

# Romaine: Audit Finds Brookhaven Finances on Solid Ground

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## **Surplus Increases; General Fund Balance Grows 21% to \$86.2 million Retirement Debt Paid Off for Annual Savings of \$1.1 million**

**Farmingville, NY** - Brookhaven Supervisor Ed Romaine today announced that Town finances have continued to improve, according to the most recent annual audit. Among the items cited were the growth of the Town's surplus, significant growth in the General Fund Balance, and the paying off of Retirement System Debt. This trend represents Supervisor Romaine's commitment to improving the financial operations of the Town, and providing the public with timely audited financial information. The audit was performed by the accounting firm Albrecht, Viggiano, Zureck & Company, P.C. (AVZ).

"I am very pleased that our conservative fiscal policies have resulted in such a favorable audit," said Supervisor Romaine. "Since taking office in November of 2012, it has been my priority to cut spending, pay down our debt and save the taxpayers money, which we have done. Thanks to the work by our Finance Team we are clearly on the right track to further strengthening our fiscal position despite the ongoing weak economy."

Councilwoman Jane Bonner, who is the Town Board Liaison to the Department of Finance and serves on the Audit Committee, said "This result of this audit shows that we continue to make great progress in getting our fiscal house in order. As a member of the committee, I owe it to the residents to keep an eye on the bottom line and make sure that their tax dollars are being spent wisely."

"It is my great pleasure to serve on the Audit Committee and work with our Finance Commissioner to ensure that the Town of Brookhaven budgetary policies are fiscally sound," stated Audit Committee member Councilwoman Connie Kepert.

Key findings of the Town's 2014 Audited Financial Statements included:

- Confirmation of the Town's estimates for the Town-Wide General Fund, with a 2014 Surplus of \$11.6 million, and an end of year total Fund Balance of \$48.5 million.
- The Town-Wide General Fund Balance of \$48.5 million represents 41.1% of the 2015 General Fund Adopted Budget Expenditures, on a Fund Balance Compliance requirement of 20%, or \$23.6 million.
- The overall Fund Balance improvement for the Town's five major funds increased \$15.1 million, or 21.2%, yielding a total Fund Balance for the five major funds of \$86.2 million at the end of 2014.
- In keeping with Supervisor Romaine's Debt Reduction initiative, the Town decreased capital project spending in the major funds in 2014 by 6.1% over fiscal year 2013, which serves to reduce the Town's long-term borrowing needs and outstanding bond issuance principal and interest. These decreases were offset by an increase in Open Space Acquisitions.
- On Friday, June 26, 2015, the Town paid the New York State Retirement System Long-Term Amortization Debt in the amount of \$6.6 million for all Tax Districts, which represented 43.7% of the total 2014 Surplus of the five major funds. The pay-off of this long-term debt will yield an annual savings of \$1.1 million over the next several years.

The strong audit by AVZ is further indication that Supervisor Romaine's policies have strengthened the Town's financial position. Earlier this year, the Town of Brookhaven received an affirmation of its AA+ credit rating from Standard & Poor's (S&P). Standard & Poor's also revised its Outlook from Stable to Positive. Moody's Investor Services also affirmed the town's credit rating of Aa2 with a Stable Outlook. Both ratings are in the top tier of the agencies ratings categories and considered high quality investment grade. A town's credit rating is an important and reliable indicator of its fiscal health determined by independent and objective fiscal monitors. A higher credit rating saves the town money on its borrowings in the form of lower interest costs.

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