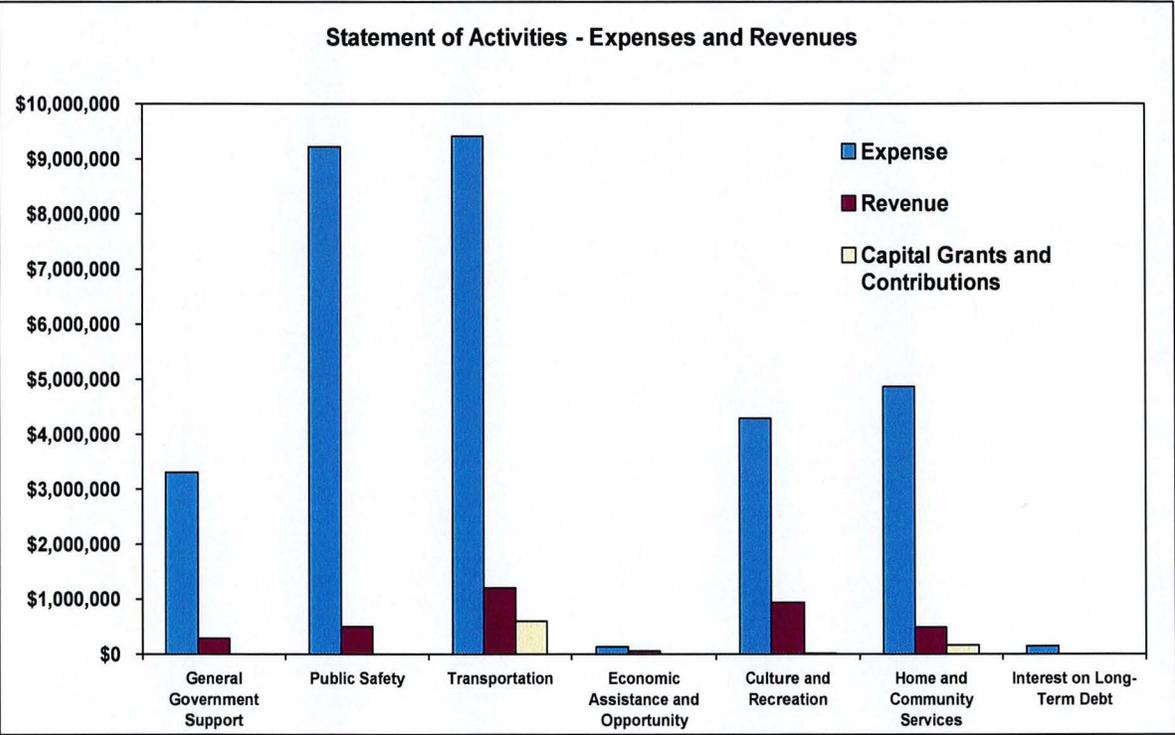
For the fiscal year ended December 31, 2014, Net Position changed as noted below, with the total \$61,531,895 representing a 7.25% decrease in Net Position.

<u>Assets:</u>	<u>2014</u>	<u>2013</u>	<u>\$ Change</u>	<u>% Change</u>
Current and Other Assets	\$ 14,093,289	\$ 14,543,942	\$ (450,653)	-3.10%
Capital Assets	58,386,855	63,047,946	\$ (4,661,091)	-7.39%
Total Assets	\$ 72,480,144	\$ 77,591,888	\$ (5,111,744)	-6.59%
<u>Liabilities:</u>				
Current Liabilities	\$ 2,155,463	\$ 2,070,209	\$ 85,254	4.12%
Noncurrent Liabilities	8,792,786	9,179,958	\$ (387,172)	-4.22%
Total Liabilities	\$ 10,948,249	\$ 11,250,167	\$ (301,918)	-2.68%
<u>Net Position:</u>				
Invested in Capital Assets, net of Related Debt	\$ 53,505,356	\$ 57,531,439	\$ (4,026,083)	-7.00%
<u>Restricted For:</u>				
Capital Reserves	1,623,599	1,659,298	\$ (35,699)	-2.15%
Other Purposes	4,400,576	4,681,442	\$ (280,866)	-6.00%
Unrestricted	2,002,364	2,469,542	\$ (467,178)	-18.92%
Total Net Position	\$ 61,531,895	\$ 66,341,721	\$ (4,809,826)	-7.25%

The overall net decrease of \$4,809,826 in net position is made up of several components, both favorable and unfavorable. The most significant factor relating to the overall decrease in net position was the decrease of capital assets of \$4,661,091 resulting from net depreciation expense of \$6,331,214 and additions of assets (net of deletions) of \$1,670,123 occurring in the year. Depreciation expense is an accounting measure of asset utilization based on estimates of useful life for each asset. The actual life of an asset may not parallel the estimated life used for the purpose of calculating depreciation expenses. Also, the Town is a mature, nearly fully developed community such that most of its needed infrastructure already exists, is being maintained and depreciated, with comparatively little opportunity for infrastructure expansion. Other long-term obligations for compensated absences and OPEB (Other Post-Employment Benefits) reduced net position further by a combined \$124,295. Long-term debt redeemed resulted in an increase in net position of \$511,467.

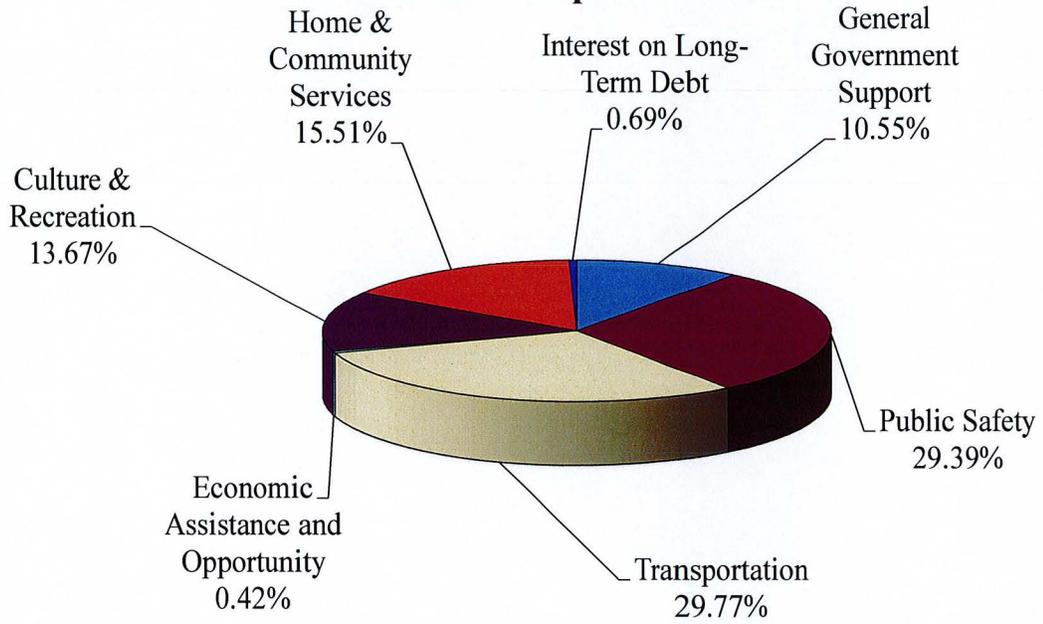
Total Net Position of \$61,531,895 reflects a reduction of \$4,809,826. This reduction is primarily due to the investment in Capital Assets, net of related debt, which decreased by \$4,026,083 as depreciation expenses exceeded capital additions.

In the Statement of Activities, expenses incurred by type of governmental activity totaled \$31,370,413 (presented in the first column), with program revenues by type attributable to a particular activity totaling \$3,470,243 (being presented in the next three columns to the right of expenses). The \$27,900,170 net negative result of expenses less revenues is shown as Net Expense, Revenue, and Changes in Net Position (as shown in the column to the far right). This format highlights the relative financial burden that each of the governmental activities places on the Town’s taxpayers. A total of \$23,090,344 in revenues not directly attributable to any particular governmental activity are reported as General Revenues, serving to further reduce the net cost of governmental activities. The net cost of all governmental activities, after applying all Program and General Revenues, results in a \$4,809,826 negative Change in Net Position.

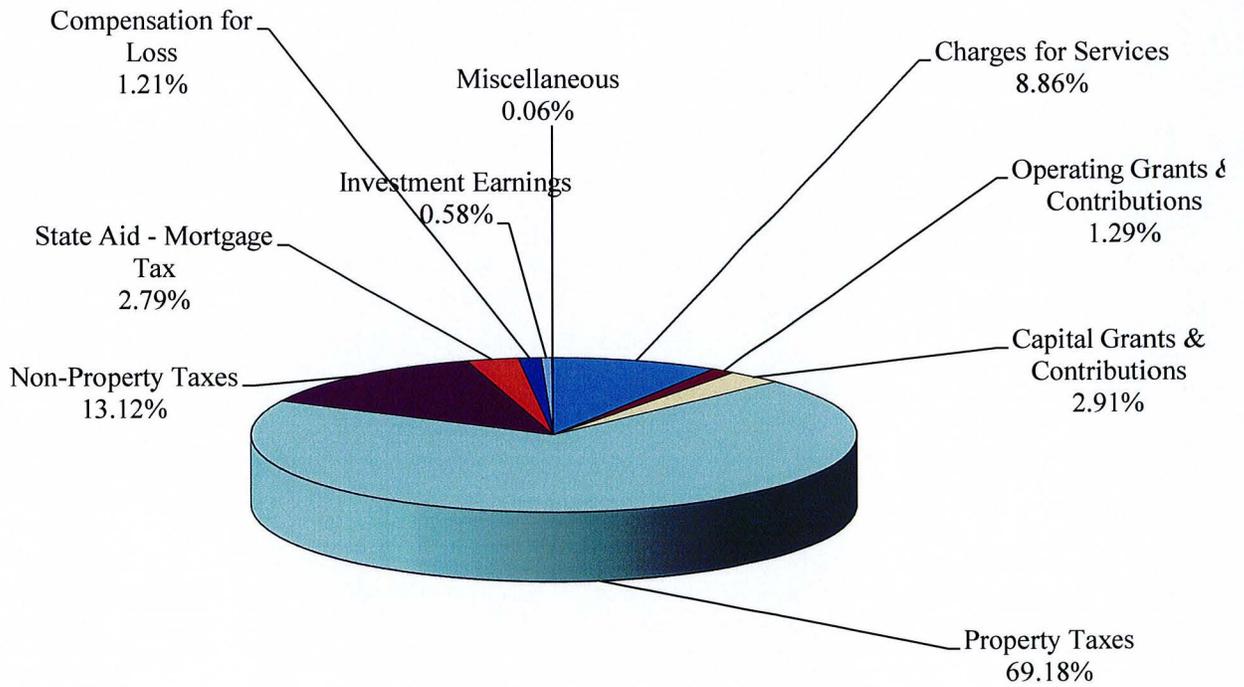


The Bar Graph presented above shows the relative relationship between Program Expenses of \$31,370,413 and Program Revenues of \$3,470,243. The \$27,900,170 balance in the net cost of operations is funded by General Revenues of \$23,090,344 (\$18,374,314 or 79.57% of all General Revenues being generated through the levy of property taxes) and \$4,809,826 in utilized Net Position.

Statement of Activities - Expenses



Statement of Activities - Revenues



The Program Expenses Pie Chart presented above shows the relative commitment of resources for the many types of critical services provided by the Town, and the Program Revenues Pie Chart shows the sources of revenue generated and their relative proportions as a part of total Town Revenues.

The Town's Governmental Funds

For the fiscal year ended December 31, 2014, the Town's Governmental Funds reported combined ending fund balances of \$11,988,215, a decrease of \$537,553 or a 4.29% decrease from 2013 fund balances of \$12,525,768. While this was a result of favorable and non-favorable operational variances across all funds, it was primarily due to capital projects awaiting long-term financing.

The fund balance, per GASB Statement 54 reporting beginning in fiscal year 2011, is broken out into four categories: Nonspendable, Restricted, Assigned, and Unassigned, all of which are more fully defined in the notes to these statements. Nonspendable fund balance, such as inventory and prepaid expenditures, total \$639,107. Restricted fund balance, such as reserves and amounts restricted by law or grantors for a specific purpose, total \$6,451,968. Assigned fund balance, amounts intended to be used for a specific purpose such as encumbrances and appropriated fund balance, total \$3,157,860. Unassigned fund balance, available for Town use, total \$1,739,280.

Comparative Schedule of Expenditures

The following schedule presents a summary of General Fund, Special Revenue Funds (including Highway), Capital Projects and Debt Service Fund expenditures for the fiscal years ended December 31, 2014 and 2013.

<u>Expenditures:</u>	<u>2014</u>	<u>2013</u>	<u>Variance</u>
General Governmental Support	\$ 2,650,029	\$ 2,685,876	\$ (35,847)
Public Safety	6,335,712	6,174,105	161,607
Transportation	4,665,691	5,157,991	(492,300)
Economic Assistance/Opportunity	125,091	132,260	(7,169)
Culture and Recreation	3,157,095	2,903,457	253,638
Home and Community Services	3,525,614	3,382,027	143,587
Employee Benefits	6,408,642	5,917,966	490,676
Debt Service - Principal	618,627	669,127	(50,500)
Debt Service - Interest	147,430	160,827	(13,397)
Total	\$ 27,633,931	\$ 27,183,636	\$ 450,295

As shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, recast in the chart above, the Town expended \$27,633,931 for current year operations. By comparison, this was (on a net basis) \$450,295 more than the \$27,183,636 expended in 2013.

Areas of major variances in expenditures include: transportation expenses that were down \$492,300 due to a reduction in costs for road materials, storm sewer repairs totaling \$191,487, and the Corwin Road Bridge project (which had expenditures in 2013 of \$321,554) was completed and did not have any expenditure in 2014. These reductions were offset by an increase in the Monroe Avenue GIGP project expenditures of \$86,467; Culture and Recreation expenses were up \$253,638 due to additional expenses for two trail systems being developed in Town totaling \$254,074; and Employee Benefits were up \$490,676 mainly due to a 30% increase in medical premium rates contributing to an additional \$479,011 in premiums for 2014 and mandated NYS Retirement System employer contributions increasing \$57,237.

Comparative Schedule of Revenues

The following schedule presents a summary of General Fund, Special Revenue Funds (including Highway), Capital Projects and Debt Service Fund revenues for the fiscal years ended December 31, 2014 and 2013.

<u>Revenues:</u>	<u>2014</u>	<u>2013</u>	<u>Variance</u>
Real Property and Tax Items	\$ 18,374,314	\$ 18,076,244	\$ 298,070
Non-Property Taxes	3,485,759	3,477,735	8,024
Departmental Income	1,105,493	836,784	268,709
Intergovernmental Charges	613,067	546,210	66,857
Use of Money and Property	153,921	173,699	(19,778)
Licenses and Permits	231,215	334,333	(103,118)
Fines and Forfeitures	270,764	383,636	(112,872)
Sale of Property and Compensation for Loss	321,107	448,478	(127,371)
Miscellaneous	227,413	112,667	114,746
Interfund Revenues	428,631	425,486	3,145
State and County Aid	1,480,356	1,521,306	(40,950)
Federal Aid	297,178	73,663	223,515
Total	\$ 26,989,218	\$ 26,410,241	\$ 578,977

Again, as shown on the Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, recast in the chart above, the Town recorded \$26,989,218 in revenues to support current year operations. By comparison, on a net basis this was an increase of \$578,977 from the \$26,410,241 recorded in 2013.

Areas of major variances in revenues include Departmental Income up \$268,709 mainly due to development fees and Federal Aid up \$223,515 due to aid received for the rehab of the Corwin Road Bridge.

General Fund. The General Fund, a major fund, is the primary operating fund of the Town including operations of the Police, Recreation, Parks, and Public Works Departments, the Town Court, that portion of the Highway Department not required to be accounted for in the Highway

Fund, and General Administration. Results of operations in the General Fund generated a deficit of \$715,063. When netting out the transfers in for debt and transfers out for capital projects, General Fund balance decreased by \$774,933 (which was less than the \$1,225,000 anticipated to be used from General Fund unassigned fund balance and reserves in the 2014 budget). The present \$2,871,337 in unassigned fund balance represents 18.50% of the \$15,521,239 in total fund expenditures and operating transfers out recorded in the fiscal year.

Highway Fund. The Highway Fund, also classified as a major fund, includes the greater portion of the activities of the Town's Highway Department (with the balance of Highway Department activities being accounted for in the General Fund). Highway Fund activities include road repair, storm sewer maintenance, machinery acquisition and maintenance, and snow and ice control. Results of operations in the Highway Fund generated an excess of \$204,929 in revenues over expenditures. When adding in the transfers from the debt service fund, the overall increase in Highway fund balance was \$255,658. The present \$1,379,567 of assigned fund balance for highway operations represents 28.17% of the \$4,896,659 in total fund expenditures and operating transfers out recorded in the fiscal year.

Roof Capital Projects. The capital project that was initiated in 2012 for the replacement of the roof on Town Hall and the Public Safety Wing was deemed to be a major fund in 2014 due to outstanding liabilities relating to notes issued in the amount of \$334,880. As a result of \$41,860 in BANs redeemed for the project and expenditures of \$1,465, this project generated a positive change in fund balance of \$40,395.

Dump Truck Capital Project. In 2014, a capital project was created to purchase a heavy duty dump truck for use in the highway department. This project was designated as a major fund in 2014 due to outstanding liabilities relating to notes issued in 2014 in the amount of \$220,000. There were not any expenditure incurred or revenues received for this project in 2014.

"Non-Major" Special Revenue (Governmental) Funds. "Non-Major" Special Revenue Funds are used to account for taxes, user fees, and other revenues that are raised or received to fund special governmental activities including the Brighton Memorial Library, Consolidated (Sanitary) Sewer District, and other governmental services (e.g. ambulance service, fire protection, street lighting, and refuse collection) provided to service areas that may or may not encompass the entire Town. Operations of all "Non-Major" Special Revenue funds resulted in a reduction of \$58,673 in net changes in fund balances.

As shown on the Balance Sheet for all Governmental Funds, the reconciliation of Total Fund Balances of \$11,988,215 to Net Position of Governmental Activities of \$61,531,895 includes \$58,386,855 in net Capital Assets used in governmental activities as an addition to Fund Balances, and subtractions to fund balance include \$4,247,573 in obligations on outstanding bonds, OPEB liability of \$3,387,916, accrued interest totaling \$50,389, and Compensated Absences earned and due to Town employees totaling \$1,157,297.

General Fund Budgetary Highlights

The Town's General Fund Budget for revenue and operating transfers increased by \$53,171 over the course of the year, to a total amended budget of \$15,076,096. Actual revenues and operating transfers-in came in below the amended budget estimates by \$329,790. The prime source of this negative variance was mortgage tax, which came in at \$388,118 below budget.

The Town's General Fund appropriation budget increased by \$127,698 over the course of the year to a total of \$16,510,758 in amended appropriations. In all categories, actual expenditures were less than amended budget estimates by a total of \$857,833. Major favorable budget variances included: General Government Support of \$111,221 less than budget, Public Safety of \$117,198 less than budget, Cultural and Recreation \$132,581 less than budgeted, Home and Community Services of \$145,566 less than budget, and Employee Benefits of \$282,357 less than budget.

Highway Fund Budgetary Highlights

The Town's amended Highway Fund revenue budget totaled \$5,141,029. Actual revenues were greater than the amended budget estimates by \$11,288. While interfund revenues were short \$114,336, mainly due to the GIGP project on Monroe Avenue that is planned for in-house labor, however, the work did not begin in 2014, this amount was offset by higher fuel sales than anticipated and other miscellaneous revenue sources.

The Town's amended Highway Fund appropriation budget totaled \$5,321,041. There was a total favorable variance in Highway Fund expenditures of \$365,186 including \$45,351 for equipment, \$107,149 for supplies, and \$140,007 for employee benefits. The net favorable variance of revenues over expenditures in the Highway Fund was \$376,474.

Capital Assets and Debt Administration

Capital Assets. In accordance with Governmental Accounting Standards Board (GASB) Statement #34, the Town records depreciation expense and accumulated depreciation associated with all of its capital assets including infrastructure. The Town's investment in capital assets for its governmental activities totals \$58,386,855, net of accumulated depreciation. This investment in capital assets includes Land, Work in Progress, Buildings and Improvements, Machinery and Equipment, and Infrastructure. Work in Progress was decreased on a net basis by \$20,599. Buildings and Improvements values of \$4,423,273 are reflective of \$651,691 in depreciation expenses. Machinery and Equipment values of \$2,695,169 reflect \$567,864 in additions and \$474,309 in disposals (through sale or other disposal), and \$640,621 in net depreciation expense. Infrastructure is valued at \$42,855,240. This includes \$1,984,911 in new and improved infrastructure, \$704,268 in deletions, and net depreciation expenses in 2014 of \$6,026,707. This primarily results from the Town's nearly fully developed dynamic, such that the need and opportunity to develop new infrastructure is small while, by comparison, the recording of depreciation on its mature network of roads (and road improvements), sewers (sanitary and storm), sidewalks, street lights, etc. is substantial. The Town's newly acquired or constructed Capital Assets were funded with cash, bonds, and Federal and State Aid.

	<u>2014</u>	<u>2013</u>
Land	\$ 7,926,434	\$ 7,926,434
Work in Progress	486,739	507,338
Buildings and Land Improvements	4,423,273	4,758,440
Machinery and Equipment	2,695,169	2,958,698
Infrastructure	42,855,240	46,897,036
Total	<u>\$ 58,386,855</u>	<u>\$ 63,047,946</u>

Debt Administration. At year-end 2014 the Town had \$4,247,573 in Bonds outstanding. Of this amount \$526,715 will be redeemed in the ensuing year's budget, leaving \$3,720,858 to be redeemed in future years. The Town maintains a conservative debt borrowing policy and has a rating of AA-2 from Moody's Investors Service.

At year end 2014 the Town also had \$1,157,297 in accumulated Compensated Absences due its employees, a net increase of \$32,973 from the prior year. The Town does not specifically budget for the payment of Compensated Absences, but utilizes available budgetary appropriations when that portion of the liability that relates to an employee severing service with the Town is "cashed out".

Also at the end of 2014 an additional year of OPEB liability was recorded. The seventh year of the Town of Brighton's OPEB liability was recorded bringing the total liability to \$3,387,916.

Economic Factors, Subsequent Significant Events, and Future Budget Impacts

The Town's historically conservative budgeting philosophy and continued strong fund balance positions in the General and Highway funds (both being major funds) provide a stable financial base and enables the Town to quickly respond to unanticipated budgetary demands that might be classified as modest or moderate. Most often such demands have resulted from an unusually harsh winter or other weather-related events. The first couple of months in 2015 gave the Rochester area some of the coldest and snowiest days in recorded history, which resulted in a higher than average need for snow removal and ice control. With the early drain on these resources for 2015, the Town will most likely need to rely on and utilize some of the fund balance in the highway fund.

As has been the case in the past, the Town (along with other municipalities in New York State) continues with the on-going challenge of funding the costs for employee benefits. While employer contribution rates to the New York State Local Employees and Police and Fire Retirement Systems have taken a slight decrease for 2015, they are still at extraordinary high levels with average contributions just over 20% for the ERS and 27% for the Police and Fire System. The Town saw an approximate 14% increase in medical premiums for 2015, and this was on top of the 30% increase that was incurred in 2014 after three years of below market premium rates. While these extra high increases were anticipated and planned for, they still present extraordinarily high premium rates which have prompted the Town to look into alternatives to provide affordable health care to its employees and retirees.

The Town Board continues to pass budgets that stay under the New York State law-imposed property tax levy cap that went into effect for the 2012 budget year. While each year provides a greater challenge to meet the needs of the community while staying within the property tax levy cap, it is hopeful that the prospect of new local development and a growing economy will provide some budgetary relief.

Contacting the Town's Financial Management

This financial report is designed to provide a general overview of the Town's finances for all those having an interest, and should be considered along with the Basic Financial Statements and related notes. Questions concerning any of the information provided in this report may be addressed to William Moehle, Supervisor, or to Suzanne Zaso, Director of Finance, at 2300 Elmwood Avenue, Rochester, New York, 14618.

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Statement of Net Postion

December 31, 2014

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 12,364,870
Accounts receivable, net	966,160
State and federal aid receivable	123,152
Prepaid items	639,107
Capital assets:	
Land and work in progress	8,413,173
Other capital assets, net of depreciation	49,973,682
TOTAL ASSETS	\$ 72,480,144
 LIABILITIES	
Accounts payable and other current liabilities	\$ 629,635
Accrued liabilities	224,096
Bond anticipation notes payable	1,256,840
Unearned revenue	44,892
Noncurrent liabilities:	
Due in one year	1,221,093
Due in more than one year	7,571,693
TOTAL LIABILITIES	\$ 10,948,249
 NET POSITION	
Net investment in capital assets	\$ 53,505,356
Restricted for:	
Capital reserves	1,623,599
Restricted other purposes	4,400,576
Unrestricted	2,002,364
TOTAL NET POSITION	\$ 61,531,895

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

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Statement of Activities

For the Year Ended December 31, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
Primary Government:	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government
Governmental Activities:					
General government support	\$ 3,308,367	\$ 57,473	\$ 230,488	\$ -	\$ (3,020,406)
Public safety	9,218,417	449,637	49,336	-	(8,719,444)
Transportation	9,411,917	580,950	23,562	597,200	(8,210,205)
Economic assistance and development	131,763	52,970	-	-	(78,793)
Culture and recreation	4,287,382	890,671	37,649	11,419	(3,347,643)
Home and community services	4,866,783	322,777	533	165,578	(4,377,895)
Interest on long-term debt	145,784	-	-	-	(145,784)
Total Governmental Activities	\$ 31,370,413	\$ 2,354,478	\$ 341,568	\$ 774,197	\$ (27,900,170)
Total Primary Government	\$ 31,370,413	\$ 2,354,478	\$ 341,568	\$ 774,197	\$ (27,900,170)
General Revenues:					
Taxes:					
Property taxes					\$ 18,374,314
Non-property taxes					3,485,759
Mortgage tax					739,942
Compensation for loss					321,107
Investment earnings					153,921
Miscellaneous					15,301
Total General Revenues					\$ 23,090,344
Change in Net Position					\$ (4,809,826)
Net Position - Beginning					66,341,721
Net Position - Ending					\$ 61,531,895

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

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Balance Sheet
Governmental Funds
December 31, 2014

	Major				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Roof Project	Capital Dump Truck Project	Highway Fund		
Assets						
Cash and cash equivalents	\$ 6,201,308	\$ 128	\$ 220,000	\$ 1,644,693	\$ 4,298,741	\$ 12,364,870
Receivables, net	55,921	-	-	9,609	8,997	74,527
Due from other funds	-	-	-	50,803	-	50,803
Due from other governments, net	849,932	-	-	41,563	138	891,633
State and federal aid receivable	-	-	-	37,521	85,631	123,152
Prepaid items	477,900	-	-	90,869	70,338	639,107
Total Assets	<u>\$ 7,585,061</u>	<u>\$ 128</u>	<u>\$ 220,000</u>	<u>\$ 1,875,058</u>	<u>\$ 4,463,845</u>	<u>\$ 14,144,092</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable and other current liabilities	\$ 259,213	\$ -	\$ -	\$ 131,959	\$ 212,929	\$ 604,101
Accrued liabilities	87,351	-	-	57,896	28,460	173,707
Notes payable - bond anticipation notes	-	334,880	220,000	-	701,960	1,256,840
Due to other funds	42,859	-	-	-	7,944	50,803
Due to other governments	13,273	-	-	-	-	13,273
Overpayments and collections in advance	12,261	-	-	-	-	12,261
Unearned revenue	26,351	-	-	3,541	15,000	44,892
Total Liabilities	<u>\$ 441,308</u>	<u>\$ 334,880</u>	<u>\$ 220,000</u>	<u>\$ 193,396</u>	<u>\$ 966,293</u>	<u>\$ 2,155,877</u>
Fund Balances:						
Nonspendable	\$ 477,900	\$ -	\$ -	\$ 90,869	\$ 70,338	\$ 639,107
Restricted	2,100,707	-	-	211,226	4,140,035	6,451,968
Assigned	1,693,809	-	-	1,379,567	84,484	3,157,860
Unassigned	2,871,337	(334,752)	-	-	(797,305)	1,739,280
Total Fund Balances	<u>\$ 7,143,753</u>	<u>\$ (334,752)</u>	<u>\$ -</u>	<u>\$ 1,681,662</u>	<u>\$ 3,497,552</u>	<u>\$ 11,988,215</u>
Total Liabilities and Fund Balances	<u>\$ 7,585,061</u>	<u>\$ 128</u>	<u>\$ 220,000</u>	<u>\$ 1,875,058</u>	<u>\$ 4,463,845</u>	

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.	58,386,855
Interest is accrued on outstanding bonds in the statement of net assets but not in the funds.	(50,389)
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	(4,247,573)
OPEB Liability	(3,387,916)
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.	(1,157,297)
Net Position of Governmental Activities	<u>\$ 61,531,895</u>

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	Major				Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Roof Project	Capital Dump Truck Project	Highway Fund		
Revenues:						
Real property and tax items	\$ 8,474,803	\$ -	\$ -	\$ 3,867,850	\$ 6,031,661	\$ 18,374,314
Non-property taxes	3,485,759	-	-	-	-	3,485,759
Departmental income	732,923	-	-	2,720	369,850	1,105,493
Intergovernmental charges	47,595	-	-	561,276	4,196	613,067
Use of money and property	97,567	-	-	2,503	53,851	153,921
Licenses and permits	217,004	-	-	14,211	-	231,215
Fines and forfeitures	270,764	-	-	-	-	270,764
Sale of property and compensation for loss	32,870	-	-	218,902	69,335	321,107
Miscellaneous	125,787	-	-	43,262	58,364	227,413
Interfund revenues	246,891	-	-	161,449	20,291	428,631
State and county aid	1,002,213	-	-	229,415	248,728	1,480,356
Federal aid	-	-	-	-	297,178	297,178
Total Revenues	\$ 14,734,176	\$ -	\$ -	\$ 5,101,588	\$ 7,153,454	\$ 26,989,218
Expenditures:						
Current:						
General government support	\$ 2,563,986	\$ 1,465	\$ -	\$ -	\$ 84,578	\$ 2,650,029
Public safety	5,136,474	-	-	-	1,199,238	6,335,712
Transportation	405,448	-	-	3,570,142	690,101	4,665,691
Economic assistance and development	125,091	-	-	-	-	125,091
Culture and recreation	1,277,176	-	-	-	1,879,919	3,157,095
Home and community services	1,125,470	-	-	-	2,400,144	3,525,614
Employee benefits	4,336,325	-	-	1,295,485	776,832	6,408,642
Debt Service:						
Debt service - principal	356,520	-	-	29,430	232,677	618,627
Debt service - interest and other charges	122,749	-	-	1,602	23,079	147,430
Total Expenditures	\$ 15,449,239	\$ 1,465	\$ -	\$ 4,896,659	\$ 7,286,568	\$ 27,633,931
Excess (deficiency) of revenue over expenditures	\$ (715,063)	\$ (1,465)	\$ -	\$ 204,929	\$ (133,114)	\$ (644,713)
Other Financing Sources and Uses:						
Transfers - in	\$ 12,130	\$ -	\$ -	\$ 50,729	\$ 212,842	\$ 275,701
Transfers - out	(72,000)	-	-	-	(203,701)	(275,701)
Bond anticipation notes	-	41,860	-	-	65,300	107,160
Total Other Financing Sources and Uses	\$ (59,870)	\$ 41,860	\$ -	\$ 50,729	\$ 74,441	\$ 107,160
Net change in fund balances	\$ (774,933)	\$ 40,395	\$ -	\$ 255,658	\$ (58,673)	\$ (537,553)
Fund Balance - Beginning	7,918,686	(375,147)	-	1,426,004	3,556,225	12,525,768
Fund Balance - Ending	\$ 7,143,753	\$ (334,752)	\$ -	\$ 1,681,662	\$ 3,497,552	\$ 11,988,215

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds \$ (537,553)

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.

Capital outlay	\$ 105,301	
Addition of assets	2,743,399	
Depreciation	(7,319,019)	
Gain/(Loss) on sale of assets	<u>(190,772)</u>	
		(4,661,091)

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

Debt repayment	\$ 618,627	
Proceeds from BAN	<u>(107,160)</u>	
		511,467

The net OPEB liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds. (91,322)

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. (32,973)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,646

Change in Net Position of Governmental Activities \$ (4,809,826)

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

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2014

	<u>Expendable Trust</u>	<u>Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 218,611	\$ 496,718
Service award program assets	-	884,557
Investments	<u>624,713</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 843,324</u>	<u>\$ 1,381,275</u>
LIABILITIES		
Accounts payable	\$ -	\$ 3,824
Accrued liabilities	-	79,593
Service awards	-	884,557
Other liabilities	<u>-</u>	<u>413,301</u>
TOTAL LIABILITIES	<u>\$ -</u>	<u>\$ 1,381,275</u>
NET POSITION		
Other expendable trusts	<u>\$ 843,324</u>	
TOTAL NET POSITION	<u>\$ 843,324</u>	

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

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

December 31, 2014

	<u>Expendable Trust</u>
ADDITIONS	
Contributions	\$ 117,595
Investment earnings	<u>18,811</u>
TOTAL ADDITIONS	<u>\$ 136,406</u>
DEDUCTIONS	
Culture and recreation expense	<u>\$ 64,506</u>
TOTAL DEDUCTIONS	<u>\$ 64,506</u>
Change in net position	\$ 71,900
NET POSITION - BEGINNING	<u>771,424</u>
NET POSITION - ENDING	<u><u>\$ 843,324</u></u>

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

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Notes To The Basic Financial Statements

December 31, 2014

I. Summary of Significant Accounting Policies:

The financial statements of the Town of Brighton, 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 (which was established in 1814) 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 Councilpersons are elected to serve four year terms with two Councilpersons on the ballot every two years.

The Town provides the following basic services to all or some residents of the Town: public safety, transportation (highway maintenance); parks and recreation; planning and zoning; public library; sanitary sewer; and drainage; refuse disposal; street lighting; fire protection and ambulance; sidewalks and sidewalk snow removal.

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

The decision to include a potential component unit in the Town's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered to determining the Town's reporting entity.

1. Included in the Reporting Entity

The Brighton Memorial Library was established in 1951 by the Town and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. The Town appoints trustees; raises taxes for library purposes; has title to real property used by the library; and issues all library indebtedness which is supported by the full faith and credit of the Town. The library is a blended component unit, part of the primary government, and is reported in the special revenue fund types. The Town provides ongoing financial support of Library operations through the annual property tax levy.

(I.) (Continued)

However, line item control over the library budget as well as control over the Library's general reserve fund rests exclusively with the Library Board of Trustees. Gifts and donations received by the Brighton Memorial Library are reported within the Trust and Agency Fund. Pursuant to Education Law, such funds are under exclusive control of the Library Board of Trustees. The Town does not exercise oversight responsibility with regard to such gifts and donations.

2. Excluded From the Reporting Entity

Although the following organizations, functions or activities are related to the Town they are not included in the Town reporting entity because of the reasons noted:

a. The Town is served by five school districts created by state legislation which designates the school boards as their governing authority. School board members are elected by the qualified voters of the districts. The school boards designate management and exercise complete responsibility of all financial matters. The Town Council exercises no oversight over school operations. Their audit reports may be obtained by contacting the school district.

b. The Brighton Fire District is an independent district corporation that has the authority to levy its own property taxes and borrow in its own name, and for which the governing commissioners are elected by the residents of the District. The Board of Fire Commissioners has complete responsibility for management of the District and its fiscal affairs. The Town Council exercises no oversight over District operations. Their audit reports may be obtained by contacting the Brighton Fire District.

B. Basis of Presentation

1. Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the Town's services are classified as governmental activities.

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

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

(I.) (Continued)

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

The Town does not allocate indirect costs. An administrative service fee is charged by the General Fund to the Town's special district funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of services provided (finance, personnel, purchasing, legal, technology, management, etc.).

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

2. Fund Financial Statements

The emphasis in fund financial statements is on the major fund in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in a column in the fund financial statements.

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

1. Major Governmental Funds

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

Capital Roof Project - used to account for financial resources to be used for the roof capital project.

Capital Dump Truck Project - used to account for financial resources to be used for the dump truck capital project.

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

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

(I.) (Continued)

Debt Service Fund - used to account for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

Special Revenue Funds - used to account for taxes, user fees, or other revenues which are raised or received to provide special services to areas that may or may not encompass the whole Town. The following are non-major special revenue funds utilized by the Town:

Public Library Fund	Consolidated Water District Fund
Neighborhood Improvement District Fund	Park Land Deposits Fund
Lighting Districts Fund	Consolidated Sewer Fund
Drainage Districts Fund	Fire Protection District Fund
Business Improvement Districts Fund	Park Special District Fund
Refuse Disposal Districts Fund	Ambulance Service District Fund
Sidewalk Snow Removal District Fund	Consolidated Sidewalk District Fund

3. Fiduciary Funds

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

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

Private Purpose Trust Funds - are used to report certain trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “how” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

1. Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Equity is classified as net position.

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

(I.) (Continued)

2. **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter (within the year) to pay current liabilities. 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.

D. **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. Major receivable balances for the governmental activities include sales tax and sewer fees.

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

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. **Prepaid Items**

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

5. Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations and whether they are reported in the government --wide or fund financial statements.

a. Government-Wide Statements

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

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.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. A capitalization threshold of \$1,000 is used to report capital assets. The range of estimated useful lives by type of assets is as follows:

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

b. Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

6. Unearned Revenue

The Town reports unearned 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**

The Town accrues accumulated unpaid vacation and compensatory time cost when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

1. **Non-Represented Employees**

Full-time employees can earn up to twenty-five (25) days of vacation leave per year based on their number of years of service. An employee may not at any point during the year or at year end accrue more than thirty-five (35) vacation days. Compensatory time accrued in the calendar year must be used by March 31 of the following year.

2. **BPPA Represented Employees**

BPPA represented employees can earn up to thirty days (30) of vacation leave per year based on their number of years of service.

3. **CSEA Represented Employees**

CSEA represented employees can earn up to thirty (30) days of vacation leave per year based on their number of years of service. A maximum of five (5) vacation leave days may be carried over into the next calendar year.

4. **Teamsters Represented Employees**

Teamsters represented employees can earn up to thirty days (30) of vacation leave per year based on their number of years of service. An employee may not at any point during the year or at year end accrue more than thirty-five (35) vacation days.

3 Other Benefits

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

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

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 capital 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 including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- 2. Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- 3. Unrestricted net position** - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

b. Financial Statements – Fund Balance

The Town implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

- 1. Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.

(I.) (Continued)

2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
4. **Unassigned fund balance** – Amounts that are available for town purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund.

c. The following policies relate to GASB No. 54:

1. **Assigned fund balance** – The department head 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. (At year end, open purchase orders will therefore be designated as a component of the assigned fund balance.)

The Board has the authority to assign fund balance for the purpose of tax reduction on an annual basis.

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 Board and/or 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 year.

For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. 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.

(I.) (Continued)

E. Revenues, Expenditures/Expenses

1. Revenues

Real property taxes are levied January 1 and collected by the Receiver of Taxes without interest through February 10, and through May 31 with interest and penalties. 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.

F. 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. Interfund loan – amounts provided with a requirement for repayment are reported as interfund receivables and payables.

b. Interfund services – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

(I.) (Continued)

- c. **Interfund reimbursements** – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds
- d. **Interfund transfers** – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

2. **Government-Wide Financial Statements**

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

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

G. **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.

H. **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.

(II.) (Continued)

A. Budgetary Data

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

- a.** No later than September 30, the budget officer submits a tentative budget to the Town Clerk for submission to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing them.
- 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 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.

(II) (Continued)

C. Deficit Fund Balance – Capital Projects Fund

Some of the capital projects had deficit fund balances totaling \$1,132,057 at December 31, 2014, which is the result of the Town not obtaining permanent financing for the projects before year end. The Town issued BAN's and borrowed funds from other funds in order to facilitate the cash flow for these purchases, and the permanent financing will occur at a later date. This results in the creation of a fund deficit which will remain until permanent financing (i.e., bonds, grants-in-aid, or redemption from current appropriations) is obtained.

III. Detail Notes on All Funds and Account Groups:

A. Cash and Cash Equivalents

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		6,220,295
Collateralized within Trust department or agent		5,302,204
Total	\$	<u>11,522,499</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$6,451,968 within the governmental funds and \$218,611 in the expendable trust fund.

B. Brighton Memorial Library Expendable Trust Gift Fund

The Brighton Memorial Library Board of Trustees, pursuant to Education Law, exercise exclusive control and manage the gift Fund of the following expendable trust funds:

	Carrying Amount
JP Morgan Chase Savings Account	\$ 3,604
JP Morgan Chase Checking Account	134,099
Morgan Stanley Trust Account	8,511
AM&M Financial Services	67,581
Dina Ascher Zwick Endowment Fund	548,621
Total	\$ <u>762,416</u>

(III) (Continued)

C. Receivables

Receivables at December 31, 2014 consisted of the following, which are stated at net realizable value. Town management has deemed the amounts to be fully collectible:

<u>Description</u>	<u>Amount</u>
Sales Tax	\$ 778,235
PILOTS/Mitigation	63,003
Stop - DWI Fines	24,233
Brush Waste	13,835
Election Inspector Fees	38,050
Court Fines and Fees	23,215
NYS Snow and Ice	37,521
NYS Capital Project Grants	82,723
Other	28,497
Total	\$ 1,089,312

D. Interfund Receivables, Payables, Revenues and Expenditures

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

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Transfers-In</u>	<u>Interfund Transfers-Out</u>
General	\$ -	\$ 42,859	\$ 72,000	\$ 12,130
Highway	50,803	-	-	50,729
Capital Fund	-	-	6,742	187,950
Debt Service Fund	-	-	79,409	6,742
Non major Special Revenue Funds	-	7,944	117,550	18,150
Total	\$ 50,803	\$ 50,803	\$ 275,701	\$ 275,701

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

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

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

(III) (Continued)

E. Changes In Capital Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>01/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/14</u>
<u>Capital assets not being Depreciated:</u>				
Land	\$ 7,926,434	\$ -	\$ -	\$ 7,926,434
Work in progress	507,338	105,301	(125,900)	486,739
<i>Total capital assets not being depreciated</i>	<u>\$ 8,433,772</u>	<u>\$ 105,301</u>	<u>\$ (125,900)</u>	<u>\$ 8,413,173</u>
<u>Other capital assets:</u>				
Buildings and improvements	\$ 18,492,314	\$ 316,524	\$ -	\$ 18,808,838
Machinery and equipment	10,672,538	567,864	(474,309)	10,766,093
Infrastructure	182,795,602	1,984,911	(704,268)	184,076,245
<i>Total other capital assets at historical cost</i>	<u>\$ 211,960,454</u>	<u>\$ 2,869,299</u>	<u>\$ (1,178,577)</u>	<u>\$ 213,651,176</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	\$ 13,733,874	\$ 651,691	\$ -	\$ 14,385,565
Machinery and equipment	7,713,840	640,621	(283,537)	8,070,924
Infrastructure	135,898,566	6,026,707	(704,268)	141,221,005
<i>Total accumulated depreciation</i>	<u>\$ 157,346,280</u>	<u>\$ 7,319,019</u>	<u>\$ (987,805)</u>	<u>\$ 163,677,494</u>
<i>Other capital assets, net</i>	<u>\$ 54,614,174</u>	<u>\$ (4,449,720)</u>	<u>\$ (190,772)</u>	<u>\$ 49,973,682</u>
<i>Governmental activities capital assets, net</i>	<u><u>\$ 63,047,946</u></u>	<u><u>\$ (4,344,419)</u></u>	<u><u>\$ (316,672)</u></u>	<u><u>\$ 58,386,855</u></u>

Depreciation expense for the year totaled \$7,319,019 and was charged to the following functions:

General Government	\$ 70,256
Public Safety	217,472
Transportation	4,885,704
Culture & Recreation	515,428
Home & Community Services	1,630,159
Total	<u><u>\$ 7,319,019</u></u>

F. Short-Term Debt

1. Bond Anticipation Notes

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

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

(III) (Continued)

2. **Interest Reconciliation**

The short-term interest expense as of December 31, 2014 is as follows:

Interest expense reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$	7,113
Prior year accrued interest		(1,328)
Current year accrued interest		3,347
Interest expense - Statement of Activities	\$	<u>9,132</u>

3. Transactions in short-term debt for the year are summarized below:

	<u>Balance</u> <u>01/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2014</u>
BANS	\$ 784,000	\$ 1,256,840	\$ 784,000	\$ 1,256,840

G. **Long-Term Debt**

At December 31, 2014 the total outstanding obligations of the Town aggregated \$8,792,786 as follows:

1. **Serial Bonds**

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

2. **Interest Reconciliation**

A summary of the long-term interest expense as of December 31, 2014 is as follows:

Interest expense reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance	\$	140,317
Prior year accrued interest		(50,707)
Current year accrued interest		47,042
Interest expense - Statement of Activities	\$	<u>136,652</u>

3. **Other Long-Term Obligations**

In addition to long-term bonded debt the Town had the following other obligations:

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

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

(III.) (Continued)

4. Summary of Debt

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

	Balance	Additions	Deletions	Balance	Classified As	
	01/01/14			12/31/14	Current	Non-Current
Serial Bonds	\$ 4,759,040	\$ -	\$ 511,467	\$ 4,247,573	\$ 526,715	\$ 3,720,858
Other Long-Term Obligations						
Compensated Absences	1,124,324	32,973	-	1,157,297	694,378	462,919
OPEB Liability	3,296,594	91,322	-	3,387,916	-	3,387,916
Total Long-Term Obligations	<u>\$ 9,179,958</u>	<u>\$ 124,295</u>	<u>\$ 511,467</u>	<u>\$ 8,792,786</u>	<u>\$ 1,221,093</u>	<u>\$ 7,571,693</u>

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

5. Debt Maturity Schedule

The following is a statement of bonds with corresponding maturity schedules:

<u>Purpose</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Interest</u>	<u>Amount Outstanding 12/31/14</u>	<u>Maturity</u>
<u>Sewer District Fund Serial Bonds -</u>					
Elmwood Avenue Relief Sewer	1997	\$ 680,000	5.007%	\$ 70,000	2016
Brighton-Henrietta Town Line Road Sewer	1999	\$ 318,562	5.077%	95,000	2019
Western Dr. Area Sewer	2005	\$ 236,800	0%	142,573	2025
Enviormental Facilites Corporation	2010	\$ 730,000	0.286%-4.245%	550,000	2029
<u>General Public Improvements -</u>					
Refunded Bond (\$1,858,000)	2011	\$ 635,000	2%-2.250%	405,000	2018
Fuel Depot/Parkland	2007	\$ 4,438,450	3.8%-3.875%	2,885,000	2023
Consolidated Public Improvement Bond	2012	\$ 204,750	1.375%	100,000	2016
Total Serial Bonds				<u>\$ 4,247,573</u>	

Of the total outstanding indebtedness, \$307,573 was issued for water and sewer purposes exempt from the constitutional debt limit.

(III.) (Continued)

6. The following table summarizes the Town's future debt service requirements as of December 31, 2014:

<u>Year</u>	<u>Bonds</u>	<u>Interest</u>
2015	\$ 526,715	\$ 139,805
2016	536,964	126,331
2017	462,213	105,792
2018	472,463	90,572
2019	387,712	75,930
2020-24	1,647,298	170,369
2025-29	214,208	24,764
Total	\$ 4,247,573	\$ 733,563

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. \$395,000 of bonds outstanding are considered defeased.

H. Fund Balances/Net Position

1. Fund Balances

a. Nonspendable

The Town has the following nonspendable funds:

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

b. Restricted

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

1. Capital Reserves

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

a. General Fund

Quality of Life - to finance future capital projects that will improve the "Quality of Life" in the Town. The Town credited the reserve \$25 in interest earnings. The balance in this reserve at December 31, 2014 is \$117,921.

(III.) (Continued)

Assessment - to finance the update and assessment on all real property situated in the Town. The Town credited \$17 in interest earnings to the reserve during the year. The balance in this reserve at December 31, 2014 is \$81,428.

Streetscape - to finance streetscape improvements as determined by the Town. The Town credited \$23 in interest earnings. The balance in this reserve at December 31, 2014 is \$109,836.

Town Sidewalk - to finance the cost of construction of new Town wide sidewalks as proposed for construction by the Town. The Town credited \$42 in interest earnings. The balance in this reserve at December 31, 2014 is \$199,571.

Parks - to finance the purchase and development of open space for park purposes. The Town credited \$115 in interest earnings. The balance in this reserve at December 31, 2014 is \$551,815.

b. Consolidated Sewer Fund

Sewer Equipment - to finance future planned replacement of high cost sewer equipment items. The Town credited the reserve for \$45 in interest earnings. The balance in this reserve at December 31, 2014 is \$217,716.

c. Water Fund

Consolidated Water District - to finance future capital improvements to be made in the consolidated water district. The Town credited the reserve for \$28 in interest earnings, and the balance in this reserve at December 31, 2014 is \$134,087.

d. Highway Fund

Highway Equipment - to finance all or part of the cost of future Town expenditures for capital assets which have a period of probable usefulness of at least five years. The Town credited the reserve for \$52 in interest earnings. The balance of the reserve at December 31, 2014 is \$211,226.

2. Reserve For Debt

In accordance with General Municipal Law, Section 6-1, the Town has established a reserve to provide funding for the outstanding balance due on serial bonds and bond anticipation notes which were issued for various building and reconstruction projects. This reserve is recorded in the Debt Service Fund and may be reduced each year until the serial bonds and bond anticipation notes are paid in full. The balance at December 31, 2014 is \$201,088 and \$30,360 has been appropriated for the ensuing year's budget.

3. General Reserve

The Brighton Memorial Library Board of Trustees initially established a reserve fund in 1987 in accordance with New York State Education Law 259 and Opinion No. 80-260 of the State Comptroller. The purpose of the reserve is to provide for upgrades and improvements to library automation, capital and/or services which are not operating expenses. This reserve may be carried over from year to year for the above purpose stated. Moneys from this reserve may be expended only upon the direction and written demand of the Library Trustees. The reserve had contributed \$36,610 during the year. This reserve fund is recorded in the Library Fund and the balance is \$156,998 at December 31, 2014.

4. Insurance Reserve

The Town Board has established such a reserve in accordance with General Municipal Law, Section 6(n). The purpose of this reserve fund is to pay for property loss, claims against the Town, and other liabilities incurred for which the Town has no insurance coverage. This reserve is recorded in the General Fund. The reserve earned \$24 in interest during the year. The balance at December 31, 2014 is \$143,194.

5. Workers' Compensation Reserve

The Town Board established a workers' compensation reserve in accordance with General Municipal Law, Section 6(j). This reserve is recorded in the General Fund.. The reserve earned \$105 in interest. The balance at December 31, 2014 is \$504,267.

6. Reserve for Forfeiture of the Proceeds of Crime

To conform with financial reporting requirements as promulgated by the Office of the State Comptroller the Town has recorded the unspent balance of the forfeiture of the proceeds of crime in the General Fund as a general reserve. The Town Board appropriated \$81,803 from the reserve, received \$350 in seized property revenues, and credited \$40 in interest earnings. The balance of this reserve at December 31, 2014 is \$113,236.

7. Repair Reserve

To be used for repair or replacement of major mechanical systems and roofs in and on major Town facilities. The Town Board credited the reserve \$38 in interest earnings, and appropriated \$35,000 during the year. The balance in this reserve at December 31, 2014 is \$183,670.

(III.) (Continued)

8. Special Districts

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

Public Library Fund	Consolidated Water District Fund
Neighborhood Improvement District Fund	Park Land Deposits Fund
Lighting Districts Fund	Consolidated Sewer Fund
Drainage Districts Fund	Fire Protection District Fund
Business Improvement Districts Fund	Park Special District Fund
Refuse Disposal Districts Fund	Ambulance Service District Fund
Sidewalk Snow Removal District Fund	Consolidated Sidewalk District Fund

c. Assigned

The Town has the following assigned funds:

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

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.

Significant encumbrances for the general fund, management has determined that amounts in excess of \$18,832 are considered significant and are summarized below:

- \$63,763 for Public Safety, \$24,995 for Transportation, \$37,112 for Home and Community Services and \$512,123 for Retirement Benefits.

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

d. Unassigned

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

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

(III.) (Continued)

FUND BALANCE:	General Fund	Highway Fund	Capital Projects	Debt Service Fund	Special Revenue Funds	Total
<u>Nonspendable -</u>						
Prepaid items	\$ 477,900	\$ 90,869	\$ -	\$ -	\$ 70,338	\$ 639,107
<u>Restricted -</u>						
Capital Reserves -						
Quality of life	\$ 117,921	\$ -	\$ -	\$ -	\$ -	\$ 117,921
Assessment	81,428	-	-	-	-	81,428
Streetscape	109,835	-	-	-	-	109,835
Town sidewalk	199,571	-	-	-	-	199,571
Parks	551,815	-	-	-	-	551,815
Sewer equipment	-	-	-	-	217,716	217,716
Consolidated water district	-	-	-	-	134,087	134,087
Highway equipment	-	211,226	-	-	-	211,226
Reserve for debt	-	-	-	201,088	-	201,088
General reserve	-	-	-	-	156,998	156,998
Insurance reserve	143,194	-	-	-	-	143,194
Workers' compensation reserve	504,267	-	-	-	-	504,267
Reserve for forfeiture of the proceeds of crime	209,006	-	-	-	-	209,006
Repair reserve	183,670	-	-	-	-	183,670
Capital improvements	-	-	498,131	-	-	498,131
Special Districts -						
Public library	-	-	-	-	243,670	243,670
Consolidated water	-	-	-	-	476,751	476,751
Neighborhood improvement	-	-	-	-	4,379	4,379
Park land deposits	-	-	-	-	314,941	314,941
Lighting	-	-	-	-	285,152	285,152
Consolidated sewer	-	-	-	-	343,902	343,902
Drainage	-	-	-	-	19,967	19,967
Fire protection	-	-	-	-	848,468	848,468
Business improvement	-	-	-	-	3,388	3,388
Refuse disposal	-	-	-	-	44,357	44,357
Ambulance service	-	-	-	-	160,287	160,287
Park special	-	-	-	-	7,337	7,337
Sidewalk snow removal	-	-	-	-	56,211	56,211
Consolidated sidewalk	-	-	-	-	123,205	123,205
Total Restricted	\$ 2,100,707	\$ 211,226	\$ 498,131	\$ 201,088	\$ 3,440,816	\$ 6,451,968
<u>Assigned -</u>						
Appropriated for taxes	\$ 1,050,000	\$ 150,000	\$ -	\$ -	\$ -	\$ 1,200,000
Retirement benefits	512,123	-	-	-	-	512,123
General government support	5,413	-	-	-	-	5,413
Public safety	63,763	-	-	-	-	63,763
Transportation	24,995	1,229,567	84,484	-	-	1,339,046
Culture and recreation	403	-	-	-	-	403
Home and community service	37,112	-	-	-	-	37,112
Total Assigned	\$ 1,693,809	\$ 1,379,567	\$ 84,484	\$ -	\$ -	\$ 3,157,860
Unassigned	\$ 2,871,337	\$ -	\$ (1,132,057)	\$ -	\$ -	\$ 1,739,280
TOTAL FUND BALANCE	\$ 7,143,753	\$ 1,681,662	\$ (549,442)	\$ 201,088	\$ 3,511,154	\$ 11,988,215

(III.) (Continued)

The following restricted fund balances have monies appropriated for 2015 taxes:

	<u>Total</u>
Lighting	\$ 65,820
Consolidated Sewer	50,000
Drainage	2,635
Refuse	3,380
Ambulance Service	20,340
Business Improvement	1,045
Fire Protection	300,000
Park Special	1,000
Neighborhood Improvement	2,200
Sidewalk Snow Removal	20,375
Consolidated Sidewalk	<u>40,700</u>
Total Special District Appropriated for Taxes	<u>\$ 507,495</u>

3. Net Position – Capital Reserves

Represents those amounts which have been restricted for capital reserves.

	<u>Total</u>
<u>General Fund -</u>	
Quality of life	\$ 117,921
Assessment	81,428
Streetscape	109,835
Town sidewalk	199,571
Parks	551,815
<u>Consolidated Sewer Fund -</u>	
Sewer equipment	217,716
<u>Water Fund -</u>	
Consolidated water district	134,087
<u>Highway Fund -</u>	
Highway equipment	<u>211,226</u>
Total Net Position - Capital Reserves	<u>\$ 1,623,599</u>

(III.) (Continued)

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

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

	<u>Total</u>
Reserve for debt	\$ 201,088
Library general reserve	156,998
Insurance reserve	143,194
Workers' compensation	504,267
Forfeiture of the proceeds of crime	209,006
Repair reserve	183,670
Public library	288,511
Consolidated water	476,751
Neighborhood improvement	4,379
Park land deposits	314,941
Lighting	285,152
Consolidated sewer	369,168
Drainage	19,967
Fire protection	848,699
Business improvement	3,388
Refuse disposal	44,357
Ambulance service	160,287
Park special	7,337
Sidewalk snow removal	56,211
Consolidated sidewalk	<u>123,205</u>
Total Net Position - Restricted for Other Purposes	<u>\$ 4,400,576</u>

IV. **Other Notes:**

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

1. **Pension Plans**

a. **New York State Pension Plans**

Plan Description

The Town participates in the New York State Local Employees' and the New York State Police and Fire Retirement Systems. These are cost sharing multiple employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of its funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. Reports 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 is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2014	\$ 1,419,764	\$ 931,046
2013	\$ 1,305,705	\$ 1,034,199
2012	\$ 1,108,814	\$ 913,270

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

b. West Brighton Fire Protection District Service Award Program

The information contained in this note is based on information for the Length of Service Awards Program for the plan year ending on December 31, 2014, which is the most recent plan year for which complete information is available.

1. Length of Service Awards Program – LOSAP

The Town established a defined benefit LOSAP for the active volunteer firefighters of the West Brighton Fire Protection District Service. The program took effect in 1994. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

2. Program Description

Participation, Vesting and Service Credit

Active volunteer firefighters who have reached the age of 18 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 5 years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 62. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive a maximum 5 years of credit for firefighting service rendered prior to the establishment of the program.

Benefits

A participant's benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person's total number of service credits. The number of years of firefighting service used to compute the benefit cannot exceed forty. Benefits are not payable until the first day of the month if the participant attained the entitlement age on that date or the first date of the next month. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

3. Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board.

The governing board of the sponsor has retained and designated PENFLEX, Inc. to assist in the administration of the program. The designated program administrator's functions include preparing annual individual participant statements, preparing annual service award program reports such as annual program costs, asset changes, including fact sheets and special commentaries, reports relating to changes in defined benefits, historical data comparisons, cash flow projections, actuarial related documentation and related participant forms, and also prepares and files all related IRS documents and audit statements relating to GASB #25. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Town Supervisor and administered by Bank of America as of December 31, 2014. Administrative expenses for PENFLEX, Inc. are approved by the Town Board via a contractual agreement and approved by the Audit Committee and ultimately the Town Board.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated January 1, 2004, and the trustee is Bank of America.

Authority to invest program assets is vested in Bank of America. While there are no investment restrictions, Bank of America follows the investment objectives of the program which are to invest in balanced funds. This offers the potential for both capital appreciation and current income through a 40% to 60% allocation to fixed income securities with a corresponding allocation to equity investments.

The sponsor is required to retain an actuary to determine the amount of the sponsor's contributions to the plan. The actuary retained by the sponsor for this purpose is PENFLEX, Inc. Portions of the following information are derived from a report prepared by the actuary dated January 1, 2015.

4. Program Financial Condition*Assets and Liabilities*

Actuarial Present Value of Benefits		\$ 882,091
<u>Less:</u> Assets Available for Benefits		
Cash and Short-Term Investments	\$ 130,242	
Accrued Interest/Benefit Payable	<u>(4,760)</u>	
Total Net Position Available for Benefits		<u>125,482</u>
Total Unfunded (Overfunded) Benefits		<u>\$ 756,609</u>

Receipts and Disbursements

Plan Net Position, Beginning of Year		\$ 939,338
Changes During the Year:		
Investment Income Earned	\$ 33,130	
Changes in Fair Market Value of Investments	(37,606)	
Plan Benefit Withdrawals	(42,038)	
Administrative and Other Fees/Charges	<u>(8,266)</u>	
Total Changes During the Year		<u>(54,780)</u>
Plan Net Position, End of Year		<u>\$ 884,558</u>

5. Actuarial Cost Method*Attained Age Normal Frozen Initial Liability*

Under this cost method, there are two components to the annual cost each year. The first component, the “normal cost”, is equal to the level annual payment required to fund the current participant’s projected benefits based on their service credit earned after the effective date of the Service Award Program and before the Entitlement Age (EA). The second component, the annual amortization cost, equals the level annual payments required to fund over the amortization period(s), the participant’s benefits, if any, based on (1) either service credit earned before the effective date of the program or service credit earned after the attainment of the EA, or (2) plan amendments that create an immediate unfunded liability and are required to be amortized.

Amortization period for liability for service after EA – 5 years
Amortization period for change in assumptions liability and 2003 contributions – 5 years.

Under the Attained Age Normal Frozen Initial Liability cost method, actuarial gains and losses are amortized over the future years of firefighting service before the entitlement age for the group of firefighters participating in the Service Award Program on the valuation date. Higher than expected investment income, for example, in any one particular year will reduce the normal cost in that year and in each of the future years based upon the ages of the current firefighters participating in the program on the valuation date. Likewise, losses to the Service Award Program Trust Fund will result in an increase in the future annual normal costs.

(IV.) (Continued)

Assets are valued at fair market value, any insurance contracts at contract value.

Valuation date:	1/1/2015
Plan year:	2014
Assumed investment rate of return:	6%
Pre-Entitlement age mortality table:	None assumed
Post-Entitlement age mortality table:	1994 Uninsured Pensioner Male Mortality Table projected with scale AA to 2007
Retirement:	100% at entitlement age
Withdrawal rates:	None assumed
Valuation age:	Exact age on the valuation date, with annuity values linearly interpolated between whole ages
Contribution timing adjustment:	Contributions are assumed to be made 6 months after the valuation date
Administrative cost:	Paid outside the Trust Fund by the Town

2. **Deferred Compensation Plan**

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

3. **Other Postemployment Benefits – Government-Wide**

Plan Description. The Town provides post-employment medical benefits (OPEB) for retirees and spouses through the Town of Brighton Postretirement Health Care Benefits Program (Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Town and can be amended by the Town through its personnel manual or union contract negotiations.

Funding Policy. The Town currently pays for postemployment health care benefits on a pay-as-you-go basis. Once New York State Law allows for the establishment of a trust to fund and invest assets necessary to pay for the accumulated liability, the Town will study the establishment of such a trust. These financial statements assume that pay-as-you-go funding will continue.

The Town Board has elected to earmark funds in preparation for the Town's OPEB obligation. The balance at December 31, 2014 is \$512,123.

Annual OPEB Cost and Net OPEB Obligation. The Town's annual other postemployment (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation by governmental activities:

(IV.) (Continued)

Annual required contribution	\$ 989,283
Interest on net OPEB obligation	131,864
Adjustment to annual required contribution	<u>(136,556)</u>
Annual OPEB cost (expense)	\$ 984,591
Contributions made	<u>893,269</u>
Increase in net OPEB obligation	\$ 91,322
Net OPEB obligation - beginning of year	<u>3,296,594</u>
Net OPEB obligation - end of year	<u><u>\$ 3,387,916</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$ 1,883,307	24.1%	\$ 1,430,141
12/31/2009	\$ 1,883,307	24.1%	\$ 2,860,282
12/31/2010	\$ 766,422	76.9%	\$ 3,037,517
12/31/2011	\$ 756,073	76.6%	\$ 3,214,752
12/31/2012	\$ 849,155	95.2%	\$ 3,255,673
12/31/2013	\$ 849,155	95.2%	\$ 3,296,594
12/31/2014	\$ 984,591	90.7%	\$ 3,387,916

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$17,509,051, and the actuarial value of assets was \$0 resulting in an unfunded actuarial accrued liability of \$17,509,051. The covered payroll (annual payroll of active employees covered by the plan) was \$11,672,901, and the ratio of the UAAL to the covered payroll was 150.00%.

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 trend. 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 is presented as required supplemental information following the notes to the financial statements.

Assumptions and Methods

Discount Rate

The discount rate as of December 31, 2014, is 4.00%. The discount rate is determined by the Plan sponsor based on the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. The Town of Brighton, Monroe County, New York does not pre-fund the ARC, and therefore, the discount rate is based on the expected return on the Town's general assets.

(IV.) (Continued)

Trend Rate for Health Claims

The trend rate for health claims is 5.7% for 2014 grading down to 5.00% for 2017 and beyond. The trend rate is determined by the Plan sponsor based on historical data and anticipated experience under the Plan.

Actuarial Cost Method

The method used to calculate normal cost and actuarial accrued liability is the projected unit credit cost method. Under this method, the present value of projected benefits is estimated at each decrement age, taking into account the value of future increases in medical claims and the effect of medical contributions and Medicare reimbursement. The total present value of projected benefits is the sum of the present values for each decrement age.

The actuarial accrued liability is calculated by prorating the present value of projected benefits by service at the valuation date over service projected to the date of decrement.

The normal cost in the present value of projected benefits attributable to the valuation year.

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.

2. Insurance Reserve

The Town is exposed to various risks of loss related to torts; theft or damage to, or destruction of assets; and natural disasters. Under the Town's self insurance plan, self-insurance coverage is provided for deductibles and for uninsured claims. The Town purchases commercial insurance for claims in excess of the self-insurance coverage and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past four years.

There were no estimated accrued claims for the years ended December 31, 2014 and 2013 as defined by GASB Statement #10, which requires that a liability for claims be reported if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. However, as referred to in Note III, the Town has established and maintains an insurance reserve having a balance of \$143,194 at December 31, 2014.

(IV.) (Continued)

3. **Workers' Compensation**

The Town currently purchase workers' compensation insurance from a third party. The Town also entered into a separate agreement with Perma to administer the claims which had occurred prior to January 1, 2010. The following represents the estimated liabilities for those claims incurred prior to January 1, 2010. The changes in claims liabilities for 2014 and 2013 were as follows:

	<u>2014</u>	<u>2013</u>
Beginning liabilities	\$ 76,787	\$ 66,529
Incurred claims	-	62,525
Claims payments	<u>(43,879)</u>	<u>(52,267)</u>
Ending liabilities	<u>\$ 32,908</u>	<u>\$ 76,787</u>

No claims were settled during 2014 by purchasing annuity contracts.

In addition, as referred to in Note III, the Town has established and maintains a Workers' Compensation reserve in the amount of \$504,268. In the Town's judgment, the Town believes the reserve fund is adequate.

In accordance with GASB Statement #10 the following statistical information is presented.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contribution Revenue	-	\$ 62,525	\$ -	\$ 5,000	\$ 54,434	\$ 70,843	\$ 273,121	\$ 21,564	\$ 149,994	\$ 78,986
Actual Claims Expense	\$ 43,897	\$ 52,267	\$ 50,261	\$ 58,965	\$ 52,928	\$ 61,784	\$ 71,257	\$ 44,322	\$ 123,483	\$ 78,986

4. **Dental Plan**

The Town self-insures for dental coverage for its employees. The Town contracts with a third party administrator who is responsible for processing claims and estimating liabilities. The Town does not carry excess insurance coverage relative to this Plan. The Town records expenditures as claims are presented for payment with a cap of \$1,000 a year per member. Based upon the requirements of GASB Statement #10, liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount of claims that have been incurred but not reported (IBNR's). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

(IV.) (Continued)The

A reconciliation of the claims recorded for 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Beginning liabilities	\$ 8,964	\$ 5,358
Incurred claims	134,812	130,550
Claims payments	<u>(133,372)</u>	<u>(126,944)</u>
Ending liabilities	<u>\$ 10,404</u>	<u>\$ 8,964</u>

In accordance with GASB Statement #10, the following statistical information is presented:

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contribution Revenue	\$ 134,812	\$ 130,550	\$ 133,195	\$ 139,504	\$ 132,305	\$ 118,111	\$ 122,876	\$ 135,212	\$ 127,337	\$ 114,373
Actual Claims Expense	\$ 133,372	\$ 126,944	\$ 127,840	\$ 139,535	\$ 135,760	\$ 127,535	\$ 126,416	\$ 124,750	\$ 131,992	\$ 102,739

C. Commitments and Contingencies

1. Litigation

1. Litigation

The Town has several claims and notice of claims filed against it as of the date of this report which management believes will be covered under the Town's insurance policy. In addition, there are pending tax certiorari claims requesting reduction of assessments in which the financial impact cannot be determined at this time.

2. Grants

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

D. Rental of Real Property

The Town has entered into agreements to lease Town property for cellular tower usage. The total rental income received for the year ended December 31, 2014 totaled \$140,720 which is reported in the General Fund and Water Special Revenue Fund.

Required Supplemental Information
TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK
Schedule of Funding Progress
of Post Employment Benefit Plan
(Unaudited)
For Year Ended December 31, 2014

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL As a Percentage of Covered Payroll (4) / (5)
December 31, 2008	\$ -	\$ 1,883,307	0.00%	\$ 1,883,307	\$ 1,430,141	131.69%
2009	\$ -	\$ 1,883,307	0.00%	\$ 1,883,307	\$ 2,860,282	65.84%
2010	\$ -	\$ 766,422	0.00%	\$ 766,422	\$ 3,037,517	25.23%
2011	\$ -	\$ 756,073	0.00%	\$ 756,073	\$ 3,214,752	23.52%
2012	\$ -	\$ 849,155	0.00%	\$ 849,155	\$ 3,255,673	26.08%
2013	\$ -	\$ 849,155	0.00%	\$ 849,155	\$ 3,296,594	25.76%
2014	\$ -	\$ 984,591	0.00%	\$ 984,591	\$ 3,387,916	29.06%

Required Supplemental Information
TOWN OF BRIGHTON, 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

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 8,488,520	\$ 8,488,520	\$ 8,474,803	\$ -	\$ (13,717)
Non-property taxes	3,490,070	3,490,070	3,485,759	-	(4,311)
Departmental income	675,090	679,199	732,923	-	53,724
Intergovernmental charges	53,550	53,550	47,595	-	(5,955)
Use of money and property	114,760	114,760	97,567	-	(17,193)
Licenses and permits	211,700	211,700	217,004	-	5,304
Fines and forfeitures	242,750	242,750	270,764	-	28,014
Sale of property and compensation for loss	39,300	45,300	32,870	-	(12,430)
Miscellaneous	18,915	44,905	125,787	-	80,882
Interfund revenues	233,385	233,385	246,891	-	13,506
State and county aid	1,377,060	1,394,132	1,002,213	-	(391,919)
Federal aid	40,625	40,625	-	-	(40,625)
Total Revenues	\$ 14,985,725	\$ 15,038,896	\$ 14,734,176	\$ -	\$ (304,720)
Expenditures:					
Current:					
General government support	\$ 2,668,064	\$ 2,680,620	\$ 2,563,986	\$ 5,413	\$ 111,221
Public safety	5,136,040	5,317,435	5,136,474	63,763	117,198
Transportation	483,316	477,618	405,448	24,995	47,175
Economic assistance and development	76,010	136,110	125,091	-	11,019
Culture and recreation	1,462,052	1,410,160	1,277,176	403	132,581
Home and community services	1,283,193	1,308,148	1,125,470	37,112	145,566
Employee benefits	4,714,000	4,618,682	4,336,325	-	282,357
Debt Service:					
Debt service - principal	364,420	364,420	356,520	-	7,900
Debt service - interest and other charges	125,565	125,565	122,749	-	2,816
Total Expenditures	\$ 16,312,660	\$ 16,438,758	\$ 15,449,239	\$ 131,686	\$ 857,833
Excess (deficiency) of revenue over expenditures	\$ (1,326,935)	\$ (1,399,862)	\$ (715,063)	\$ (131,686)	\$ 553,113
Other Financing Sources and Uses:					
Transfers - in	\$ 37,200	\$ 37,200	\$ 12,130	\$ -	\$ (25,070)
Transfers - out	(70,400)	(72,000)	(72,000)	-	-
Total Other Financing Sources and Uses	\$ (33,200)	\$ (34,800)	\$ (59,870)	\$ -	\$ (25,070)
Net change in fund balances	\$ (1,360,135)	\$ (1,434,662)	\$ (774,933)	\$ (131,686)	\$ 528,043
Fund Balance - Beginning	7,918,686	7,918,686	7,918,686	-	-
Fund Balance - Ending	\$ 6,558,551	\$ 6,484,024	\$ 7,143,753	\$ (131,686)	\$ 528,043

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 BRIGHTON, 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)
December 31, 2014

HIGHWAY FUND					
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 3,867,850	\$ 3,867,850	\$ 3,867,850	\$ -	\$ -
Departmental income	5,270	5,270	2,720	-	(2,550)
Intergovernmental charges	542,540	542,540	561,276	-	18,736
Use of money and property	6,530	6,530	2,503	-	(4,027)
Licenses and permits	14,575	14,575	14,211	-	(364)
Sale of property and compensation for loss	172,320	172,320	218,902	-	46,582
Miscellaneous	-	-	43,262	-	43,262
Interfund revenues	275,785	275,785	161,449	-	(114,336)
State and county aid	205,430	205,430	229,415	-	23,985
Total Revenues	\$ 5,090,300	\$ 5,090,300	\$ 5,101,588	\$ -	\$ 11,288
Expenditures:					
Current:					
Transportation	\$ 3,696,856	\$ 3,786,711	\$ 3,570,142	\$ 59,196	\$ 157,373
Employee benefits	1,448,180	1,439,380	1,295,485	-	143,895
Debt Service:					
Debt service - principal	88,740	88,740	29,430	-	59,310
Debt service - interest and other charges	6,210	6,210	1,602	-	4,608
Total Expenditures	\$ 5,239,986	\$ 5,321,041	\$ 4,896,659	\$ 59,196	\$ 365,186
Excess (deficiency) of revenue over expenditures	\$ (149,686)	\$ (230,741)	\$ 204,929	\$ (59,196)	\$ 376,474
Other Financing Sources and Uses:					
Transfers - in	\$ -	\$ 50,729	\$ 50,729	\$ -	\$ -
Total Other Financing Sources and Uses	\$ -	\$ 50,729	\$ 50,729	\$ -	\$ -
Net change in fund balances	\$ (149,686)	\$ (180,012)	\$ 255,658	\$ (59,196)	\$ 376,474
Fund Balance - Beginning	1,426,004	1,426,004	1,426,004	-	-
Fund Balance - Ending	\$ 1,276,318	\$ 1,245,992	\$ 1,681,662	\$ (59,196)	\$ 376,474

Notes to Required Supplemental Information:

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

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2014

	Other Capital Projects	Debt Service Fund	Nonmajor Special Revenue Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 431,427	\$ 201,088	\$ 3,666,226	\$ 4,298,741
Receivables, net	-	-	8,997	8,997
Due from other governments, net	-	-	138	138
State and federal aid receivable	85,631	-	-	85,631
Prepaid items	-	-	70,338	70,338
Total Assets	\$ 517,058	\$ 201,088	\$ 3,745,699	\$ 4,463,845
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and other current liabilities	\$ 29,788	\$ -	\$ 183,141	\$ 212,929
Accrued liabilities	-	-	28,460	28,460
Notes payable - bond anticipation notes	701,960	-	-	701,960
Due to other funds	-	-	7,944	7,944
Unearned revenue	-	-	15,000	15,000
Total Liabilities	\$ 731,748	\$ -	\$ 234,545	\$ 966,293
Fund Balances:				
Nonspendable	\$ -	\$ -	\$ 70,338	\$ 70,338
Restricted	498,131	201,088	3,440,816	4,140,035
Assigned	84,484	-	-	84,484
Unassigned	(797,305)	-	-	(797,305)
Total Fund Balances	\$ (214,690)	\$ 201,088	\$ 3,511,154	\$ 3,497,552
Total Liabilities and Fund Balances	\$ 517,058	\$ 201,088	\$ 3,745,699	\$ 4,463,845

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	<u>Other Capital Projects</u>	<u>Debt Service Fund</u>	<u>Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:				
Real property and tax items	\$ -	\$ -	\$ 6,031,661	\$ 6,031,661
Departmental income	-	-	369,850	369,850
Intergovernmental charges	4,196	-	-	4,196
Use of money and property	103	419	53,329	53,851
Sale of property and compensation for loss	-	-	69,335	69,335
Miscellaneous	11,419	-	46,945	58,364
Interfund revenues	-	-	20,291	20,291
State and county aid	218,732	-	29,996	248,728
Federal aid	296,631	-	547	297,178
Total Revenues	<u>\$ 531,081</u>	<u>\$ 419</u>	<u>\$ 6,621,954</u>	<u>\$ 7,153,454</u>
Expenditures:				
Current:				
General government support	\$ 84,578	\$ -	\$ -	\$ 84,578
Public safety	-	-	1,199,238	1,199,238
Transportation	191,544	-	498,557	690,101
Culture and recreation	360,572	-	1,519,347	1,879,919
Home and community services	-	-	2,400,144	2,400,144
Employee benefits	-	-	776,832	776,832
Debt Service:				
Debt service - principal	-	-	232,677	232,677
Debt service - interest and other charges	-	-	23,079	23,079
Total Expenditures	<u>\$ 636,694</u>	<u>\$ -</u>	<u>\$ 6,649,874</u>	<u>\$ 7,286,568</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (105,613)</u>	<u>\$ 419</u>	<u>\$ (27,920)</u>	<u>\$ (133,114)</u>
Other Financing Sources and Uses:				
Transfers - in	\$ 187,950	\$ 6,742	\$ 18,150	\$ 212,842
Transfers - out	(6,742)	(79,409)	(117,550)	(203,701)
Bond anticipation notes	65,300	-	-	65,300
Total Other Financing Sources and Uses	<u>\$ 246,508</u>	<u>\$ (72,667)</u>	<u>\$ (99,400)</u>	<u>\$ 74,441</u>
Net change in fund balances	\$ 140,895	\$ (72,248)	\$ (127,320)	\$ (58,673)
Fund Balance - Beginning	<u>(355,585)</u>	<u>273,336</u>	<u>3,638,474</u>	<u>3,556,225</u>
Fund Balance - Ending	<u>\$ (214,690)</u>	<u>\$ 201,088</u>	<u>\$ 3,511,154</u>	<u>\$ 3,497,552</u>

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2014

	Public Library Fund	Consolidated Water District Fund	Neighborhood Improvement District Fund	Park Land Deposits Fund	Lighting Districts Fund	Consolidated Sewer Fund
Assets						
Cash and cash equivalents	\$ 462,126	\$ 610,838	\$ 4,379	\$ 314,941	\$ 334,664	\$ 594,664
Receivables, net	-	-	-	-	-	-
Due from other governments, net	-	-	-	-	-	138
Prepaid items	44,841	-	-	-	-	25,266
Total Assets	\$ 506,967	\$ 610,838	\$ 4,379	\$ 314,941	\$ 334,664	\$ 620,068
Liabilities and Fund Balance						
Liabilities:						
Accounts payable and other current liabilities	\$ 30,760	\$ -	\$ -	\$ -	\$ 49,512	\$ 13,385
Accrued liabilities	15,698	-	-	-	-	12,762
Due to other funds	-	-	-	-	-	7,037
Unearned revenue	15,000	-	-	-	-	-
Total Liabilities	\$ 61,458	\$ -	\$ -	\$ -	\$ 49,512	\$ 33,184
Fund Balances:						
Nonspendable	\$ 44,841	\$ -	\$ -	\$ -	\$ -	\$ 25,266
Restricted	400,668	610,838	4,379	314,941	285,152	561,618
Total Fund Balances	\$ 445,509	\$ 610,838	\$ 4,379	\$ 314,941	\$ 285,152	\$ 586,884
Total Liabilities and Fund Balances	\$ 506,967	\$ 610,838	\$ 4,379	\$ 314,941	\$ 334,664	\$ 620,068

Drainage Districts Fund	Fire Protection District Fund	Business Improvement Districts Fund	Park Special District Fund	Refuse Disposal Districts Fund	Ambulance Service District Fund	Sidewalk Snow Removal District Fund	Consolidated Sidewalk District Fund	Total Nonmajor Special Revenue Funds
\$ 19,967	\$ 851,519	\$ 3,388	\$ 8,137	\$ 113,146	\$ 160,246	\$ 56,211	\$ 132,000	\$ 3,666,226
-	8,956	-	-	-	41	-	-	8,997
-	-	-	-	-	-	-	-	138
-	231	-	-	-	-	-	-	70,338
<u>\$ 19,967</u>	<u>\$ 860,706</u>	<u>\$ 3,388</u>	<u>\$ 8,137</u>	<u>\$ 113,146</u>	<u>\$ 160,287</u>	<u>\$ 56,211</u>	<u>\$ 132,000</u>	<u>\$ 3,745,699</u>
\$ -	\$ 11,100	\$ -	\$ 800	\$ 68,789	\$ -	\$ -	\$ 8,795	\$ 183,141
-	-	-	-	-	-	-	-	28,460
-	907	-	-	-	-	-	-	7,944
-	-	-	-	-	-	-	-	15,000
<u>\$ -</u>	<u>\$ 12,007</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 68,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,795</u>	<u>\$ 234,545</u>
\$ -	\$ 231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,338
19,967	848,468	3,388	7,337	44,357	160,287	56,211	123,205	3,440,816
<u>\$ 19,967</u>	<u>\$ 848,699</u>	<u>\$ 3,388</u>	<u>\$ 7,337</u>	<u>\$ 44,357</u>	<u>\$ 160,287</u>	<u>\$ 56,211</u>	<u>\$ 123,205</u>	<u>\$ 3,511,154</u>
<u>\$ 19,967</u>	<u>\$ 860,706</u>	<u>\$ 3,388</u>	<u>\$ 8,137</u>	<u>\$ 113,146</u>	<u>\$ 160,287</u>	<u>\$ 56,211</u>	<u>\$ 132,000</u>	<u>\$ 3,745,699</u>

TOWN OF BRIGHTON, MONROE COUNTY, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Public Library Fund	Consolidated Water District Fund	Neighborhood Improvement District Fund	Park Land Deposits Fund	Lighting Districts Fund	Consolidated Sewer Fund
Revenues:						
Real property and tax items	\$ 1,943,480	\$ -	\$ -	\$ -	\$ 277,768	\$ 1,665,025
Departmental income	119,532	-	-	218,802	-	31,516
Use of money and property	930	49,852	1	182	94	1,123
Sale of property and compensation for loss	1,416	-	-	-	-	66,389
Miscellaneous	378	-	-	-	-	-
Interfund revenues	-	-	-	-	-	20,291
State and county aid	9,620	-	-	-	-	-
Federal aid	547	-	-	-	-	-
Total Revenues	\$ 2,075,903	\$ 49,852	\$ 1	\$ 218,984	\$ 277,862	\$ 1,784,344
Expenditures:						
Current:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	-	-	100	-	292,852	-
Culture and recreation	1,501,526	-	-	14,951	-	-
Home and community services	-	5,710	-	-	-	1,539,155
Employee benefits	426,606	-	-	-	-	349,186
Debt Service:						
Debt service - principal	115,000	-	-	-	-	98,677
Debt service - interest and other charges	10,239	-	-	-	-	12,061
Total Expenditures	\$ 2,053,371	\$ 5,710	\$ 100	\$ 14,951	\$ 292,852	\$ 1,999,079
Excess (deficiency) of revenue over expenditures	\$ 22,532	\$ 44,142	\$ (99)	\$ 204,033	\$ (14,990)	\$ (214,735)
Other Financing Sources and Uses:						
Transfers - in	\$ 13,470	\$ -	\$ -	\$ -	\$ -	\$ 4,620
Transfers - out	-	-	-	(117,550)	-	-
Total Other Financing Sources and Uses	\$ 13,470	\$ -	\$ -	\$ (117,550)	\$ -	\$ 4,620
Net change in fund balances	\$ 36,002	\$ 44,142	\$ (99)	\$ 86,483	\$ (14,990)	\$ (210,115)
Fund Balance - Beginning	409,507	566,696	4,478	228,458	300,142	796,999
Fund Balance - Ending	\$ 445,509	\$ 610,838	\$ 4,379	\$ 314,941	\$ 285,152	\$ 586,884

Drainage Districts Fund	Fire Protection District Fund	Business Improvement Districts Fund	Park Special District Fund	Refuse Disposal Districts Fund	Ambulance Service District Fund	Sidewalk Snow Removal District Fund	Consolidated Sidewalk District Fund	Total Nonmajor Special Revenue Funds
\$ 7,540	\$ 777,550	\$ 1,125	\$ 2,600	\$ 837,210	\$ 365,503	\$ 9,455	\$ 144,405	\$ 6,031,661
-	-	-	-	-	-	-	-	369,850
4	935	1	2	99	40	17	49	53,329
-	-	-	-	-	1,530	-	-	69,335
-	46,367	-	-	-	200	-	-	46,945
-	-	-	-	-	-	-	-	20,291
-	20,376	-	-	-	-	-	-	29,996
-	-	-	-	-	-	-	-	547
<u>\$ 7,544</u>	<u>\$ 845,228</u>	<u>\$ 1,126</u>	<u>\$ 2,602</u>	<u>\$ 837,309</u>	<u>\$ 367,273</u>	<u>\$ 9,472</u>	<u>\$ 144,454</u>	<u>\$ 6,621,954</u>
\$ -	\$ 912,932	\$ -	\$ -	\$ -	\$ 286,306	\$ -	\$ -	\$ 1,199,238
-	-	-	-	-	-	44,462	161,143	498,557
-	-	-	2,870	-	-	-	-	1,519,347
3,700	-	1,925	-	849,654	-	-	-	2,400,144
-	1,040	-	-	-	-	-	-	776,832
-	-	-	-	-	19,000	-	-	232,677
-	-	-	-	-	779	-	-	23,079
<u>\$ 3,700</u>	<u>\$ 913,972</u>	<u>\$ 1,925</u>	<u>\$ 2,870</u>	<u>\$ 849,654</u>	<u>\$ 306,085</u>	<u>\$ 44,462</u>	<u>\$ 161,143</u>	<u>\$ 6,649,874</u>
<u>\$ 3,844</u>	<u>\$ (68,744)</u>	<u>\$ (799)</u>	<u>\$ (268)</u>	<u>\$ (12,345)</u>	<u>\$ 61,188</u>	<u>\$ (34,990)</u>	<u>\$ (16,689)</u>	<u>\$ (27,920)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60	\$ -	\$ -	\$ 18,150
-	-	-	-	-	-	-	-	(117,550)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (99,400)</u>
\$ 3,844	\$ (68,744)	\$ (799)	\$ (268)	\$ (12,345)	\$ 61,248	\$ (34,990)	\$ (16,689)	\$ (127,320)
16,123	917,443	4,187	7,605	56,702	99,039	91,201	139,894	3,638,474
<u>\$ 19,967</u>	<u>\$ 848,699</u>	<u>\$ 3,388</u>	<u>\$ 7,337</u>	<u>\$ 44,357</u>	<u>\$ 160,287</u>	<u>\$ 56,211</u>	<u>\$ 123,205</u>	<u>\$ 3,511,154</u>