Town of Bedford, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2014

Town of Bedford, New York

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O'CONNOR DAVIES

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Independent Auditors' Report

The Honorable Supervisor and Town Board of the
Town of Bedford, 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 Bedford, New York ("Town") 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' 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, as of December 31, 2014, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General, Highway and Special Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of Funding Progress – Other Post Employment Benefits 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.

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
March 30, 2015

Town of Bedford, New York

Management's Discussion and Analysis
December 31, 2014

Introduction

As management of the Town of Bedford, New York ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2014. It should be read in conjunction with the basic financial statements, which immediately follow this section, to enhance understanding of the Town's financial performance.

Financial Highlights for Fiscal Year 2014

- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities at the close of the most recent fiscal year by $33,097,988. Of this amount, the unrestricted net position, which are available to meet the ongoing obligations of the Town, reflect a deficit of $6,382,188 at December 31, 2014. The total net position increased by $382,512 from the prior year.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $12,425,459, representing a decrease in fund balance of $487,990 from prior year. Collections of safety inspection fees, parking revenue and fines remained constant.

- At the end of the current fiscal year, unassigned fund balance for the General Fund was $6,493,152 or 33.71% of total General Fund expenditures and other financing uses. The General Fund reported an ending fund balance of $9,339,584, which represents a increase of $1,090,542 from fiscal year 2013.

- During the 2014 fiscal year, the Town retired $3,570,000 of general obligation debt and refunded $1,750,000 of outstanding debt issuing a refunding bond for $1,645,000. No other long-term debt was issued in 2014. The Town's total outstanding General Obligation Bonds payable at December 31, 2014 totaled $31,139,640. No Tax Anticipation Notes were issued in 2014.

- The Town, during the current fiscal year, issued and/or renewed $3,539,621 in Bond Anticipation Notes to finance the cost of the following capital projects:

$	17,680	Record Scanning Project
	80,000	IT Upgrades and Replacement Town-Wide
	80,000	Parking meter replacement
	24,600	Community House Lighting
	72,600	Replace Senior Bus
	16,600	Recreation Office Renovation
	24,600	Community House Kitchen renovation
	15,000	Community House Painting
	11,800	Community House A/C
	20,000	Beaver Dam Master Plan
	138,240	Police Vehicles Replacement
	40,000	PEO Electric vehicles
	24,000	Dog Control Vehicle

$	49,377	MDT TRACS
	17,600	Mobile Plate Reader
	6,000	Ventilation System
	32,000	Generator
	15,200	Voice Recorder
	24,400	Narrowband Compliance
	56,000	Historic Courthouse Roof
	4,200	PD roof repair
	140,000	Re-pave Lot # 3
	48,066	Beaver Dam Park
	31,120	Portable Radio
	16,000	Solar Speed Signs
	700,700	Road Rehabilitation
	46,667	Salt Dome
	158,667	Valley Road Project
	697,199	Highway Truck/Equipment
	44,570	Water Department Truck
	251,000	Katonah Park District
	275,033	Bedford Hills Park District
	167,367	Bedford Village Park District
	193,335	Open Space Acquisition

- The Capital Projects fund reported an ending fund balance (deficit) of ($2,006,295), a decrease of $1,032,987.

Overview of the Financial Statements

The Town's financial statements are composed of this Management's Discussion and Analysis ("MD&A") and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The MD&A provides analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

Government-wide Financial Statements

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities. Fiduciary activities, whose resources are not available to the Town programs, are excluded from these statements.

The *Statement of Net Position* presents the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in the net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information showing the change in the Town's net position during the current fiscal year. All revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, reve-

nues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes, earned but unused vacation leave and other post employment benefit obligations ("OPEB"). The focus of this statement is on the net cost of providing various activities to the citizens of the Town.

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues ("*governmental activities*"). The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services, and interest.

Fund Financial Statements

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Most of the basic services provided by the Town are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Town's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources, measurement focus and the modified accrual basis of accounting.

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

The Town of Bedford has seven (7) individual governmental funds: General, Highway, Special Districts, Capital Projects, Debt Service, Drug Abuse Prevention and Special Purpose funds. Of these, the General, Highway, Special Districts, Capital Projects and Debt Service funds are reported as major funds, and are presented in separate columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found on the *combining statements* elsewhere in this report.

The Town adopts an annual budget for its General, Highway and Special Districts funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The types of Fiduciary Funds include nonexpendable, expendable, and agency funds. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Town of Bedford. The Town maintains one type of fiduciary fund that is known as an Agency fund. Resources are held in this fund by the Town purely in a custodial capacity. The activity in this fund is limited to the receipt, temporary investment, and remittance of resources to the appropriate individual, organization or government.

The financial statements for the governmental and fiduciary fund can be found in the basic financial statements section of this report.

Notes to the Financial Statement

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found following the basic financial statements section of this report.

Other Information

Combining and individual fund statements and schedules can be found immediately following the notes to the financial statements. These include the required supplementary information for the Town's other post employment benefit obligations, the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-wide Financial Analysis

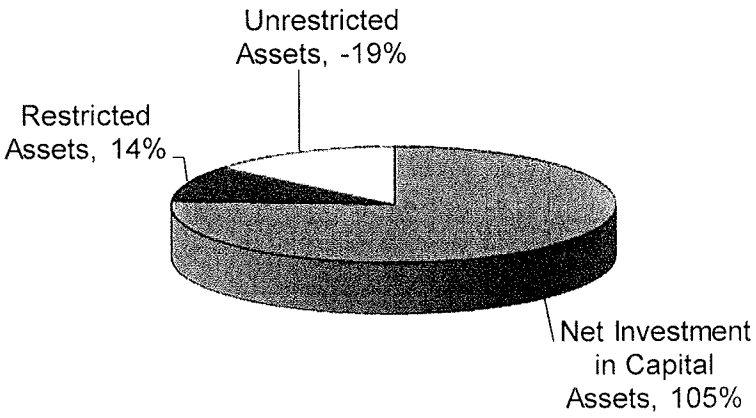
As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Bedford, assets and deferred outflows of resources exceeded liabilities by $33,097,988 for fiscal year 2014.

The following table reflects the condensed Statement of Net Position:

Statement of Net Position

	December 31, 2014	December 31, 2013
Current Assets	$ 59,920,849	$ 64,494,577
Capital Assets, net	67,933,679	67,496,344
Total Assets	127,854,528	131,990,921
Deferred Outflows of Resoruces	104,160	98,703
Current Liabilities	46,635,407	50,326,825
Long-term Liabilities	48,225,293	49,047,323
Total Liabilities	94,860,700	99,374,148
NET POSITION		
Invested in capital assets net of related debt	34,891,904	31,901,932
Restricted	4,588,272	4,848,461
Unrestricted	(6,382,188)	(4,034,917)
Total Net Position	$ 33,097,988	$ 32,715,476

Net Asset Distribution



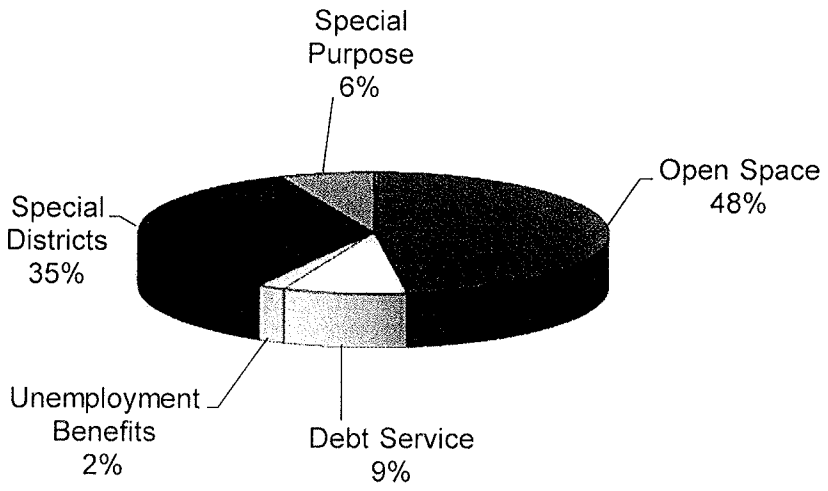
The largest component of the Town's net position is invested in Capital Assets (net of related debt) of $34,891,904 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net assets of $4,588,272 represent resources that are subject to external restrictions on their use. The restrictions are:

	2014	2013
Unemployment Benefits	$ 83,211	$ 84,211
DARE	11,050	14,031
Open Space	2,179,169	2,288,546
Debt Service	391,599	388,675
Special Districts	1,625,422	1,775,183
Special Purpose	297,821	297,635
Joint Activity	-	180
Restricted Net Assets	$ 4,588,272	$ 4,848,461

The remaining balance is an unrestricted deficit of ($6,382,188). At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.

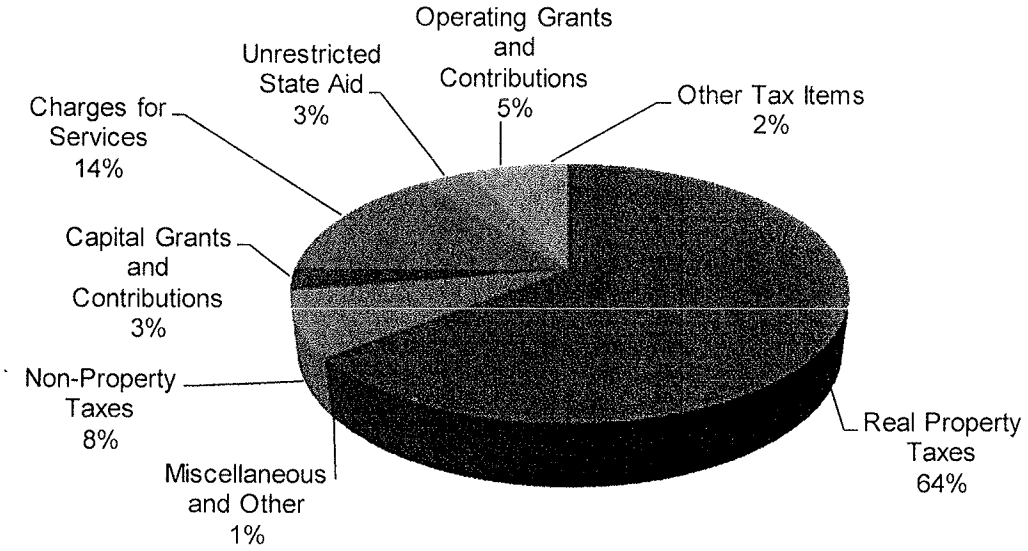
Restricted Net Assets



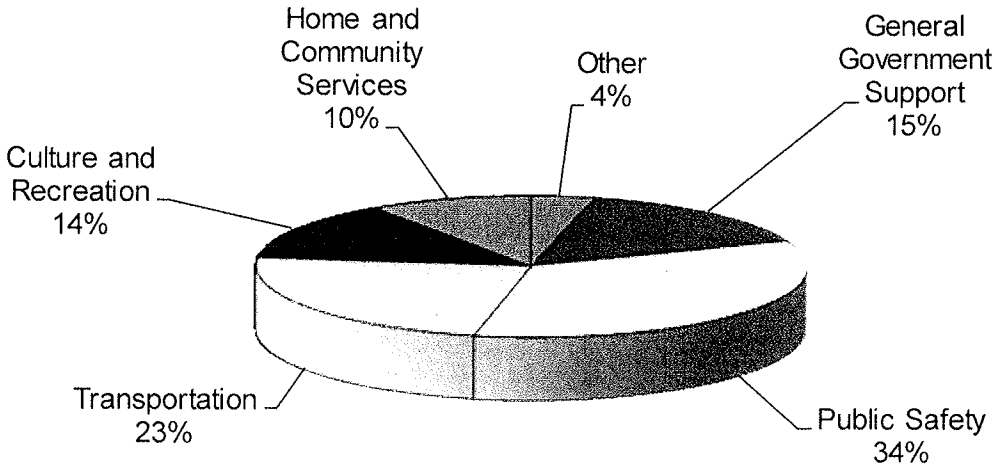
Changes in Net Position
December 31,

	2014	2013
REVENUES		
Program Revenues		
Charges for Services	$ 5,148,315	$ 5,105,762
Operating Grants and Contributions	1,728,544	2,600,971
Capital Grants and Contributions	984,889	32,880
General Revenues		
Real Property Taxes	22,674,737	22,153,014
Other Tax items	775,585	701,651
Non-Property Taxes	2,865,049	2,790,201
Unresricted Use of Money and Property	33,377	25,900
Sale of Property and Compensation for Loss	1,997	48,794
Unrestricted State Aid	1,182,661	1,278,458
Miscellaneous	31,760	86,731
Insurance Recoveries	88,945	55,350
Total Revenues	35,515,859	34,879,712
PROGRAM EXPENSES		
General Government Support	5,391,526	5,367,509
Public Safety	12,052,295	11,358,410
Health	432,811	399,828
Transportation	8,189,423	7,877,470
Economic Opportunity and Development	5,669	3,852
Culture and Recreation	4,818,785	4,934,389
Home and Community Services	3,375,493	3,810,051
Interest	867,345	927,987
Total Expenses	35,133,347	34,679,496
Change in Net Position	382,512	200,216
NET POSITION		
Beginning	32,715,476	32,515,260
Ending	$ 33,097,988	$ 32,715,476

Sources of Revenue for Fiscal Year 2014
Governmental Activities



Sources of Expenses for Fiscal Year 2014
Governmental Activities



Governmental Activities: Governmental activities increased the Town's net position by $382,512, an increase of $182,296 as compared to the prior year. For the fiscal year ended December 31, 2014, revenues from governmental activities totaled $35.5 million. Tax revenues ($26.3 million), comprised of real property taxes, other tax items and non-property taxes, represent the largest revenue sources (74%). Collection of the current levy remains very strong, while averaging 99.02% over the past 10 years. Governmental activities expenses of the Town for the year ended December 31, 2014 totaled $35.1 million or $453,851 more than 2013. The largest components of these expenses are in the areas of public safety (34%), transportation (23%), culture and recreation (14%) and general government support (15%).

Financial Analysis of the Government's Funds

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

Fund Balance Reporting

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandons the reserved and unreserved classifications of fund balance and replaced them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

> Nonspendable – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.
>
> Restricted – consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
>
> Committed – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.
>
> Assigned – consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
>
> Unassigned – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of $12,425,459, a decrease of $487,990 compared to last years ending balance of $12,913,449. The nonspendable fund balance component is $671,427, consisting of amounts representing prepaid expenditures, advances and long-term receivables. Fund Balance of $2,962,850 is restricted for unemployment benefits, D.A.R.E., Open Space, debt service and Trusts. The assigned fund balance portion of $4,305,523 is for encumbrances and amounts designated to balance the fiscal 2015 budget. The remaining fund balance of $4,485,659 is unassigned and represents the remaining positive fund balance in the General Fund of $6,493,152 and unassigned deficits in the Capital Projects fund ($2,006,295) and the Joint Activity fund ($1,198).

The **General Fund** is the primary operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $6,493,152 representing 69.52% of the total General Fund balance of $9,339,584. This is an increase from the prior year, when the total fund balance was $8,249,042.

General Fund Budgetary Highlights

When the fiscal 2014 budget was adopted, it anticipated the no use of fund balance. Actual results of operations resulted in an increase of $1,090,542 to fund balance. Overall, General Fund expenditures were $17,831,971 which was $793,164 less than the final budget and the General Fund revenues were $20,265,813 or $1,046,065 more than budget.

There were several factors that contributed to the increase in revenues in the current fiscal year:

- Safety Inspection fees were higher than budgeted by $223,474
- Real property tax collections were higher than budgeted by $425,561
- Other tax items; Interest and penalties on property tax was higher than budgeted by $162,799
- Fines and Forfeitures were higher than budgeted by $103,131
- Mortgage tax state aid was higher than budgeted by $153,167

The major areas where spending was below the budget, a favorable budgetary variance, were:

- Culture and Recreation activities were less than budgeted by $10,511 this was achieved through greater management of these areas.
- General Government Support had budgetary savings of $231,156

- Planning Board had a budgetary savings of $156,160 due to cost reductions by management and charging applicants for services performed on their behalf

- Employee Benefits were less than budget by $1,725 which is due to less than budgeted savings in dental care as well as savings in the employee assistance plan.

The Highway Fund's total fund balance at the end of the fiscal year was $1,421,947 which is a decrease of $335,225 from the prior year. This is due in large part to the use of fund balances to balance the 2014 budget and the additional road paving.

The Capital Projects Fund is used to account for capital project activity throughout the Town. The Capital Projects Fund's ending fund balance is a deficit of ($2,006,295) for fiscal year 2014, a decrease of $1,032,987 from prior year.

Non-major Governmental Funds consists of the Special Revenue Funds. The Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or capital projects) that are legally restricted to expenditures for certain defined purposes. The special revenue funds of the Town are the Joint Activity Fund established pursuant to Section 239-U of the General Municipal Law of the State of New York to provide educational and drug prevention counseling services and the Special Purpose fund, provided to account for assets held by the Town in accordance with the terms of a Trust Agreement.

For fiscal year ending December 31, 2014, the combined fund balances of these funds total $297,821.

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental activities as of December 31, 2014, amounts to $67,933,679 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure and construction-in-progress.

Town of Bedford Capital Assets
(Net of Depreciation)
(in thousands)

	2014	2013
Land	$ 19,483,926	$ 19,483,926
Construction-in-Progress	11,671,991	30,187,309
Buildings and Improvements	30,452,967	11,400,399
Machinery and Equipment	3,206,083	2,679,453
Infrastructure	3,118,712	3,745,257
Total	$ 67,933,679	$ 67,496,344

The following highlights the amounts expended during the current fiscal year on major capital assets:

- Purchase of Highway equipment
- Ongoing road and sidewalk construction
- Continuing work on Storm Water Management projects
- Road Rehabilitation

Long-term Liabilities: At the end of the current fiscal year, the Town had total long-term liabilities outstanding of $48,225,293, inclusive of $31,139,640 of general obligation bonds debt. The Town's general obligation bond debt decreased by $3,580,167. All of this debt is backed by the full faith and credit of the Town of Bedford.

Through sound financial management and manageable debt levels, the Town of Bedford has been successful in maintaining its high-grade rating for its general obligation bonds, currently rated AAA/Stable by Moody's Investor Services and AAA/Stable by Standard and Poor's Rating Services. The Town has enjoyed a very favorable bond rating for more than seventeen years.

The State Constitution limits the amount of indebtedness, both long-term and short-term, which the Town may incur. The State Constitution provides that the Town may not contract indebtedness in any amount greater than seven percent of the average full value of taxable real property in the town for the most recent five years. Certain indebtedness is excluded in ascertaining the Town's authority to contract indebtedness within the constitutional limits; accordingly, debt of this kind, commonly referred to as "excluded debt", may be issued without regard to the constitutional limits and without affecting the Town's authority to issue debt subject to the limit.

Economic Factors and Ensuing Budgets

According to the United States Bureau of Labor Statistics, the unemployment rate for Westchester County was 4.6% as of December 2014. This compares favorably with the rate of 5.8% for New York State and the 5.4% national unemployment rate. The Consumer Price Index for the area (New York-Northern New Jersey-Long Island, NY-NJ=CT-PA) from 2013 to 2014 was increased by 1.3% recorded for the U.S. city average for the same period.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Edward Ritter, Comptroller, Town of Bedford Finance Office, 425 Cherry Street, Bedford Hills, New York 10507. The telephone number is (914) 666-8283.

Town of Bedford, New York

Statement of Net Position
December 31, 2014

	Governmental Activities
ASSETS	
Cash and equivalents	$ 26,764,316
Receivables	
Taxes, net	29,241,527
Accounts	895,976
Due from other governments	1,428,418
Prepaid expenses	671,427
Restricted assets	919,185
Capital assets (net of accumulated depreciation)	
Not being depreciated	31,155,917
Being depreciated, net	36,777,762
Total Assets	127,854,528
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts on refunding bonds	104,160
LIABILITIES	
Accounts payable	1,252,440
Retainages payable	193,255
Bond anticipation notes payable	3,539,621
Due to school districts	41,383,963
Due to other governments	127,052
Unearned revenues	23,253
Accrued interest payable	115,823
Non-current liabilities	
Due within one year	3,403,000
Due in more than one year	44,822,293
Total Liabilities	94,860,700
NET POSITION	
Net investment in capital assets	34,891,904
Restricted for	
Unemployment benefits	83,211
DARE	11,050
Open space	2,179,169
Debt service	391,599
Special districts	
Water	1,484,153
Lighting	101,813
Fire	2,016
Ambulance	37,440
Trusts	297,821
Unrestricted	(6,382,188)
Total Net Position	$ 33,097,988

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

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Town of Bedford, New York

Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
Governmental activities					
General government support	$ 5,391,526	$ 138,926	$ 7,426	$ -	$ (5,245,174)
Public safety	12,052,295	1,636,537	4,819	-	(10,410,939)
Health	432,811	39,072	27,730	-	(366,009)
Transportation	8,189,423	891,371	738,715	420,330	(6,139,007)
Economic opportunity and development	5,669	-	-	-	(5,669)
Culture and recreation	4,818,785	866,226	20,566	561,630	(3,370,363)
Home and community services	3,375,493	1,576,183	929,288	-	(870,022)
Interest	867,345	-	-	2,929	(864,416)
Total Governmental Activities	$ 35,133,347	$ 5,148,315	$ 1,728,544	$ 984,889	(27,271,599)

General revenues	
Real property taxes	22,674,737
Other tax items	
Payments in lieu of taxes	37,784
Interest and penalties on real property taxes	737,801
Non-property taxes	
Non-property tax distribution from County	2,524,134
Franchise fees	340,915
Unrestricted use of money and property	33,377
Sale of property and compensation for loss	1,997
Unrestricted State aid	1,182,661
Miscellaneous	31,760
Insurance recoveries	88,945
Total General Revenues	27,654,111
Change in Net Position	382,512
Net Position - Beginning	32,715,476
Net Position - Ending	$ 33,097,988

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

Town of Bedford, New York

Balance Sheet
Governmental Funds
December 31, 2014

	General	Highway	Special Districts
ASSETS			
Cash and equivalents	$ 22,093,321	$ 1,558,229	$ 2,422,877
Taxes receivable, net	29,241,527	-	-
Receivables			
Accounts	540,397	22,068	333,511
Due from other governments	789,650	-	633,768
Due from other funds	63,060	14,156	12,621
	1,393,107	36,224	979,900
Prepaid expenditures	506,138	94,180	69,911
Restricted assets	-	-	-
Total Assets	$ 53,234,093	$ 1,688,633	$ 3,472,688
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	$ 539,274	$ 265,890	$ 214,439
Retainages payable	-	-	-
Bond anticipation notes payable	-	-	-
Due to school districts	41,383,963	-	-
Due to other governments	127,052	-	-
Due to other funds	859,579	796	263,028
Unearned revenues	8,835	-	14,418
Total Liabilities	42,918,703	266,686	491,885
Deferred inflows of resources			
Deferred tax revenues	975,806	-	-
Total Liabilities and Deferred Inflows of Resources	43,894,509	266,686	491,885
Fund balances (deficits)			
Nonspendable	506,138	94,180	69,911
Restricted	2,273,430	-	-
Assigned	66,864	1,327,767	2,910,892
Unassigned	6,493,152	-	-
Total Fund Balances (Deficits)	9,339,584	1,421,947	2,980,803
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 53,234,093	$ 1,688,633	$ 3,472,688

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

Capital Projects	Debt Service	Non-Major Governmental	Total Governmental Funds
$ -	$ 391,599	$ 298,290	$ 26,764,316
-	-	-	29,241,527
-	-	-	895,976
-	-	5,000	1,428,418
1,035,312	-	-	1,125,149
1,035,312	-	5,000	3,449,543
-	-	1,198	671,427
919,185	-	-	919,185
$ 1,954,497	$ 391,599	$ 304,488	$ 61,045,998
$ 227,598	$ -	$ 5,239	$ 1,252,440
193,255	-	-	193,255
3,539,621	-	-	3,539,621
-	-	-	41,383,963
-	-	-	127,052
318	-	1,428	1,125,149
-	-	-	23,253
3,960,792	-	6,667	47,644,733
-	-	-	975,806
3,960,792	-	6,667	48,620,539
-	-	1,198	671,427
-	391,599	297,821	2,962,850
-	-	-	4,305,523
(2,006,295)	-	(1,198)	4,485,659
(2,006,295)	391,599	297,821	12,425,459
$ 1,954,497	$ 391,599	$ 304,488	$ 61,045,998

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Town of Bedford, New York

Reconciliation of Governmental Funds Balance Sheet to
the Government - Wide Statement of Net Position
December 31, 2014

Fund Balances - Total Governmental Funds	$ 12,425,459
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.	67,933,679
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	975,806
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide financial statements	
Deferred amounts on refunding bonds	104,160
Long-term liabilities that are not due and payable in the current period are not reported in the funds.	
Accrued interest payable	(115,823)
Bonds payable	(31,139,640)
Compensated absences	(1,675,653)
Other post employment benefit obligations payable	(15,410,000)
	(48,341,116)
Net Position of Governmental Activities	$ 33,097,988

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

Town of Bedford, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2014

	General	Highway	Special Districts
REVENUES			
Real property taxes	$ 12,050,850	$ 6,675,663	$ 4,345,256
Other tax items	775,585	-	-
Non-property taxes	2,865,049	-	-
Departmental income	2,505,256	-	1,783,327
Intergovernmental charges	-	21,949	-
Use of money and property	68,005	11,208	25,680
Licenses and permits	112,467	-	-
Fines and forfeitures	653,781	-	-
Sale of property and compensation for loss	1,997	108,643	-
State aid	1,201,063	291,207	-
Federal aid	-	287,070	257,170
Miscellaneous	31,760	40,145	681,397
Total Revenues	20,265,813	7,435,885	7,092,830
EXPENDITURES			
Current			
General government support	3,130,325	65,438	46,843
Public safety	5,820,294	-	66,388
Health	39,739	-	343,491
Transportation	478,341	4,839,301	95,981
Economic opportunity and development	5,669	-	-
Culture and recreation	2,310,138	-	1,333,470
Home and community services	507,501	-	2,008,906
Employee benefits	5,522,098	1,574,291	768,170
Debt service			
Principal	-	-	-
Interest	17,866	17,207	10,471
Refunding bond issuance costs	-	-	-
Capital outlay	-	-	-
Total Expenditures	17,831,971	6,496,237	4,673,720
Excess (Deficiency) of Revenues Over Expenditures	2,433,842	939,648	2,419,110
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	88,945	-	-
Refunding bonds issued	-	-	-
Issuance premium	-	-	-
Payment to refunded bond escrow agent	-	-	-
Transfers in	-	-	-
Transfers out	(1,432,245)	(1,274,873)	(2,632,360)
Total Other Financing Sources (Uses)	(1,343,300)	(1,274,873)	(2,632,360)
Net Change in Fund Balances	1,090,542	(335,225)	(213,250)
FUND BALANCES (DEFICITS)			
Beginning of Year	8,249,042	1,757,172	3,194,053
End of Year	$ 9,339,584	$ 1,421,947	$ 2,980,803

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

Capital Projects	Debt Service	Non-Major Governmental	Total Governmental Funds
$ -	$ -	$ -	$ 23,071,769
-	-	-	775,585
-	-	-	2,865,049
-	-	39,072	4,327,655
-	-	-	21,949
-	2,929	186	108,008
-	-	-	112,467
-	-	-	653,781
-	-	-	110,640
420,330	-	5,271	1,917,871
-	-	-	544,240
561,630	-	-	1,314,932
981,960	2,929	44,529	35,823,946
-	-	-	3,242,606
-	-	-	5,886,682
-	-	38,872	422,102
-	-	-	5,413,623
-	-	-	5,669
-	-	-	3,643,608
-	-	-	2,516,407
-	-	5,651	7,870,210
-	3,570,000	-	3,570,000
-	888,379	-	933,923
-	48,242	-	48,242
2,896,051	-	-	2,896,051
2,896,051	4,506,621	44,523	36,449,123
(1,914,091)	(4,503,692)	6	(625,177)
-	-	-	88,945
-	1,645,000	-	1,645,000
-	185,909	-	185,909
-	(1,782,667)	-	(1,782,667)
881,104	4,458,374	-	5,339,478
-	-	-	(5,339,478)
881,104	4,506,616	-	137,187
(1,032,987)	2,924	6	(487,990)
(973,308)	388,675	297,815	12,913,449
$ (2,006,295)	$ 391,599	$ 297,821	$ 12,425,459

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Town of Bedford, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2014

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances - Total Governmental Funds	$ (487,990)
Governmental funds report capital outlays 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 capital outlays exceeded depreciation expense in the current period. This amount may be less than total capital outlay since capital outlay includes amounts under the capitalization threshold.	
Capital outlay expenditures	2,283,378
Depreciation expense	(1,846,043)
	437,335
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	(397,032)
Bond proceeds provide current financial resources to governmental funds but issuing debt increase long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the government-wide financial statements.	
Refunding bonds issued	(1,645,000)
Issuance premium	(185,909)
Payment to refunded bond escrow agent	1,782,667
Principal paid on bonds	3,570,000
Amortization of issuance premium and loss on refunding bonds	63,866
	3,585,624
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	2,712
Compensated absences	(68,137)
Other post employment benefit obligations	(2,690,000)
	(2,755,425)
Change in Net Position of Governmental Activities	$ 382,512

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

Town of Bedford, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General, Highway and Special Districts Funds
Year Ended December 31, 2014

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 11,625,289	$ 11,625,289	$ 12,050,850	$ 425,561
Other tax items	605,000	605,002	775,585	170,583
Non-property taxes	2,700,000	2,700,000	2,865,049	165,049
Departmental income	2,294,000	2,362,276	2,505,256	142,980
Intergovernmental charges	-	-	-	-
Use of money and property	79,100	79,100	68,005	(11,095)
Licenses and permits	113,500	113,500	112,467	(1,033)
Fines and forfeitures	550,250	550,250	653,781	103,531
Sale of property and compensation for loss	61,000	61,000	1,997	(59,003)
State aid	1,048,800	1,048,800	1,201,063	152,263
Federal aid	-	-	-	-
Miscellaneous	71,550	74,531	31,760	(42,771)
Total Revenues	19,148,489	19,219,748	20,265,813	1,046,065
EXPENDITURES				
Current				
General government support	3,358,597	3,361,481	3,130,325	231,156
Public safety	5,558,413	5,820,294	5,820,294	-
Health	60,500	60,500	39,739	20,761
Transportation	460,656	478,961	478,341	620
Economic opportunity and development	9,900	9,900	5,669	4,231
Culture and recreation	2,388,267	2,320,649	2,310,138	10,511
Home and community services	657,026	670,526	507,501	163,025
Employee benefits	5,672,729	5,523,823	5,522,098	1,725
Debt service				
Interest	379,001	379,001	17,866	361,135
Total Expenditures	18,545,089	18,625,135	17,831,971	793,164
Excess of Revenues Over Expenditures	603,400	594,613	2,433,842	1,839,229
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	170,000	170,000	88,945	(81,055)
Transfers out	(1,034,606)	(1,034,606)	(1,432,245)	(397,639)
Total Other Financing Uses	(864,606)	(864,606)	(1,343,300)	(478,694)
Net Change in Fund Balances	(261,206)	(269,993)	1,090,542	1,360,535
FUND BALANCES				
Beginning of Year	261,206	269,993	8,249,042	7,979,049
End of Year	$ -	$ -	$ 9,339,584	$ 9,339,584

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

Highway Fund				Special Districts Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 6,676,972	$ 6,676,972	$ 6,675,663	$ (1,309)	$ 4,345,728	$ 4,345,728	$ 4,345,256	$ (472)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,698,375	1,698,375	1,783,327	84,952
35,000	35,000	21,949	(13,051)	-	-	-	-
8,000	8,000	11,208	3,208	6,510	6,510	25,680	19,170
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
11,400	11,400	108,643	97,243	-	-	-	-
258,000	258,000	291,207	33,207	-	-	-	-
100,000	100,000	287,070	187,070	-	-	257,170	257,170
70,000	70,000	40,145	(29,855)	876,470	876,470	681,397	(195,073)
7,159,372	7,159,372	7,435,885	276,513	6,927,083	6,927,083	7,092,830	165,747
119,979	119,979	65,438	54,541	49,889	49,889	46,843	3,046
-	-	-	-	72,565	72,565	66,388	6,177
-	-	-	-	351,915	351,915	343,491	8,424
4,510,948	4,636,536	4,839,301	(202,765)	88,250	88,250	95,981	(7,731)
-	-	-	-	-	-	-	-
-	-	-	-	1,360,770	1,360,770	1,333,470	27,300
-	-	-	-	1,896,494	2,453,544	2,008,906	444,638
1,516,155	1,516,155	1,574,291	(58,136)	731,024	731,024	768,170	(37,146)
135,895	135,895	17,207	118,688	224,975	224,975	10,471	214,504
6,282,977	6,408,565	6,496,237	(87,672)	4,775,882	5,332,932	4,673,720	659,212
876,395	750,807	939,648	188,841	2,151,201	1,594,151	2,419,110	824,959
-	-	-	-	-	-	-	-
(1,156,355)	(1,156,355)	(1,274,873)	(118,518)	(2,274,081)	(2,274,081)	(2,632,360)	(358,279)
(1,156,355)	(1,156,355)	(1,274,873)	(118,518)	(2,274,081)	(2,274,081)	(2,632,360)	(358,279)
(279,960)	(405,548)	(335,225)	70,323	(122,880)	(679,930)	(213,250)	466,680
279,960	405,548	1,757,172	1,351,624	122,880	679,930	3,194,053	2,514,123
$ -	$ -	$ 1,421,947	$ 1,421,947	$ -	$ -	$ 2,980,803	$ 2,980,803

Town of Bedford, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2014

	Agency
ASSETS	
Cash and equivalents	$ 910,211
Accounts receivable	50,324
Total Assets	$ 960,535
LIABILITIES	
Accounts payable	$ 295,946
Employee payroll deductions	169,617
Deposits	494,972
Total Liabilities	$ 960,535

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

Note 1 - Summary of Significant Accounting Policies

The Town of Bedford, New York ("Town") was established in 1700 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

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

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

The following organizations are related to the Town:

The Blue Mountain Housing Development Corporation, Inc. ("Corporation") was formed for the public purpose of improving the availability of residential housing in Westchester County, New York. This goal would be achieved through the production of governmentally assisted housing for eligible individuals. The Corporation, in cooperation with local governments and civic agencies, will undertake studies and other activities necessary to demonstrate the need for such housing to eliminate or prevent slums or blighting influence. The Town Board is responsible for all of the board appointments; however, the Town has no further accountability for the Corporation.

The Energy Improvement Corporation was incorporated in July 2011 as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law and is a Type C corporation under Section 201 of the Not-for-Profit Corporation Law. The mission of the Corporation is to save money and energy and reduce greenhouse gas emissions in Northern Westchester, and perhaps beyond, by enabling energy related improvements that meet or exceed State standards through innovative community based outreach and marketing efforts. In addition, it will be a purpose of the Corporation to facilitate and finance qualified energy efficiency improvement projects and renewable energy system projects for residents, organizations, institutions and businesses in participating municipalities in New York while operating in a financially self sufficient manner. The Corporation is managed by a Board of Directors consisting of nine Members. The Town shall be a permanent member of the Corporation for 10 years from the effective date of the Corporation, and the chief executive officer of the Town shall be a member of the Board of Directors of the Corporation while the Town is a member.

Note 1 - Summary of Significant Accounting Policies (Continued)

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of

Note 1 - Summary of Significant Accounting Policies (Continued)

expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds.

General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's water, parks, lighting, fire protection, ambulance and refuge and garbage districts. The major revenues of this fund are real property taxes and departmental income.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

The Town also reports the following non-major governmental funds.

Special Revenue Funds:

Joint Activity Fund - The Joint Activity Fund was established pursuant to Section 239-U of the General Municipal Law of the State of New York to account for educational and drug prevention counseling services.

Special Purpose Fund - The Special Purpose Fund is used to account for assets held by the Town in accordance with terms of a trust agreement.

b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Town's Fiduciary Fund consists of an Agency Fund. The Agency Fund is used to account for employee payroll tax withholdings and various other deposits that are payable to other jurisdictions or individuals.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. A ninety-day availability period is used for revenue recognition for all other governmental fund revenues. Property taxes associated with the current fiscal period as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Deposits and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and certificates of deposit with original maturities of less than three months.

The Town's investment policies are governed by State statutes. The Town has adopted its own written investment policy, which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to

Note 1 - Summary of Significant Accounting Policies (Continued)

use demand deposit accounts, time deposit accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks, which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2014.

The Town has invested in only the above mentioned obligations and, accordingly, was not exposed to any interest rate or credit risk.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special district taxes, which are due April 1st and payable without penalty to April 30th. School districts taxes are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County of Westchester and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and the balance of forty percent on October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligation to the municipalities regardless of the amounts collected. The County tax warrant is due in October and uncollected County taxes have been accounted for in a manner similar to Town taxes. The collection of school districts taxes is deemed a financing transaction until the warrants are satisfied.

Note 1 - Summary of Significant Accounting Policies (Continued)

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2014, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventories - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventoriable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of employee retirement, insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Restricted Assets - Restricted assets of the Capital Projects Fund consist of bond proceeds held by a State Agency. These funds are to be used for the Town's water reconstruction project.

Capital Assets - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In the case of the initial capitalization of infrastructure assets (i.e., those reported by government activities), the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Note 1 - Summary of Significant Accounting Policies (Continued)

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

Class	Life in Years
Buildings and improvements	20-50
Machinery and equipment	5-20
Infrastructure	50

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental funds balance sheet.

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts from grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of $8,835 for water shed funds received in advance in the General Fund and $14,418 for grant revenue received in advance in the Special District Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reported deferred outflows of resources of $104,160 for a deferred loss on refunding bonds in the government-wide Statement of Net Position. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town reported deferred inflows of resources of $975,806 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Note 1 - Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as Capital Projects or Debt Service funds expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Position - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for unemployment benefits, DARE, Open Space, debt service, special districts, trusts and joint activity. The balance is classified as unrestricted.

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Note 1 - Summary of Significant Accounting Policies (Continued)

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or the Town Comptroller for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Highway and Special Districts funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 30, 2014.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.

b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.

c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.

d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with the law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.

e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.

f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.

g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.

h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Special Districts, Joint Activity and Debt Service funds.

i) Budgets for General, Highway, Special Districts, Joint Activity, and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. An annual budget is not adopted for the Special Purpose Fund.

Note 2 - Stewardship, Compliance and Accountability (Continued)

j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modifications to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.

k) Appropriations in General, Highway, Special Districts, Joint Activity, and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Town Board.

B. Property Tax Limitation

The Town is not limited as to the maximum amount of real property taxes which may be raised. However, on June 24, 2011, the Governor signed Chapter 97 of the Laws of 2011 ("Tax Levy Limitation Law"). This applies to all local governments.

The Tax Levy Limitation Law restricts the amount of real property taxes that may be levied by a Town in a particular year, beginning with the 2012 year. It expires on June 16, 2016.

The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

Note 2 - Stewardship, Compliance and Accountability (Continued)

C. Expenditures in Excess of Budget

The following categories of expenditures and other financing uses exceeded their budgetary provisions by the amounts indicated:

General Fund		
General Government Support		
Town attorney	$	35,990
Engineer		6,513
Elections		3,713
Metropolitan commuter transportation mobility tax		2,095
Town House		4,885
Public Safety		
Police		22,249
Culture and Recreation		
Recreation programs		919
Parks		2,498
Historical property		6,050
Home and Community Services		
Zoning Board		1,375
Wetlands Commission		16,425
Refuse and garbage		1,910
Employee Benefits		
Medicare		10,632
Transfers Out		
Capital Projects Fund		397,640
Highway Fund		
Transportation		202,765
Employee Benefits		58,136
Transfers out		118,518
Special Districts Funds		
Transportation		7,731
Employee benefits		37,146
Transfers Out		358,279
Joint Activity Fund – Drug Abuse Prevention		
Health		727
Debt Service Fund		
Serial bonds - Interest		4

E. Fund Deficits

The following funds have unassigned deficits at December 31, 2014:

Special Districts Fund -		
Bedford Hills Memorial Park District	$	58,583
Refuse and Garbage Improvement District No. 1		37,793
Non-Major Governmental Funds -		
Joint Activity Fund		1,198

Note 2 - Stewardship, Compliance and Accountability (Continued)

These deficits will be addressed in the ensuing years.

F. Capital Projects Fund Deficit

The unassigned deficit in the Capital Projects Fund of $2,006,295 arises because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Liabilities for bond anticipation notes payable are accounted for in the Capital Projects Fund. Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. The deficit will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2014 consisted of the following:

Town and County taxes - Current	$ 291,817
School districts taxes - Current	28,219,725
Tax liens	729,985
Property acquired for taxes	188,766
	29,430,293
Allowance for uncollectible taxes	(188,766)
	$ 29,241,527

School district taxes are offset by liabilities to the school districts, which will be paid no later than April 5, 2015. Taxes receivable are also partially offset by deferred tax revenues of $975,806 which represents an estimate of the taxes receivable, which will not be collected within the first sixty days of the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2014 were as follows:

Fund	Due From	Due To
General	$ 63,060	$ 859,579
Highway	14,156	796
Special Districts	12,621	263,028
Capital Projects	1,035,312	318
Non-Major Governmental	-	1,428
	$ 1,125,149	$ 1,125,149

Note 3 - Detailed Notes on All Funds (Continued)

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

C. Capital Assets

Changes in the Town's capital assets are as follows:

	Balance January 1, 2014	Additions	Deletions	Balance December 31, 2014
Capital Assets, not being depreciated				
Land	$ 19,483,926	$ -	$ -	$ 19,483,926
Construction-in-progress	30,187,309	879,880	19,395,198	11,671,991
Total Capital Assets, not being depreciated	$ 49,671,235	$ 879,880	$ 19,395,198	$ 31,155,917
Capital Assets, being depreciated				
Buildings and improvements	$ 18,629,657	$ 19,630,550	$ 17,035	$ 38,243,172
Machinery and equipment	7,745,869	1,157,706	189,406	8,714,169
Infrastructure	12,846,514	10,440	-	12,856,954
Total Capital Assets, being depreciated	39,222,040	20,798,696	206,441	59,814,295
Less Accumulated Depreciation for				
Buildings and improvements	7,229,258	577,982	17,035	7,790,205
Machinery and equipment	5,066,416	631,076	189,406	5,508,086
Infrastructure	9,101,257	636,985	-	9,738,242
Total Accumulated Depreciation	21,396,931	1,846,043	206,441	23,036,533
Total Capital Assets, being depreciated, net	$ 17,825,109	$ 18,952,653	$ -	$ 36,777,762
Capital Assets, net	$ 67,496,344	$ 19,832,533	$ 19,395,198	$ 67,933,679

Depreciation expense was charged to the Town's functions and programs as follows:

General Government Support	$ 410,191
Public Safety	1,207,866
Transportation	92,118
Culture and Recreation	64,427
Home and Community Services	71,441
Total Depreciation Expense	$ 1,846,043

Note 3 - Detailed Notes on All Funds (Continued)

D. Pension Plans

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") ("Systems"). These Systems are cost-sharing multiple-employer defined benefit pension plans. The Systems provide retirement, disability and death benefits to plan members. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. That report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12224.

Funding Policy - The Systems are non-contributory except for employees in tiers 3 and 4 that have less than ten years of service, who contribute 3% of their salary, employees in tier 5 who also contribute 3% of their salary without regard to their years of service and employees in tier 6 who contribute between 3% and 6% depending on salary levels and also without regard to years of service. Contributions are certified by the State Comptroller and expressed as a percentage of members' salary. Contribution rates are actuarially determined and based upon membership tier and plan. Contributions consist of a life insurance portion and regular pension contributions. Contribution rates for the plans' year ended March 31, 2015 are as follows:

	Tier/Plan	Rate
ERS	3 A14	20.3 %
	4 A15	20.3
	5 A15	16.6
	6 A15	10.9
PFRS	1 384D	32.5
	2 375I	19.9
	2 384D	27.3
	6 384	12.0
	6 384D	15.4

Contributions made or accrued to the Systems for the current and two preceding years were as follows:

	ERS	PFRS
2014	$ 1,288,835	$ 1,306,501
2013	1,313,444	1,064,379
2012	1,090,883	1,111,161

The ERS and PFRS contributions were equal to 100% of the actuarially required contributions for each respective fiscal year.

Note 3 - Detailed Notes on All Funds (Continued)

The current ERS contribution for the Town was charged to the funds identified below. The current PFRS contribution was charged to the General Fund.

Fund	Amount
General	$ 618,803
Highway	383,827
Special Districts	281,511
Non-Major Governmental	4,694
	$ 1,288,835

E. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings:

Purpose	Original Issue Date	Maturity Date	Interest Rate	Balance January 1, 2014	Redemptions	Balance December 31, 2014
Various Capital Projects	2009	-	- %	$ 419,200	$ 419,200	$ -
Various Capital Projects	2013	05/15	0.72	4,001,525	461,904	3,539,621
				$ 4,420,725	$ 881,104	$ 3,539,621

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments and claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes 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.

Interest expense of $10,690 were recorded in the government-wide financial statements. Interest expenditures of $45,544 were recorded in the fund financial statements in the funds identified below.

Fund	Amount
General	$ 17,866
Highway	17,207
Special Districts	10,471
	$ 45,544

Note 3 - Detailed Notes on All Funds (Continued)

F. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2014:

	Balance January 1, 2014	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2014	Due Within One Year
Bonds Payable	$ 34,350,000	$ 1,645,000	$ 5,320,000	$ 30,675,000	$ 3,235,000
Plus - unamortized premium on bonds	369,807	185,909	91,076	464,640	-
	34,719,807	1,830,909	5,411,076	31,139,640	3,235,000
Compensated Absences	1,607,516	229,137	161,000	1,675,653	168,000
Other Post Employment Benefit Obligations Payable	12,720,000	3,990,000	1,300,000	15,410,000	-
	$ 49,047,323	$ 6,050,046	$ 6,872,076	$ 48,225,293	$ 3,403,000

Each governmental fund's liability for compensated absences and other post employment benefit obligations are liquidated by the General, Highway and Special Districts funds. The Town's indebtedness for bonds is satisfied by the Debt Service Fund, which is primarily funded by the General, Highway and Special Districts funds.

Bonds Payable

Bonds payable at December 31, 2014 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2014
Public Improvements	2007	5,330,000	December, 2022	3.750 %	$ 2,150,000
Refunding Bonds	2010	5,125,000	November, 2017	4.000	1,225,000
Public Improvements	2011	22,255,159	May, 2031	1.107 - 4.403	19,400,000
Public Improvements	2011	198,564	May, 2024	0.833 - 3.721	155,000
Public Improvements	2011	4,360,000	June, 2025	2.000 - 3.250	3,310,000
Refunding Bonds	2013	3,540,000	September, 2019	2.250 - 4.000	2,790,000
Refunding Bonds	2014	1,645,000	December, 2020	3.000-5.000	1,645,000
					$ 30,675,000

Interest expenditures of $888,379 were recorded in the fund financial statements in the Debt Service Fund. Interest expense of $856,655 was recorded in the government-wide financial statements for governmental activities.

Note 3 - Detailed Notes on All Funds (Continued)

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2014, including interest payments of $5,794,094 are as follows:

Year Ended December 31,	Principal	Interest	Total
2015	$ 3,235,000	$ 790,863	$ 4,025,863
2016	3,100,000	702,865	3,802,865
2017	2,765,000	613,964	3,378,964
2018	2,325,000	541,766	2,866,766
2019	2,355,000	478,652	2,833,652
2020-2024	7,790,000	1,747,110	9,537,110
2025-2029	6,350,000	841,349	7,191,349
2030-2031	2,755,000	77,525	2,832,525
	$ 30,675,000	$ 5,794,094	$ 36,469,094

The above general obligation bonds are direct obligations of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Advanced Refunding

During the current fiscal year, the Town issued $1,645,000 in serial bonds with interest rates ranging from 3.0% to 5.0%, depending on maturity. The proceeds were used to refund $1,750,000 of 2005 public improvement serial bonds bearing interest at rates ranging from 3.75% to 3.85%. The net proceeds of $1,782,667 (net of a $185,909 re-offering premium and after payment of $48,242 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2005 public improvement serial bonds. As a result, the 2005 public improvement serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by $32,668 and the premium received was $185,909.

Note 3 - Detailed Notes on All Funds (Continued)

Compensated Absences

In accordance with the various collective bargaining agreements, all employees, with the exception of the police bargaining unit, may accumulate sick leave. Payment for accumulated sick leave is at rates in accordance with the provisions enumerated below:

Teamsters - White Collar		Teamsters - Blue Collar	
Sick Leave Accumulation	Rate of Reimbursement	Sick Leave Accumulation	Rate of Reimbursement
0 to 50 days	10% of all days	0 to 50 days	20% of all days
51 to 100 days	60% of all days	51 to 100 days	40% of all days
101 to 150 days	80% of all days	101 to 150 days	60% of all days
151 to 260 days	100% of all days	151 to 250 days	80% of all days

Vacation time for teamsters and non-union employees may be accumulated to a maximum of thirty days and ten days, respectively. The value of all compensated absences has been recorded in the government-wide financial statements.

Other Post Employment Benefit Obligations Payable

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee. Substantially all of the Town's employee's may become eligible for those benefits if they reach normal retirement age while working for the Town. The cost of retiree health care benefits is recognized as an expenditure as claims are paid in the fund financial statements.

The Town's annual other post employment benefit ("OPEB") cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. GASB Statement No. 45 establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities will no longer be done under the "pay-as-you-go" approach. Instead of expensing the current year premiums paid, a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. 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 over a period not to exceed thirty years.

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis. The assumed rates of increase in post-retirement benefits are as follows:

Year Ended December 31,	Medical Rates
2015	9.50 %
2016	9.00
2017	8.50
2018	8.00
2019	7.50
2020	7.00
2021	6.50
2022	6.00
2023	5.50
2024+	5.00

The amortization basis is the level percentage of payroll method with an open amortization approach with 23 years remaining in the amortization period. The actuarial assumptions included a 4.5% investment rate of return and a 0% inflation rate. The Town currently has no assets set aside for the purpose of paying post employment benefits. The actuarial cost method utilized was the unit credit method.

The number of participants as of December 31, 2014 was as follows:

Active Employees	119
Retired Employees	102
	221

Note 3 - Detailed Notes on All Funds (Continued)

Amortization Component:	
Actuarial Accrued Liability as of January 1, 2014	$ 52,440,000
Assets at Market Value	-
Unfunded Actuarial Accrued Liability	$ 52,440,000
Funded Ratio	0.00%
Covered Payroll (active plan members)	$ 11,230,000
UAAL as a Percentage of Covered Payroll	467%
Annual Required Contribution	$ 4,170,000
Interest on Net OPEB Obligation	570,000
Adjustments to Annual Required Contribution	(750,000)
Annual OPEB Cost	3,990,000
Contributions Made	(1,300,000)
Increase in Net OPEB Obligation	2,690,000
Net OPEB Obligation - Beginning of Year	12,720,000
Net OPEB Obligation - End of Year	$ 15,410,000

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the current and two preceding years are as follows:

Fiscal Year Ended December 31,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	$ 3,990,000	32.58 %	$ 15,410,000
2013	3,870,000	31.27	12,720,000
2012	3,740,000	30.75	10,060,000

G. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

Note 3 - Detailed Notes on All Funds (Continued)

Transfers Out	Transfer In: Capital Projects Fund	Transfer In: Debt Service Fund	Total
General Fund	$ 404,307	$ 1,027,938	1,432,245
Highway Fund	-	1,274,873	1,274,873
Special Districts Fund	476,797	2,155,563	2,632,360
	$ 881,104	$ 4,458,374	$ 5,339,478

Transfers are used to 1) move amounts from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due and 2) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures.

H. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Unemployment Benefits - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of General Municipal Law of the State of New York.

Restricted for DARE - the component of net position that has been established pursuant to State authorization for unexpended gifts and donations restricted to use for the Town's drug resistance education program.

Restricted for Open Space - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-h of General Municipal Law of the State of New York.

Restricted for Debt Service - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law.

Restricted for Special Districts - the component of net position that represents funds restricted for specific purposes under New York State Law or by external parties and/or statutes.

Restricted for Trusts - the component of net position that has been established to set aside funds in accordance with the terms of the grants.

Restricted for Joint Activity - the component of net position that represents funds restricted for educational and drug prevention counseling services.

Unrestricted - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Note 3 - Detailed Notes on All Funds (Continued)

I. Fund Balances

	2014							2013						
	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total	General Fund	Highway Fund	Special Districts Fund	Capital Projects Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Nonspendable														
Prepaid expenditures	$ 506,138	$ 94,180	$ 69,911	$ -	$ -	$ 1,198	$ 671,427	$ 469,393	$ 108,216	$ 84,999	$ -	$ -	$ 1,263	$ 663,871
Restricted														
Unemployment benefits	83,211	-	-	-	-	-	83,211	84,211	-	-	-	-	-	84,211
DARE	11,050	-	-	-	-	-	11,050	14,031	-	-	-	-	-	14,031
Open space	2,179,169	-	-	-	-	-	2,179,169	2,288,546	-	-	-	-	-	2,288,546
Debt service	-	-	-	-	391,599	-	391,599	-	-	-	-	388,675	-	388,675
Trusts	-	-	-	-	-	297,821	297,821	-	-	-	-	-	297,635	297,635
Total Restricted	2,273,430	-	-	-	391,599	297,821	2,962,850	2,386,788	-	-	-	388,675	297,635	3,073,098
Assigned														
Purchases on order														
General government support	12,684	-	-	-	-	-	12,684	457	-	-	-	-	-	457
Public safety	6,500	-	-	-	-	-	6,500	424	-	-	-	-	-	424
Transportation	-	8,000	-	-	-	-	8,000	-	29,960	-	-	-	-	29,960
Culture and recreation	4,178	-	-	-	-	-	4,178	9,508	-	-	-	-	-	9,508
Home and community services	-	-	201,168	-	-	-	201,168	531	-	8,400	-	-	-	8,931
	23,362	8,000	201,168	-	-	-	232,530	10,920	29,960	8,400	-	-	-	49,280
Subsequent year's expenditures	43,502	200,000	34,794	-	-	-	278,296	250,286	250,000	114,480	-	-	-	614,766
Major funds	-	1,119,767	2,674,930	-	-	-	3,794,697	-	1,368,996	2,986,174	-	-	-	4,355,170
Total Assigned	66,864	1,327,767	2,910,892	-	-	-	4,305,523	261,206	1,648,956	3,109,054	-	-	-	5,019,216
Unassigned	6,493,152	-	-	(2,006,295)	-	(1,198)	4,485,659	5,131,655	-	-	(973,308)	-	(1,083)	4,157,264
Total Fund Balances	$ 9,339,584	$ 1,421,947	$ 2,980,803	$ (2,006,295)	$ 391,599	$ 297,821	$ 12,425,459	$ 8,249,042	$ 1,757,172	$ 3,194,053	$ (973,308)	$ 388,675	$ 297,815	$ 12,913,449

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for retirement, insurance and certain other payments made in advance. The amount is classified as nonspendable to indicate that funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Purchases on order are assigned and represent the Town's intention to honor the contracts in process at year-end. The subsequent year's appropriations will be amended to provide authority to complete the transactions. The amounts are reflected as assigned fund balance except where the assignment would cause a negative unassigned fund balance.

Subsequent year's expenditures represent that at December 31, 2014, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted or assigned. Unassigned fund balances in the Joint Activity and Capital Projects funds represent the deficit balances in those funds.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Town, if adversely settled.

The Town is a defendant in numerous tax certiorari proceedings, the results of which cannot be determined at the present time. Any future refunds resulting from adverse settlements will be funded in the year in which the payments are made.

B. Risk Management

The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, public officials liability and police professional liability policies provide for coverage up to $3 million, $2 million and $10 million, respectively. The Town also maintains an excess liability policy with a limit of $20 million. The Town purchases health insurance and conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

C. Contingencies

The Town participates in various Federal grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

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Town of Bedford, New York

Required Supplementary Information - Schedule of Funding Progress
Other Post Employment Benefits
Last Three Fiscal Years

Actuarial						
Valuation Date	Value of Assets	Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Covered Payroll
January 1, 2012	$ -	$ 47,120,000	$ 47,120,000	- %	$ 12,170,000	387 %
January 1, 2013	-	48,720,000	48,720,000	-	11,190,000	435
January 1, 2014	-	52,440,000	52,440,000	-	11,230,000	467

Town of Bedford, New York

General Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	$ 22,093,321	$ 20,154,761
Taxes receivable		
Town and County taxes	291,817	439,951
School districts taxes	28,219,725	30,598,399
Tax liens	729,985	1,034,017
Property acquired for taxes	188,766	188,766
	29,430,293	32,261,133
Allowance for uncollectible taxes	(188,766)	(188,766)
	29,241,527	32,072,367
Other receivables		
Accounts	540,397	225,409
Due from other governments	789,650	755,857
Due from other funds	63,060	868,281
	1,393,107	1,849,547
Prepaid expenditures	506,138	469,393
Total Assets	$ 53,234,093	$ 54,546,068
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 539,274	$ 615,793
Due to school districts	41,383,963	43,719,101
Due to other governments	127,052	72,464
Due to other funds	859,579	507,995
Unearned revenues	8,835	8,835
Total Liabilities	42,918,703	44,924,188
Deferred inflows of resources		
Deferred tax revenues	975,806	1,372,838
Total Liabilities and Deferred Inflows of Resources	43,894,509	46,297,026
Fund balance		
Nonspendable	506,138	469,393
Restricted	2,273,430	2,386,788
Assigned	66,864	261,206
Unassigned	6,493,152	5,131,655
Total Fund Balance	9,339,584	8,249,042
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$ 53,234,093	$ 54,546,068

Town of Bedford, New York

General Fund
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 11,625,289	$ 11,625,289	$ 12,050,850	$ 425,561
Other tax items	605,000	605,002	775,585	170,583
Non-property taxes	2,700,000	2,700,000	2,865,049	165,049
Departmental income	2,294,000	2,362,276	2,505,256	142,980
Use of money and property	79,100	79,100	68,005	(11,095)
Licenses and permits	113,500	113,500	112,467	(1,033)
Fines and forfeitures	550,250	550,250	653,781	103,531
Sale of property and compensation for loss	61,000	61,000	1,997	(59,003)
State aid	1,048,800	1,048,800	1,201,063	152,263
Federal aid	-	-	-	-
Miscellaneous	71,550	74,531	31,760	(42,771)
Total Revenues	19,148,489	19,219,748	20,265,813	1,046,065
EXPENDITURES				
Current				
General government support	3,358,597	3,361,481	3,130,325	231,156
Public safety	5,558,413	5,820,294	5,820,294	-
Health	60,500	60,500	39,739	20,761
Transportation	460,656	478,961	478,341	620
Economic opportunity and development	9,900	9,900	5,669	4,231
Culture and recreation	2,388,267	2,320,649	2,310,138	10,511
Home and community services	657,026	670,526	507,501	163,025
Employee benefits	5,672,729	5,523,823	5,522,098	1,725
Debt service				
Interest	379,001	379,001	17,866	361,135
Total Expenditures	18,545,089	18,625,135	17,831,971	793,164
Excess of Revenues Over Expenditures	603,400	594,613	2,433,842	1,839,229
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	170,000	170,000	88,945	(81,055)
Transfers out	(1,034,606)	(1,034,606)	(1,432,245)	(397,639)
Total Other Financing Uses	(864,606)	(864,606)	(1,343,300)	(478,694)
Net Change in Fund Balance	(261,206)	(269,993)	1,090,542	1,360,535
FUND BALANCE				
Beginning of Year	261,206	269,993	8,249,042	7,979,049
End of Year	$ -	$ -	$ 9,339,584	$ 9,339,584

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 11,396,224	$ 11,396,224	$ 11,168,969	$ (227,255)
580,000	580,000	701,651	121,651
2,700,000	2,700,000	2,790,201	90,201
2,346,450	2,421,537	2,482,867	61,330
81,100	81,100	92,307	11,207
98,000	98,000	135,274	37,274
550,250	550,250	686,688	136,438
61,000	61,000	48,794	(12,206)
948,800	956,900	1,296,139	339,239
-	-	49,698	49,698
91,050	97,978	86,731	(11,247)
18,852,874	18,942,989	19,539,319	596,330
3,239,810	3,319,288	3,044,677	274,611
5,551,708	5,639,474	5,654,327	(14,853)
65,500	65,500	33,627	31,873
405,104	410,529	481,047	(70,518)
9,900	9,900	3,852	6,048
2,308,132	2,312,616	2,249,200	63,416
641,662	698,485	485,341	213,144
5,725,052	5,729,561	5,193,851	535,710
377,001	377,001	3,442	373,559
18,323,869	18,562,354	17,149,364	1,412,990
529,005	380,635	2,389,955	2,009,320
170,000	204,692	55,350	(149,342)
(1,280,075)	(1,280,075)	(1,207,101)	72,974
(1,110,075)	(1,075,383)	(1,151,751)	(76,368)
(581,070)	(694,748)	1,238,204	1,932,952
581,070	694,748	7,010,838	6,316,090
$ -	$ -	$ 8,249,042	$ 8,249,042

Town of Bedford, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget
Year Ended December 31, 2014
(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
REAL PROPERTY TAXES	$ 11,625,289	$ 11,625,289	$ 12,050,850	$ 425,561	$ 11,168,969
OTHER TAX ITEMS					
Payments in lieu of taxes	30,000	30,000	37,784	7,784	30,177
Interest and penalties on real property taxes	575,000	575,002	737,801	162,799	671,474
	605,000	605,002	775,585	170,583	701,651
NON-PROPERTY TAXES					
Non-property tax distribution from County	2,400,000	2,400,000	2,524,134	124,134	2,438,478
Franchise fees	300,000	300,000	340,915	40,915	351,723
	2,700,000	2,700,000	2,865,049	165,049	2,790,201
DEPARTMENTAL INCOME					
Police fees	77,500	77,500	82,886	5,386	94,349
Safety inspection fees	540,000	555,250	778,724	223,474	757,648
Planning Board fees	32,000	68,646	109,549	40,903	106,687
Dog pound fees	1,500	1,500	2,045	545	1,888
Parking lot fees	930,000	930,000	869,422	(60,578)	856,802
Parks and recreation charges	557,400	557,400	506,318	(51,082)	534,075
Performing arts	26,300	26,300	21,685	(4,615)	4,560
Town Clerk fees	51,200	52,700	45,335	(7,365)	29,927
Zoning fees	20,000	20,000	25,750	5,750	27,370
DWI fees	7,500	7,500	3,634	(3,866)	11,102
Traffic law enforcement	4,000	4,000	3,000	(1,000)	3,552
Charges for tax advertising	3,000	3,000	2,700	(300)	2,763
Refuse and recycling	13,600	13,600	17,656	4,056	11,046
Other	30,000	44,880	36,552	(8,328)	41,098
	2,294,000	2,362,276	2,505,256	142,980	2,482,867

USE OF MONEY AND PROPERTY					
Earnings on investments	20,100	20,100	33,471	13,371	25,993
Rentals	59,000	59,000	34,534	(24,466)	66,314
	79,100	79,100	68,005	(11,095)	92,307
LICENSES AND PERMITS					
Dog license apportionment	13,500	13,500	19,482	5,982	20,054
Alarm permits and charges	100,000	100,000	92,985	(7,015)	115,220
	113,500	113,500	112,467	(1,033)	135,274
FINES AND FORFEITURES					
Fines and forfeited bail	550,000	550,000	653,131	103,131	686,438
Fines and penalties - Dog cases	250	250	650	400	250
	550,250	550,250	653,781	103,531	686,688
SALE OF PROPERTY AND COMPENSATION FOR LOSS					
Sale of equipment	61,000	61,000	1,997	(59,003)	48,794
STATE AID					
Per capita	81,000	81,000	79,494	(1,506)	79,494
Mortgage tax	950,000	950,000	1,103,167	153,167	1,198,964
Substance abuse	5,000	5,000	-	(5,000)	-
Records management grants	-	-	4,050	4,050	4,050
Police grants	12,800	12,800	4,819	(7,981)	11,820
Theatre arts grant	-	-	3,213	3,213	1,811
Environmental restoration grant	-	-	6,320	6,320	-
	1,048,800	1,048,800	1,201,063	152,263	1,296,139
FEDERAL AID					
Emergency management assistance	-	-	-	-	49,698

(Continued)

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Town of Bedford, New York

General Fund
Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)
Year Ended December 31, 2014
(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
MISCELLANEOUS					
Historical books	$ 2,000	$ 2,000	$ 640	$ (1,360)	$ 1,995
Refund of prior year's expenditures	-	-	-	-	10,508
Medicare part D reimbursement	35,500	35,500	-	(35,500)	23,072
Other	34,050	37,031	31,120	(5,911)	51,156
	71,550	74,531	31,760	(42,771)	86,731
TOTAL REVENUES	19,148,489	19,219,748	20,265,813	1,046,065	19,539,319
OTHER FINANCING SOURCES					
Insurance recoveries	170,000	170,000	88,945	(81,055)	55,350
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 19,318,489	$ 19,389,748	$ 20,354,758	$ 965,010	$ 19,594,669

Town of Bedford, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget
Year Ended December 31, 2014
(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	$ 119,757	$ 119,759	$ 83,767	$ 35,992	$ 116,704
Town Justices	525,276	527,666	520,873	6,793	505,101
Supervisor	274,616	274,616	272,608	2,008	247,320
Finance	350,529	350,529	341,825	8,704	362,412
Audit	51,000	51,000	51,000	-	50,000
Receiver of Taxes	113,313	113,313	103,573	9,740	91,754
Assessor	180,102	180,102	179,117	985	178,040
Board of Assessors	1,375	2,267	2,267	-	2,642
Town Clerk	199,685	216,065	202,686	13,379	201,059
Town Attorney	324,000	323,000	358,990	(35,990)	316,889
Personnel	76,617	76,617	76,476	141	75,298
Engineer	92,500	115,647	122,160	(6,513)	108,124
Elections	28,700	28,700	32,413	(3,713)	31,053
Records management	500	500	495	5	12,135
Buildings	95,045	95,045	86,193	8,852	96,129
Central printing and mailing	81,000	81,000	60,283	20,717	36,980
Central data processing	90,207	90,208	87,444	2,764	87,724
Municipal association dues	5,000	5,000	3,815	1,185	4,965
Judgments and claims	50,000	50,000	1,624	48,376	4,199
Metropolitan commuter transportation mobility tax	27,951	27,951	30,046	(2,095)	25,577
Unallocated insurance	186,680	186,680	186,680	-	172,636
Taxes on town property	800	800	592	208	653
Town House	322,513	320,513	325,398	(4,885)	317,283
Contingent account	161,431	124,503	-	124,503	-
	3,358,597	3,361,481	3,130,325	231,156	3,044,677

PUBLIC SAFETY					
Police	5,102,109	5,341,259	5,363,508	(22,249)	5,204,341
DARE	1,500	6,981	2,981	4,000	1,185
Control of animals	40,848	40,848	32,574	8,274	34,224
Safety inspection	389,243	406,493	404,233	2,260	393,650
School crossing guards	24,713	24,713	16,998	7,715	20,927
	5,558,413	5,820,294	5,820,294	-	5,654,327
HEALTH					
Nursing association	500	500	-	500	-
Registrar of Vital Statistics	4,000	4,000	3,595	405	2,030
Environmental health program	20,000	20,000	1,572	18,428	690
Drug abuse prevention	21,000	21,000	19,572	1,428	15,907
Ambulance	15,000	15,000	15,000	-	15,000
	60,500	60,500	39,739	20,761	33,627
TRANSPORTATION					
Superintendent of Highways	209,522	227,827	227,823	4	226,431
Off-street parking	251,134	251,134	250,518	616	254,616
	460,656	478,961	478,341	620	481,047
ECONOMIC OPPORTUNITY AND DEVELOPMENT					
Blue Mountain Development	6,400	6,400	3,669	2,731	1,156
Veteran's services	3,500	3,500	2,000	1,500	2,696
	9,900	9,900	5,669	4,231	3,852
CULTURE AND RECREATION					
Programs for the aging	19,700	19,700	19,700	-	19,671
Performing arts	26,253	26,253	22,505	3,748	16,015
Recreation administration	345,768	345,768	345,762	6	341,684
Recreation programs	550,348	497,623	498,542	(919)	515,804
Parks	17,380	11,655	14,153	(2,498)	14,074
Senior citizen recreation	68,598	59,430	56,323	3,107	54,568
Libraries	1,314,662	1,314,662	1,314,662	-	1,253,652
Historical property	20,881	20,881	26,931	(6,050)	21,429
Historian	24,677	24,677	11,560	13,117	12,303
	2,388,267	2,320,649	2,310,138	10,511	2,249,200

(Continued)

Town of Bedford, New York

General Fund
Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)
Year Ended December 31, 2014
(With Comparative Actuals for 2013)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	2013 Actual
HOME AND COMMUNITY SERVICES					
Cemeteries	$ 17,281	$ 17,281	$ 13,992	$ 3,289	$ 8,951
Zoning Board	42,136	42,136	43,511	(1,375)	41,905
Planning Board	436,054	436,054	279,894	156,160	269,948
Tree Advisory Board	7,000	7,000	4,550	2,450	2,312
Conservation Board	1,000	1,000	-	1,000	392
Energy Advisory Panel	5,000	5,000	-	5,000	5,000
Recycling	35,311	35,311	25,112	10,199	25,363
Wetlands Commission	89,924	103,424	119,849	(16,425)	113,074
Refuse and garbage	2,200	2,200	4,110	(1,910)	3,108
Community beautification	21,120	21,120	16,483	4,637	15,288
	657,026	670,526	507,501	163,025	485,341
EMPLOYEE BENEFITS					
State retirement	625,478	618,803	618,803	-	633,959
Police retirement	1,111,975	1,306,501	1,306,501	-	1,064,379
Social security	507,985	483,952	483,952	-	456,276
Medicare	113,519	113,519	124,151	(10,632)	118,153
Workers' compensation benefits	164,946	152,048	152,048	-	140,261
Hospital and medical insurance	2,904,993	2,663,764	2,663,764	-	2,616,196
Welfare fund	40,173	3,900	3,900	-	3,900
Police welfare fund	16,885	(820)	(820)	-	(2,353)
Dental and optical plan	181,715	176,002	165,675	10,327	155,297
Unemployment benefits	-	1,094	1,094	-	4,509
Employee assistance plan	5,060	5,060	3,030	2,030	3,274
	5,672,729	5,523,823	5,522,098	1,725	5,193,851
DEBT SERVICE					
Interest					
Bond anticipation notes	379,001	379,001	17,866	361,135	3,442
TOTAL EXPENDITURES	18,545,089	18,625,135	17,831,971	793,164	17,149,364

OTHER FINANCING USES					
Transfers out					
Debt Service Fund	1,027,939	1,027,939	1,027,938	1	1,048,416
Capital Projects Fund	6,667	6,667	404,307	(397,640)	158,685
TOTAL OTHER FINANCING USES	1,034,606	1,034,606	1,432,245	(397,639)	1,207,101
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 19,579,695	$ 19,659,741	$ 19,264,216	$ 395,525	$ 18,356,465

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Town of Bedford, New York

Highway Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	$ 1,558,229	$ 2,351,412
Receivables		
Accounts	22,068	12,200
Due from other funds	14,156	12,183
	36,224	24,383
Prepaid expenditures	94,180	108,216
Total Assets	$ 1,688,633	$ 2,484,011
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 265,890	$ 492,232
Retainages payable	-	34,476
Due to other funds	796	200,131
Total Liabilities	266,686	726,839
Fund balance		
Nonspendable	94,180	108,216
Assigned	1,327,767	1,648,956
Total Fund Balance	1,421,947	1,757,172
Total Liabilities and Fund Balance	$ 1,688,633	$ 2,484,011

Town of Bedford, New York

Highway Fund
Comparative Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Years Ended December 31,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Real property taxes	$ 6,676,972	$ 6,676,972	$ 6,675,663	$ (1,309)
Intergovernmental charges	35,000	35,000	21,949	(13,051)
Use of money and property	8,000	8,000	11,208	3,208
Sale of property and compensation for loss	11,400	11,400	108,643	97,243
State aid	258,000	258,000	291,207	33,207
Federal aid	100,000	100,000	287,070	187,070
Miscellaneous	70,000	70,000	40,145	(29,855)
Total Revenues	7,159,372	7,159,372	7,435,885	276,513
EXPENDITURES				
Current				
General government support	119,979	119,979	65,438	54,541
Transportation	4,510,948	4,636,536	4,839,301	(202,765)
Employee benefits	1,516,155	1,516,155	1,574,291	(58,136)
Debt service				
Interest	135,895	135,895	17,207	118,688
Total Expenditures	6,282,977	6,408,565	6,496,237	(87,672)
Excess of Revenues Over Expenditures	876,395	750,807	939,648	188,841
OTHER FINANCING USES				
Transfers out	(1,156,355)	(1,156,355)	(1,274,873)	(118,518)
Net Change in Fund Balance	(279,960)	(405,548)	(335,225)	70,323
FUND BALANCE				
Beginning of Year	279,960	405,548	1,757,172	1,351,624
End of Year	$ -	$ -	$ 1,421,947	$ 1,421,947

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 6,545,409	$ 6,545,409	$ 6,534,426	$ (10,983)
35,000	35,000	45,112	10,112
8,000	8,000	10,093	2,093
51,400	51,400	6,203	(45,197)
202,734	202,734	285,687	82,953
100,000	100,000	189,056	89,056
90,000	90,000	90,821	821
7,032,543	7,032,543	7,161,398	128,855
100,539	100,539	97,996	2,543
4,303,190	5,147,299	5,142,354	4,945
1,475,477	1,475,477	1,497,675	(22,198)
135,895	135,895	-	135,895
6,015,101	6,859,210	6,738,025	121,185
1,017,442	173,333	423,373	250,040
(1,407,592)	(1,407,592)	(1,193,809)	213,783
(390,150)	(1,234,259)	(770,436)	463,823
390,150	1,234,259	2,527,608	1,293,349
$ -	$ -	$ 1,757,172	$ 1,757,172

Town of Bedford, New York

Special Districts Fund
Combining Balance Sheet - Sub-Funds
December 31, 2014
(With Comparative Totals for 2013)

	Water Districts				Park Districts		
	Consolidated	Cedar Downs	Farms	Old Post Road	Bedford Village Memorial	Bedford Hills Memorial	Katonah Memorial
ASSETS							
Cash and equivalents	$ 1,499,936	$ 138,286	$ 66,715	$ 46,959	$ 169,498	$ 5,642	$ 339,027
Receivables							
Accounts	316,869	5,426	3,137	6,840	413	413	413
State and Federal aid	633,768	-	-	-	-	-	-
Due from other funds	9,039	-	-	-	1,194	1,194	1,194
	959,676	5,426	3,137	6,840	1,607	1,607	1,607
Prepaid expenditures	24,359	275	275	275	14,909	14,909	14,909
Total Assets	$ 2,483,971	$ 143,987	$ 70,127	$ 54,074	$ 186,014	$ 22,158	$ 355,543
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts payable	$ 173,279	$ 1,032	$ 2,031	$ 2,907	$ 7,636	$ 5,805	$ 6,204
Due to other funds	418	-	-	-	74,941	74,936	74,940
Unearned revenues	14,130	156	-	132	-	-	-
Total Liabilities	187,827	1,188	2,031	3,039	82,577	80,741	81,144
Fund balances (deficits)							
Nonspendable	24,359	275	275	275	14,909	14,909	14,909
Assigned	2,271,785	142,524	67,821	50,760	88,528	(73,492)	259,490
Total Fund Balances (Deficits)	2,296,144	142,799	68,096	51,035	103,437	(58,583)	274,399
Total Liabilities and Fund Balances (Deficits)	$ 2,483,971	$ 143,987	$ 70,127	$ 54,074	$ 186,014	$ 22,158	$ 355,543

Lighting Districts						Totals	
Bedford Village	Bedford Hills	Katonah	Fire Protection District No. 1	Bedford Ambulance District No. 1	Refuse and Garbage Improvement District No. 1	2014	2013
$ 28,934	$ 50,293	$ 38,131	$ 2,016	$ 37,440	$ -	$ 2,422,877	$ 2,580,239
-	-	-	-	-	-	333,511	317,891
-	-	-	-	-	-	633,768	558,929
-	-	-	-	-	-	12,621	385,389
-	-	-	-	-	-	979,900	1,262,209
-	-	-	-	-	-	69,911	84,999
$ 28,934	$ 50,293	$ 38,131	$ 2,016	$ 37,440	$ -	$ 3,472,688	$ 3,927,447
$ 3,026	$ 6,502	$ 6,017	$ -	$ -	$ -	$ 214,439	$ 146,485
-	-	-	-	-	37,793	263,028	484,632
-	-	-	-	-	-	14,418	102,277
3,026	6,502	6,017	-	-	37,793	491,885	733,394
-	-	-	-	-	-	69,911	84,999
25,908	43,791	32,114	2,016	37,440	(37,793)	2,910,892	3,109,054
25,908	43,791	32,114	2,016	37,440	(37,793)	2,980,803	3,194,053
$ 28,934	$ 50,293	$ 38,131	$ 2,016	$ 37,440	$ -	$ 3,472,688	$ 3,927,447

Town of Bedford, New York

Special Districts Fund
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances - Sub-Funds
Year Ended December 31, 2014
(With Comparative Totals for 2013)

	Water Districts				Park Districts		
	Consolidated	Cedar Downs	Farms	Old Post Road	Bedford Village Memorial	Bedford Hills Memorial	Katonah Memorial
REVENUES							
Real property taxes	$ 1,555,720	$ 44,834	$ 83,178	$ 56,031	$ 675,046	$ 702,106	$ 744,199
Departmental income	1,370,068	19,561	21,282	12,508	94,482	114,615	150,811
Use of money and property	19,801	507	431	302	1,201	952	1,969
Federal aid	-	-	-	-	-	-	-
Miscellaneous	639,903	-	-	-	4,597	4,925	4,925
Total Revenues	3,585,492	64,902	104,891	68,841	775,326	822,598	901,904
EXPENDITURES							
Current							
General government support	26,178	471	557	514	9,131	4,985	5,007
Public safety	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	424,794	464,882	443,794
Home and community services	1,530,618	33,883	55,405	75,046	-	-	-
Employee benefits	333,728	-	-	-	144,555	144,697	145,190
Debt service							
Interest	400	-	-	-	2,557	3,757	3,757
Total Expenditures	1,890,924	34,354	55,962	75,560	581,037	618,321	597,748
Excess (Deficiency) of Revenues Over Expenditures	1,694,568	30,548	48,929	(6,719)	194,289	204,277	304,156
OTHER FINANCING USES							
Transfers out	(1,677,178)	(25,988)	(33,284)	(21,293)	(234,340)	(319,827)	(320,450)
Net Change in Fund Balances	17,390	4,560	15,645	(28,012)	(40,051)	(115,550)	(16,294)
FUND BALANCES (DEFICITS)							
Beginning of Year	2,278,754	138,239	52,451	79,047	143,488	56,967	290,693
End of Year	$ 2,296,144	$ 142,799	$ 68,096	$ 51,035	$ 103,437	$ (58,583)	$ 274,399

Lighting Districts						Totals	
Bedford Village	Bedford Hills	Katonah	Fire Protection District No. 1	Bedford Ambulance District No. 1	Refuse and Garbage Improvement District No. 1	2014	2013
$ 14,590	$ 35,094	$ 28,543	$ 72,565	$ 333,350	$ -	$ 4,345,256	$ 4,246,375
-	-	-	-	-	-	1,783,327	1,650,859
109	191	142	-	-	75	25,680	20,012
-	-	-	-	-	257,170	257,170	1,138,364
-	-	-	-	22,459	4,588	681,397	786,230
14,699	35,285	28,685	72,565	355,809	261,833	7,092,830	7,841,840
-	-	-	-	-	-	46,843	55,457
-	-	-	66,388	-	-	66,388	72,566
-	-	-	-	343,491	-	343,491	317,318
19,406	42,547	34,028	-	-	-	95,981	95,205
-	-	-	-	-	-	1,333,470	1,402,513
-	-	-	-	-	313,954	2,008,906	2,535,307
-	-	-	-	-	-	768,170	772,447
-	-	-	-	-	-	10,471	2,962
19,406	42,547	34,028	66,388	343,491	313,954	4,673,720	5,253,775
(4,707)	(7,262)	(5,343)	6,177	12,318	(52,121)	2,419,110	2,588,065
-	-	-	-	-	-	(2,632,360)	(2,398,686)
(4,707)	(7,262)	(5,343)	6,177	12,318	(52,121)	(213,250)	189,379
30,615	51,053	37,457	(4,161)	25,122	14,328	3,194,053	3,004,674
$ 25,908	$ 43,791	$ 32,114	$ 2,016	$ 37,440	$ (37,793)	$ 2,980,803	$ 3,194,053

Town of Bedford, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	$ -	$ 2,329,991
Due from other funds	1,035,312	913,430
Restricted assets	919,185	1,752,007
Total Assets	$ 1,954,497	$ 4,995,428
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	$ 227,598	$ 294,521
Retainages payable	193,255	299,394
Bond anticipation notes payable	3,539,621	4,420,725
Due to other funds	318	954,096
Total Liabilities	3,960,792	5,968,736
Fund deficit		
Unassigned	(2,006,295)	(973,308)
Total Liabilities and Fund Deficit	$ 1,954,497	$ 4,995,428

Town of Bedford, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
Years Ended December 31,

	2014	2013
REVENUES		
State aid	$ 420,330	$ -
Miscellaneous	561,630	28,497
Total Revenues	981,960	28,497
EXPENDITURES		
Capital outlay	2,896,051	2,962,413
Deficiency of Revenues Over Expenditures	(1,914,091)	(2,933,916)
OTHER FINANCING SOURCES		
Transfers in	881,104	270,933
Net Change in Fund Balance	(1,032,987)	(2,662,983)
FUND BALANCE (DEFICIT)		
Beginning of Year	(973,308)	1,689,675
End of Year	$ (2,006,295)	$ (973,308)

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Town of Bedford, New York

Debt Service Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	$ 391,599	$ 417,008
LIABILITIES AND FUND BALANCE		
Liabilities		
Due to other funds	$ -	$ 28,333
Fund balance		
Restricted	391,599	388,675
Total Liabilities and Fund Balance	$ 391,599	$ 417,008

Town of Bedford, New York

Debt Service Fund
Comparative Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Years Ended December 31,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	$ -	$ -	$ 2,929	$ 2,929
EXPENDITURES				
Debt service				
Serial bonds				
Principal	3,570,000	3,570,000	3,570,000	-
Interest	888,375	888,375	888,379	(4)
Refunding bond issuance costs	-	48,242	48,242	-
Total Expenditures	4,458,375	4,506,617	4,506,621	(4)
Deficiency of Revenues Over Expenditures	(4,458,375)	(4,506,617)	(4,503,692)	2,925
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	1,645,000	1,645,000	-
Issuance premium	-	185,909	185,909	-
Payment to refunded bond escrow agent	-	(1,782,667)	(1,782,667)	-
Transfers in	4,458,375	4,458,375	4,458,374	(1)
Total Other Financing Sources	4,458,375	4,506,617	4,506,616	(1)
Net Change in Fund Balance	-	-	2,924	2,924
FUND BALANCE				
Beginning of Year	-	-	388,675	388,675
End of Year	$ -	$ -	$ 391,599	$ 391,599

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ -	$ -	$ 4,383	$ 4,383
2,598,162	3,548,321	3,548,723	(402)
1,952,914	1,002,755	979,939	22,816
-	70,361	70,361	-
4,551,076	4,621,437	4,599,023	22,414
(4,551,076)	(4,621,437)	(4,594,640)	26,797
-	3,540,000	3,540,000	-
-	197,192	197,192	-
-	(3,666,831)	(3,666,831)	-
4,551,076	4,551,076	4,528,663	(22,413)
4,551,076	4,621,437	4,599,024	(22,413)
-	-	4,384	4,384
-	-	384,291	384,291
$ -	$ -	$ 388,675	$ 388,675

Town of Bedford, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2014
(With Comparative Totals for 2013)

	Joint Activity	Special Purpose	Total Non-Major Governmental Funds 2014	Total Non-Major Governmental Funds 2013
ASSETS				
Cash and equivalents	$ 469	$ 297,821	$ 298,290	$ 297,635
Due from other governments	5,000	-	5,000	5,000
Prepaid expenditures	1,198	-	1,198	1,263
Total Assets	$ 6,667	$ 297,821	$ 304,488	$ 303,898
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 5,239	$ -	$ 5,239	$ 1,987
Due to other funds	1,428	-	1,428	4,096
Total Liabilities	6,667	-	6,667	6,083
Fund balances (deficits)				
Nonspendable	1,198	-	1,198	1,263
Restricted	-	297,821	297,821	297,635
Unassigned	(1,198)	-	(1,198)	(1,083)
Total Fund Balances	-	297,821	297,821	297,815
Total Liabilities and Fund Balances	$ 6,667	$ 297,821	$ 304,488	$ 303,898

Town of Bedford, New York

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2014
(With Comparative Totals for 2013)

	Joint Activity	Special Purpose	Total Non-Major Governmental Funds 2014	Total Non-Major Governmental Funds 2013
REVENUES				
Departmental income	$ 39,072	$ -	$ 39,072	$ 40,500
Use of money and property	-	186	186	181
State aid	5,271	-	5,271	5,000
Total Revenues	44,343	186	44,529	45,681
EXPENDITURES				
Current				
Health	38,872	-	38,872	40,252
Employee benefits	5,651	-	5,651	5,246
Total Expenditures	44,523	-	44,523	45,498
Excess (Deficiency) of Revenues Over Expenditures	(180)	186	6	183
FUND BALANCE				
Beginning of Year	180	297,635	297,815	297,632
End of Year	$ -	$ 297,821	$ 297,821	$ 297,815

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Town of Bedford, New York

Joint Activity Fund - Drug Abuse Prevention
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	$ 469	$ -
Due from other governments	5,000	5,000
Prepaid expenditures	1,198	1,263
Total Assets	$ 6,667	$ 6,263
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ 5,239	$ 1,987
Due to other funds	1,428	4,096
Total Liabilities	6,667	6,083
Fund balance (deficit)		
Nonspendable	1,198	1,263
Unassigned	(1,198)	(1,083)
Total Fund Balance	-	180
Total Liabilities and Fund Balance	$ 6,667	$ 6,263

Town of Bedford, New York

Joint Activity Fund - Drug Abuse Prevention
Comparative Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Years Ended December 31,

	2014			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Departmental income	$ 40,500	$ 40,500	$ 39,072	$ (1,428)
State aid	5,000	5,000	5,271	271
Total Revenues	45,500	45,500	44,343	(1,157)
EXPENDITURES				
Current				
Health	38,145	38,145	38,872	(727)
Employee benefits	7,355	7,355	5,651	1,704
Total Expenditures	45,500	45,500	44,523	977
Excess (Deficiency) of Revenues Over Expenditures	-	-	(180)	(180)
FUND BALANCE				
Beginning of Year	-	-	180	180
End of Year	$ -	$ -	$ -	$ -

2013			
Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
$ 45,500	$ 40,500	$ 40,500	$ -
-	5,000	5,000	-
45,500	45,500	45,500	-
38,145	40,254	40,252	2
7,355	5,246	5,246	-
45,500	45,500	45,498	2
-	-	2	2
-	-	178	178
$ -	$ -	$ 180	$ 180

Town of Bedford, New York

Special Purpose Fund
Comparative Balance Sheet
December 31,

	2014	2013
ASSETS		
Cash and equivalents	$ 297,821	$ 297,635
FUND BALANCE		
Restricted	$ 297,821	$ 297,635

Town of Bedford, New York

Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	2014	2013
REVENUES		
Use of money and property	$ 186	$ 181
EXPENDITURES	-	-
Excess of Revenues Over Expenditures	186	181
FUND BALANCE		
Beginning of Year	297,635	297,454
End of Year	$ 297,821	$ 297,635

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O'CONNOR DAVIES

PKF

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditors' Report

The Honorable Supervisor and Town Board
of the Town of Bedford, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Bedford, New York ("Town") 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, and have issued our report thereon dated March 30, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to the management of the Town in a separate letter.

Purpose of this Report

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
March 30, 2015

O'CONNOR DAVIES

PKF

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Supervisor and the Town Board
of the Town of Bedford, New York

Report on Compliance for Each Major Federal Program

We have audited the Town of Bedford, New York's ("Town") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2014. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

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

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

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

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

O'Connor Davies, LLP

O'Connor Davies, LLP
Harrison, New York
March 30, 2015

Town of Bedford, New York

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor Program Title	Federal CFDA Number (1)	Federal Program Expenditures
U.S. Department of Energy		
Direct Program		
Energy Efficiency and Conservation Block Grant Program - ARRA	81.128	$ 257,170
U.S. Department of Homeland Security		
Indirect Program		
Passed through New York State Division of Homeland Security and Emergency Services		
Disaster Assistance Projects	97.036	287,070
		$ 544,240

(1) Catalog of Federal Domestic Assistance number.

The accompanying notes are an integral part of this schedule.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Town of Bedford ("Town") under programs of the federal government for the year ended December 31, 2014. Federal awards received directly from the Federal agencies as well as Federal awards passed through other government agencies are included in the Schedule. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget ("OMB") Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position of the Town.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments,* which established principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments.

Town of Bedford, New York

Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014

None

Town of Bedford, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified ___ yes __X__ no
- Significant deficiency(ies) identified? ___ yes __X__ none reported
- Noncompliance material to financial statements noted? ___ yes __X__ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes __X__ no
- Significant deficiency(ies) identified? ___ yes __X__ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ___ yes __X__ no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
97.036	Disaster Assistance Projects

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? __X__ Yes _____ No

Town of Bedford, New York

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None