

TOWN OF HENRIETTA

Monroe County, New York

BASIC FINANCIAL STATEMENTS

For Year Ended December 31, 2023



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

Report on the Audit of the Financial Statements

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, 2023, 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, 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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

Town of Henrietta, Monroe County, New York's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 53-57 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 Town of Henrietta, Monroe County, New York's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information as listed in the table of contents and schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents and schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2024 on our consideration of Town of Henrietta, Monroe County, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Henrietta, Monroe County, New York's internal control over financial reporting and compliance.

Mengel, Metzger, Barw & Co. LLP

Rochester, New York
April 11, 2024

Town of Henrietta, Monroe County, New York

Management's Discussion and Analysis (MD&A)

December 31, 2023

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, 2023. 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 2023 are as follows:

- ◆ On the government-wide financial statements, the total assets of the Town exceeded liabilities by \$80,566,811 (net position) an increase of \$5,210,235. Of the current year amount, the unrestricted portion is \$17,018,124. 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 \$17,340,863 or 63% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$10,074,035 or 37% of total revenues.
- ◆ The Town's governmental fund financial statements report a combined ending fund balance of \$28,763,575, an increase of \$1,705,536 in comparison with the prior year. At the end of the current year, \$8,523,440 is available for spending at the Town's discretion.
- ◆ At the end of the current year, the fund balance of the General Fund was \$14,956,839 a decrease of \$2,832,967 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 three major individual governmental funds; General Fund, Capital 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 Library Fund, the Water Fund, the 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 \$80,566,811.

Net Position

The Town's combined net position was more on December 31, 2023, than they were the year before, as shown in table below:

	<u>Governmental Activities</u>		<u>Total Variance</u>
	<u>2023</u>	<u>2022</u>	
<u>ASSETS:</u>			
Current and Other Assets	\$ 35,693,350	\$ 37,212,042	\$ (1,518,692)
Capital Assets	65,196,685	58,604,582	6,592,103
Total Assets	\$ 100,890,035	\$ 95,816,624	\$ 5,073,411
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred Outflows of Resources	\$ 3,690,297	\$ 3,807,286	\$ (116,989)
<u>LIABILITIES:</u>			
Long-Term Debt Obligations	\$ 16,607,353	\$ 9,682,130	\$ 6,925,223
Other Liabilities	6,907,898	8,356,548	(1,448,650)
Total Liabilities	\$ 23,515,251	\$ 18,038,678	\$ 5,476,573
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred Inflows of Resources	\$ 498,270	\$ 6,228,656	\$ (5,730,386)
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 55,522,145	\$ 50,013,328	\$ 5,508,817
Restricted For,			
Other Purposes	8,026,542	6,279,233	1,747,309
Unrestricted	17,018,124	19,064,015	(2,045,891)
Total Net Position	\$ 80,566,811	\$ 75,356,576	\$ 5,210,235

Key Variances

- Capital Assets increased as a result of increase in current Town work-in-process on new Town buildings and other projects.
- Long-Term Debt Obligations increased as a result of an energy performance contract and classification of Net Pension Liability reporting.
- Deferred Inflows of Resources decreased as a result of a reduction in the Deferred Inflows of Pension.

By far, the largest component of the Town's net position (69%) 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 10% of total net position. The remaining balance of unrestricted net position, which is a surplus of \$17,018,124 (21%), may be used to finance future operations.

Changes in Net Position

The Town's total revenues were more for 2023 than they were the year before, increasing by 5% to \$27,414,898.

The Town's total expenditures were more for 2023 than they were the year before, increasing by 18% to \$22,250,563.

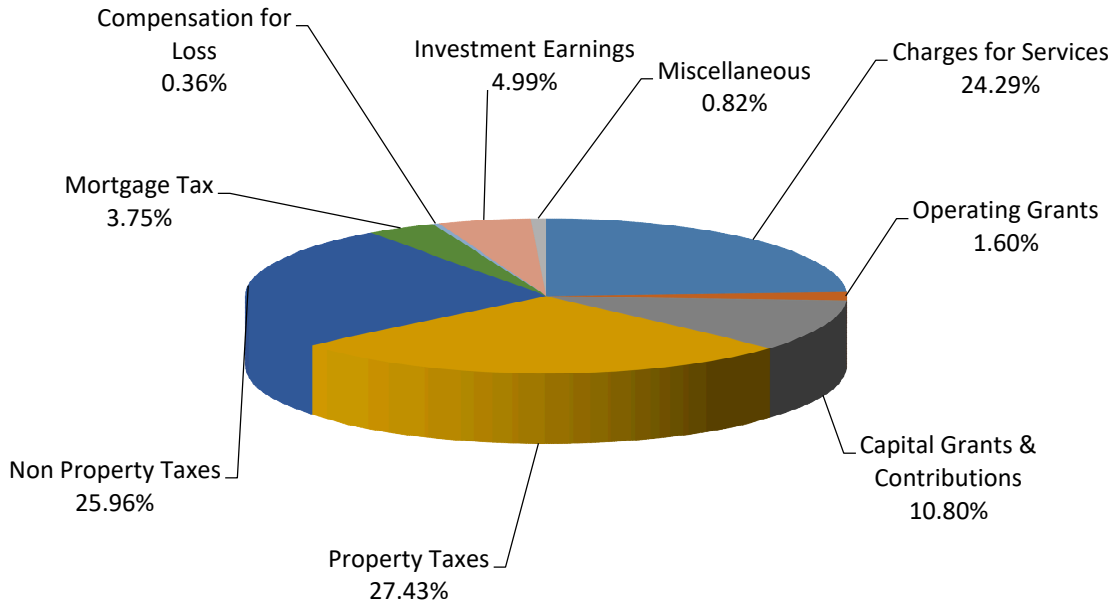
See table below:

	Governmental Activities		Total Variance
	<u>2023</u>	<u>2022</u>	
<u>REVENUES:</u>			
<u>Program -</u>			
Charges for Service	\$ 6,669,787	\$ 7,074,966	\$ (405,179)
Operating Grants & Contributions	438,983	466,949	(27,966)
Capital Grants & Contributions	2,965,265	895,942	2,069,323
Total Program	\$ 10,074,035	\$ 8,437,857	\$ 1,636,178
<u>General -</u>			
Property Taxes	\$ 7,532,247	\$ 7,407,390	\$ 124,857
Non Property Taxes	7,128,110	7,607,644	(479,534)
Mortgage Tax	1,029,112	2,280,670	(1,251,558)
Compensation for Loss	98,894	94,972	3,922
Investment Earnings	1,371,367	232,990	1,138,377
Miscellaneous	181,133	163,831	17,302
Total General	\$ 17,340,863	\$ 17,787,497	\$ (446,634)
TOTAL REVENUES	\$ 27,414,898	\$ 26,225,354	\$ 1,189,544
<u>EXPENSES:</u>			
General Government Support	\$ 7,820,677	\$ 6,519,216	\$ 1,301,461
Public Safety	1,043,390	885,683	157,707
Health	887,904	862,043	25,861
Transportation	4,897,440	3,232,885	1,664,555
Economic Assistance & Development	366,928	290,176	76,752
Culture & Recreation	5,464,206	4,475,135	989,071
Home & Community Services	1,392,632	2,319,575	(926,943)
Interest	331,486	292,468	39,018
TOTAL EXPENSES	\$ 22,204,663	\$ 18,877,181	\$ 3,327,482
INCREASE IN NET POSITION	\$ 5,210,235	\$ 7,348,173	
NET POSITION, BEGINNING OF YEAR	75,356,576	68,008,403	
NET POSITION, END OF YEAR	\$ 80,566,811	\$ 75,356,576	

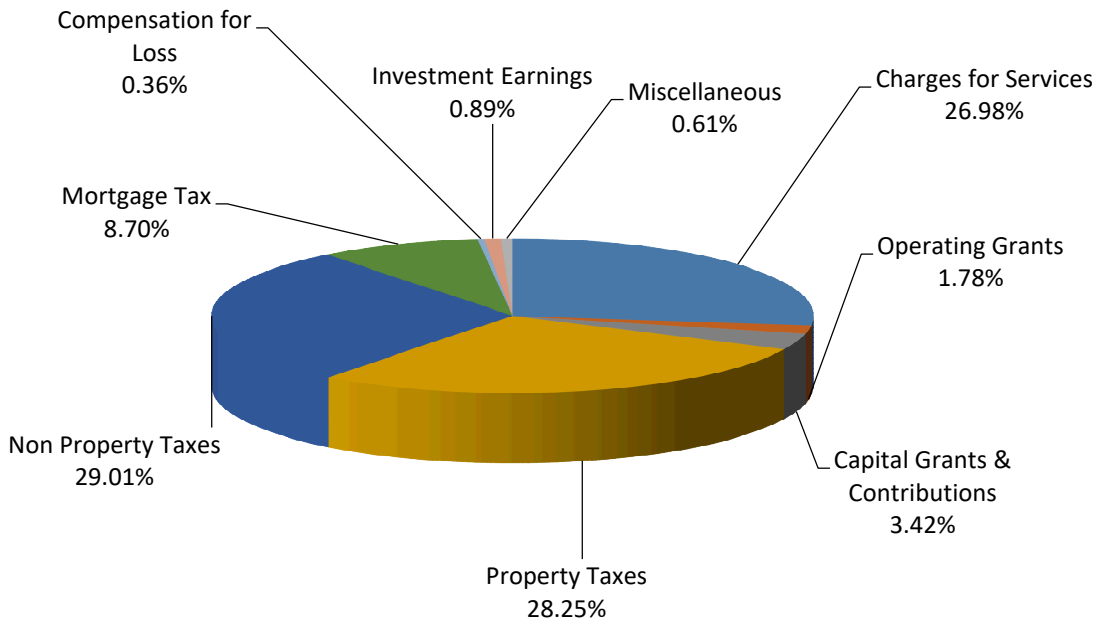
Key Variances

- Mortgage Tax Revenues decreased as a result of a reduction in mortgage taxes during the year.
- Investment Earnings Revenues increased as a result of increased interest rates.
- General Government Support Expenses increased as a result of work in process of Town Court construction.
 - Transportation Expenses increased as a result of installation of LED lights under the Energy Performance Contract.

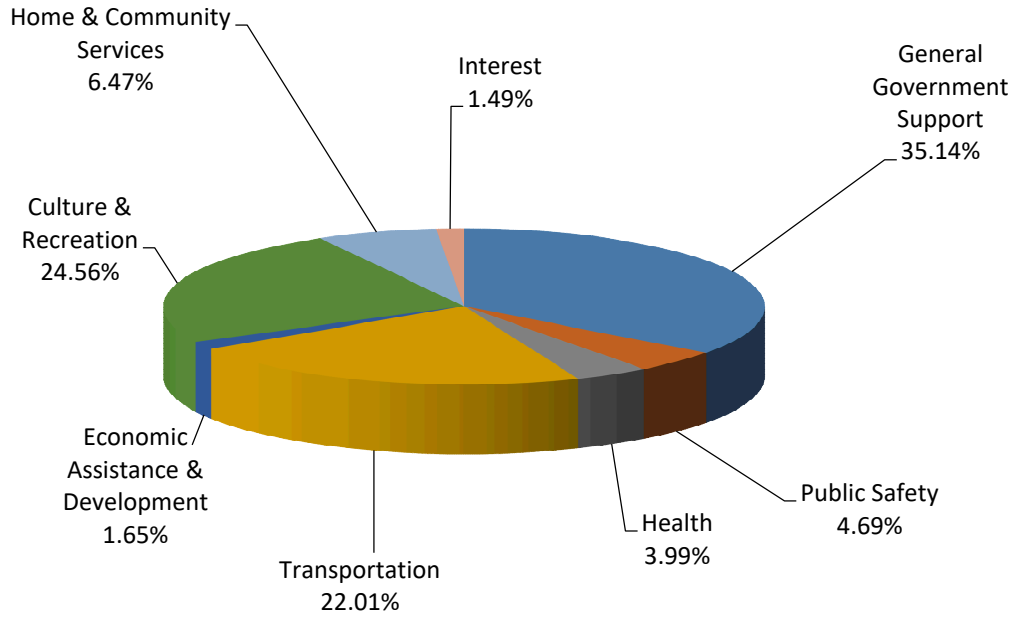
SOURCE OF REVENUES 2023



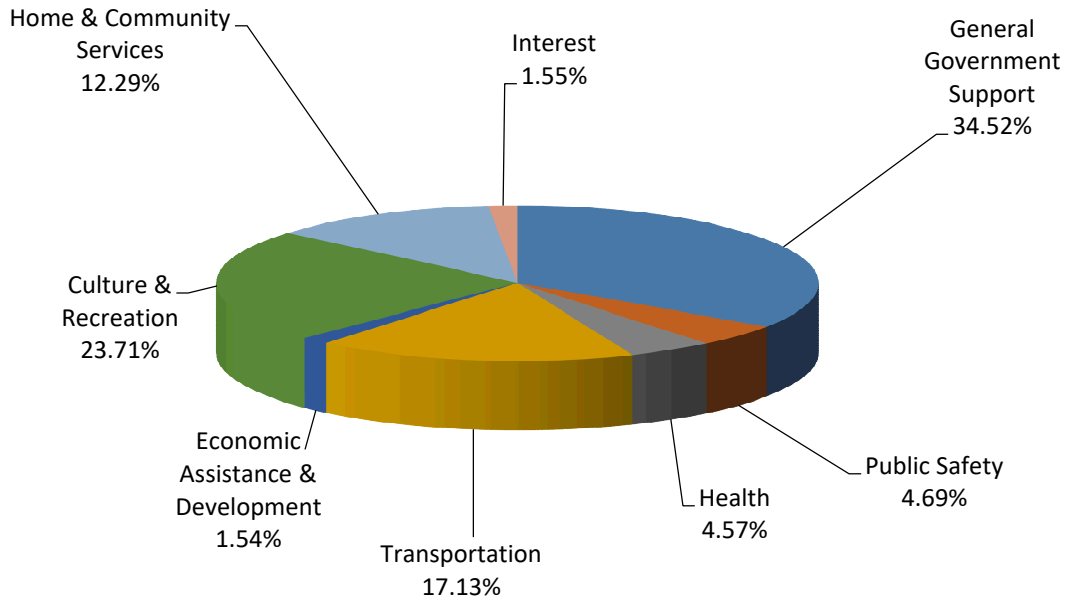
SOURCE OF REVENUES 2022



SOURCE OF EXPENDITURES 2023



SOURCE OF EXPENDITURES 2022



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 \$28,763,575 which is more than last year's ending fund balance of \$27,058,039.

Of the total combined fund balances, \$208,204 has been designated as nonspendable fund balance, \$12,405,190 has been designated as restricted fund balance, \$7,626,741 has been designated as assigned fund balance and the remaining balance of \$8,523,440 (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 \$14,956,839, of which \$8,523,440 was unassigned. The fund balance for the Town of Henrietta's General Fund decreased by \$2,832,967 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	\$628,002	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>
General Fund-Transfers-Out	\$8,766,698	Allocation of 2022 Fund Balance for the Town Court Project and Town Parks Capital Projects in addition to allocation of ARPA funds for the Town Court Project
Highway Fund-Transportation	\$626,848	NYS Granted an increase in CHIPS and additional monies for the Town's touring route.

<u>Revenue Items</u>	Budget Variance Amended Vs. Actual	<u>Explanation for Budget Variance</u>
General Fund-Non-Property Taxes	\$2,628,110	Sales tax revenues in excess of the anticipated amount.
General Fund-Departmental Income	\$533,566	Timing of large project fees.
General Fund-Use of Money and Property	\$795,830	Increase in interest rates and reclassification of property lease income.
General Fund-Federal Aid	\$1,996,316	Use of a portion of ARPA funding
Highway Fund-Intergovernmental Charges	\$74,545	The Town performed work for the County in excess of the budgeted amount.
Highway Fund-Use of Money and Property	\$83,116	Increase in interest rates.
<u>Expenditure Items</u>	Budget Variance Amended Vs. Actual	<u>Explanations for Budget Variance</u>
General Fund-General Government Support	\$434,917	Cost savings due to vehicle and equipment purchases encumbered due to supply chain, open headcount, and project work.
General Fund-Public Safety	\$240,818	Cost savings due to vehicle purchases encumbered due to supply chain and open headcount.
General Fund-Transfers-Out	\$2,457,619	Balance of ARPA funding not yet used on the construction of the Town Court building.
Highway Fund-Transportation	\$528,614	Cost savings due to vehicle purchases encumbered due to supply chain and open headcount.
Highway Fund-Employee Benefits	\$121,681	Cost savings due to benefits associated with open headcount.

Capital Assets

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

	<u>2023</u>	<u>2022</u>
<u>Capital Assets</u>		
Land	\$ 3,862,577	\$ 3,862,577
Work in Progress	8,113,369	1,426,319
Buildings and Improvements	23,759,583	24,900,323
Machinery and Equipment	5,333,831	4,966,539
Infrastructure	24,119,770	23,424,995
Total Capital Assets	<u>\$ 65,189,130</u>	<u>\$ 58,580,753</u>
<u>Lease Assets</u>		
Equipment	\$ 7,555	\$ 23,829
Total Lease Assets	<u>\$ 7,555</u>	<u>\$ 23,829</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>Type</u>	<u>2023</u>	<u>2022</u>
Serial Bonds	\$ 8,175,000	\$ 8,430,000
Energy Performance Contracts	2,300,000	-
Leases	7,555	23,829
Net Pension Liability	4,765,298	-
Compensated Absences	66,299	62,222
Retainage Payable	321,890	137,425
OPEB	971,311	1,028,654
Total Long-Term Obligations	\$ 16,607,353	\$ 9,682,130

The amount of principal paid on outstanding debt was \$271,274. 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 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 them.

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, 2023

	Governmental
	Activities
ASSETS	
Cash and cash equivalents	\$ 32,635,695
Accounts receivable, net	2,849,451
Prepaid items	208,204
Capital assets:	
Land and work in progress	11,975,946
Other capital assets, net of depreciation	53,220,739
TOTAL ASSETS	<u>\$ 100,890,035</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	<u>\$ 3,690,297</u>
 LIABILITIES	
Accounts payable	\$ 1,413,453
Accrued liabilities	3,034,600
Unearned revenue	2,226
Other liabilities	2,457,619
Noncurrent liabilities:	
Due in one year	706,549
Due in more than one year	15,900,804
TOTAL LIABILITIES	<u>\$ 23,515,251</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	<u>\$ 498,270</u>
 NET POSITION	
Net investment in capital assets	\$ 55,522,145
Restricted for:	
Restricted other purposes	8,026,542
Unrestricted	17,018,124
TOTAL NET POSITION	<u><u>\$ 80,566,811</u></u>

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, 2023

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense)	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	Revenue and Changes in Net Position
					Primary Governmental Activities
Primary Government:					
Governmental Activities:					
General government support	\$ 7,820,677	\$ 38,341	\$ 312,352	\$ 1,996,316	\$ (5,473,668)
Public safety	1,043,390	3,174,485	-	-	2,131,095
Health	887,904	-	-	-	(887,904)
Transportation	4,897,440	1,157,096	-	928,002	(2,812,342)
Economic assistance and development	366,928	27,829	98,968	-	(240,131)
Culture and recreation	5,464,206	1,160,352	27,663	-	(4,276,191)
Home and community services	1,392,632	1,111,684	-	40,947	(240,001)
Interest on long-term debt	331,486	-	-	-	(331,486)
Total Governmental Activities	\$ 22,204,663	\$ 6,669,787	\$ 438,983	\$ 2,965,265	\$ (12,130,628)
General Revenues:					
Taxes:					
Property taxes					\$ 7,532,247
Non-property taxes					7,128,110
Mortgage tax					1,029,112
Compensation for loss					98,894
Investment earnings					1,371,367
Miscellaneous					181,133
Total General Revenues					\$ 17,340,863
Change in Net Position					\$ 5,210,235
Net Position - Beginning					75,356,576
Net Position - Ending					\$ 80,566,811

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

**Balance Sheet
Governmental Funds
December 31, 2023**

	Major			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Capital Projects Fund	Highway Fund		
Assets					
Cash and cash equivalents	\$ 15,711,667	\$ 7,805,651	\$ 2,258,657	\$ 6,859,720	\$ 32,635,695
Receivables, net	474,477	-	5,189	500,019	979,685
Due from other funds	2,457,619	-	-	-	2,457,619
Due from other governments, net	1,812,866	-	56,521	379	1,869,766
Prepaid items	116,414	-	45,655	46,135	208,204
Total Assets	<u>\$ 20,573,043</u>	<u>\$ 7,805,651</u>	<u>\$ 2,366,022</u>	<u>\$ 7,406,253</u>	<u>\$ 38,150,969</u>
Liabilities Deferred Inflows and Fund Balances					
Liabilities:					
Accounts payable	\$ 232,734	\$ 969,384	\$ 86,612	\$ 124,723	\$ 1,413,453
Accrued liabilities	2,840,980	-	64,435	68,417	2,973,832
Due to other funds	-	2,457,619	-	-	2,457,619
Unearned revenue	2,226	-	-	-	2,226
Other liabilities	2,457,619	-	-	-	2,457,619
Total Liabilities	<u>\$ 5,533,559</u>	<u>\$ 3,427,003</u>	<u>\$ 151,047</u>	<u>\$ 193,140</u>	<u>\$ 9,304,749</u>
Deferred Inflows:					
Deferred inflows of resources	\$ 82,645	\$ -	\$ -	\$ -	\$ 82,645
Fund Balances:					
Nonspendable	\$ 116,414	\$ -	\$ 45,655	\$ 46,135	\$ 208,204
Restricted	1,187,939	4,378,648	-	6,838,603	12,405,190
Assigned	5,129,046	-	2,169,320	328,375	7,626,741
Unassigned	8,523,440	-	-	-	8,523,440
Total Fund Balances	<u>\$ 14,956,839</u>	<u>\$ 4,378,648</u>	<u>\$ 2,214,975</u>	<u>\$ 7,213,113</u>	<u>\$ 28,763,575</u>
Total Liabilities Deferred Inflows and Fund Balances	<u>\$ 20,573,043</u>	<u>\$ 7,805,651</u>	<u>\$ 2,366,022</u>	<u>\$ 7,406,253</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	65,196,685
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(60,768)
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	(8,175,000)
Energy Performance Contracts	(2,300,000)
Leases	(7,555)
Retainage Payable	(321,890)
Deferred Inflows - Pensions	(283,827)
Deferred Outflows - Pensions	3,601,878
Deferred Inflows - OPEB	(131,798)
Deferred Outflows - OPEB	88,419
Pension Liability	(4,765,298)
OPEB Liability	(971,311)
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.	(66,299)
Net Position of Governmental Activities	<u><u>\$ 80,566,811</u></u>

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

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Major Capital Projects Fund	Highway Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Real property and tax items	\$ 154,059	\$ -	\$ 2,540,320	\$ 4,837,868	\$ 7,532,247
Non-property taxes	7,128,110	-	-	-	7,128,110
Departmental income	3,852,059	-	-	1,322,050	5,174,109
Intergovernmental charges	20,523	-	874,545	-	895,068
Use of money and property	814,330	118,093	85,116	353,828	1,371,367
Licenses and permits	511,583	-	-	-	511,583
Fines and forfeitures	89,027	-	-	-	89,027
Sale of property and compensation for loss	24,582	-	20,507	53,805	98,894
Miscellaneous	7,921	146,017	2,350	24,845	181,133
Interfund revenues	986,393	-	40,768	45,900	1,073,061
State and county aid	1,468,095	-	928,002	-	2,396,097
Federal aid	1,996,316	-	-	40,947	2,037,263
Total Revenues	\$ 17,052,998	\$ 264,110	\$ 4,491,608	\$ 6,679,243	\$ 28,487,959
Expenditures:					
Current:					
General government support	\$ 5,929,833	\$ 5,169,360	\$ 93,213	\$ 110,211	\$ 11,302,617
Public safety	712,777	-	-	-	712,777
Health	-	-	-	887,904	887,904
Transportation	286,192	1,170,095	4,404,889	542,857	6,404,033
Economic assistance and development	292,687	-	-	-	292,687
Culture and recreation	1,682,971	-	-	1,706,108	3,389,079
Home and community services	80,765	-	-	2,196,551	2,277,316
Employee benefits	1,881,616	-	746,946	631,722	3,260,284
Debt Service:					
Debt service - principal	16,274	-	-	255,000	271,274
Debt service - interest and other charges	2,566	-	-	281,886	284,452
Total Expenditures	\$ 10,885,681	\$ 6,339,455	\$ 5,245,048	\$ 6,612,239	\$ 29,082,423
Excess (deficiency) of revenue over expenditures	\$ 6,167,317	\$ (6,075,345)	\$ (753,440)	\$ 67,004	\$ (594,464)
Other Financing Sources and Uses:					
Transfers - in	\$ 8,795	\$ 7,574,079	\$ 1,004,675	\$ 679,623	\$ 9,267,172
Transfers - out	(9,009,079)	(8,749)	-	(249,344)	(9,267,172)
Installment purchase debt	-	2,300,000	-	-	2,300,000
Total Other Financing Sources and Uses	\$ (9,000,284)	\$ 9,865,330	\$ 1,004,675	\$ 430,279	\$ 2,300,000
Net change in fund balances	\$ (2,832,967)	\$ 3,789,985	\$ 251,235	\$ 497,283	\$ 1,705,536
Fund Balance - Beginning	17,789,806	588,663	1,963,740	6,715,830	27,058,039
Fund Balance - Ending	\$ 14,956,839	\$ 4,378,648	\$ 2,214,975	\$ 7,213,113	\$ 28,763,575

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,705,536

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	\$ 6,301,826	
Addition of assets, net	4,258,877	
Depreciation and amortization	(3,623,970)	
Gain/(Loss) on sale of assets	(344,630)	
		6,592,103

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	\$ 271,274	
Proceeds from Installment purchase debt	(2,300,000)	
		(2,028,726)

The Retainage liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds. (184,465)

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. 98,419

(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		(921,521)
------------------------------	--	-----------

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. (4,077)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. (47,034)

Change in Net Position of Governmental Activities \$ 5,210,235

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, 2023

	Custodial Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 528,651
	<u> </u>
TOTAL ASSETS	<u>\$ 528,651</u>
LIABILITIES	
Accounts payable	\$ 462,490
	<u> </u>
TOTAL LIABILITIES	<u>\$ 462,490</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	\$ 66,161
	<u> </u>
TOTAL NET POSITION	<u><u>\$ 66,161</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, 2023

	Custodial Funds
	<u> </u>
ADDITIONS	
Town Justice - collections for fines and bail	\$ 190,628
Tax Receiver - Tax/PILOT collections for other governments	110,194,151
Town Clerk - collections for State agencies	<u>27,881</u>
TOTAL ADDITIONS	<u>\$ 110,412,660</u>
DEDUCTIONS	
Riverton Golf Course payments	\$ 146,017
Justice - bail returned to individuals	60,800
Justice - fines / bail turned over to state	162,728
Tax Receiver - payments to School Districts	61,816,800
Tax Receiver - payments to County	32,923,338
Tax Receiver - payment to Fire District	15,440,662
Tax Receiver - payment to others	15,964
Town Clerk - collections for various state agencies	<u>27,881</u>
TOTAL DEDUCTIONS	<u>\$ 110,594,190</u>
Change in net position	\$ (181,530)
NET POSITION - BEGINNING	<u>247,691</u>
NET POSITION - ENDING	<u><u>\$ 66,161</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, 2023

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 Town created by state legislation which designates the school board as their governing authority. School board members are elected by the qualified voters of the Town. 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 Town.
- b. The Henrietta Fire Town is an independent Town 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 Town. The Board of Fire Commissioners has complete responsibility for management of the Town and its fiscal affairs. The Town Council exercises no oversight over Town 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.

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

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.

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 Town Fund
Consolidated Sewer Fund	Parks Special Town Fund
Ambulance Fund	Transportation Fund
East River Rd Mitigation Fund	Parks and Recreation Trust Fund
Library Fund	Sewer Fund
Water 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 Town purposes on a single bill. The Town and special Towns 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, 2023, the Town implemented the following new standards issued by GASB:

GASB has issued Statement 94 *Public-Private and Public-Public Partnerships and Available Payment Arrangements*.

GASB has issued Statement 96 *Subscription Based Information Technology*.

GASB has issued Statement 99 *Omnibus 2022-Leases, PPP, and SBITAS*.

H. **Future Changes in Accounting Standards**

GASB has issued Statement 99 *Omnibus 2022-Financial Guarantees, and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53*, which will be effective for fiscal years beginning after June 15, 2023.

GASB has issued Statement 100 *Accounting Changes and Error Corrections-An Amendment of GASB Statement No. 62*, which will be effective for fiscal years beginning after June 15, 2023.

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

GASB has issued Statement 102, *Certain Risk Disclosures*, which will be effective for fiscal years beginning after June 15, 2024.

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

II. **Changes in Accounting Principles**

For the year ended December 31, 2023, the Town implemented GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. The implementation of the statement changes the reporting for SBITA's did not have a material impact to the financial statements.

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 Town special revenue funds.

B. Deposit and Investment Laws and Regulations

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

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

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

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		18,415,804
Collateralized within Trust Department or Agent		1,518,907
Total	\$	<u>19,934,711</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 \$12,405,190 within the governmental funds and \$528,651 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 \$12,071,679, which consisted of \$2,140,309 in repurchase agreements, \$7,998,695 in U.S. Treasury Securities, \$232,983 in FDIC insured deposits and \$1,699,692 in collateralized bank deposits, with various interest rates and due dates.

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	\$ 1,377,795	\$ 1,377,795	NYCLASS
Highway Fund	808,928	808,928	NYCLASS
Library Fund	42,926	42,926	NYCLASS
Drainage Fund	209,271	209,271	NYCLASS
Sewer Fund	947,425	947,425	NYCLASS
Park & Recreation Trust Fund	101,012	101,012	NYCLASS
E. River Road Mitigation Fund	589,349	589,349	NYCLASS
Lighting District Fund	316,500	316,500	NYCLASS
Park Special District Fund	130,665	130,665	NYCLASS
Transportation Fund	86,369	86,369	NYCLASS
Capital Equipment Reserve	1,187,766	1,187,766	NYCLASS
Capital Projects	6,273,673	6,273,673	NYCLASS
Total	<u>\$ 12,071,679</u>	<u>\$ 12,071,679</u>	

(IV.) (Continued)

C. Receivables

Receivables at December 31, 2023 consisted of the following:

<u>Description</u>	<u>Accounts Receivable</u>	<u>Due From Other Governments</u>	<u>Total</u>
Monroe County Sales Tax	\$ -	\$ 1,719,337	\$ 1,719,337
Monroe County, Miscellaneous	-	71,036	71,036
New York State	-	47,988	47,988
Fire Alarms	9,300	-	9,300
Fines, Fees and Forfeitures	-	13,373	13,373
G.S.G. Charge Backs	69,798	3,240	73,038
Town Clerk Report	189,872	-	189,872
Engineering	53,095	-	53,095
Sewer Rents Receivable	491,638	-	491,638
PILOT Payments	5,188	14,792	19,980
Property Maintenance	28,253	-	28,253
Refuse Tipping / Host Fees	26,383	-	26,383
Lease Receivable	82,645	-	82,645
Miscellaneous	56,197	-	56,197
Allowance for Doubtful Accounts	(32,684)	-	(32,684)
Total Receivables	\$ 979,685	\$ 1,869,766	\$ 2,849,451

Future collections for the lease receivable are as follows:

<u>Year</u>	<u>Amount</u>
2024	\$ 13,126
2025	17,087
2026	27,966
2027	24,466
Total	\$ 82,645

D. Interfund Receivables, Payables, Revenues and Expenditures

Interfund receivables, payables, revenues and expenditures at December 31, 2023 were as follows:

	<u>Interfund</u>			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 2,457,619	\$ -	\$ 8,795	\$ 9,009,079
Highway Fund	-	-	1,004,675	-
Capital Fund	-	2,457,619	7,574,079	8,749
Nonmajor Funds	-	-	679,623	249,344
Total	\$ 2,457,619	\$ 2,457,619	\$ 9,267,172	\$ 9,267,172

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

(IV.) (Continued)

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>1/1/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/23</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 3,862,577	\$ -	\$ -	\$ 3,862,577
Work in progress	1,426,319	6,687,050	-	8,113,369
<i>Total Nondepreciable</i>	<u>\$ 5,288,896</u>	<u>\$ 6,687,050</u>	<u>\$ -</u>	<u>\$ 11,975,946</u>
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 35,466,392	\$ -	\$ 2,720,224	\$ 32,746,168
Machinery and equipment	11,572,685	1,279,239	538,866	12,313,058
Infrastructure	78,311,248	2,594,414	-	80,905,662
<i>Total Depreciated Assets</i>	<u>\$ 125,350,325</u>	<u>\$ 3,873,653</u>	<u>\$ 3,259,090</u>	<u>\$ 125,964,888</u>
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 10,566,069	\$ 826,126	\$ 2,405,610	\$ 8,986,585
Machinery and equipment	6,606,146	881,931	508,850	6,979,227
Infrastructure	54,886,253	1,899,639	-	56,785,892
<i>Total Accumulated Depreciation</i>	<u>\$ 72,058,468</u>	<u>\$ 3,607,696</u>	<u>\$ 2,914,460</u>	<u>\$ 72,751,704</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 53,291,857</u>	<u>\$ 265,957</u>	<u>\$ 344,630</u>	<u>\$ 53,213,184</u>
Total Capital Assets	<u>\$ 58,580,753</u>	<u>\$ 6,953,007</u>	<u>\$ 344,630</u>	<u>\$ 65,189,130</u>

2. Lease Assets

A summary of changes in lease assets follows:

<u>Type</u>	<u>Balance</u> <u>01/01/23</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/23</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	\$ 16,274	\$ -	\$ 30,715
<i>Total Accumulated Amortization</i>	<u>\$ 14,441</u>	<u>\$ 16,274</u>	<u>\$ -</u>	<u>\$ 30,715</u>
Total Lease Assets, Net	<u>\$ 23,829</u>	<u>\$ (16,274)</u>	<u>\$ -</u>	<u>\$ 7,555</u>

(IV.) (Continued)

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

Depreciated Capital Assets (net)	\$ 53,213,184
Amortized Lease Assets (net)	7,555
Total Other Capital Assets	\$ 53,220,739

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	\$ 139,028	\$ 16,274	\$ 155,302
Public Safety	11,999	-	11,999
Transportation	1,593,535	-	1,593,535
Culture and Recreation	973,177	-	973,177
Home and Community Services	889,957	-	889,957
Total Depreciation Expense	\$ 3,607,696	\$ 16,274	\$ 3,623,970

F. **Long-Term Debt**

At December 31, 2023 the total outstanding obligations of the Town aggregated \$16,607,353 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.
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	284,452
Less: Interest Accrued in the Prior Year	(13,734)
Plus: Interest Accrued in the Current Year	60,768
Total Long-Term Interest Expense	\$ 331,486

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

(IV.) (Continued)

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

Energy Performance Contract – represents the value of future principal payments on the Energy Performance Contract

4. **Summary of Debt** - The following is a summary of obligations outstanding at December 31, 2023:

	Balance 1/1/23	Additions	Deletions	Balance 12/31/23	Due Within One Year
Serial Bonds	\$ 8,430,000	\$ -	\$ 255,000	\$ 8,175,000	\$ 265,000
Energy Performance Contract	-	2,300,000	-	2,300,000	95,529
Lease Liability	\$ 23,829	-	16,274	7,555	7,555
Net Pension Liability	-	4,765,298	-	4,765,298	-
Compensated Absences	62,222	4,077	-	66,299	16,575
Retainage Liability	137,425	184,465	-	321,890	321,890
OPEB	1,028,654	-	57,343	971,311	-
Total Long-Term Obligations	\$ 9,682,130	\$ 7,253,840	\$ 328,617	\$ 16,607,353	\$ 706,549

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

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

Description	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding 12/31/23
<u>Serial Bonds -</u>					
Construction - Library	\$ 5,000,000	2018	2047	3.25% - 3.5%	\$ 4,390,000
Construction - Library	\$ 3,944,163	2019	2047	3.43%	3,560,000
<u>Revolving Fund Revenue Bonds -</u>					
State Water Pollution Control *	\$ 535,000	2015D	2028	4.13% - 4.752%	225,000
Total Serial Bonds					\$ 8,175,000
<u>Energy Performance Contracts -</u>					
Energy Performance Contract	\$ 2,300,000	2023	2037	4.98%	\$ 2,300,000
Total Energy Performance Contracts					\$ 2,300,000
<u>Leases -</u>					
Copier Lease	\$ 45,530	2022	2024	1.29%	\$ 7,555
Total Leases					\$ 7,555

(IV.) (Continued)

* 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	\$ 11,455	\$ 7,313	\$ 4,142
Total	\$ 11,455	\$ 7,313	\$ 4,142

The Town entered into an agreement with South Central Pure Waters Town of Monroe County, whereby the Town 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, 2023:

<u>Year</u>	<u>Serial Bonds</u>		<u>Leases</u>		<u>Energy Performance Contracts</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 265,000	\$ 273,948	\$ 7,555	\$ 295	\$ 95,529	\$ 114,471
2025	275,000	265,900	-	-	108,283	109,717
2026	280,000	257,616	-	-	117,673	104,327
2027	290,000	249,475	-	-	131,529	98,471
2028	295,000	240,284	-	-	144,076	91,924
2029-33	1,390,000	1,074,443	-	-	851,426	343,576
2034-38	1,635,000	829,281	-	-	851,484	108,517
2039-43	1,935,000	528,238	-	-	-	-
2044-47	1,810,000	163,275	-	-	-	-
Total	\$ 8,175,000	\$ 3,882,460	\$ 7,555	\$ 295	\$ 2,300,000	\$ 971,003

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. \$225,000 of bonds outstanding are considered defeased.

(IV.) (Continued)

G. Deferred Inflows/Outflows of Resources

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

	Deferred Outflows	Deferred Inflows
Pension	\$ 3,601,878	\$ 283,827
Leases	-	82,645
OPEB	88,419	131,798
Total	\$ 3,690,297	\$ 498,270

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 1/1/23	Revenues	Transfers	Balance 12/31/23
Building Capital Reserve	\$ 96,428	\$ 1,508	\$ 97,763	\$ 173
Equipment Capital Reserve	-	1,289,520	101,754	1,187,766
Total Capital Reserves	\$ 96,428	\$ 1,291,028	\$ 199,517	\$ 1,187,939

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

(IV.) (Continued)

Special Towns – Town special Towns 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 Towns:

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

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 \$39,000 are considered significant. The following funds have significant encumbrances:

- General Fund - General Government Support – \$188,703
- General Fund – Public Safety – \$123,815
- Highway Fund – Transportation - \$240,243
- Capital Fund – General Government Support - \$3,429,333

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	Capital Fund	Non Major Funds	Total
<u>Nonspendable -</u>					
Prepaid items	\$ 116,414	\$ 45,655	\$ -	\$ 46,135	\$ 208,204
Total Nonspendable	\$ 116,414	\$ 45,655	\$ -	\$ 46,135	\$ 208,204
<u>Restricted -</u>					
Parks	\$ -	\$ -	\$ 58,764	\$ 288,527	\$ 347,291
Transportation	-	-	-	306,648	306,648
East river road mitigation project	-	-	-	592,569	592,569
Sidewalk project	-	-	187,500	-	187,500
Capital equipment	1,187,939	-	-	-	1,187,939
Water	-	-	-	16	16
Sewer administration	-	-	115,569	-	115,569
Sewer	-	-	-	3,746,942 *	3,746,942
Street lighting	-	-	-	327,660	327,660
Drainage	-	-	-	1,433,735	1,433,735
Parks & rec improvements	-	-	964,082	-	964,082
Parkland deposits	-	-	-	137,136	137,136
Ambulance	-	-	-	159	159
Consolidated sewer	-	-	-	5,211	5,211
Court	-	-	1,922,828	-	1,922,828
EPC	-	-	1,129,905	-	1,129,905
Total Restricted	\$ 1,187,939	\$ -	\$ 4,378,648	\$ 6,838,603	\$ 12,405,190
<u>Assigned -</u>					
Appropriated for taxes	\$ 4,804,389	\$ 570,243	\$ -	\$ -	\$ 5,374,632
Library	-	-	-	328,375	328,375
General government support	188,703	-	-	-	188,703
Transportation	123,815	1,599,077	-	-	1,722,892
Culture and recreation	12,139	-	-	-	12,139
Total Assigned	\$ 5,129,046	\$ 2,169,320	\$ -	\$ 328,375	\$ 7,626,741
<u>Unassigned</u>	\$ 8,523,440	\$ -	\$ -	\$ -	\$ 8,523,440
TOTAL FUND BALANCE	\$ 14,956,839	\$ 2,214,975	\$ 4,378,648	\$ 7,213,113	\$ 28,763,575

* Of this amount \$556,724 represents a seque charge for Sewer District 1 Extension 37.

The following special revenue funds restricted balances have monies appropriated for 2024 taxes:

Transportation	\$ 306,648
Drainage	43,694
Parks	149,100
Street Lighting	25,000
E. River Road Mitigation	546,800
Total Special Revenue Restricted	
Appropriated for Taxes	\$ 1,071,242

(IV.) (Continued)

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

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

Capital Reserve	\$	1,187,939
Parkland Deposits		137,136
Street Lighting		327,660
Sewer		3,746,942
Consolidated Sewer		5,211
Drainage		1,433,735
Parks - Greenbelts		288,527
Ambulance		159
Transportation		306,648
Water		16
East River Rd Mitigation		592,569
Total Net Position - Restricted for Other Purposes	\$	<u>8,026,542</u>

3. **Net Position – Custodial Funds**

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

Bail	\$	7,899
Taxes collected in advance		58,262
Total Net Position - Custodial Funds	\$	<u>66,161</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 \$505,363. The Town received payment in lieu of tax (PILOT) payment totaling \$327,815 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.

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.

(VI.) (Continued)

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:

Prepayment		
<u>Due Date</u>		<u>ERS</u>
12/15/2023	\$	812,812
12/15/2022	\$	689,050
12/15/2021	\$	894,401

(VI.) (Continued)

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

At December 31, 2023, the Town reported a liability of \$4,765,298 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, 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, 2023, the Town's proportion was 0.022222 percent for ERS.

For the year ended December 31, 2023 the Town recognized pension expense of \$1,704,552. At December 31, 2023, 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	\$ 507,541	\$ 133,828
Changes of assumptions	2,314,336	25,578
Net difference between projected and actual earnings on pension plan investments	-	27,996
Changes in proportion and differences between the District's contributions and proportionate share of contributions	170,392	96,425
Subtotal	<u>\$ 2,992,269</u>	<u>\$ 283,827</u>
Town's contributions subsequent to the measurement date	609,609	-
Grand Total	<u>\$ 3,601,878</u>	<u>\$ 283,827</u>

The Town reported \$609,609 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, 2023. 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>
2024	\$ 644,499
2025	(232,985)
2026	999,304
2027	1,297,624
Total	<u>\$ 2,708,442</u>

(VI.) (Continued)

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, 2023
Actuarial valuation date	April 1, 2022
Interest rate	5.90%
Salary scale	4.40%
Inflation rate	2.90%
COLA's	1.50%

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-2021.

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, 2023 are summarized as follows:

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.60%
International equity	6.85%
Private equity	7.50%
Real estate	4.60%
Opportunistic portfolios	5.38%
Real assets	5.84%
Credit	5.43%

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

(VI.) (Continued)

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>	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (11,515,681)	\$ (4,765,298)	\$ 875,433

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	\$ 232,627,259
Plan net position	211,183,223
Employers' net pension asset/(liability)	<u>\$ (21,444,036)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	90.78%

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, 2023, 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><u>146</u></u>

B. Total OPEB Liability

The Town’s total OPEB liability of \$971,311 was measured as of September 30, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs – The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.42 percent
Salary Increases	3.42 percent, average, including inflation
Discount Rate	4.64 percent
Healthcare Cost Trend Rates	5.10 percent for 2023, decreasing to an ultimate rate of 3.86 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.

(VII.) (Continued)

C. Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 1,028,654
<u>Changes for the Year -</u>	
Service cost	\$ 10,994
Interest	39,921
Differences between expected and actual experience	38,239
Changes in assumptions or other inputs	(14,138)
Benefit payments	(132,359)
Net Changes	<u>\$ (57,343)</u>
Balance at December 31, 2023	<u>\$ 971,311</u>

There were change of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 4.40 percent in 2022 to 4.64 percent in 2023. The salary scale changed from 3.53% to 3.42% and updated health care trend rates.

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 (3.64 percent) or 1-percentage-point higher (5.64 percent) than the current discount rate:

	1% Decrease (3.64%)	Discount Rate (4.64%)	1% Increase (5.64%)
Total OPEB Liability	\$ 1,040,395	\$ 971,311	\$ 909,677

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 (4.10% Decreasing to 2.86%)	Healthcare Cost Trend Rates (5.10% Decreasing to 3.86%)	1% Increase (6.10% Decreasing to 4.86%)
Total OPEB Liability	\$ 925,662	\$ 971,311	\$ 1,023,712

(VII.) (Continued)

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

For the year ended December 31, 2023, the Town recognized OPEB expense of \$37,374. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 54,966	\$ -
Changes of assumptions	-	131,798
Contributions after measurement date	33,453	-
Total	\$ 88,419	\$ 131,798

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>	
2024	\$ (13,541)
2025	(13,541)
2026	(13,541)
2027	(13,541)
2028	(13,541)
Thereafter	(9,127)
Total	\$ (76,832)

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, 2023 amounts to \$66,299.

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, 2023 totaled \$48,144, 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

The Town is also subject to lawsuits in the ordinary conduct of its affairs regarding tax assessment. The Town does not believe, however that such suits, individually or in the aggregate, are likely to have a material effects on its financial condition.

The Town is also subject to claims regarding injuries on Town property or with Town vehicles. The Town does not believe, however, that such claims, individually or in the aggregate are likely to have a material effect on its financial condition. The claims are being managed through the Town's insurance policies.

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, 2023

TOTAL OPEB LIABILITY						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 10,994	\$ 18,385	\$ 24,357	\$ 19,360	\$ 16,678	\$ 17,989
Interest	39,921	24,854	40,443	42,209	52,525	49,714
Changes in benefit terms	-	-	(565,563)	-	-	-
Differences between expected and actual experiences	38,239	28,877	47,689	138,879	58,375	7,513
Changes of assumptions or other inputs	(14,138)	(159,942)	34,530	58,104	128,793	(42,615)
Benefit payments	(132,359)	(118,770)	(120,284)	(95,568)	(80,292)	(80,911)
Net Change in Total OPEB Liability	\$ (57,343)	\$ (206,596)	\$ (538,828)	\$ 162,984	\$ 176,079	\$ (48,310)
Total OPEB Liability - Beginning	\$ 1,028,654	\$ 1,235,250	\$ 1,774,078	\$ 1,611,094	\$ 1,435,015	\$ 1,483,325
Total OPEB Liability - Ending	\$ 971,311	\$ 1,028,654	\$ 1,235,250	\$ 1,774,078	\$ 1,611,094	\$ 1,435,015
Covered Employee Payroll	\$ 5,365,663	\$ 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	18.10%	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

(See Independent Auditors' Report)

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, 2023

	NYSERS Pension Plan							
	<u>2023</u>	<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)	0.0222%	0.0213%	0.0192%	0.0198%	0.0198%	0.0184%	0.0181%	0.0198%
Proportionate share of the net pension liability (assets)	\$ 4,765,298	\$ (1,742,765)	\$ 19,166	\$ 5,236,002	\$ 1,404,373	\$ 592,620	\$ 1,697,447	\$ 3,177,541
Covered-employee payroll	\$ 6,455,075	\$ 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	73.823%	-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	90.78%	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, 2023

NYSERS Pension Plan								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contributions	\$ 690,213	\$ 894,429	\$ 813,205	\$ 778,832	\$ 774,793	\$ 757,206	\$ 736,530	\$ 939,602
Contributions in relation to the contractually required contribution	<u>(690,213)</u>	<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>	<u>\$ -</u>
Covered-employee payroll	\$ 6,455,075	\$ 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	10.69%	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, 2023

	GENERAL FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 175,000	\$ 175,000	\$ 154,059	\$ -	\$ (20,941)
Non-property taxes	4,500,000	4,500,000	7,128,110	-	2,628,110
Departmental income	3,253,493	3,318,493	3,852,059	-	533,566
Intergovernmental charges	15,600	15,600	20,523	-	4,923
Use of money and property	18,500	18,500	814,330	-	795,830
Licenses and permits	505,950	505,950	511,583	-	5,633
Fines and forfeitures	100,000	100,000	89,027	-	(10,973)
Sale of property and compensation for loss	5,000	5,000	24,582	-	19,582
Miscellaneous	2,500	2,500	7,921	-	5,421
Interfund revenues	969,050	969,050	986,393	-	17,343
State and county aid	1,317,808	1,327,372	1,468,095	-	140,723
Federal aid	-	-	1,996,316	-	1,996,316
Total Revenues	\$ 10,862,901	\$ 10,937,465	\$ 17,052,998	\$ -	\$ 6,115,533
Expenditures:					
Current:					
General government support	\$ 6,483,034	\$ 6,553,453	\$ 5,929,833	\$ 188,703	\$ 434,917
Public safety	1,159,951	1,077,410	712,777	123,815	240,818
Transportation	316,639	323,142	286,192	-	36,950
Economic assistance and development	269,361	294,109	292,687	-	1,422
Culture and recreation	1,576,875	1,740,215	1,682,971	12,139	45,105
Home and community services	83,106	83,106	80,765	-	2,341
Employee benefits	2,139,561	1,966,329	1,881,616	-	84,713
Debt Service:					
Debt service - principal	-	16,274	16,274	-	-
Debt service - interest and other charges	-	2,566	2,566	-	-
Total Expenditures	\$ 12,028,527	\$ 12,056,604	\$ 10,885,681	\$ 324,657	\$ 846,266
Excess (deficiency) of revenue over expenditures	\$ (1,165,626)	\$ (1,119,139)	\$ 6,167,317	\$ (324,657)	\$ 6,961,799
Other Financing Sources and Uses:					
Transfers - in	\$ -	\$ -	\$ 8,795	\$ -	\$ 8,795
Transfers - out	(2,700,000)	(11,466,698)	(9,009,079)	-	2,457,619
Total Other Financing Sources and Uses	\$ (2,700,000)	\$ (11,466,698)	\$ (9,000,284)	\$ -	\$ 2,466,414
Net change in fund balances	\$ (3,865,626)	\$ (12,585,837)	\$ (2,832,967)	\$ (324,657)	\$ 9,428,213
Fund Balance - Beginning	17,789,806	17,789,806	17,789,806	-	-
Fund Balance - Ending	\$ 13,924,180	\$ 5,203,969	\$ 14,956,839	\$ (324,657)	\$ 9,428,213

Notes to Required Supplemental Information:

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

(See Independent Auditors' Report)

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, 2023

	HIGHWAY FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance
Revenues:					
Real property and tax items	\$ 2,520,355	\$ 2,520,355	\$ 2,540,320	\$ -	\$ 19,965
Intergovernmental charges	800,000	800,000	874,545	-	74,545
Use of money and property	2,000	2,000	85,116	-	83,116
Sale of property and compensation for loss	24,500	24,500	20,507	-	(3,993)
Miscellaneous	5,000	5,000	2,350	-	(2,650)
Interfund revenues	51,875	51,875	40,768	-	(11,107)
State and county aid	300,000	928,002	928,002	-	-
Total Revenues	\$ 3,703,730	\$ 4,331,732	\$ 4,491,608	\$ -	\$ 159,876
Expenditures:					
Current:					
General government support	\$ 92,889	\$ 94,043	\$ 93,213	\$ -	\$ 830
Transportation	4,546,898	5,173,746	4,404,889	240,243	528,614
Employee benefits	868,627	868,627	746,946	-	121,681
Total Expenditures	\$ 5,508,414	\$ 6,136,416	\$ 5,245,048	\$ 240,243	\$ 651,125
Excess (deficiency) of revenue over expenditures	\$ (1,804,684)	\$ (1,804,684)	\$ (753,440)	\$ (240,243)	\$ 811,001
Other Financing Sources and Uses:					
Transfers - in	\$ 1,000,000	\$ 1,000,000	\$ 1,004,675	\$ -	\$ 4,675
Total Other Financing Sources and Uses	\$ 1,000,000	\$ 1,000,000	\$ 1,004,675	\$ -	\$ 4,675
Net change in fund balances	\$ (804,684)	\$ (804,684)	\$ 251,235	\$ (240,243)	\$ 815,676
Fund Balance - Beginning	1,963,740	1,963,740	1,963,740	-	-
Fund Balance - Ending	\$ 1,159,056	\$ 1,159,056	\$ 2,214,975	\$ (240,243)	\$ 815,676

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, 2023

	Library	Water	Parks and Recreation	Lighting	Sewer	Consolidated
	Fund	Fund	Trust	District	Fund	Sewer
	Fund	Fund	Fund	Fund	Fund	Fund
Assets						
Cash and cash equivalents	\$ 389,310	\$ 16	\$ 135,136	\$ 357,804	\$ 3,295,819	\$ 5,211
Receivables, net	-	-	2,000	-	498,019	-
governments, net	379	-	-	-	-	-
Prepaid items	28,020	-	-	-	7,788	-
Total Assets	\$ 417,709	\$ 16	\$ 137,136	\$ 357,804	\$ 3,801,626	\$ 5,211
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 11,913	\$ -	\$ -	\$ 30,144	\$ 37,705	\$ -
Accrued liabilities	49,401	-	-	-	9,191	-
Total Liabilities	\$ 61,314	\$ -	\$ -	\$ 30,144	\$ 46,896	\$ -
Fund Balances:						
Nonspendable	\$ 28,020	\$ -	\$ -	\$ -	\$ 7,788	\$ -
Restricted	-	16	137,136	327,660	3,746,942	5,211
Assigned	328,375	-	-	-	-	-
Total Fund Balances	\$ 356,395	\$ 16	\$ 137,136	\$ 327,660	\$ 3,754,730	\$ 5,211
Total Liabilities and Fund Balances	\$ 417,709	\$ 16	\$ 137,136	\$ 357,804	\$ 3,801,626	\$ 5,211

TOWN OF HENRIETTA, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2023

Drainage Fund	Parks Special District Fund	Ambulance District Fund	Transportation Fund	E. River Road Mitigation Fund	Total Nonmajor Governmental Funds
\$ 1,466,719	\$ 288,595	\$ 159	\$ 328,382	\$ 592,569	\$ 6,859,720
-	-	-	-	-	500,019
-	-	-	-	-	379
8,930	1,397	-	-	-	46,135
<u>\$ 1,475,649</u>	<u>\$ 289,992</u>	<u>\$ 159</u>	<u>\$ 328,382</u>	<u>\$ 592,569</u>	<u>\$ 7,406,253</u>
\$ 23,159	\$ 68	\$ -	\$ 21,734	\$ -	\$ 124,723
9,825	-	-	-	-	68,417
<u>\$ 32,984</u>	<u>\$ 68</u>	<u>\$ -</u>	<u>\$ 21,734</u>	<u>\$ -</u>	<u>\$ 193,140</u>
\$ 8,930	\$ 1,397	\$ -	\$ -	\$ -	\$ 46,135
1,433,735	288,527	159	306,648	592,569	6,838,603
-	-	-	-	-	328,375
<u>\$ 1,442,665</u>	<u>\$ 289,924</u>	<u>\$ 159</u>	<u>\$ 306,648</u>	<u>\$ 592,569</u>	<u>\$ 7,213,113</u>
<u>\$ 1,475,649</u>	<u>\$ 289,992</u>	<u>\$ 159</u>	<u>\$ 328,382</u>	<u>\$ 592,569</u>	<u>\$ 7,406,253</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, 2023

	Library Fund	Water Fund	Parks and Recreation Trust Fund	Lighting District Fund	Sewer Fund	Consolidated Sewer Fund
Revenues:						
Real property and tax items	\$ 2,117,889	\$ -	\$ -	\$ 362,630	\$ 439,628	\$ 45,502
Departmental income	26,084	-	25,000	-	1,008,938	-
Use of money and property	45,191	97	8,486	19,403	149,946	90
Sale of property and compensation for loss	11,709	-	-	-	33,096	-
Miscellaneous	15,864	-	-	-	8,981	-
Interfund revenues	-	-	-	-	45,900	-
Federal aid	-	-	-	-	40,947	-
Total Revenues	\$ 2,216,737	\$ 97	\$ 33,486	\$ 382,033	\$ 1,727,436	\$ 45,592
Expenditures:						
Current:						
General government support	\$ 37,105	\$ -	\$ -	\$ -	\$ 42,337	\$ -
Health	-	-	-	-	-	-
Transportation	-	-	-	342,098	-	-
Culture and recreation	1,618,583	-	-	-	-	-
Home and community services	-	466,535	-	-	1,230,124	562
Employee benefits	425,837	-	-	-	97,609	-
Debt Service:						
Debt service - principal	215,000	-	-	-	-	40,000
Debt service - interest and other charges	277,744	-	-	-	-	4,142
Total Expenditures	\$ 2,574,269	\$ 466,535	\$ -	\$ 342,098	\$ 1,370,070	\$ 44,704
Excess (deficiency) of revenue over expenditures	\$ (357,532)	\$ (466,438)	\$ 33,486	\$ 39,935	\$ 357,366	\$ 888
Other Financing Sources and Uses:						
Transfers - in	\$ 200,000	\$ 475,000	\$ -	\$ -	\$ 4,623	\$ -
Transfers - out	-	(8,546)	(70,000)	-	(119,000)	(798)
Total Other Financing Sources and Uses	\$ 200,000	\$ 466,454	\$ (70,000)	\$ -	\$ (114,377)	\$ (798)
Net change in fund balances	\$ (157,532)	\$ 16	\$ (36,514)	\$ 39,935	\$ 242,989	\$ 90
Fund Balance - Beginning	513,927	-	173,650	287,725	3,511,741	5,121
Fund Balance - Ending	\$ 356,395	\$ 16	\$ 137,136	\$ 327,660	\$ 3,754,730	\$ 5,211

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, 2023

Drainage Fund	Parks Special District Fund	Ambulance District Fund	Transportation Fund	E. River Road Mitigation Fund	Total Non-Major Governmental Funds
\$ 807,261	\$ 177,054	\$ 887,904	\$ -	\$ -	\$ 4,837,868
-	-	-	-	262,028	1,322,050
70,750	14,247	50	21,245	24,323	353,828
9,000	-	-	-	-	53,805
-	-	-	-	-	24,845
-	-	-	-	-	45,900
-	-	-	-	-	40,947
<u>\$ 887,011</u>	<u>\$ 191,301</u>	<u>\$ 887,954</u>	<u>\$ 21,245</u>	<u>\$ 286,351</u>	<u>\$ 6,679,243</u>
\$ 22,884	\$ 7,885	\$ -	\$ -	\$ -	\$ 110,211
-	-	887,904	-	-	887,904
-	-	-	200,759	-	542,857
-	87,525	-	-	-	1,706,108
499,330	-	-	-	-	2,196,551
96,935	11,341	-	-	-	631,722
-	-	-	-	-	255,000
-	-	-	-	-	281,886
<u>\$ 619,149</u>	<u>\$ 106,751</u>	<u>\$ 887,904</u>	<u>\$ 200,759</u>	<u>\$ -</u>	<u>\$ 6,612,239</u>
<u>\$ 267,862</u>	<u>\$ 84,550</u>	<u>\$ 50</u>	<u>\$ (179,514)</u>	<u>\$ 286,351</u>	<u>\$ 67,004</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 679,623
(51,000)	-	-	-	-	(249,344)
<u>\$ (51,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,279</u>
\$ 216,862	\$ 84,550	\$ 50	\$ (179,514)	\$ 286,351	\$ 497,283
1,225,803	205,374	109	486,162	306,218	6,715,830
<u>\$ 1,442,665</u>	<u>\$ 289,924</u>	<u>\$ 159</u>	<u>\$ 306,648</u>	<u>\$ 592,569</u>	<u>\$ 7,213,113</u>



BUSINESS
ADVISORS
AND CPAS

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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Henrietta, Monroe County, New York as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 11, 2024.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
April 11, 2024