(Note 1) **Summary of significant accounting policies:**

**A. Financial Reporting Entity -**

The Town laws and other general laws of the State of New York and various local laws and ordinances govern the Town of Penfield. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the supervisor and four councilpersons. The supervisor serves as the chief executive officer and chief fiscal officer of the Town.

The Town provides the following basic services: highway maintenance, recreation facilities and programs, environmental services, sanitation and library services.

The Town financial reporting entity includes organizations, functions and activities over which Town elected officials exercise responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Based on the foregoing criteria, no governmental organizations have been excluded from the Town’s reporting entity and the following organization is included in the Town’s reporting entity:

A separate board has been established pursuant to the Education Law to manage the operations of the public library. Such board is administratively and financially dependent on the Town, and accordingly, the related financial activity is included within the accompanying financial statements.

The Penfield, Northeast Joint, and West Webster Fire Districts, which have been established pursuant to Article II of the Town Law, provide fire protection in the Town of Penfield. Separate elected boards of fire commissioners govern the fire districts.

Although the annual budgets prepared by the fire commissioners are included in the Town budget and the Town collects district taxes, the Town may not alter the district budgets. In addition, the commissioners have the sole responsibility for district finances and the management and operation of the districts. Accordingly, the districts have been excluded from the Town’s financial statements.

**B. Basis of Presentation - Fund Accounting -**
1. Governmental Funds

a) General Funds - The general funds are the principal funds and include all operations not required to be recorded in other funds.

b) Special Revenue Funds - Special revenue funds are used to account for revenues derived from specific sources, which are restricted by law or regulation to expenditures for specific purposes. The special revenue funds of the Town include the highway, library, special grant, and special district funds.

c) Debt Service Fund - The debt service fund is used to account for current payments of principal and interest on general obligation Long-Term debt (and for financial resources accumulated in a reserve for payment of future principal and interest on Long-Term indebtedness).

d) Capital Projects Fund - Capital projects are to account for and report financial resources to be used for the acquisition, construction, or renovation of major capital facilities, or equipment.

2. Fiduciary Fund Type -

   Trust and Agency Funds - Trust and agency funds are used for the purpose of accounting for money received and held in the capacity of trustee, custodian, or agent for individuals, organizations, or other governmental agencies.

3. Accounts Groups -

a) General Long-Term Debt account Group - this group of accounts establishes accounting control for Long-Term obligations payable from governmental funds, which will not be liquidated from current resources. Such obligations include Long-Term debt and compensated absences.

b) General Fixed Assets Account Group - This account group establishes accounting control for capital facilities and equipment used for general governmental purposes.

C. Basis of Accounting -

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All Government Funds Expendable Trust Funds and Agency Funds are accounted for on a “financial flow” measurement focus. This means that only current Governmental Funds operating statements present increases and decreases in net current assets.
1. **Governmental Funds** -

   The financial statements of the governmental funds were prepared on a modified accrual basis of accounting. Under this basis:

   a) Revenues are recorded when received in cash except those revenues susceptible to accrual; that is, those which are measurable and available to finance current year’s operations. Intergovernmental revenues received as reimbursements for specific purposes are recognized in the period when the related expenditures are recorded. The primary revenues susceptible to accrual are water and sewer rents, state and federal grants, and intergovernmental charges for highway services.

   b) Expenditures are recorded when the liability is incurred except for:

   (1) Pension costs (See Note 3-b) and principal and interest on indebtedness which are recorded when due.

   (2) Accrued employee leave credits (See Note 2-M) which are recorded when paid, and

   (3) Prepaid expenses and inventories, which are recorded as expenditures at the time of the disbursement.

2. **Fiduciary Funds** -

   Each fiduciary fund follows the basis of accounting, which is consistent with that fund’s measurement objective. Consequently, agency and expendable trust funds are accounted for on a modified accrual basis and nonexpendable trust funds are accounted for on an accrual basis.

   The accounting for Trust and Agency Funds consists of the proper recording of the receipt, custody and disbursement or transfer of monies in accordance with related regulations or agreements.

3. **Account Groups** -

   General fixed assets are recorded at actual or estimated cost or, in the case of gifts and contributions at the fair market value at the time received. No provision for depreciation is required.

   General Long-Term debt liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity.
D. Real Property Taxes -

Real property taxes are levied January 1st and collected by the receiver of Taxes without interest through February 10th and through May 31 with interest and penalties. Uncollected taxes at June 1st are turned over to Monroe County for collection.

E. Budgetary Data -

1. General Budget Policies -

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

b) After public hearings are conducted to obtain taxpayer comments, but no later than November 20, the Town Board adopts the Town budget.

c) All revisions that alter appropriations of any department or fund after the adoption of the budget must be approved by a resolution of the Town Board.

d) Budgetary controls are established for the capital project fund through resolutions authorizing individual projects, which remain in effect for the life of the project.

2. Encumbrances -

Encumbrances are recorded to reserve a portion of fund balance for outstanding purchase commitments to be financed from current appropriations. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. Budget Basis of Accounting -

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

F. Sales Tax -

The County of Monroe allocates a portion of its sales tax collections to the City of Rochester and to all the Towns, Villages, and School Districts within the county. The amount allocated annually to the Town of Penfield is retained by the county and is used
to reduce the amount of real property taxes levied for county purposes against town properties. These transactions are not recorded in the Town’s financial statements. However during 2014, the Town of Penfield did share some of the original three percent components and the additional one percent component, which is recorded in the Town’s financial statements for 2014.

G. Investments -

Investments are stated at cost, which approximates market value.

H. Inventory -

Inventory purchases in all funds are recorded, as expenditures at the time of purchase and year-end balances are not maintained.

J. Interfund Transfers -

The operations of the Town gives rise to certain transactions between funds, including transfers of expenditures and transfers of revenues to provide services and construct assets.

K. Property, Plant, and Equipment - General -

Fixed assets purchased for general governmental purposes are recorded as expenditures in the governmental funds and are capitalized at cost in the General Fixed Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received.

Fixed assets consisting of certain infrastructure-type improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage and lighting systems have not been capitalized. Such assets normally are immovable and of value only to the Town of Penfield. Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets.

No depreciation has been provided on general fixed assets, nor has interest on general fixed assets construction in progress been capitalized.

L. Insurance -

The Town of Penfield assumes the liability for most risk including but not limited to property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.
M. **Compensatory Absences** -

In accordance with policies adopted by the Town Board, Town employees can annually earn a maximum of six weeks vacation, two personal leave and twelve days sick leave. Vacation and personal leave credits must be used during the fiscal year while sick leave can be accumulated up to a maximum of 200 days. The carry-over of unused vacation during 2014 was $102,200, which is reported on the general Long-Term debt account group. Upon retirement, the value of unused sick leave (165 days) is considered as continuous service time for retirement purposes but does not result in additional liabilities for the Town.

The expense for these compensated absences is recorded during the period in which the credits are utilized. No liabilities are recorded at year-end for earned sick leave.

N. **Post Employment Benefits** -

In addition to providing pension benefits, the Town of Penfield provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all Town of Penfield employees may become eligible for these benefits if they reach normal retirement age while working for the Town of Penfield with ten years of active service. Health care benefits and survivors benefits are provided through and insurance company whose premiums are based on the benefits paid during the year. The Town of Penfield recognizes the cost of providing benefits by recording its share of insurance premiums as expenditure in the year paid. During 2014, $327,328 was paid on behalf of retirees and recorded as expenditure in the General Fund.

O. **Contributed Capital** - None -

P. **Landfill Closure and Postclosure Cost** - None -

Q. **Total Columns on the General Purpose Financial Statements**

Only included in our audited statements.

Note: (2) **Stewardship, Compliance, and Accountability** -

Bond anticipation notes and advances from other funds are used as temporary means of financing capital projects. The proceeds are not recognized as revenue but merely serve to provide cash to meet expenditures. This results in the creation of a fund deficit, which will remain until the notes, and advances are replaced by permanent financing (i.e., bonds, grants-in-aid or current appropriations).

Note (3) **Detail Notes on All Funds and Account Groups:** -

A. **Assets**
1. Cash and Investments

State statutes govern the Town investment policies. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the state of New York. The Supervisor is authorized to use demand accounts and certificates of deposits. Permissible investment includes obligations of the U. S. treasury and U. S. agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least 105 percent of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposit and investment at year-end were entirely covered by federal depository insurance or by the Town’s name. They consist of:

<table>
<thead>
<tr>
<th>Type</th>
<th>A/O 12/31/13</th>
<th>Special Capital Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
<td>$332,810</td>
<td>$857,483</td>
</tr>
<tr>
<td>Petty Cash</td>
<td>$655</td>
<td>$370</td>
</tr>
<tr>
<td>Time Dep</td>
<td>$2,950,697</td>
<td>$2,264,704</td>
</tr>
<tr>
<td>Totals</td>
<td>$3,284,162</td>
<td>$3,122,557</td>
</tr>
</tbody>
</table>

The carrying amount of the Town’s deposits at year-end was $8,031,689. This latter amount was entirely covered by Federal Deposit Insurance or by collateral held by the pledging financial institution’s trust department in the entity’s name and/or in a third party bank as required by local Finance Law.

2. Change in General Fixed Assets

The following is a summary of changes in general fixed assets:

<table>
<thead>
<tr>
<th>Type</th>
<th>A/O 12/31/13</th>
<th>Net Change</th>
<th>BAL A/O 12/31/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special</td>
<td>$329,067</td>
<td>$15,149</td>
<td>$541,665</td>
</tr>
<tr>
<td>Capital</td>
<td>$329,067</td>
<td>$15,149</td>
<td>$541,665</td>
</tr>
<tr>
<td>Debt</td>
<td>$541,665</td>
<td>$15,149</td>
<td>$556,814</td>
</tr>
<tr>
<td>Projects</td>
<td>$598,173</td>
<td>$440,845</td>
<td>$1,043,018</td>
</tr>
<tr>
<td>Service</td>
<td>$598,173</td>
<td>$440,845</td>
<td>$1,043,018</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>$598,173</td>
<td>$440,845</td>
<td>$1,043,018</td>
</tr>
<tr>
<td>Totals</td>
<td>$3,022,605</td>
<td>$1,186,695</td>
<td>$4,209,300</td>
</tr>
</tbody>
</table>
### Land
- **Beginning of Year**: $10,783,702
- **Ending of Year**: $10,865,902

### Buildings & Improvements
- **Beginning of Year**: $6,764,963
- **Ending of Year**: $6,859,763

### Machinery & Equipment
- **Beginning of Year**: $9,473,408
- **Ending of Year**: $10,092,816

### Total
- **Beginning of Year**: $27,022,073
- **Ending of Year**: $27,818,481

The changes are the net changes resulting from additions and deletions of assets during the year.

### 3. Indebtedness

At December 31, 2014 total outstanding indebtedness of the Town of Penfield serial bonds aggregated $14,385,000.

a) **Short-Term Debt** - Bond anticipated notes (BAN’S) are issued to provide temporary capital financing and in 2014 there was no issues.

b) **Changes in General Long-Term Debt** - A summary of change in general Long-Term debt is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Balance, Beginning of Year</th>
<th>New Issues</th>
<th>Principal Redeemed</th>
<th>Balance, End of Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, Beginning of Year</td>
<td>$15,945,000</td>
<td></td>
<td>$1,560,000</td>
<td>$14,385,000</td>
</tr>
</tbody>
</table>

C) **Installment Lease Purchase**: Installment Lease purchase was issued for $389,026.90 on January 3, 2014. As of December 31, 2014, there was a balance of $311,165.92

### c) Maturing Debt Service Requirements -

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$1,550,000</td>
<td>451,631.25</td>
<td>2,006,631.25</td>
</tr>
<tr>
<td>2016</td>
<td>$1,565,000</td>
<td>405,770.00</td>
<td>1,970,770.00</td>
</tr>
<tr>
<td>2017</td>
<td>$1,530,000</td>
<td>360,024.75</td>
<td>1,890,024.75</td>
</tr>
</tbody>
</table>
B. Liabilities -

1. Pension Plans - General Information -

The Town of Penfield participates in the New York State and local employees’ Retirement System. This is a cost sharing multiple public employer retirement system for all Tier 3 and Tier 4 employees.

Article 19 of the Retirement and Social Security Law (RSSL) allows Tier 3 and 4 employees who have not been members of the Retirement System for at least five years or do not have five years of credited service will have their contributions discontinued during the first payroll period following their fifth anniversary, or when they acquire five years of credited service, whichever is earlier.

Effective January 1, 2010, Article 15 of the Retirement Law established a Tier 5 member. Article 15 allows Tier 5 employees who have not been members of the Retirement System for at least ten years or do not have ten years of credited service will have their contributions discontinued during the first payroll period following their tenth anniversary, or when they acquire ten years of credited service, whichever is earlier.

Effective April 1, 2012, Article 15 of the Retirement Law established a Tier 6 member. Article 15 allows Tier 6 employees to contribute 3 percent of the gross salary toward their retirement benefits, except for Uniformed Court Officers or Peace Officers employed by the Unified Court System, who contribute 4 percent. Beginning April 1, 2013, the contributions rate will be base on your annual wage. Future salary changes may affect your contribution rate. Tier 6 members can receive full retirement benefit at age 63 or chose to retire as early as age 55 with a reduce benefit.

<table>
<thead>
<tr>
<th>Year</th>
<th>Liability</th>
<th>Contributions</th>
<th>Liability Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,585,000</td>
<td>$313,840.00</td>
<td>$1,898,840.00</td>
</tr>
<tr>
<td>2019</td>
<td>$1,575,000</td>
<td>$262,458.50</td>
<td>$1,837,458.50</td>
</tr>
<tr>
<td>2020</td>
<td>$1,425,000</td>
<td>$215,047.50</td>
<td>$1,640,047.50</td>
</tr>
<tr>
<td>2021</td>
<td>$1,380,000</td>
<td>$172,975.06</td>
<td>$1,552,975.06</td>
</tr>
<tr>
<td>2022</td>
<td>$1,275,000</td>
<td>$148,953.50</td>
<td>$1,423,953.50</td>
</tr>
<tr>
<td>2023</td>
<td>$550,000</td>
<td>$93,420.00</td>
<td>$643,420.00</td>
</tr>
<tr>
<td>2024</td>
<td>$445,000</td>
<td>$74,525.00</td>
<td>$519,525.00</td>
</tr>
<tr>
<td>2025</td>
<td>$455,000</td>
<td>$57,175.00</td>
<td>$512,175.00</td>
</tr>
<tr>
<td>2026</td>
<td>$460,000</td>
<td>$39,525.00</td>
<td>$499,525.00</td>
</tr>
<tr>
<td>2027</td>
<td>$255,000</td>
<td>$21,581.25</td>
<td>$276,581.25</td>
</tr>
<tr>
<td>2028</td>
<td>$120,000</td>
<td>$11,675.00</td>
<td>$131,675.00</td>
</tr>
<tr>
<td>2029</td>
<td>$50,000</td>
<td>$6,987.50</td>
<td>$56,987.50</td>
</tr>
<tr>
<td>2030</td>
<td>$55,000</td>
<td>$5,362.50</td>
<td>$60,362.50</td>
</tr>
<tr>
<td>2031</td>
<td>$55,000</td>
<td>$3,575.00</td>
<td>$58,575.00</td>
</tr>
<tr>
<td>2032</td>
<td>$55,000</td>
<td>$1,787.50</td>
<td>$56,787.50</td>
</tr>
<tr>
<td>Totals</td>
<td>$14,385,000</td>
<td>$2,646,314.31</td>
<td>$17,036,314.31</td>
</tr>
</tbody>
</table>
The NYS Retirement and Social Security Law govern obligations of employers and employees to contribute and specific benefits to employees. The system offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits, and optional methods of benefit payments. All benefits generally vest after ten years of credited service.

a) Plan Description -

The NYSRSSL provides that all participating employers in the system are jointly and severely liable for any actuarial unfounded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the system. The system is noncontributory except for employees who joined the Employees’ Retirement system after July 27, 1976 who contribute 3% of their salary. Employee contributions are deducted by employers from employees’ paychecks and are sent currently to the Employees’ Retirement System.

b) Benefits -

The benefits provided to members of the System are established by New York State law and may be amended only by the legislature with the Governors’ approval. Benefits provisions vary depending on the date of membership and are subdivided in the following four classes:

Tier I - members who last joined prior to July 1, 1973.

The provisions of Article 11 of the Retirement and Social Security law cover tier II - members who last joined on or after July 1, 1973 and prior to July 27, 1976.

The provisions of Article 14 and Article 15 of the Retirement and Social Security law cover tier III - members who last joined on or after July 27, 1976 and prior to September 1, 1983.

The provisions of Article 15 of the Retirement and Social Security law cover tier IV - members who joined on or after September 1, 1983.

The provisions of Article 15 of the Retirement and Social Security Law cover tier V – members who joined on or after January 1, 2010.

The provisions of Article 15 of the Retirement and Social Security law cover Tier VI-member who joined on or after April 1, 2012.
Certain members of the system are eligible for disability retirement benefits after 10 years of credited service. Additionally, death benefits are payable upon death, before retirement, of a member who meets the legibility requirements as set forth by law.

c) Service Retirements

The System provides a contributory plan (Article 15), providing Tier III and IV members who retire at age 62 or later with five or more years of service an allowance equal to a percentage of final average salary for each year of service. Article 19 requires that members contribute 3 percent of earnings for the first ten years of service. Additionally, ERS has non-contributory plans based allowance provided under the contributory and a noncontributory plan is proportionate for greater or lesser service.

The System provides a contributory plan (Article 15), providing Tier V members who retire at age 62 or later with ten or more years of service an allowance equal to a percentage of final average salary for each year of service. Article 15 requires that Tier V members contribute 3 percent of earnings for their entire career. Article 15 require Tier VI member to contribute 3% from April 1, 2012 through March 31, 2013. Beginning April 1, 2013 the contribution rate for Tier VI will be based on your annual wage.

d) Contribution Requirements

Tier III and Tier IV members are required by law to contribute 3% of salary to the System, pursuant to Article 14 and 15 of the Retirement and Social Security Law. Eligible Tier Tier II members for the first ten years of service and may make member contributions under certain conditions pursuant to the provisions of Article II of the Social Security Law.

Tier V members are required by law to contribute 3% of salary to the system, pursuant to Article 15 of the Retirement and Social Security Law for their entire career.

Social Security Law provides for periodic employer contributions, based upon actuarially determined rates, expressed as a percentage of annual covered payroll, sufficient to accumulate assets to pay benefits when due. The Town’s required employer contributions represents less than 1% of the total for all participating employers.

e) Vested Benefits

Retirement benefits vest after 10 years of credited service and are payable subject to the limitations noted for service retirements above.
f) Detailed Plan Information -

A full description of Plan membership, benefits, and employer obligations to contribute are described in the Systems’ annual reports and financial statements.

g) Town Information -

The following represents information relating to the Town of Penfield participation in the above pension plan for the year ended December 31, 2014.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Town’s payroll for all employees</td>
<td>$6,781,128</td>
</tr>
<tr>
<td>Total Payroll covered by the Retirement System</td>
<td>$6,317,865</td>
</tr>
<tr>
<td>Total Employer Contributions</td>
<td>$1,173,861</td>
</tr>
<tr>
<td>Total Employer Contributions (Expressed as % of Covered Payroll)</td>
<td>18.58%</td>
</tr>
<tr>
<td>Total Employee Retirement Contributions</td>
<td>$42,910</td>
</tr>
<tr>
<td>Total Employee Contributions (Expressed as % of Covered Payroll)</td>
<td>.006792%</td>
</tr>
</tbody>
</table>

h) Plan Funding -

Through 1988, the System billed all participating employers by May 31 each year. Billings were based on salaries paid during the System’s fiscal year, which ended on March 31 of the previous calendar year, and in accordance with funding requirements determined by the System actuary. Employers were required to remit payment in full by June 30.

In 1989 and future years, the System billings are based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to begin making payments on a current basis, while amortizing exiting unpaid amounts relating to the System’s fiscal year ending March 31, 1988 and 1989 (which otherwise were to have been paid on June 30, 1989 and 1990, respectively) over a 17 year period, with an 8.75% interest factor added. Local governments were given the option to prepay this liability. The Town of Penfield elected to make the full payment on December 15, 1989.

The actuarial cost method used by the System to determine the annual contributions from employers through May 31, 1990 was the aggregate cost method. Under this method employers funded the excess of the actuarial liabilities over the actuarial assets as a level percentage of salary over the current members’ future working lifetimes.
Effective April 1, 1990, the State legislature amended the Retirement and Social Security Law by enacting Chapter 210 Laws of 1990, which mandated a change to a different actuarial funding method for the System. The System changed from the aggregate cost funding to a modified projected unit credit funding method. This method utilized a rolling amortization period for differences between actuarial assets and actuarial accrued liabilities, of which approximately 17% of such differences were recognized each year in determining the funding amount.

In a lawsuit filed against the State by public employee unions, the State Court of Appeals declared unconstitutional the 1990 law enacted by the Governor and the legislature that changed the funding method for the retirement system. This court decision has resulted in an immediate restoration of the aggregate cost method. The temporary change the projected unit credit method essentially postponed approximately $4 billion of contributions into the System, which would, had been required under the aggregate cost method.

The comptroller’s implementation plan restores the aggregate method, but in the first four years, employer contributions will be capped as a percentage of payrolls. Contributions in the fifth and subsequent years will be determined by the aggregate method without any cap.

The Pension Benefit Obligation (PBO) of credited projected benefits is a standardized disclosure measure of the actuarial present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of the employees service date. The retirement system does not make separate measurements for individual employers.

C. Interfund Receivables and Payables -

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

<table>
<thead>
<tr>
<th></th>
<th>Debit (391)</th>
<th>Credit (630)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$7.00</td>
<td></td>
</tr>
<tr>
<td>Capital Fund</td>
<td></td>
<td>$7.00</td>
</tr>
<tr>
<td>Total</td>
<td>$7.00</td>
<td>$7.00</td>
</tr>
</tbody>
</table>

Intra-fund Revenues and Expenses as of December 31, 2014 were as follows:
### Debit (9909.9) | Credit (5031)
--- | ---
General | $700,000  | $300,000  
Highway | $34,035  | $535,110  
Sewer Funds | $39,000  | $39,000  
Water Fund | -0-  | $4,000  
Library Fund | $7,000  | $7,000  
Debt Service Fund | $105,075  | $-0-  
Total | $885,110  | $885,110  

### D. Fund Equity -

1. **Allocation of Fund Balance** -

   Certain funds of the Town apply to areas less than the entire Town. The fund equity for the special revenue funds at December 31, 2014 is allocated as follows:

   - **Highway** | $1,643,145
   - **Library** | $205,081
   - **Drainage District** | $392,699
   - **Lighting Districts** | $68,411
   - **Water Districts** | $13,950
   - **Special Parks District** | $153,293
   - **Sewer Districts** | $542,554
   - **Other Special Districts** | $936
   - **Total** | $3,020,069
   - **The General Fund Balances** | $4,660,885

2. **Reserves** -

   Various operating funds equity includes reserve funds established for the following purposes:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Purpose</th>
<th>BAL A/O 12/31/2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>General Reserve</td>
<td>$504,164</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>Highway Equipment</td>
<td>$687,452</td>
</tr>
<tr>
<td></td>
<td>Sewer Repair and Renov</td>
<td>$124,511</td>
</tr>
</tbody>
</table>
Sewer Equipment $37,819
Library Equipment $21,023
Drainage Projects $163,866

$1,035,671

Grand Total $1,538,835

E. Deferred Compensation Plan -

Employees of the Town of Penfield may elect to participate in the New York State Deferred Compensation Plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

As of December 31, 2014 the market value of the assets of the plan totaled $6,727,760.

Accordingly, this amount is reflected as a Trust and Agency Fund Asset along with a corresponding liability to the employees participating in the plan.