

TOWN OF HENRIETTA

Monroe County, New York

BASIC FINANCIAL STATEMENTS

For Year Ended December 31, 2022



BUSINESS
ADVISORS
AND CPAS

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BUSINESS
ADVISORS
AND CPAS

Independent Auditors' Report

To the Honorable Town Council
The Town of Henrietta
Monroe County, New York

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Henrietta, Monroe County, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Henrietta, Monroe County, New York, as of December 31 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Henrietta, Monroe County, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in Town's total OPEB liability and related ratio, schedule of the Town's proportionate share of the net pension liability, schedule of Town contributions, and budgetary comparison information on pages 4-13 and 54-58 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Henrietta, Monroe County, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 accompanying supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
March 30, 2023

Town of Henrietta, Monroe County, New York
Management's Discussion and Analysis (MD&A)

December 31, 2022

Introduction

Our discussion and analysis of the Town of Henrietta, Monroe County, New York's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2022. It should be read in conjunction with the basic financial statements to enhance understanding of the Town's financial performance, which immediately follows this section.

Financial Highlights

Key financial highlights for year 2022 are as follows:

- ◆ On the government-wide financial statements, the total assets of the Town exceeded liabilities by \$75,356,576 (net position) an increase of \$7,348,173. Of the current year amount, the unrestricted portion is \$19,064,015. The balance of net position is either restricted for specific purposes or the net investment in capital assets.
- ◆ General revenues which include Property Taxes, Non-Property Taxes, Mortgage Tax, Compensation for Loss, Investment Earnings, and Miscellaneous accounted for \$17,787,497 or 68% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$8,437,857 or 32% of total revenues.
- ◆ The Town's governmental fund financial statements report a combined ending fund balance of \$27,058,039, an increase of \$5,215,973 in comparison with the prior year. At the end of the current year, \$13,715,601 is available for spending at the Town's discretion.
- ◆ At the end of the current year, the fund balance of the General Fund was \$17,789,806 an increase of \$5,185,132 from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Henrietta's basic financial statements. The Town's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains individual fund statements and schedules in addition to the basic financial statements.

1. Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

- ◆ The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.
- ◆ The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- ◆ The *governmental* activities of the Town include highway maintenance, snow removal, general administrative support, community service, and interest on long-term debt.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the basic financial statements.

2. Fund Financial Statements

- ◆ A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the Town can be divided into two categories: Governmental Funds and Fiduciary Funds.
- ◆ *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.
- ◆ Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.
- ◆ The Town maintains two major individual governmental funds; General Fund and Highway Fund,. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for each fund. The Town has elected to report the Capital Projects Fund, Library Fund, Sewer Fund, the Parks and Recreation Trust Fund, the Lighting District Fund, the Consolidated Sewer Fund, the Drainage Fund, the Parks Special District Fund, the Ambulance District Fund, the Transportation Fund, and the E. River Road Mitigation Fund, as non-major funds.

- ◆ The Town adopts an annual budget for each of its major funds. A budgetary comparison statement has been provided for each major fund within the basic financial statements to demonstrate compliance with the budget.
- ◆ The *Fiduciary Funds* are used to account for assets held by the Town in an agency capacity which accounts for assets held by the Town on behalf of others. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of these funds are *not* available to support the Town's programs.

The financial statements for the Town of Henrietta, Monroe County, New York can be found in the basic financial statement section of this report.

Major Features of the Town-Wide and Fund Financial Statements			
Features	Town-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Town	The activities of the Town that are not proprietary or fiduciary, such as General Administration, Highway and Library	Instances in which the Town administers resources on behalf of someone else
Required Financial Statements	Statement of Net Position Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Fiduciary Net Position, and Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resource focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally, assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All additions and deductions during the year, regardless of when cash is received or paid

3. *Notes to the Financial Statements*

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Henrietta, Monroe County, New York, net position at the close of the current year were \$75,356,576.

Net Position

The Town's combined net position was more on December 31, 2022, than they were the year before, as shown in table below:

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2022</u>	<u>2021</u>	<u>Variance</u>
<u>ASSETS:</u>			
Current and Other Assets	\$ 37,212,042	\$ 27,728,665	\$ 9,483,377
Capital Assets	58,604,582	57,239,781	1,364,801
Total Assets	\$ 95,816,624	\$ 84,968,446	\$ 10,848,178
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	\$ 3,807,286	\$ 4,566,233	\$ (758,947)
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 9,682,130	\$ 10,003,258	\$ (321,128)
Other Liabilities	8,356,548	5,901,755	2,454,793
Total Liabilities	\$ 18,038,678	\$ 15,905,013	\$ 2,133,665
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	\$ 6,228,656	\$ 5,621,263	\$ 607,393
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 50,013,328	\$ 48,591,466	\$ 1,421,862
<u>Restricted For,</u>			
Other Purposes	6,279,233	7,089,163	(809,930)
Unrestricted	19,064,015	12,327,774	6,736,241
Total Net Position	\$ 75,356,576	\$ 68,008,403	\$ 7,348,173

Key Variances

- Current and Other Assets increased \$9,483,377 due to a significant increase in Sales Tax and Mortgage tax leading to increased cash and accounts receivables. In addition, Net Pension Assets are now included in Current and Other Assets which did not occur in 2021.
- Other Liabilities increased \$2,454,793 due to receipt of the second half of the ARPA funds.
- Unrestricted Net Position increased \$6,736,241 due to an unexpected increase in sales and mortgage taxes.

By far, the largest component of the Town's net position (67%) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to the residents and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

There are restricted net position balances for Other Purposes, which constitute 8% of total net position. The remaining balance of unrestricted net position, which is a surplus of \$19,064,015 (25%), may be used to finance future operations.

Changes in Net Position

The Town's total revenues were more for 2022 than they were the year before, increasing by 10% to \$26,225,354.

The Town's total expenditures were less for 2022 than they were the year before, decreasing by 5% to \$18,877,181.

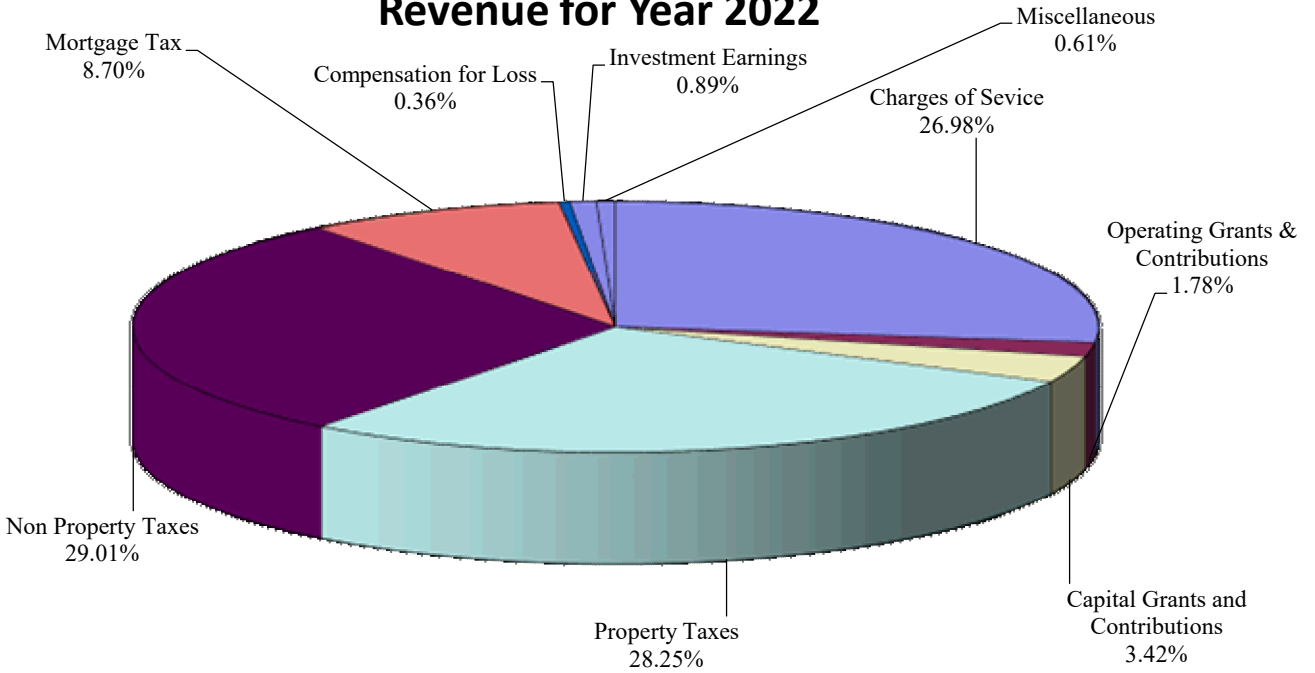
See table below:

	Governmental Activities		Total Variance
	<u>2022</u>	<u>2021</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 7,074,966	\$ 6,091,849	\$ 983,117
Operating Grants & Contributions	466,949	366,051	100,898
Capital Grants & Contributions	895,942	871,412	24,530
Total Program	<u>\$ 8,437,857</u>	<u>\$ 7,329,312</u>	<u>\$ 1,108,545</u>
<u>General -</u>			
Property Taxes	\$ 7,407,390	\$ 7,498,712	\$ (91,322)
Non Property Taxes	7,607,644	6,473,385	1,134,259
Mortgage Tax	2,280,670	2,030,023	250,647
Compensation for Loss	94,972	67,964	27,008
Investment Earnings	232,990	46,250	186,740
Miscellaneous	163,831	374,543	(210,712)
Total General	<u>\$ 17,787,497</u>	<u>\$ 16,490,877</u>	<u>\$ 1,296,620</u>
TOTAL REVENUES	<u>\$ 26,225,354</u>	<u>\$ 23,820,189</u>	<u>\$ 2,405,165</u>
<u>EXPENSES:</u>			
General Government Support	\$ 6,519,216	\$ 6,298,952	\$ 220,264
Public Safety	885,683	876,650	9,033
Health	862,043	843,156	18,887
Transportation	3,232,885	4,712,337	(1,479,452)
Economic Assistance & Development	290,176	209,643	80,533
Culture & Recreation	4,475,135	3,948,116	527,019
Home & Community Services	2,319,575	2,763,419	(443,844)
Interest	292,468	293,941	(1,473)
TOTAL EXPENSES	<u>\$ 18,877,181</u>	<u>\$ 19,946,214</u>	<u>\$ (1,069,033)</u>
INCREASE IN NET POSITION	<u>\$ 7,348,173</u>	<u>\$ 3,873,975</u>	
NET POSITION, BEGINNING OF YEAR	<u>68,008,403</u>	<u>64,134,428</u>	
NET POSITION, END OF YEAR	<u>\$ 75,356,576</u>	<u>\$ 68,008,403</u>	

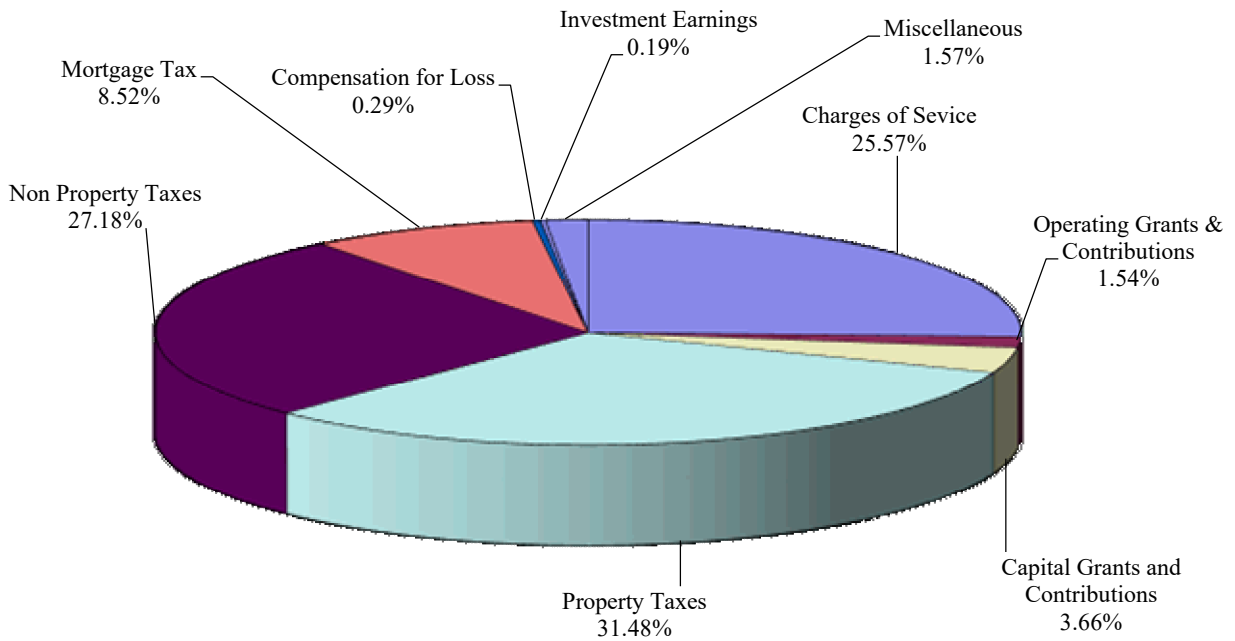
Key Variances

- Non-Property Taxes increased \$1,134,259 due to an unexpected increase in sales tax revenues.

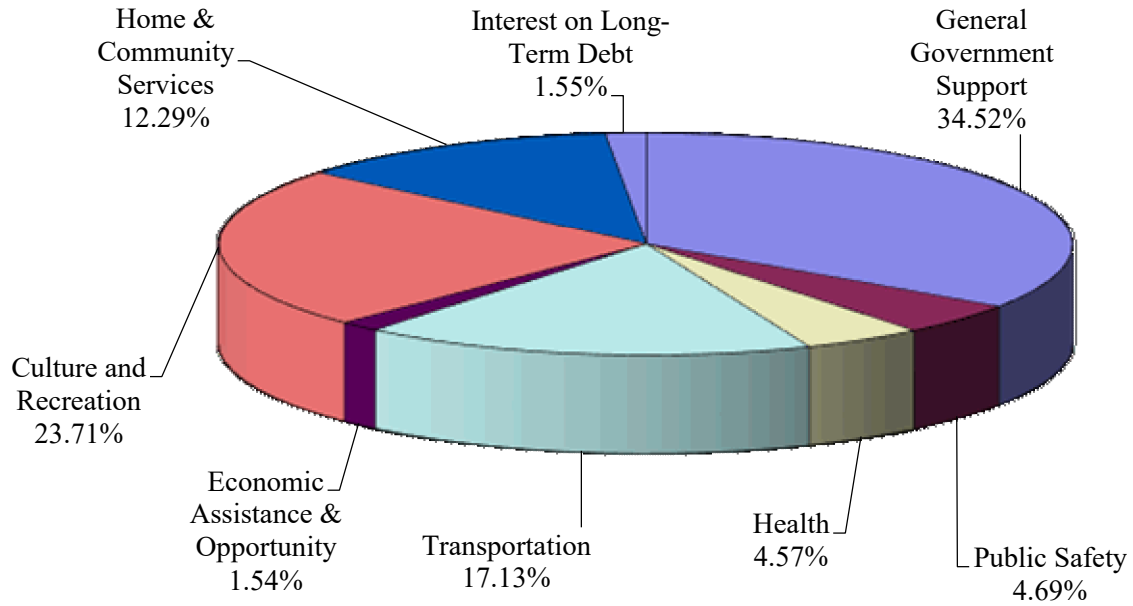
Revenue for Year 2022



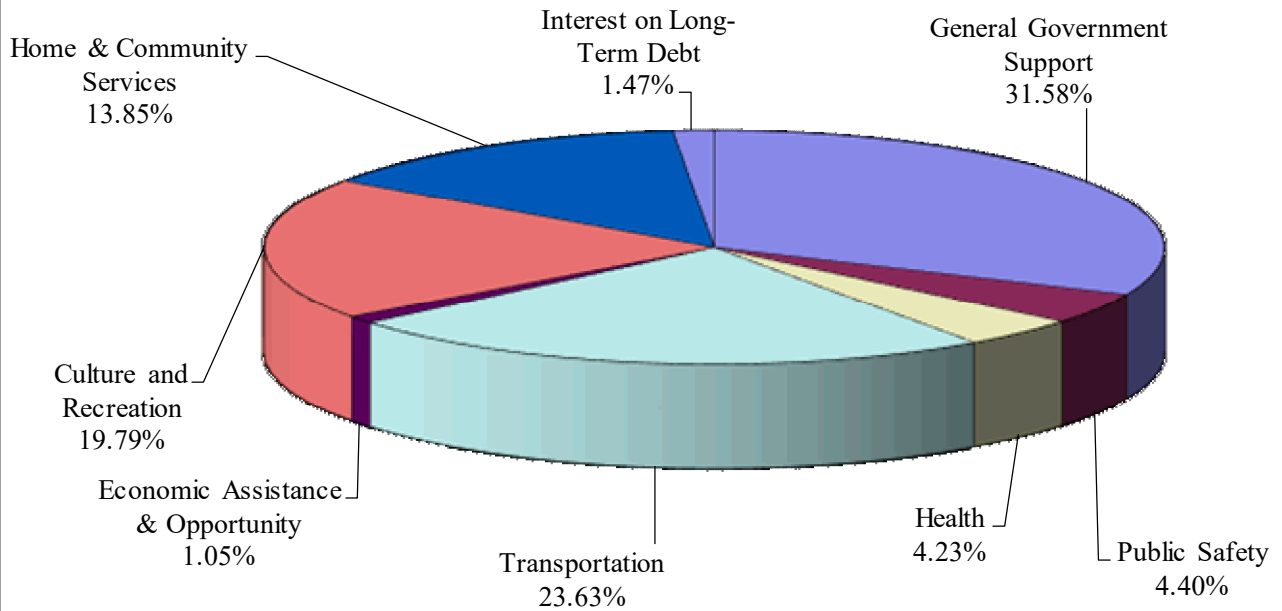
Revenue for Year 2021



Expenditures for Year 2022



Expenditures for Year 2021



Financial Analysis of the Town of Henrietta's Funds

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

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year and amounts to be applied against next years fund balance.

As of the end of the current year, the Town's combined governmental fund balances are \$27,058,039 which is more than last year's ending fund balance of \$21,842,066.

Of the total combined fund balances, \$186,001 has been designated as nonspendable fund balance, \$6,867,896 has been designated as restricted fund balance, \$6,288,541 has been designated as assigned fund balance and the remaining balance of \$13,715,601 (unassigned fund balance) is primarily for providing cash flow and for future spending needs.

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the General Fund was \$17,789,806, of which \$13,715,601 was unassigned. The fund balance for the Town of Henrietta's General Fund increased by \$5,185,132 compared with the prior year.

Budgetary Highlights

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

<u>Revenue Items</u>	Budget Variance Original Vs. Amended	<u>Explanations for Budget Variance</u>
Highway Fund-State and County Aid	\$470,942	NYS Granted an increase in CHIPS and additional monies for the Town's touring route.
<u>Expenditure Items</u>	Budget Variance Original Vs. Amended	<u>Explanations for Budget Variance</u>
Highway Fund-Transportation	\$398,671	NUYS Granted an increase in CHIPS and additional monies for the Town's touring route

<u>Revenue Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanation for Budget Variance</u>
General Fund-Non-Property Taxes	\$3,507,644	Sales tax revenues were greatly in excess of the anticipated amount.
General Fund-Departmental Income	\$980,689	Timing of large project fees offset by a reduction in Recreation Program fees.
General Fund-Miscellaneous	(\$258,498)	When the original Town budget was prepared Aim-Related payments were still a Misc. Revenue. With the NYS Budget was passed the funding was returned to Per Capita Aid / State and county aid
General Fund-State and County Aid	\$1,697,440	Unanticipated and record level mortgage taxes and the return of Per Capital Aid from Aim-Related Payments.
Highway Fund-Intergovernmental Charges	\$100,678	The Town performed work for the County and other governmental entities in excess of budgeted amount.
Highway Fund-Miscellaneous	\$138,292	The Town performed work and billed back others for work not completed.
<u>Expenditure Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanations for Budget Variance</u>
General Fund-General Government Support	\$622,419	Cost savings due to deferral of vehicle and equipment purchases, project work and savings of contingency dollars in addition to open headcount.
General Fund-Public Safety	\$273,597	Cost savings due to open headcount and outsourced project work deferred.
General Fund-Culture and Recreation	\$215,016	Cost savings due to elimination of some part-time employees and additional program expenses due to lower Recreation and Senior Center program enrollment.
General Fund-Employee Benefits	\$200,903	Cost savings due to benefits associated with open headcount, reduction in part-time/seasonal staff and anticipated insurance premiums.
Highway Fund-Transportation	\$499,611	Cost savings due to open headcount, deferral of equipment purchases due to supply chain issues, and managing expenses.
Highway Fund-Employee Benefits	\$114,378	Cost savings due to benefits associated with open headcount, reduction in part-time/seasonal staff and anticipated insurance premiums.

Capital Assets

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

	<u>2022</u>	<u>2021</u>
<u>Capital Assets</u>		
Land	\$ 3,862,577	\$ 3,697,541
Work in Progress	1,426,319	203,294
Buildings and Improvements	24,900,323	25,583,610
Machinery and Equipment	4,966,539	5,360,210
Infrastructure	23,424,995	22,395,126
Total Capital Assets	<u>\$ 58,580,753</u>	<u>\$ 57,239,781</u>
<u>Lease Assets</u>		
Equipment	\$ 23,829	\$ 38,270
Total Lease Assets	<u>\$ 23,829</u>	<u>\$ 38,270</u>

More detailed information about the Town's capital assets is presented in the notes to the financial statements.

Long-Term Debt

The general obligation and other long-term debt of the Town is as follows:

	<u>2022</u>	<u>2021</u>
<u>Type</u>		
Serial Bonds	\$ 8,430,000	\$ 8,680,000
Leases	23,829	38,270
Net Pension Liability	-	19,166
Compensated Absences	62,222	68,842
Retainage Payable	137,425	-
OPEB	1,028,654	1,235,250
Total Long-Term Obligations	<u>\$ 9,682,130</u>	<u>\$ 10,041,528</u>

The amount of principal paid on outstanding debt was \$264,441. More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

Factors Bearing on the Town's Future

Changes in State and Federal Aid along with the uncertainty of health care and other benefit costs are being closely monitored. The buildings on the Town's campus continue to age and costs will be incurred to rehabilitate and/or replace existing Town buildings.

The Town's current sewer and drainage systems are being inspected and assessed with the goal of establishing a long-term plan of upgrades, including the establishment of reserve accounts to facilitate the long-term plan.

Requests for Information

This financial report is designed to provide a general overview of the Town of Henrietta's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

The Town of Henrietta
P.O. Box 999
Henrietta, New York 14467-0999

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Net Position

December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 31,765,156
Accounts receivable, net	3,518,120
Prepaid items	186,001
Net pension asset	1,742,765
Capital assets:	
Land and work in progress	5,288,896
Other capital assets, net of depreciation	53,315,686
TOTAL ASSETS	\$ 95,816,624
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	\$ 3,807,286
 LIABILITIES	
Accounts payable	\$ 637,802
Accrued liabilities	3,261,698
Unearned revenue	3,113
Other liabilities	4,453,935
Noncurrent liabilities:	
Due in one year	424,255
Due in more than one year	9,257,875
TOTAL LIABILITIES	\$ 18,038,678
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	\$ 6,228,656
 NET POSITION	
Net investment in capital assets	\$ 50,013,328
Restricted for:	
Restricted other purposes	6,279,233
Unrestricted	19,064,015
TOTAL NET POSITION	\$ 75,356,576

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

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Activities

For the Year Ended December 31, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and</u> <u>Changes in</u> <u>Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Primary</u> <u>Governmental</u> <u>Activities</u>
Primary Government:					
Governmental Activities:					
General government support	\$ 6,519,216	\$ 36,815	\$ 272,758	\$ -	\$ (6,209,643)
Public safety	885,683	3,643,719	-	-	2,758,036
Health	862,043	-	-	-	(862,043)
Transportation	3,232,885	1,139,178	-	770,942	(1,322,765)
Economic assistance and development	290,176	22,135	92,480	-	(175,561)
Culture and recreation	4,475,135	985,987	96,711	-	(3,392,437)
Home and community services	2,319,575	1,247,132	5,000	125,000	(942,443)
Interest on long-term debt	292,468	-	-	-	(292,468)
Total Governmental Activities	\$ 18,877,181	\$ 7,074,966	\$ 466,949	\$ 895,942	\$ (10,439,324)
General Revenues:					
Taxes:					
Property taxes					\$ 7,407,390
Non-property taxes					7,607,644
Mortgage tax					2,280,670
Compensation for loss					94,972
Investment earnings					232,990
Miscellaneous					163,831
Total General Revenues					\$ 17,787,497
Change in Net Position					\$ 7,348,173
Net Position - Beginning					68,008,403
Net Position - Ending					\$ 75,356,576

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Balance Sheet

Governmental Funds

December 31, 2022

	Major		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Highway Fund		
Assets				
Cash and cash equivalents	\$ 22,872,820	\$ 1,923,034	\$ 6,969,302	\$ 31,765,156
Receivables, net	695,555	3,952	522,905	1,222,412
Due from other governments, net	2,137,318	155,602	2,788	2,295,708
Prepaid items	112,151	31,326	42,524	186,001
Total Assets	\$ 25,817,844	\$ 2,113,914	\$ 7,537,519	\$ 35,469,277
Liabilities Deferred Inflows and Fund Balances				
Liabilities:				
Accounts payable	\$ 388,138	\$ 77,403	\$ 172,261	\$ 637,802
Accrued liabilities	3,114,428	72,771	60,765	3,247,964
Unearned revenue	3,113	-	-	3,113
Other liabilities	4,453,935	-	-	4,453,935
Total Liabilities	\$ 7,959,614	\$ 150,174	\$ 233,026	\$ 8,342,814
Deferred Inflows:				
Deferred inflows of resources	\$ 68,424	\$ -	\$ -	\$ 68,424
Fund Balances:				
Nonspendable	\$ 112,151	\$ 31,326	\$ 42,524	\$ 186,001
Restricted	96,428	-	6,771,468	6,867,896
Assigned	3,865,626	1,932,414	490,501	6,288,541
Unassigned	13,715,601	-	-	13,715,601
Total Fund Balances	\$ 17,789,806	\$ 1,963,740	\$ 7,304,493	\$ 27,058,039
Total Liabilities Deferred Inflows and Fund Balances	\$ 25,817,844	\$ 2,113,914	\$ 7,537,519	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	58,604,582
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(13,734)
The following long-term obligations are not due and payable in the current period, therefore are not reported in the governmental funds:	
Serial Bonds Payable	(8,430,000)
Leases	(23,829)
Retainage Payable	(137,425)
Deferred Inflows - Pensions	(6,020,536)
Deferred Outflows - Pensions	3,752,045
Deferred Inflows - OPEB	(139,696)
Deferred Outflows - OPEB	55,241
Pension Asset	1,742,765
OPEB Liability	(1,028,654)
Compensated absences are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position.	(62,222)
Net Position of Governmental Activities	\$ 75,356,576

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2022

	Major		Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Highway Fund		
Revenues:				
Real property and tax items	\$ 148,925	\$ 2,545,888	\$ 4,712,577	\$ 7,407,390
Non-property taxes	7,607,644	-	-	7,607,644
Departmental income	4,162,632	-	1,397,970	5,560,602
Intergovernmental charges	27,300	900,678	-	927,978
Use of money and property	156,830	9,835	66,325	232,990
Licenses and permits	505,623	-	-	505,623
Fines and forfeitures	80,763	-	-	80,763
Sale of property and compensation for loss	43,532	48,396	3,044	94,972
Miscellaneous	5,218	143,292	15,321	163,831
Interfund revenues	1,068,595	45,793	-	1,114,388
State and county aid	2,747,619	770,942	-	3,518,561
Federal aid	-	-	125,000	125,000
Total Revenues	\$ 16,554,681	\$ 4,464,824	\$ 6,320,237	\$ 27,339,742
Expenditures:				
Current:				
General government support	\$ 5,580,238	\$ 87,736	\$ 1,359,049	\$ 7,027,023
Public safety	677,816	-	-	677,816
Health	-	-	862,043	862,043
Transportation	114,066	3,969,858	403,116	4,487,040
Economic assistance and development	242,123	-	-	242,123
Culture and recreation	1,350,665	-	1,637,730	2,988,395
Home and community services	80,297	-	2,015,270	2,095,567
Employee benefits	1,809,300	737,613	638,518	3,185,431
Debt Service:				
Debt service - principal	14,441	-	250,000	264,441
Debt service - interest and other charges	4,399	-	289,491	293,890
Total Expenditures	\$ 9,873,345	\$ 4,795,207	\$ 7,455,217	\$ 22,123,769
Excess (deficiency) of revenue over expenditures	\$ 6,681,336	\$ (330,383)	\$ (1,134,980)	\$ 5,215,973
Other Financing Sources and Uses:				
Transfers - in	\$ 31,685	\$ 1,300,912	\$ 1,553,591	\$ 2,886,188
Transfers - out	(1,527,889)	(42,200)	(1,316,099)	(2,886,188)
Total Other Financing Sources and Uses	\$ (1,496,204)	\$ 1,258,712	\$ 237,492	\$ -
Net change in fund balances	\$ 5,185,132	\$ 928,329	\$ (897,488)	\$ 5,215,973
Fund Balance - Beginning	12,604,674	1,035,411	8,201,981	21,842,066
Fund Balance - Ending	\$ 17,789,806	\$ 1,963,740	\$ 7,304,493	\$ 27,058,039

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

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 5,215,973

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlay	\$	1,399,218	
Addition of assets, net		3,601,062	
Depreciation		(3,507,166)	
Gain/(Loss) on sale of assets		<u>(166,583)</u>	
			1,326,531

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

Debt repayment	264,441
----------------	---------

The Retainage liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds.	(137,425)
--	-----------

The net OPEB liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds.	55,198
---	--------

(Increase) decrease in proportionate share of net pension asset/liability reported in the statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues and expenditures in the governmental funds:

Employees' Retirement System	615,413
------------------------------	---------

Compensated absences represents the value of the earned and unused portion of the liability for vacation and compensatory time. They are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change of compensated absences.	6,620
--	-------

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	<u>1,422</u>
--	--------------

Change in Net Position of Governmental Activities \$ 7,348,173

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

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2022

	Custodial Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 1,012,771
	<u> </u>
TOTAL ASSETS	<u>\$ 1,012,771</u>
LIABILITIES	
Accounts payable	\$ 765,080
	<u> </u>
TOTAL LIABILITIES	<u>\$ 765,080</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	\$ 247,691
	<u> </u>
TOTAL NET POSITION	<u><u>\$ 247,691</u></u>

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

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2022

	Custodial Funds
	<u> </u>
ADDITIONS	
Investment earnings	\$ 1,562
Town Justice collections - Fines and Bail	208,811
Tax Receiver - Tax/PILOT collections for other governments	<u>106,994,361</u>
TOTAL ADDITIONS	<u>\$ 107,213,994</u>
DEDUCTIONS	
Riverton Golf Course payments	\$ 1,225
Justice - bail returned to individuals	15,300
Justice - fines / bail turned over to state	178,587
Tax Receiver - payments to School Districts	60,982,295
Tax Receiver - payments to County	32,552,185
Tax Receiver - payment to Fire District	13,320,579
Tax Receiver - payment to others	147,165
Town Clerk - collections for various state agencies	<u>9,260</u>
TOTAL DEDUCTIONS	<u>\$ 107,206,596</u>
Change in net position	\$ 7,398
NET POSITION - BEGINNING	<u>240,293</u>
NET POSITION - ENDING	<u><u>\$ 247,691</u></u>

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

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Notes To The Basic Financial Statements

December 31, 2022

I. Summary of Significant Accounting Policies:

The financial statements of the Town of Henrietta, Monroe County, New York (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

A. Financial Reporting Entity

The Town is governed by its charter, Town Law, other general laws of the State of New York, and various local laws. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the Supervisor and four Councilpersons. The Supervisor serves as Chief Executive Officer and Chief Fiscal Officer of the Town. The Supervisor is elected to serve a two year term. The Council persons are elected to serve four year terms with two Council persons on the ballot every two years.

The Town provides the following basic services to all or some residents of the Town: highway maintenance, recreation facilities and programs, environmental services, sanitation and library services.

All governmental activities and functions performed by the Town are its direct responsibility, no other governmental organizations have been included or excluded from the reporting entity.

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

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

1. Included in the Reporting Entity

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

(I.) (Continued)

2. **Excluded From the Reporting Entity**

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

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

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

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

1. **Government-Wide Statements**

The Statement of Net Position and the Statement of Activities display information about the Town as a whole. These statements include the financial activities of the primary government, except for Fiduciary Funds.

The government-wide statements are prepared using the economic resources measurement focus. This differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government –wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Town’s governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which governmental function is self-financing or draws from the general operating fund.

2. **Fund Financial Statements**

Fund financial statements report detailed information about the Town. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary Funds are reported by fund type.

(I.) (Continued)

The Governmental Funds are accounted for on the “flow of current financial resources” measurement focus. This measurement focus is based on the concept of accountability, which includes measuring interperiod equity whether current year revenues were sufficient to pay for current year services. The private purpose trust fund is reported using the economic resources measurement focus.

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

1. Major Governmental Funds

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

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

2. Non-Major Governmental Funds

The other funds which do not meet the major fund criteria are aggregated and reported as non-major other governmental funds. The following are reported as non-major other governmental funds.

Capital Projects Fund – used to account for the financial resources and activities associated with the construction of Town buildings.

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

Drainage Fund	Lighting District Fund
Consolidated Sewer Fund	Parks Special District Fund
Ambulance Fund	Transportation Fund
East River Rd Mitigation Fund	Parks and Recreation Trust Fund
Library Fund	Sewer Fund

b. Fiduciary Funds

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

(I.) (Continued)

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

3. **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary Funds also use the accrual basis of accounting.

a. **Modified Accrual**

Under the modified accrual basis, revenues are recognized in the accounting period in which they become susceptible to accrual, i.e., both available and measurable. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Significant revenues susceptible to accrual include ad valorem taxes, reimbursable- type grants, town clerk fees and snow and ice reimbursements. The Town considers all revenues as available if collected within one year from the balance sheet date. Property taxes are recognized when taxes are received. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due and compensated absences which are recorded when due/paid.

In applying the susceptible to accrual concept to revenues from Federal and State sources, the legal contractual requirements of the numerous individual programs are used as guidance. Revenue from grants and entitlements is recognized when all eligibility requirements have been satisfied. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before the Town will receive any amounts; therefore, revenues are recognized based upon the occurrence of expenditures. In the other type, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed legal and contractual requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. In all cases, monies received before the revenue recognition criteria have been met are reported as deferred revenue.

b. **Accrual**

Under this basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred regardless of the timing of cash inflows and outflows.

(I.) (Continued)

C. **Assets, Liabilities, and Equity**

1. **Cash and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

Investments are stated at cost, which approximates market value.

2. **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Management has deemed amounts to be fully collectible and as such no allowance has been provided. Major receivable balances for the governmental activities include sales tax and sewer fees.

3. **Inventory**

Inventory purchases in the General and Special Revenue Funds are recorded as expenditures at the time of purchase, and year-end balances are not maintained.

4. **Prepaid Items**

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

5. **Capital Assets**

Capital assets represent the cumulative amount of capital assets owned by the Town. Purchased assets are recorded as expenditures in the fund financial statements and are capitalized at cost on the government-wide statement of net position. In the case of gifts or contributions, such assets are recorded at fair market value at the time received.

Prior to January 1, 2004, governmental funds' infrastructure assets were not capitalized. These assets (back to January 1, 1974) have been valued at estimated historical cost.

(I.) (Continued)

A capitalization threshold of \$5,000 is used to report capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Class</u>	<u>Estimated Useful Life</u>
Buildings	15-20 Years
Water & Sewer Systems	30 Years
Machinery & Equipment	5-15 Years
Improvements; Parking Lots	5-10 Years
Roads, Sidewalks, Curbing, Light Systems, & Gutters	30 Years

6. **Unearned Revenue**

The Town reports unearned revenues in its basic financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to resources, the liability for unearned revenue is removed and revenue is recognized.

7. **Deferred Outflows and Inflows of Resources**

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

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

8. **Accrued Liabilities and Long-Term Obligations**

Payables, accrued liabilities and long-term obligations are reported in the town-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

(I.) (Continued)

Long-term obligations represent the Town's future obligations or future economic outflows. These liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

a. Compensatory Absences

Pursuant to contractual agreements, Town employees are credited with a maximum of 22 days' vacation, in a calendar year; no more than five days of vacation leave credits may be carried into a subsequent calendar year for bargaining unit employees. An individual who leaves the employment of the Town is entitled to be paid for unused vacation leave.

b. Other Benefits

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

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

9. Encumbrances

For financial reporting purposes encumbrances have been reclassified to assigned fund balance on the governmental funds for general fund and assigned or restricted fund balance in the highway and sewer fund. Encumbrance accounting, under which purchase orders, contracts or other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general, town-wide capital improvement project and nonmajor funds.

10. Equity Classifications

a. Government-Wide Statements

Equity is classified as net position and displayed in three components:

- 1. Net investment in capital assets** - consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Additionally, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.

(I.) (Continued)

2. **Restricted net position** - consists of restricted assets (i.e. restrictions imposed by (1). external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enable legislation) reduced by liabilities and deferred inflows related to those assets.
3. **Unrestricted net position** - consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

b. **Financial Statements –Fund Balance**

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used.

1. **Nonspendable fund balance** – Amounts that are not in a spendable form (i.e. inventory or prepaids) or are legally or contractually required to be maintained intact.
2. **Restricted fund balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
3. **Assigned fund balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the Board or by an official or body to which the Board delegates the authority.
4. **Unassigned fund balance** – Amounts that are available for town purposes pursuant to any Law restrictions. Any positive amounts are reported only in the general fund.

c. The Board has passed the following policies that relate to GASB No. 54:

1. **Assigned fund balance** – The purchasing agent is responsible for all of the purchasing activities of the Town and therefore, is designated as having the authority to assign amounts intended to be used for a specific purpose. (Encumbrances at year-end will now be considered assigned funds.)

The Town Board has the authority to assign fund balance for the purpose of tax reduction on an annual basis. (Appropriation of fund balance for ensuing year's budget)

(I.) (Continued)

2. **Spending policy** – Resources will generally be spent from Budgetary Appropriations first. Utilization of reserve funds will be determined based on the legal appropriation of such funds which require either the Town Board and/or Town voter approval. Furthermore, assigned amounts will be considered expended when the transaction for which the assignment was made does occur.
3. **Order of fund balance** – The Town’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Special revenue fund balances are classified as assigned, and any remaining fund balance amounts other than the General Fund are classified as restricted.

In the General Fund, assigned fund balance is determined before the remaining amounts which are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

It is possible for the funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance.

D. Revenues, Expenditures/Expenses

1. Revenues

Real Property taxes are levied annually, no later than December 31, and become a lien on January 1. Taxes are collected during the period January 1 to March 31. Taxes for County purposes are levied together with taxes for Town and special district purposes on a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Uncollected taxes at June 1 are turned over to Monroe County for collection.

The County of Monroe currently imposes a *sales and use tax*. Based upon a complex formula, a portion of the total revenue collected is allocated annually to the Town in four quarterly installments.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and, 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

(I.) (Continued)

2. **Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds – By Character: Current (further classified by function)
 Debt Service
 Capital outlay

In the fund financial statements, governmental funds report expenditures of financial resources. Government-wide financial statements report expenses relating to use of economic resources.

E. **Internal and Interfund Balances and Activities**

In the process of aggregating the financial information for the government-wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

1. **Fund Financial Statements**

Interfund activity, if any, within and among the governmental and proprietary fund categories is reported as follows in the fund financial statements:

- a. **Interfund loan** – amounts provided with a requirement for repayment are reported as interfund receivables and payables.
- b. **Interfund services** – sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.
- c. **Interfund reimbursements** – repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds
- d. **Interfund transfers** – flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

2. **Government-Wide Financial Statements**

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

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

(I.) (Continued)

b. **Internal activities** – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

G. New Accounting Standards

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2022, the Town implemented the following new standards issued by GASB:

GASB has issued Statement 87 *Leases*.

GASB has issued Statement 91 *Conduit Debt Obligations*.

GASB has issued Statement 92 *Omnibus 2020 Paragraphs 6, 7, 8, 9, 10, 12*.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraphs 11b, 13 and 14*.

GASB has issued Statement 97 *Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*.

H. Future Changes in Accounting Standards

GASB has issued Statement 94 *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 96 *Subscription Based Information Technology*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 99 *Omnibus 2022-Leases, PPP, and SPITAS*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 99 *Omnibus 2022-Financial Guarantees, etc.*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement 100 *Accounting Changes*, which will be effective for reporting periods beginning after June 15, 2023.

(I.) (Continued)

GASB has issued Statement 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

The Town is currently reviewing these statements and plans on adoption as required.

II. Changes in Accounting Principles

For the year ended December 31, 2022, the Town implemented GASB Statement No. 87, *Leases*. The implementation of the statement changes the reporting for leases.

III. Stewardship, Compliance and Accountability:

By its nature as a local government unit, the Town is subject to various federal, state and local laws and contractual regulations. An analysis of the Town's compliance with significant laws and regulations and demonstration of its stewardship over Town resources follows.

A. Budgetary Data

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

- a. No later than October 30, the budget officer submits a tentative budget to the Town Clerk for submission to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- b. After public hearings are conducted to obtain taxpayer comments, no later than December 20, the Town Board adopts the budget.
- c. All modifications of the budget must be approved by the Town Board. (However, the Town Supervisor is authorized to transfer certain budgeted amounts within departments.)
- d. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects which remain in effect for the life of the project.

2. Budget Basis of Accounting

Budget(s) are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

3. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources are those revenues raised for the special district special revenue funds.

(III.) (Continued)

B. Deposit and Investment Laws and Regulations

The Town's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

New York State Law governs the Town's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

IV. Detail Notes on All Funds and Account Groups:

A. Cash

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these notes.

The Town's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		21,929,176
Collateralized within Trust Department or Agent		2,606,091
Total	\$	<u>24,535,267</u>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$6,867,896 within the governmental funds and \$1,012,771 in the fiduciary funds.

B. Investment Pool

The Town participates in a multi-municipal cooperative investment pool agreement pursuant to New York State General Municipal Law Article 5-G, §119-O, whereby it holds a portion of the investments in cooperation with other participants. The investments are highly liquid and are considered to be cash equivalents.

Total investments of the cooperative as of year end are \$7,405,186, which consisted of \$3,090,925 in repurchase agreements, \$3,042,050 in U.S. Treasury Securities, \$202,902 in FDIC insured deposits and \$1,069,309 in collateralized bank deposits, with various interest rates and due dates.

(IV.) (Continued)

The following amounts are included as unrestricted and restricted cash:

<u>Fund</u>	<u>Bank Amount</u>	<u>Carrying Amount</u>	<u>Type of Investment</u>
General Fund	\$ 5,156,289	\$ 5,156,289	NYCLASS
Highway Fund	505,626	505,626	NYCLASS
Library Fund	405,592	405,592	NYCLASS
Drainage Fund	50,563	50,563	NYCLASS
Sewer Fund	505,626	505,626	NYCLASS
Park & Recreation Trust Fund	165,493	165,493	NYCLASS
E. River Road Mitigation Fund	306,218	306,218	NYCLASS
Lighting District Fund	202,250	202,250	NYCLASS
Park Special District Fund	25,281	25,281	NYCLASS
Transportation Fund	82,248	82,248	NYCLASS
Total	\$ 7,405,186	\$ 7,405,186	

C. Receivables

Receivables at December 31, 2022 consisted of the following:

<u>Description</u>	<u>Amount</u>
Monroe County Sales Tax	\$ 2,008,774
Monroe County, Miscellaneous	56,288
New York State	199,266
Fire Alarms	17,517
Fines, Fees and Forfeitures	28,139
G.S.G. Charge Backs	36,227
Town Clerk Report	469,799
Engineering	56,972
Sewer Rents Receivable	521,455
Riverton Golf	66,659
Property Maintenance	23,634
Refuse Tipping / Host Fees	28,125
Lease Receivable	68,424
Miscellaneous	3,500
Allowance for Doubtful Accounts	(66,659)
Total Receivables	\$ 3,518,120

Future collections for the lease receivable are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 6,504
2024	9,977
2025	15,304
2026	23,477
2027	13,162
Total	\$ 68,424

(IV.) (Continued)

D. Interfund Revenues and Expenditures

Interfund revenues and expenditures at December 31, 2022 were as follows:

	<u>Interfund</u>	
	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 31,685	\$ 1,527,889
Highway Fund	1,300,912	42,200
Nonmajor Funds	1,553,591	1,316,099
Total	<u>\$ 2,886,188</u>	<u>\$ 2,886,188</u>

Transfers are used to finance certain capital project expenditures and provide support for Highway operations.

E. Changes In Capital and Lease Assets

1. Capital Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 3,697,541	\$ 165,036	\$ -	\$ 3,862,577
Work in progress	203,294	1,399,218	176,193	1,426,319
<i>Total Nondepreciable</i>	<u>\$ 3,900,835</u>	<u>\$ 1,564,254</u>	<u>\$ 176,193</u>	<u>\$ 5,288,896</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 35,291,678	\$ 174,714	\$ -	\$ 35,466,392
Machinery and equipment	11,451,405	602,923	481,643	11,572,685
Infrastructure	75,476,666	2,834,582	-	78,311,248
<i>Total Depreciated Assets</i>	<u>\$ 122,219,749</u>	<u>\$ 3,612,219</u>	<u>\$ 481,643</u>	<u>\$ 125,350,325</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 9,708,068	\$ 858,001	\$ -	\$ 10,566,069
Machinery and equipment	6,091,195	830,011	315,060	6,606,146
Infrastructure	53,081,540	1,804,713	-	54,886,253
<i>Total Accumulated Depreciation</i>	<u>\$ 68,880,803</u>	<u>\$ 3,492,725</u>	<u>\$ 315,060</u>	<u>\$ 72,058,468</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 53,338,946</u>	<u>\$ 119,494</u>	<u>\$ 166,583</u>	<u>\$ 53,291,857</u>
Total Capital Assets	<u>\$ 57,239,781</u>	<u>\$ 1,683,748</u>	<u>\$ 342,776</u>	<u>\$ 58,580,753</u>

(IV.) (Continued)

2. **Lease Assets**

A summary of changes in lease assets follows:

<u>Type</u>	<u>Balance</u> <u>01/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
<u>Lease Assets:</u>				
Equipment	\$ 38,270	\$ -	\$ -	\$ 38,270
<i>Total Lease Assets</i>	<u>\$ 38,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,270</u>
<u>Less Accumulated Amortization:</u>				
Equipment	\$ -	\$ 14,441	\$ -	\$ 14,441
<i>Total Accumulated Amortization</i>	<u>\$ -</u>	<u>\$ 14,441</u>	<u>\$ -</u>	<u>\$ 14,441</u>
<i>Total Lease Assets, Net</i>	<u><u>\$ 38,270</u></u>	<u><u>\$ (14,441)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 23,829</u></u>

3. Other capital assets (net of depreciation and amortization):

Depreciated Capital Assets (net)	\$ 53,291,857
Amortized Lease Assets (net)	23,829
Total Other Capital Assets	<u><u>\$ 53,315,686</u></u>

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

<u>Governmental Activities:</u>	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
General Government	\$ 137,539	\$ 14,441	\$ 151,980
Public Safety	11,998	-	11,998
Transportation	1,510,704	-	1,510,704
Culture and Recreation	985,038	-	985,038
Home and Community Services	847,446	-	847,446
Total Depreciation Expense	<u><u>\$ 3,492,725</u></u>	<u><u>\$ 14,441</u></u>	<u><u>\$ 3,507,166</u></u>

F. **Long-Term Debt**

At December 31, 2022 the total outstanding obligations of the Town aggregated \$9,682,130 as follows:

1. **Environmental Facilities Corp./Revolving Fund Revenue Bonds** - The Town has borrowed money from the Environmental Facilities Corp. for water pollution control in the Town. The interest is subsidized by the Environmental Facilities Corp. through the State Revolving Fund by approximately one half.

(IV.) (Continued)

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

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

<u>Governmental Activities:</u>	
Interest Paid	\$ 293,890
Less: Interest Accrued in the Prior Year	(15,156)
Plus: Interest Accrued in the Current Year	13,734
Total Long-Term Interest Expense	<u><u>\$ 292,468</u></u>

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

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

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

Lease Liability – represents the value of future lease principal payments

Retainage Liability – represents the value of retainage payable on capital projects

4. **Summary of Debt** - The following is a summary of obligations outstanding at December 31, 2022:

	<u>Balance</u>			<u>Balance</u>	<u>Due Within</u>
	<u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/22</u>	<u>One Year</u>
Serial Bonds	\$ 8,680,000	\$ -	\$ 250,000	\$ 8,430,000	\$ 255,000
Lease Liability	38,270	-	14,441	23,829	16,274
Net Pension Liability	19,166	-	19,166	-	-
Compensated Absences	68,842	-	6,620	62,222	15,556
Retainage Liability	-	137,425	-	137,425	137,425
OPEB	1,235,250	-	206,596	1,028,654	-
Total Long-Term Obligations	<u><u>\$ 10,041,528</u></u>	<u><u>\$ 137,425</u></u>	<u><u>\$ 496,823</u></u>	<u><u>\$ 9,682,130</u></u>	<u><u>\$ 424,255</u></u>

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

(IV.) (Continued)

5. **Debt Maturity Schedule** - The following is a statement of bonds with corresponding maturity schedules:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 12/31/22</u>
Serial Bonds -					
Construction - Library	\$ 5,000,000	2018	2047	3.25% - 3.5%	\$ 4,505,000
Construction - Library	\$ 3,944,163	2019	2047	3.43%	3,660,000
Revolving Fund Revenue Bonds -					
State Water Pollution Control	\$ 535,000	2015D	2028	4.13% - 4.752%	265,000
Total Serial Bonds					\$ 8,430,000
Leases -					
Copier Lease	\$ 45,530	2022	2024	1.29%	\$ 23,829
Total Leases					\$ 23,829

* This interest is subsidized by the Environmental Facilities Corporation through the State Revolving Fund by approximately one half.

** The interest paid on these bonds was paid net of interest revenue earned as follows:

<u>Bond</u>	<u>Gross Interest Expense</u>	<u>Interest and Subsidy Revenue</u>	<u>Net Interest Paid</u>
2015D	\$ 13,281	\$ 8,360	\$ 4,921
Total	\$ 13,281	\$ 8,360	\$ 4,921

The Town entered into an agreement with South Central Pure Waters District of Monroe County, whereby the District assumed responsibility for the operation and maintenance costs of the Town's sewage treatment.

6. The following table summarizes the Town's future debt service requirements as of December 31, 2022:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 255,000	\$ 281,886	\$ 16,274	\$ 2,566
2024	265,000	273,948	7,555	295
2025	275,000	265,900	-	-
2026	280,000	257,616	-	-
2027	290,000	249,475	-	-
2028-32	1,390,000	1,117,909	-	-
2033-37	1,580,000	882,406	-	-
2038-43	1,870,000	593,300	-	-
2043-47	2,225,000	241,906	-	-
Total	\$ 8,430,000	\$ 4,164,346	\$ 23,829	\$ 2,861

(IV.) (Continued)

In prior years, the Town defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town’s financial statements. \$265,000 of bonds outstanding are considered defeased.

G. Deferred Inflows/Outflows of Resources

The following is a summary of the deferred inflows/outflows of resources:

	Deferred Outflows	Deferred Inflows
Pension	\$ 3,752,045	\$ 6,020,536
Leases	-	68,424
OPEB	55,241	139,696
Total	<u>\$ 3,807,286</u>	<u>\$ 6,228,656</u>

H. Fund Balances/Net Position

1. Fund Balances

a. Nonspendable

The Town has the following nonspendable funds:

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

b. Restricted

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

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

<u>General Fund -</u>	Balance 1/1/22	Revenues	Transfers	Balance 12/31/22
Capital Reserve	\$ 95,399	\$ 1,029	\$ -	\$ 96,428
Total Capital Reserves	<u>\$ 95,399</u>	<u>\$ 1,029</u>	<u>\$ -</u>	<u>\$ 96,428</u>

Capital Projects – Represents funds restricted for construction of Town Recreation Facility.

(IV.) (Continued)

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

Sewer	Drainage	Street Lighting
Consolidated Sewer	Parks	Ambulance
Transportation	E. River Rd Mitigation	Parks and Recreation Trust

c. **Assigned**

The Town has the following assigned funds:

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

Encumbrances represent purchase commitments made by the Town’s purchasing agent through their authorization of a purchase order prior to year end. The Town assignment is based on the functional level of expenditures. For significant encumbrances for the General Fund, management has determined that amounts in excess of \$29,000 are considered significant. The following funds have significant encumbrances:

- General Fund - General Government Support – \$101,652
- General Fund - Transportation – \$99,089
- Highway Fund – Transportation - \$193,477
- Capital Fund –General Government Support- \$163,339
- Sewer Fund - Home and Community Services – \$67,885

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

d. **Unassigned**

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

(IV.) (Continued)

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

FUND BALANCE:	General Fund	Highway Fund	Non Major Funds	Total
<u>Nonspendable -</u>				
Prepaid items	\$ 112,151	\$ 31,326	\$ 42,524	\$ 186,001
Total Nonspendable	\$ 112,151	\$ 31,326	\$ 42,524	\$ 186,001
<u>Restricted -</u>				
Parks	\$ -	\$ -	\$ 204,201	\$ 204,201
Transportation	-	-	494,662	494,662
East river road mitigation project	-	-	306,218	306,218
Sidewalk project	-	-	187,500	187,500
Capital improvements	96,428	-	-	96,428
Sewer administration	-	-	360,520	360,520
Sewer	-	-	3,504,539 *	3,504,539
Street lighting	-	-	287,725	287,725
Drainage	-	-	1,215,080	1,215,080
Parks & rec improvements	-	-	32,143	32,143
Parkland deposits	-	-	173,650	173,650
Ambulance	-	-	109	109
Consolidated sewer	-	-	5,121	5,121
Total Restricted	\$ 96,428	\$ -	\$ 6,771,468	\$ 6,867,896
<u>Assigned -</u>				
Appropriated for taxes	\$ 3,641,573	\$ 611,207	\$ 295,827	\$ 4,548,607
Library	-	-	194,674	194,674
General government support	101,652	-	-	101,652
Transportation	99,089	1,321,207	-	1,420,296
Economic assistance and opportunity	403	-	-	403
Culture and recreation	22,909	-	-	22,909
Total Assigned	\$ 3,865,626	\$ 1,932,414	\$ 490,501	\$ 6,288,541
Unassigned	\$ 13,715,601	\$ -	\$ -	\$ 13,715,601
TOTAL FUND BALANCE	\$ 17,789,806	\$ 1,963,740	\$ 7,304,493	\$ 27,058,039

* Of this amount \$556,341 represents a sewer charge for Sewer District 1 Extension
37.

(IV.) (Continued)

The following special revenue funds restricted and assigned fund balances have monies appropriated for 2023 taxes:

Transportation	\$ 476,000
Drainage	141,500
Park and Rec Trust	27,275
Parks	11,434
Sanitary Sewer	369,126
E. River Road Mitigation	303,500
Total Special Revenue Restricted	<u> </u>
Appropriated for Taxes	<u>\$ 1,328,835</u>

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

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

Capital Reserve	\$ 96,428
Parkland Deposits	173,650
Street Lighting	287,725
Sewer	3,504,539
Consolidated Sewer	5,121
Drainage	1,215,080
Parks - Greenbelts	204,201
Ambulance	109
Transportation	486,162
East River Rd Mitigation	306,218
Total Net Position - Restricted	<u> </u>
for Other Purposes	<u>\$ 6,279,233</u>

3. **Net Position – Custodial Funds**

The net position of the custodial funds consist of the following:

Bail	\$ 40,799
Taxes collected in advance	60,875
Riverton golf course funds	146,017
Total Net Position - Custodial Funds	<u>\$ 247,691</u>

V. **Tax Abatement**

The County of Monroe enters into various property tax and sales tax abatement programs for the purpose of Economic Development. As a result, the Town property tax revenue was reduced \$212,817. The Town received payment in lieu of tax (PILOT) payment totaling \$333,383 to help offset the property tax reduction.

VI. General Information and Pension Plans:

A. General Information About Pension Plan

1. Plan Description

The Town participates in the New York State Local Employees' Retirement System (ERS) which is collectively referred to as New York State and Local Retirement System (the System). This is a cost sharing multiple employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

2. Benefits Provided

The System provides retirement benefits as well as death and disability benefits.

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

(VI.) (Continued)

Tier 3, 4, 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of wages earned in the three highest consecutive years. For Tier 3, 4, and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age of Tier 6 is 63 for ERS members

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Special Plans

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to sheriffs and correction officers.

(VI.) (Continued)

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

3. Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly, used in computing the employers' contributions based on salaries paid during the Systems' financial year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

(VI.) (Continued)

Prepayment	
<u>Due Date</u>	<u>ERS</u>
12/15/2022	\$ 689,050
12/15/2021	\$ 894,401
12/15/2020	\$ 813,202

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2022, the Town reported an asset of \$1,742,765 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2022, the Town's proportion was 0.0213193 percent for ERS.

For the year ended December 31, 2022 the Town recognized pension expense of \$125,007. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 131,982	\$ 171,188
Changes of assumptions	2,908,479	49,077
Net difference between projected and actual earnings on pension plan investments	-	5,706,825
Changes in proportion and differences between the District's contributions and proportionate share of contributions	194,796	93,446
Subtotal	<u>\$ 3,235,257</u>	<u>\$ 6,020,536</u>
Town's contributions subsequent to the measurement date	516,788	-
Grand Total	<u><u>\$ 3,752,045</u></u>	<u><u>\$ 6,020,536</u></u>

(VI.) (Continued)

The Town reported \$516,788 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>ERS</u>
2023	\$ (406,683)
2024	(625,787)
2025	(1,467,634)
2026	<u>(285,175)</u>
Total	<u>\$ (2,785,279)</u>

1. Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>ERS</u>
Measurement date	March 31, 2022
Actuarial valuation date	April 1, 2021
Interest rate	5.90%
Salary scale	4.40%
Inflation rate	2.70%
COLA's	1.40%

For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2019.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2022 are summarized as follows:

(VI.) (Continued)

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	3.30%
International equity	5.85%
Private equity	6.50%
Real estate	5.00%
Absolute return strategies *	4.10%
Opportunistic portfolios	4.10%
Real assets	5.80%
Cash	-1.00%
Inflation-indexed bonds	-1.00%
Credit	3.78%

The real rate of return is net of the long-term inflation assumption of 2.5%

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and internal equity.

2. Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.90%) or 1-percentagepoint higher (6.90%) than the current rate:

<u>ERS</u>	<u>1% Decrease (4.90%)</u>	<u>Current Assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (4,485,858)	\$ 1,742,765	\$ 6,952,708

(VI.) (Continued)

4. **Pension Plan Fiduciary Net Position**

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>(In Thousands)</u>
	<u>ERS</u>
Employers' total pension liability	\$ 223,874,888
Plan net position	232,049,473
Employers' net pension asset/(liability)	<u>\$ 8,174,585</u>
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%

VII. **Postemployment Benefits**

A. **General Information About the OPEB Plan**

Plan Description – The Town’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the Town. The plan is a single-employer defined benefit OPEB plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided – The Town provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Town offices and are available upon request.

Employees Covered by Benefit Terms – At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	43
Active Employees	<u>103</u>
Total	<u>146</u>

B. **Total OPEB Liability**

The Town’s total OPEB liability of \$1,028,654 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

(VII.) (Continued)

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.53 percent
Salary Increases	3.53 percent, average, including inflation
Discount Rate	4.40 percent
Healthcare Cost Trend Rates	5.50 percent for 2022, decreasing to an ultimate rate of 4.00 percent for 2075 and later years
Retirees' Share of Benefit-Related Costs	Various percent of projected health insurance premiums for retirees

The discount rate was based on Fidelity General Obligation AA-20 Year Municipal Bond rate.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, distinct for Teachers, General, and Safety, without separate Contingent Survivor mortality, fully generational using scale MP-2021 mortality rates.

C. Changes in the Total OPEB Liability

Balance at December 31, 2021	<u>\$ 1,235,250</u>
<u>Changes for the Year -</u>	
Service cost	\$ 18,385
Interest	24,854
Differences between expected and actual experience	28,877
Changes in assumptions or other inputs	(159,942)
Benefit payments	(118,770)
Net Changes	<u>\$ (206,596)</u>
Balance at December 31, 2022	<u><u>\$ 1,028,654</u></u>

There were change of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.19 percent in 2021 to 4.40 percent in 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.40 percent) or 1-percentage-point higher (5.40 percent) than the current discount rate:

	1% Decrease	Discount	1% Increase
	<u>(3.40%)</u>	Rate	<u>(5.40%)</u>
		<u>(4.40%)</u>	
Total OPEB Liability	\$ 1,100,009	\$ 1,028,654	\$ 964,969

(VII.) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	1% Decrease (4.50% Decreasing to 3.00%)	Healthcare Cost Trend Rates (5.50% Decreasing to 4.00%)	1% Increase (6.50% Decreasing to 5.00%)
Total OPEB Liability	\$ 986,295	\$ 1,028,654	\$ 1,075,599

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2022, the Town recognized OPEB expense of \$63,190. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 25,222	\$ -
Changes of assumptions	-	139,696
Contributions after measurement date	30,019	-
Total	\$ 55,241	\$ 139,696

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year</u>	
2023	\$ (16,591)
2024	(16,591)
2025	(16,591)
2026	(16,591)
2027	(16,591)
Thereafter	(31,519)
Total	\$ (114,474)

VIII. Deferred Compensation Plan

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

IX. Compensatory Absences

Pursuant to contractual agreements, Town employees are credited with a maximum of 22 days vacation, on the employee's anniversary date; no more than five days of vacation leave credits may be carried into a subsequent anniversary period for bargaining unit employees. An individual who leaves the employment of the Town is entitled to be paid for unused vacation leave. The expense for those fringe benefits is recorded at the time the benefit is paid. The Town's computed accrued vacation pay liability at December 31, 2022 amounts to \$62,222.

Also, pursuant to agreement, employees can receive disability for a maximum of 165 days per year; a portion of the expense of this benefit is covered by insurance.

X. Health Reimbursement Account

The Town implemented a Health Reimbursement Account Plan (HRA). The Town contributes to the Plan for eligible employees based upon employment criteria as outlined in the Plan document. The eligible expenses allowed for reimbursement under the Plan are medical expenses as defined by IRS Code Section 213(d) and eligible over the counter medical expenses.

The Plan is accounted for on a calendar year basis. Any participant's funds remaining in the account at the end of a Plan year will be rolled over and added to the account of the next Plan year. The Plan is accounted for in the Town's General Fund and any unfunded liability is recorded proportionately in the funds. The balance in the account at December 31, 2022 totaled \$50,554, and was fully funded.

XI. Risk Management

A. General Information

The Town is exposed to various risks of loss related to injuries to employees, theft, damages, natural disasters, etc. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

XII. Commitments and Contingencies

A. Contingent Liabilities

Program and administrative costs are subject to audit and adjustment by various State agencies. Differences between ultimate settlements and estimated costs included in the financial statements are recorded in the year of settlement. Town management believes that it is in substantial compliance with all program requirements.

B. Litigation

There are also tax certiorari cases pending for which the financial outcome, if any, cannot be determined at this time. In addition, there are several claims filed against the Town which are covered by the Town's insurance provider.

XIII. COVID-19

On January 30,2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Town’s financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for year 2023.

Required Supplemental Information
TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Schedule of Changes in Town's Total OPEB Liability and Related Ratio
(Unaudited)
For the Year Ended December 31, 2022

	TOTAL OPEB LIABILITY				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 18,385	\$ 24,357	\$ 19,360	\$ 16,678	\$ 17,989
Interest	24,854	40,443	42,209	52,525	49,714
Changes in benefit terms	-	(565,563)	-	-	-
Differences between expected and actual experiences	28,877	47,689	138,879	58,375	7,513
Changes of assumptions or other inputs	(159,942)	34,530	58,104	128,793	(42,615)
Benefit payments	<u>(118,770)</u>	<u>(120,284)</u>	<u>(95,568)</u>	<u>(80,292)</u>	<u>(80,911)</u>
Net Change in Total OPEB Liability	\$ (206,596)	\$ (538,828)	\$ 162,984	\$ 176,079	\$ (48,310)
Total OPEB Liability - Beginning	\$ 1,235,250	\$ 1,774,078	\$ 1,611,094	\$ 1,435,015	\$ 1,483,325
Total OPEB Liability - Ending	\$ 1,028,654	\$ 1,235,250	\$ 1,774,078	\$ 1,611,094	\$ 1,435,015
Covered Employee Payroll	\$ 5,182,713	\$ 5,006,001	\$ 4,841,394	\$ 4,690,364	\$ 4,690,364
Total OPEB Liability as a Percentage of Covered Employee Payroll	19.85%	24.68%	36.64%	34.35%	30.59%

10 years of historical information is not available and will be reported each year going forward

Required Supplemental Information
TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Schedule of the Town's Proportionate Share of the Net Pension Liability
(Unaudited)
For the Year Ended December 31, 2022

NYSERS Pension Plan							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability (assets)	0.0213%	0.0192%	0.0198%	0.0198%	0.0184%	0.0181%	0.0198%
Proportionate share of the net pension liability (assets)	\$ (1,742,765)	\$ 19,166	\$ 5,236,002	\$ 1,404,373	\$ 592,620	\$ 1,697,447	\$ 3,177,541
Covered-employee payroll	\$ 6,470,781	\$ 5,974,280	\$ 5,939,685	\$ 5,692,945	\$ 5,451,459	\$ 5,064,427	\$ 4,923,888
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-26.933%	0.321%	88.153%	24.669%	10.871%	33.517%	64.533%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

10 years of historical information is not available and will be reported each year going forward

Required Supplemental Information
TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Schedule of Town Contributions
(Unaudited)
For the Year Ended December 31, 2022

	NYSERS Pension Plan						
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 894,429	\$ 813,205	\$ 778,832	\$ 774,793	\$ 757,206	\$ 736,530	\$ 939,602
Contributions in relation to the contractually required contribution	<u>(894,429)</u>	<u>(813,205)</u>	<u>(778,832)</u>	<u>(774,793)</u>	<u>(757,206)</u>	<u>(736,530)</u>	<u>(939,602)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,470,781	\$ 5,974,280	\$ 5,939,685	\$ 5,692,945	\$ 5,451,459	\$ 5,064,427	\$ 4,923,888
Contributions as a percentage of covered-employee payroll	13.82%	13.61%	13.11%	13.61%	13.89%	14.54%	19.08%

10 years of historical information is not available and will be reported each year going forward

Required Supplemental Information
TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types
(Unaudited)

For the Year Ended December 31, 2022

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 175,000	\$ 175,000	\$ 148,925	\$ -	\$ (26,075)
Non-property taxes	4,100,000	4,100,000	7,607,644	-	3,507,644
Departmental income	3,181,943	3,181,943	4,162,632	-	980,689
Intergovernmental charges	13,300	13,300	27,300	-	14,000
Use of money and property	58,119	58,119	156,830	-	98,711
Licenses and permits	510,950	510,950	505,623	-	(5,327)
Fines and forfeitures	200,000	200,000	80,763	-	(119,237)
Sale of property and compensation for loss	5,000	5,000	43,532	-	38,532
Miscellaneous	263,716	263,716	5,218	-	(258,498)
Interfund revenues	981,923	981,923	1,068,595	-	86,672
State and county aid	1,034,719	1,050,179	2,747,619	-	1,697,440
Total Revenues	\$ 10,524,670	\$ 10,540,130	\$ 16,554,681	\$ -	\$ 6,014,551
Expenditures:					
Current:					
General government support	\$ 6,242,936	\$ 6,304,309	\$ 5,580,238	\$ 101,652	\$ 622,419
Public safety	955,446	951,413	677,816	-	273,597
Transportation	303,550	305,674	114,066	99,089	92,519
Economic assistance and development	242,508	263,468	242,123	403	20,942
Culture and recreation	1,594,818	1,588,590	1,350,665	22,909	215,016
Home and community services	82,246	82,246	80,297	-	1,949
Employee benefits	2,091,624	2,010,203	1,809,300	-	200,903
Debt Service:					
Debt service - principal	-	-	14,441	-	(14,441)
Debt service - interest and other charges	-	-	4,399	-	(4,399)
Total Expenditures	\$ 11,513,128	\$ 11,505,903	\$ 9,873,345	\$ 224,053	\$ 1,408,505
Excess (deficiency) of revenue over expenditures	\$ (988,458)	\$ (965,773)	\$ 6,681,336	\$ (224,053)	\$ 7,423,056
Other Financing Sources and Uses:					
Transfers - in	\$ -	\$ -	\$ 31,685	\$ -	\$ 31,685
Transfers - out	(1,500,912)	(1,527,889)	(1,527,889)	-	-
Total Other Financing Sources and Uses	\$ (1,500,912)	\$ (1,527,889)	\$ (1,496,204)	\$ -	\$ 31,685
Net change in fund balances	\$ (2,489,370)	\$ (2,493,662)	\$ 5,185,132	\$ (224,053)	\$ 7,454,741
Fund Balance - Beginning	12,604,674	12,604,674	12,604,674	-	-
Fund Balance - Ending	\$ 10,115,304	\$ 10,111,012	\$ 17,789,806	\$ (224,053)	\$ 7,454,741

Notes to Required Supplemental Information:

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

Required Supplemental Information
TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types
(Unaudited)
For the Year Ended December 31, 2022

HIGHWAY FUND

	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 2,500,018	\$ 2,500,018	\$ 2,545,888	\$ -	\$ 45,870
Intergovernmental charges	800,000	800,000	900,678	-	100,678
Use of money and property	2,000	2,000	9,835	-	7,835
Sale of property and compensation for loss	24,500	24,500	48,396	-	23,896
Miscellaneous	5,000	5,000	143,292	-	138,292
Interfund revenues	47,152	47,152	45,793	-	(1,359)
State and county aid	300,000	770,942	770,942	-	-
Total Revenues	\$ 3,678,670	\$ 4,149,612	\$ 4,464,824	\$ -	\$ 315,212
Expenditures:					
Current:					
General government support	\$ 88,466	\$ 88,466	\$ 87,736	\$ -	\$ 730
Transportation	4,264,275	4,662,946	3,969,858	193,477	499,611
Employee benefits	851,991	851,991	737,613	-	114,378
Total Expenditures	\$ 5,204,732	\$ 5,603,403	\$ 4,795,207	\$ 193,477	\$ 614,719
Excess (deficiency) of revenue over expenditures	\$ (1,526,062)	\$ (1,453,791)	\$ (330,383)	\$ (193,477)	\$ 929,931
Other Financing Sources and Uses:					
Transfers - in	\$ 1,300,912	\$ 1,300,912	\$ 1,300,912	\$ -	\$ -
Transfers - out	-	(42,200)	(42,200)	-	-
Total Other Financing Sources and Uses	\$ 1,300,912	\$ 1,258,712	\$ 1,258,712	\$ -	\$ -
Net change in fund balances	\$ (225,150)	\$ (195,079)	\$ 928,329	\$ (193,477)	\$ 929,931
Fund Balance - Beginning	1,035,411	1,035,411	1,035,411	-	-
Fund Balance - Ending	\$ 810,261	\$ 840,332	\$ 1,963,740	\$ (193,477)	\$ 929,931

Notes to Required Supplemental Information:

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

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

	Capital Projects Fund	Library Fund	Parks and Recreation Trust Fund	Lighting District Fund	Sewer Fund	Consolidated Sewer Fund
Assets						
Cash and cash equivalents	\$ 670,421	\$ 572,347	\$ 173,150	\$ 318,313	\$ 3,006,958	\$ 5,121
Receivables, net	-	-	500	-	522,405	-
Due from other governments, net	-	2,788	-	-	-	-
Prepaid items	-	23,426	-	-	7,202	-
Total Assets	\$ 670,421	\$ 598,561	\$ 173,650	\$ 318,313	\$ 3,536,565	\$ 5,121
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 81,758	\$ 40,778	\$ -	\$ 30,588	\$ 16,029	\$ -
Accrued liabilities	-	43,856	-	-	8,795	-
Total Liabilities	\$ 81,758	\$ 84,634	\$ -	\$ 30,588	\$ 24,824	\$ -
Fund Balances:						
Nonspendable	\$ -	\$ 23,426	\$ -	\$ -	\$ 7,202	\$ -
Restricted	588,663	-	173,650	287,725	3,504,539	5,121
Assigned	-	490,501	-	-	-	-
Total Fund Balances	\$ 588,663	\$ 513,927	\$ 173,650	\$ 287,725	\$ 3,511,741	\$ 5,121
Total Liabilities and Fund Balances	\$ 670,421	\$ 598,561	\$ 173,650	\$ 318,313	\$ 3,536,565	\$ 5,121

Drainage Fund	Parks Special District Fund	Ambulance District Fund	Transportation Fund	E. River Road Mitigation Fund	Total Nonmajor Governmental Funds
\$ 1,226,302	\$ 204,201	\$ 109	\$ 486,162	\$ 306,218	\$ 6,969,302
-	-	-	-	-	522,905
-	-	-	-	-	2,788
10,723	1,173	-	-	-	42,524
<u>\$ 1,237,025</u>	<u>\$ 205,374</u>	<u>\$ 109</u>	<u>\$ 486,162</u>	<u>\$ 306,218</u>	<u>\$ 7,537,519</u>
\$ 3,108	\$ -	\$ -	\$ -	\$ -	\$ 172,261
8,114	-	-	-	-	60,765
<u>\$ 11,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,026</u>
\$ 10,723	\$ 1,173	\$ -	\$ -	\$ -	\$ 42,524
1,215,080	204,201	109	486,162	306,218	6,771,468
-	-	-	-	-	490,501
<u>\$ 1,225,803</u>	<u>\$ 205,374</u>	<u>\$ 109</u>	<u>\$ 486,162</u>	<u>\$ 306,218</u>	<u>\$ 7,304,493</u>
<u>\$ 1,237,025</u>	<u>\$ 205,374</u>	<u>\$ 109</u>	<u>\$ 486,162</u>	<u>\$ 306,218</u>	<u>\$ 7,537,519</u>

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2022

	Capital Projects Fund	Library Fund	Parks and Recreation Trust Fund	Lighting District Fund	Sewer Fund	Consolidated Sewer Fund
Revenues:						
Real property and tax items	\$ -	\$ 2,117,889	\$ -	\$ 325,229	\$ 420,352	\$ 45,815
Departmental income	-	36,232	19,500	-	1,131,038	-
Use of money and property	248	7,236	4,508	3,109	25,497	2
Sale of property and compensation for loss	-	-	-	-	1,548	-
Miscellaneous	-	13,933	-	-	1,388	-
Federal aid	-	-	-	-	-	-
Total Revenues	\$ 248	\$ 2,175,290	\$ 24,008	\$ 328,338	\$ 1,579,823	\$ 45,817
Expenditures:						
Current:						
General government support	\$ 1,254,073	\$ 37,384	\$ -	\$ -	\$ 39,459	\$ -
Health	-	-	-	-	-	-
Transportation	68,700	-	-	334,416	-	-
Culture and recreation	-	1,495,890	-	-	-	-
Home and community services	-	-	-	-	1,177,918	662
Employee benefits	-	394,796	-	-	119,765	-
Debt Service:						
Debt service - principal	-	210,000	-	-	-	40,000
Debt service - interest and other charges	-	284,569	-	-	-	4,922
Total Expenditures	\$ 1,322,773	\$ 2,422,639	\$ -	\$ 334,416	\$ 1,337,142	\$ 45,584
Excess (deficiency) of revenue over expenditures	\$ (1,322,525)	\$ (247,349)	\$ 24,008	\$ (6,078)	\$ 242,681	\$ 233
Other Financing Sources and Uses:						
Transfers - in	\$ 1,341,328	\$ 200,000	\$ -	\$ -	\$ -	\$ -
Transfers - out	(31,685)	-	-	-	(783,414)	-
Total Other Financing Sources and Uses	\$ 1,309,643	\$ 200,000	\$ -	\$ -	\$ (783,414)	\$ -
Net change in fund balances	\$ (12,882)	\$ (47,349)	\$ 24,008	\$ (6,078)	\$ (540,733)	\$ 233
Fund Balance - Beginning	601,545	561,276	149,642	293,803	4,052,474	4,888
Fund Balance - Ending	\$ 588,663	\$ 513,927	\$ 173,650	\$ 287,725	\$ 3,511,741	\$ 5,121

Drainage Fund	Parks Special District Fund	Ambulance District Fund	Transportation Fund	E. River Road Mitigation Fund	Total Non-Major Governmental Funds
\$ 776,459	\$ 177,053	\$ 849,780	\$ -	\$ -	\$ 4,712,577
-	-	-	-	211,200	1,397,970
15,108	1,967	-	5,229	3,421	66,325
1,496	-	-	-	-	3,044
-	-	-	-	-	15,321
125,000	-	-	-	-	125,000
<u>\$ 918,063</u>	<u>\$ 179,020</u>	<u>\$ 849,780</u>	<u>\$ 5,229</u>	<u>\$ 214,621</u>	<u>\$ 6,320,237</u>
\$ 20,805	\$ 7,328	\$ -	\$ -	\$ -	\$ 1,359,049
-	-	862,043	-	-	862,043
-	-	-	-	-	403,116
-	141,840	-	-	-	1,637,730
836,690	-	-	-	-	2,015,270
112,706	11,251	-	-	-	638,518
-	-	-	-	-	250,000
-	-	-	-	-	289,491
<u>\$ 970,201</u>	<u>\$ 160,419</u>	<u>\$ 862,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,455,217</u>
<u>\$ (52,138)</u>	<u>\$ 18,601</u>	<u>\$ (12,263)</u>	<u>\$ 5,229</u>	<u>\$ 214,621</u>	<u>\$ (1,134,980)</u>
\$ -	\$ -	\$ 12,263	\$ -	\$ -	\$ 1,553,591
(501,000)	-	-	-	-	(1,316,099)
<u>\$ (501,000)</u>	<u>\$ -</u>	<u>\$ 12,263</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,492</u>
\$ (553,138)	\$ 18,601	\$ -	\$ 5,229	\$ 214,621	\$ (897,488)
1,778,941	186,773	109	480,933	91,597	8,201,981
<u>\$ 1,225,803</u>	<u>\$ 205,374</u>	<u>\$ 109</u>	<u>\$ 486,162</u>	<u>\$ 306,218</u>	<u>\$ 7,304,493</u>