

TOWN OF IRONDEQUOIT, NEW YORK

**Basic Financial Statements For the Year Ended
December 31, 2023
Together With Independent
Auditor's Report**

Bonadio & Co., LLP
Certified Public Accountants

TOWN OF IRONDEQUOIT, NEW YORK

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SECTION A

BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

May 13, 2024

To the Town Board of the
Town of Irondequoit, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Irondequoit, New York (the Town), 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2023, and the respective changes in financial position 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 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 the Town 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.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, in 2023, the Town adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement 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, budgetary comparison information, and schedules of changes in total OPEB liability and related ratios, contributions-pension plans, and proportionate share of the net pension liability (asset) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the 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*, and the schedule of state transportation assistance expended, as required by Part 43 of the New York State Codes, Rules and Regulations, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and schedule of state transportation assistance expended are 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 May 13, 2024, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

The management's discussion and analysis of the Town of Irondequoit, New York's (the Town's) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2023. Please read it in conjunction with the Town's basic financial statements.

FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the assets and deferred outflows of the Town exceeded its liabilities and deferred inflows of resources by \$1,711,897.
- General revenues, which include real property taxes, non-property taxes, use of money and property, sale of property and miscellaneous income, are \$30,126,786, or 63% of all revenues. Program specific revenues in the form of charges for services, operating grants, and capital grants accounted for \$17,633,554, or 37%, of total revenues.
- During 2023, the Town issued Bond Anticipation Notes in the amount of \$25,161,000 to finance ongoing projects including building improvements, road repair projects, parks and recreation improvements and sewer improvements.
- The Town's governmental fund financial statements report a combined ending fund deficit of \$7,557,431. The deficit is the result of the use of bond anticipation notes (BANs) financing for capital improvements. Proceeds of BANs are not recognized as revenue. Revenue will be recognized when the BANs are converted to long term debt.
- At the end of the current year, the unassigned fund balance of the General Fund was \$8,613,436.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: management's discussion and analysis (this section), the basic financial statements including the notes to financial statements, required supplementary information, and an optional section that presents combining statements for non-major governmental funds. The basic financial statements include two kinds of statements that present different views of the Town, government-wide and fund financial statements.

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, deferred outflows of resources, liabilities and deferred inflows or resources, with the difference 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.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

- The *statement of activities* presents information showing how the Town's net position changed during the most recent 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 police, public works, parks departments, general administration, and interest on long-term debt.

Fund Financial Statements

A *fund* is a self-balancing 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 four major individual governmental funds; General Fund, Highway Fund, Sewer Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each fund.

The Town adopts an annual budget for the General Fund, Highway Fund, Sewer Fund, Drainage District Fund, Library Fund, Lighting District Fund and the Water Fund. A budgetary comparison statement has been provided for each major fund with an annually adopted budget within the basic financial statements to demonstrate compliance with the budget.

- *Fiduciary funds* are used to account for assets held by the Town in an agency capacity on behalf of others. Fiduciary funds are not reflected in the government-wide financial statement because the resources of these funds are not, and never will be, available to support the Town's programs.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

Major Features of the Town-Wide and Fund Financial Statements

| <u>Features</u> | <u>Town-Wide Statements</u> | <u>Fund Financial Statements</u> | |
|--|--|---|--|
| | | <u>Governmental Funds</u> | <u>Fiduciary Funds</u> |
| 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 and 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 resource 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 |

Notes to Basic 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.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As previously noted, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of the Town's governmental activities exceeded liabilities and deferred inflows by \$1,711,897 at the close of 2023. The Town's assets, deferred outflows, liabilities, deferred inflows, and net position are summarized in Table 1 and the changes in net position are summarized in Table 2.

Table 1

| Net Position For the Years Ended December 31, 2023 and 2022 (In thousands) | | |
|--|-----------|------------|
| | 2023 | 2022 |
| ASSETS: | | |
| Current assets | \$ 32,272 | \$ 37,272 |
| Lease receivable, net of current portion | 1,523 | 1,590 |
| Capital assets, nondepreciable | 20,090 | 17,590 |
| Capital assets, net | 73,060 | 72,096 |
| Net Pension asset | - | 2,578 |
| Total assets | 126,945 | 131,126 |
| DEFERRED OUTFLOWS OF RESOURCES | 20,643 | 22,937 |
| LIABILITIES: | | |
| Current liabilities | 40,230 | 46,689 |
| Due within one year | 2,066 | 2,291 |
| Due in more than one year | 79,372 | 61,132 |
| Total liabilities | 121,668 | 110,112 |
| DEFERRED INFLOWS OF RESOURCES | 24,209 | 45,176 |
| NET POSITION: | | |
| Net investment in capital assets | 55,319 | 51,299 |
| Restricted | 4,704 | 4,756 |
| Unrestricted | (58,312) | (57,280) |
| Total net position | \$ 1,711 | \$ (1,225) |
| | 2023 | 2022 |
| Current Assets | \$ 32,272 | \$ 37,272 |
| Current Liabilities | \$ 40,230 | \$ 46,689 |
| Ratio of Current Assets to Current Liabilities | 0.80 | 0.80 |

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

Total assets decreased by approximately \$4,181,000 due primarily to the expenditure of ARPA funds within current assets. The increase in total liabilities of approximately \$11,556,000 results from the increase in Other Post Employment Obligations and Net Pension Liabilities in the current year.

Table 2

**Changes in Net Position For the Years Ended
December 31, 2023 and 2022
(In thousands)**

| | <u>2023</u> | <u>2022</u> |
|---|-----------------|-----------------|
| REVENUES: | | |
| Program revenues - | | |
| Charges for services | \$ 8,842 | \$ 8,864 |
| Operating grants and contributions | 7,078 | 6,643 |
| Capital grants and contributions | 1,714 | 2,209 |
| General revenues - | | |
| Real property taxes and tax items | 18,745 | 18,651 |
| Nonproperty tax items | 7,686 | 7,839 |
| State and federal aid not restricted for a specific purpose | 1,574 | 1,288 |
| Investment earnings | 681 | 371 |
| Other revenues | 908 | 1,096 |
| Sale of property and compensation for loss | <u>532</u> | <u>276</u> |
| Total revenues | <u>47,760</u> | <u>47,237</u> |
| EXPENSES: | | |
| Program expenses - | | |
| General government support | 7,404 | 6,925 |
| Public safety | 15,093 | 12,137 |
| Public health | 425 | - |
| Transportation | 5,236 | 6,163 |
| Economic assistance | 469 | 1,316 |
| Culture and recreation | 5,293 | 5,041 |
| Home and community services | 9,455 | 8,729 |
| Interest expense | <u>1,449</u> | <u>922</u> |
| Total expenses | <u>44,824</u> | <u>41,233</u> |
| Increase (Decrease) in net position | <u>\$ 2,936</u> | <u>\$ 6,004</u> |

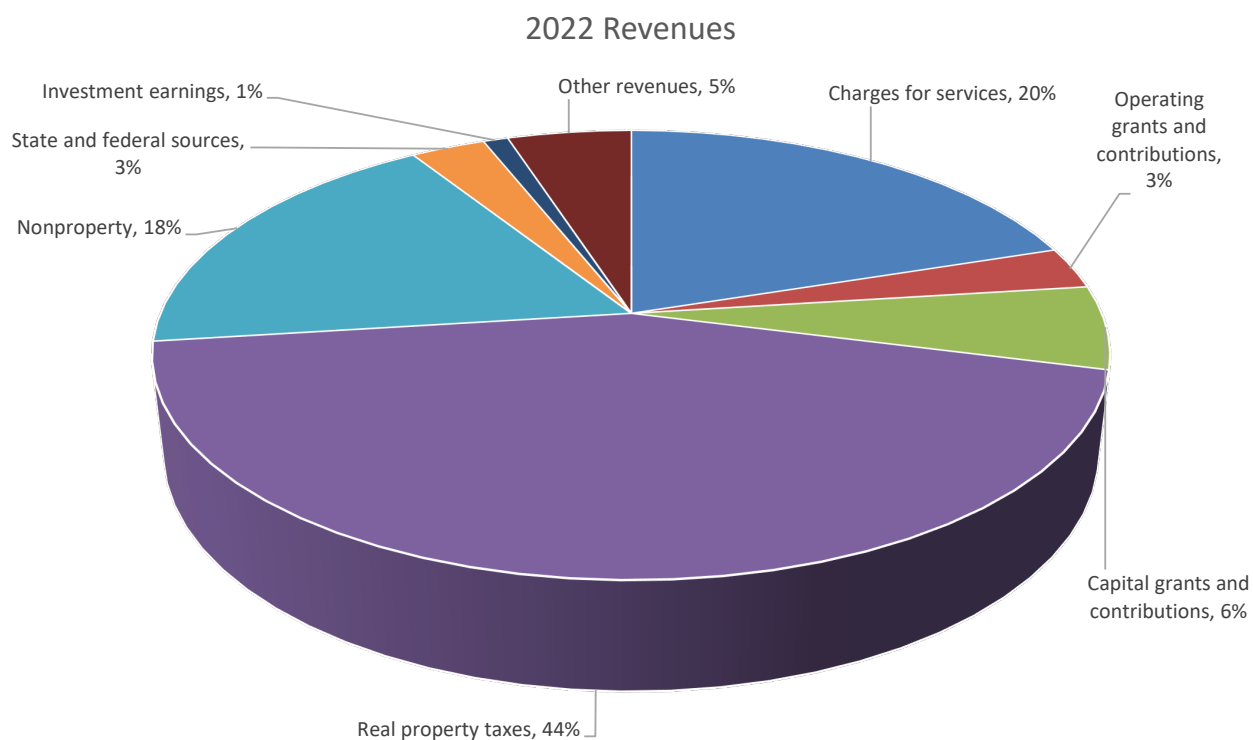
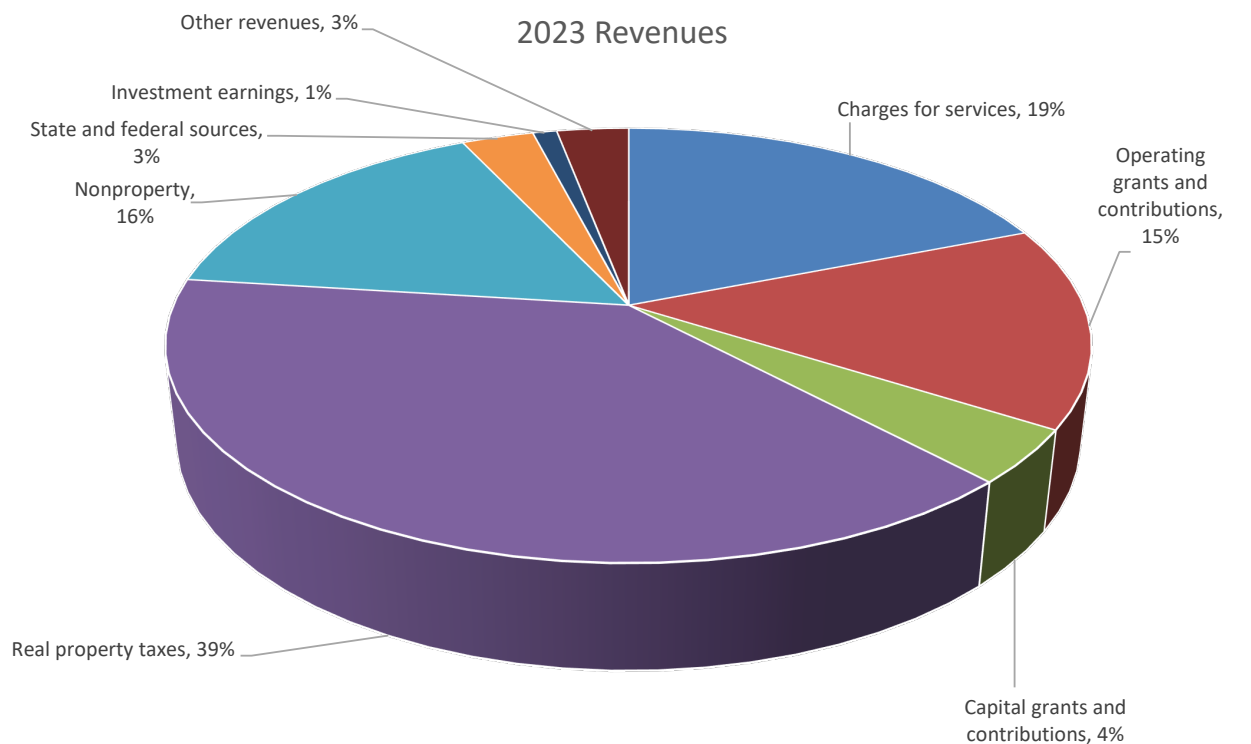
In 2023, the expenses of all governmental activities were approximately \$44,824,000. The amount that taxpayers ultimately financed for these activities through Town real property taxes and real property tax items was essentially \$18,745,000 or 39% of total revenues.

Revenues of the Town's primary government increased 1% from approximately \$47,237,000 to \$47,760,000, primarily due to an increase in operating grants and contributions.

TOWN OF IRONDEQUOIT, NEW YORK

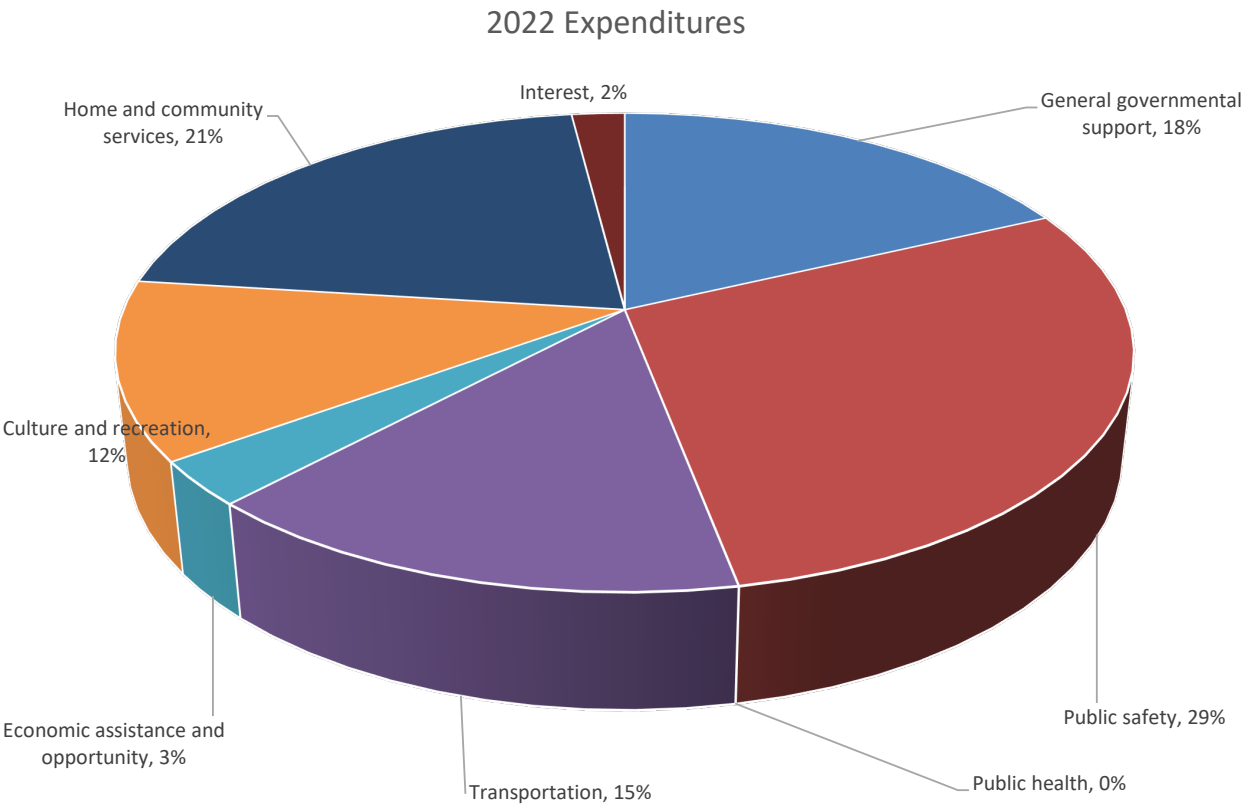
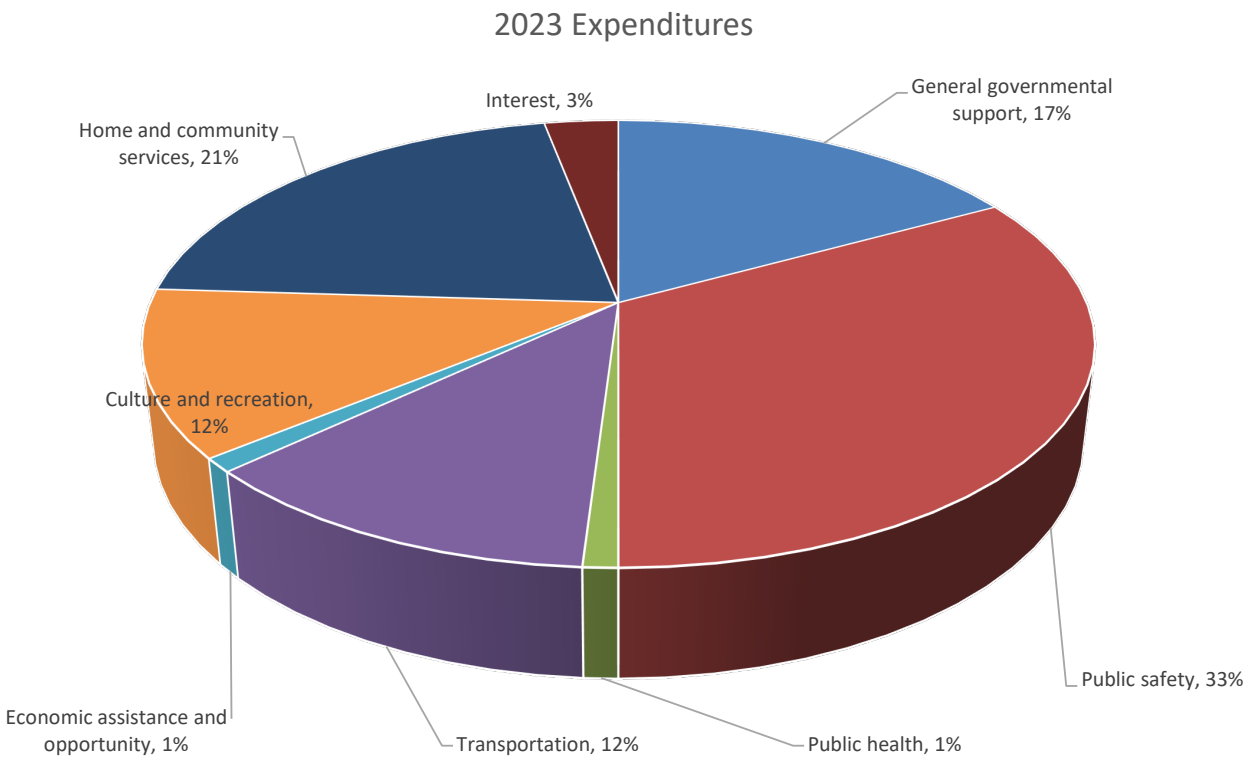
Management's Discussion and Analysis (Unaudited) December 31, 2023

Expenses of the Town's primary government stayed consistent with the prior year, which were approximately \$41,233,000 and \$44,824,000 respectively.



TOWN OF IRONDEQUOIT, NEW YORK

Management’s Discussion and Analysis (Unaudited)
December 31, 2023



TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) **December 31, 2023**

Capital Assets

At the end of 2023, the governmental activities of the Town held \$73,060,283 in depreciable capital assets. This amount represents an increase (including additions, net of disposals and depreciation) of \$3,317,527, or 4%, over last year. Depreciation expense of \$5,586,003 has been recorded in the current year. Additional information on the Town's capital assets can be found in the notes to the financial statements.

2023 significant capital asset activity included the following:

- \$3,255,000 in infrastructure improvements, including roads, sidewalks, drainage and sewers
- \$2,074,200 in parks & playground improvements
- \$1,278,000 in machinery and equipment
- \$582,500 in capital asset disposals
- \$4,731,900 represents change in accumulated depreciation value

Long-Term Liabilities

At December 31, 2023, the Town had general obligation debt totaling \$16,311,031 inclusive of a premium of \$86,550. General obligation debt decreased by \$1,147,677 due to scheduled principal payments and the amortization of the bond premium.

At December 31, 2023, the Town had installment purchase agreements totaling \$760,040. Total installment purchase agreements decreased by \$154,551 due to new lease agreements of \$476,472 offset by scheduled payments of \$625,609.

At December 31, 2023, the Town's compensated absences balances totaled \$2,013,586. This represents a net increase of \$101,576 from the prior year due to accrued vacation and sick time of \$1,391,864 offset by the use of accrued vacation, sick and compensatory time of \$1,290,288.

At December 31, 2023, the Town's other postemployment benefits balances equated to \$47,060,461. This represents a net increase of \$3,480,977 from the prior year. See the postemployment healthcare benefits footnote for more information.

At December 31, 2023, the Town's workers' compensation liability amounted to \$715,084. This represents a net decrease of \$243,223 from the prior year. See the self-insurance footnote for more information.

The Town's constitutional debt limit is \$238,079,510 and, as calculated in the most recent debt statement on March 28, 2023, the Town is using 16.70% of the limit.

The Town's credit rating is done by Moody's Investors Service. Moody's has rated the Town A1 since December 20, 2022.

The Town updates its six (6) year Capital Improvement Program annually and through this method analyzes the future cost of current debt and the implication of future debt. The policy of the Town is to be proactive in managing its infrastructure improvement projects and costs so that carefully measured steps are taken to maintain public assets without placing unreasonable burdens on property taxpayers and special district rate payers.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) **December 31, 2023**

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

General Fund

The General Fund is the Town's main operating fund. This fund is used to account for all Town operations that are not financed by a special revenue source or accounted for in another fund. It includes all general Town offices, police, justice courts, recreation, safety inspection and other general services.

The General Fund experienced an decrease in fund balance of \$30,852 in 2023. Primary sources for the \$31,795,278 General Fund revenue include: property tax and property tax items of approximately \$12,482,000, non-property tax items of approximately \$7,686,000, and federal aid of approximately \$5,890,000. Total revenues increased approximately \$2,095,000. The primary contribution to this increase was the approximate \$915,000 increase in federal aid.

The major components of the General Fund total expenditures of \$31,369,000 include public safety of approximately \$15,335,000, and general government support of approximately \$6,691,000. Total expenditures increased roughly \$3,061,000 in 2023 compared to 2022. Increased expenses result from American Rescue Plan Act (ARPA) funded projects of \$3,988,700 for improvements throughout the Town including building improvements, sewer improvements and park improvements.

Highway Fund

The Highway Fund is a special revenue fund where the activity for the Town's Department of Public Works is recorded. The Highway Fund had a decrease in fund balance of approximately \$369,000 for 2023. The decrease in fund balance was a planned decrease through an allocation of fund balance in the 2023 budget to bring the fund balance in alignment with the Town's fund balance policy. The Highway Fund had revenues of approximately \$6,200,000, which is comprised essentially of the fund's share of property taxes (approximately \$3,557,000), state aid (approximately \$1,714,000) and intergovernmental charges (approximately \$747,000).

The Highway Fund's expenditures were approximately \$7,106,000, of which approximately \$6,359,000 was for current year transportation related costs, and approximately \$679,000 for debt service. Overall, total expenditures increased \$1,013,000 year over year. The increased expenditures are primarily attributed to increased paving expenses which were largely offset by increased State Aid revenue for CHIPS.

Sewer Fund

The Sewer Fund is a special revenue fund used to account for all transactions to provide sewer services throughout the Town. The Sewer Fund had an increase in fund balance of approximately \$106,000 for 2023. The Sewer Fund had revenues of approximately \$3,979,000 is comprised primarily of the fund's share of property taxes (basically \$3,902,000). The sewer fund revenues are comparable to 2022, increasing slightly (\$18,300).

The Sewer Fund's expenditures were approximately \$3,932,000 of which essentially \$3,290,000 and \$602,000 were for current year home and community services costs and debt service costs respectively. The excess revenue over expenditures of \$46,957 and \$59,625 other financing sources (transfers) resulted in the increased fund balance.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

Capital Projects Fund

The Capital Projects fund is used to account for the acquisition or construction of major capital facilities or improvements. The Capital Projects Fund is funded mainly by Bond Anticipation Notes (BANs) and grants awarded from other governmental units. The Capital Projects fund had revenue of approximately \$524,000 and expenditures of approximately \$2,212,000. The revenue was primarily made up of sale of equipment (\$187,000) and premiums received on obligations (\$337,000). The Town issued BANs in the amount of \$25,161,000 in 2023 to finance the operations of the Capital Projects fund, such as the new Recreation Center, the DPW building, building improvements, road repair projects, and athletic fields and improvements. The largest components of expenditures were home and community and transportation related costs of approximately \$899,000 and \$817,000 respectively. The deficiency of revenues over expenses is due to the fund using proceeds of short term debt to fund current year expenditures. Proceeds of BANs are not recognized as revenue.

Other Governmental Funds

Non-major funds include the Special Grant Fund, Miscellaneous Special Revenue Fund, Library Fund, Drainage District, Lighting Districts, and Water district. The non-major funds had an aggregate increase in fund balance of \$192,751 in 2023.

| Revenues, Expenditures and Fund Balances- Major Governmental Operating Funds (Includes other financing sources and uses) (in thousands) | | | | | | |
|--|-----------|--------------|----------------------------|--------------------------|-------------------------|--|
| 2023 | | | | | | |
| | Annual | | Cumulative Fund Balance | Residual Fund Balance | % Of Original Budget | |
| | Revenues | Expenditures | | | | |
| General Fund | \$ 31,795 | \$ 31,369 | \$ 11,514 | \$ 8,613 | 33.26% | |
| Highway Fund | \$ 6,206 | \$ 7,106 | \$ 1,370 | \$ 1,321 | 22.71% | |
| Sewer Fund | \$ 3,979 | \$ 3,932 | \$ 1,176 | \$ 1,127 | 25.70% | |
| 2022 | | | | | | |
| | Annual | | Cumulative Fund Balance | Residual Fund Balance | % Of Original Budget | |
| | Revenues | Expenditures | | | | |
| General Fund | \$ 29,716 | \$ 28,307 | \$ 11,545 | \$ 6,552 | 27.09% | |
| Highway Fund | \$ 5,879 | \$ 6,093 | \$ 1,739 | \$ 1,697 | 30.02% | |
| Sewer Fund | \$ 3,961 | \$ 3,859 | \$ 1,070 | \$ 1,028 | 25.59% | |

For three of the four major governmental operating funds, the comparative unassigned (general fund)/restricted (highway and sewer funds), fund balances are highlighted and shown as a percentage of the respective year's budget. The Capital Projects Fund is not compared in this manner.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

GENERAL FUND BUDGETARY HIGHLIGHTS

- The Town's General Fund's total expenditures came within 4% of budget.
- The Town's General Fund's total revenues exceeded the budget by 7%.

HIGHWAY FUND BUDGETARY HIGHLIGHTS

- The Town's Highway Fund's total expenditures came within 1% of budget.
- The Town's Highway Fund's total revenues came in at budget.

SEWER FUND BUDGETARY HIGHLIGHTS

- The Town's Sewer Fund's total expenditures came within 5% of budget.
- The Town's Sewer Fund's total revenues came within 1% of budget.

ECONOMIC FACTORS

There are no certiorari proceedings that would significantly reduce the Town's real property tax base. The policy of the Town is to maintain assessed values at the 100% equalization rate.

Other major revenues are sales tax and mortgage tax received from Monroe County and the franchise (cable TV) fee. In 2023, sales tax decreased 1.3% from 2022. Prior to 2023, sales tax increased 6.8% in 2022 over 2021, and 38% in 2021 from 2020 because of COVID-19. Prior to 2020, sales tax was steadily increasing as 2019 sales tax was up: 7% from 2018, 14% from 2017 and 29% from 2016 revealing steady growth. 2022 mortgage tax showed a 12% decrease from 2021. Mortgage tax fluctuates with trends in the local real estate market; 2023 receipts decreased by approximately 25% from 2022. Prior to 2023, over the 5-year period from 2018-2022, receipts increased by \$414,000 or 47%. The 2023 franchise Cable TV revenue of \$595,479 is down 8.5% from 2022, which was down 1.6% from 2021. The Town continues to monitor these economically sensitive revenue sources to forecast appropriately.

Irondequoit's tax base benefits from its close proximity to the City of Rochester. The City of Rochester is home to a number of diverse businesses—the Top 5 employers in the Greater Rochester area are University of Rochester, Rochester Regional Health, Wegmans Food Markets, Inc., Paychex, Inc., and Rochester Institute of Technology. A great majority of the employee population of St. Ann's Community—ranked #28 by the Rochester Business Journal—is within the Town of Irondequoit.

Rochester General Hospital of Rochester Regional Health is near the Irondequoit boundary and there are multiple Rochester Regional Health facilities in the Town. The in-town facilities are tax exempt; however, they currently provide approximately 2,166 jobs. The sharp increase in employment at Rochester Regional Health in the Town of Irondequoit has spurred additional property tax paying development and is expected to continue doing so.

TOWN OF IRONDEQUOIT, NEW YORK

Management's Discussion and Analysis (Unaudited) December 31, 2023

CONTACTING THE TOWN'S FINANCE DEPARTMENT

This financial report is designed to provide citizens, taxpayers, creditors, and investors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Diana Marsh, Comptroller, Irondequoit Town Hall, 1280 Titus Ave., Rochester, New York, 14617. Telephone (585) 336-6010. You can access this report on the internet at www.irondequoit.gov. Click on "Departments", then "Comptroller", choose "View all Comptroller Financial Budgets, Reports and Plans in the Archive Center" and scroll to "2023 Financial Statement".

TOWN OF IRONDEQUOIT, NEW YORK**Statement of Net Position
December 31, 2023****ASSETS****CURRENT ASSETS:**

| | |
|-----------------------------------|-------------------|
| Cash and cash equivalents | \$ 26,962,790 |
| Receivables | 845,066 |
| Lease receivable, current portion | 66,295 |
| State and federal aid receivables | 3,373,394 |
| Due from other governments | 245,227 |
| Prepaid expenses | <u>778,651</u> |
| Total current assets | <u>32,271,423</u> |

NON-CURRENT ASSETS:

| | |
|--|--------------------|
| Lease receivable, net of current portion | 1,523,299 |
| Capital assets, nondepreciable | 20,090,201 |
| Capital assets, net | <u>73,060,283</u> |
| Total assets | <u>126,945,206</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|--------------------------------------|-------------------|
| Pension related | 10,879,906 |
| OPEB related | 9,728,345 |
| Deferred amount on refunding | <u>35,034</u> |
| Total deferred outflows of resources | <u>20,643,285</u> |

LIABILITIES**CURRENT LIABILITIES:**

| | |
|---------------------------------|-------------------|
| Accounts payable | 1,642,806 |
| Accrued liabilities | 289,194 |
| Unearned revenue | 12,747,538 |
| Bond anticipation notes payable | 25,161,000 |
| Accrued interest | <u>389,265</u> |
| Total current liabilities | <u>40,229,803</u> |

LONG-TERM LIABILITIES:

| | |
|-----------------------------|--------------------|
| Due within one year - | 2,065,746 |
| Due in more than one year - | <u>79,371,979</u> |
| Total long-term liabilities | <u>81,437,725</u> |
| Total liabilities | <u>121,667,528</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|-------------------|
| Pension related | 1,004,264 |
| OPEB related | 21,693,187 |
| Lease revenue related | <u>1,511,615</u> |
| Total deferred inflows of resources | <u>24,209,066</u> |

NET POSITION

| | |
|----------------------------------|---------------------|
| Net investment in capital assets | 55,319,676 |
| Restricted | 4,704,111 |
| Unrestricted | <u>(58,311,890)</u> |
| Total net position | <u>\$ 1,711,897</u> |

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

Statement of Activities

For the Year Ended December 31, 2023

| Functions/Programs | Expenses | Program Revenue | | | Net (Expense) Revenue and Changes in Net Position Governmental Activities |
|--|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| PRIMARY GOVERNMENT: | | | | | |
| Governmental activities - | | | | | |
| General governmental support | \$ 7,404,456 | \$ 354,221 | \$ 5,830,497 | \$ - | \$ (1,219,738) |
| Public safety | 15,092,375 | 514,796 | 70,011 | - | (14,507,568) |
| Public health | 425,185 | - | - | - | (425,185) |
| Transportation | 5,236,166 | 994,883 | - | 1,713,733 | (2,527,550) |
| Economic assistance and opportunity | 468,426 | 48,468 | - | - | (419,958) |
| Culture and recreation | 5,293,032 | 786,790 | 27,024 | - | (4,479,218) |
| Home and community services | 9,455,007 | 6,142,583 | 1,150,548 | - | (2,161,876) |
| Interest expense | <u>1,448,925</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(1,448,925)</u> |
| Total governmental activities | <u>\$ 44,823,572</u> | <u>\$ 8,841,741</u> | <u>\$ 7,078,080</u> | <u>\$ 1,713,733</u> | <u>(27,190,018)</u> |
| GENERAL REVENUE: | | | | | |
| Taxes - | | | | | |
| Real property taxes | | | | | 18,259,605 |
| Other real property tax items | | | | | 485,652 |
| Nonproperty tax items | | | | | 7,686,246 |
| State and federal aid not restricted for a specified purpose | | | | | 1,573,612 |
| Use of money and property | | | | | 681,264 |
| Miscellaneous | | | | | 908,110 |
| Sale of property and compensation for loss | | | | | <u>532,297</u> |
| Total general revenues | | | | | <u>30,126,786</u> |
| Change in net position | | | | | 2,936,768 |
| Net position - beginning of year | | | | | <u>(1,224,871)</u> |
| Net position - end of year | | | | | \$ 1,711,897 |

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

Balance Sheet - Governmental Funds December 31, 2023

| | General Fund | Highway Fund | Sewer Fund | Capital Projects Fund | Total Nonmajor Governmental Funds | Total |
|---|----------------------|---------------------|---------------------|--------------------------|--|----------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 17,854,859 | \$ 844,039 | \$ 1,321,232 | \$ 4,366,229 | \$ 2,576,431 | \$ 26,962,790 |
| Receivables | 394,366 | 124,433 | - | - | 326,267 | 845,066 |
| Due from other funds | 3,004,990 | 107 | - | - | - | 3,005,097 |
| State and federal receivable | 2,803,682 | 497,029 | 2,199 | 37,449 | 33,035 | 3,373,394 |
| Due from other governments | 74,949 | - | - | - | 170,278 | 245,227 |
| Lease receivable | 752,182 | - | - | - | 837,412 | 1,589,594 |
| Prepaid expenditures | 622,623 | 48,556 | 49,573 | - | 57,899 | 778,651 |
| Total assets | <u>\$ 25,507,651</u> | <u>\$ 1,514,164</u> | <u>\$ 1,373,004</u> | <u>\$ 4,403,678</u> | <u>\$ 4,001,322</u> | <u>\$ 36,799,819</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | |
| LIABILITIES: | | | | | | |
| Accounts payable | \$ 1,095,608 | \$ 109,873 | \$ 147,266 | \$ 69,820 | \$ 220,239 | \$ 1,642,806 |
| Accrued liabilities | 160,677 | 34,584 | 49,399 | 8,941 | 35,593 | 289,194 |
| Due to other funds | 107 | - | - | 3,004,990 | - | 3,005,097 |
| Unearned revenues | 12,022,038 | - | - | - | 725,500 | 12,747,538 |
| Bond anticipation notes payable | - | - | - | 25,161,000 | - | 25,161,000 |
| Total liabilities | <u>13,278,430</u> | <u>144,457</u> | <u>196,665</u> | <u>28,244,751</u> | <u>981,332</u> | <u>42,845,635</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | |
| Lease related | 715,233 | - | - | - | 796,382 | 1,511,615 |
| Total deferred inflows of resources | <u>715,233</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>796,382</u> | <u>1,511,615</u> |
| FUND BALANCES: | | | | | | |
| Nonspendable | 622,623 | 48,556 | 49,573 | - | 57,899 | 778,651 |
| Restricted | 90,485 | 1,321,151 | 1,126,766 | - | 2,165,709 | 4,704,111 |
| Assigned | 2,187,444 | - | - | - | - | 2,187,444 |
| Unassigned | 8,613,436 | - | - | (23,841,073) | - | (15,227,637) |
| Total fund balances | <u>11,513,988</u> | <u>1,369,707</u> | <u>1,176,339</u> | <u>(23,841,073)</u> | <u>2,223,608</u> | <u>(7,557,431)</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 25,507,651</u> | <u>\$ 1,514,164</u> | <u>\$ 1,373,004</u> | <u>\$ 4,403,678</u> | <u>\$ 4,001,322</u> | <u>\$ 36,799,819</u> |

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position December 31, 2023

Total fund balance - governmental funds \$ (7,557,431)

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not current financial resources and; therefore, are not reported in the funds.

| | | |
|---|---------------------|------------|
| Cost of capital assets | 178,078,383 | |
| Accumulated depreciation and amortization | <u>(84,927,899)</u> | 93,150,484 |

Deferred amounts on refunding are recorded under full accrual accounting, but are not recorded in the funds. 35,034

Accrued interest on long-term liabilities is not reported as an obligation under fund accounting, but is an expense in the statement of net position. (389,265)

Net pension obligations/assets are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability (14,489,674)

Deferred outflows/inflows of resources related to pensions are applicable to future periods and, therefore are not reported in the funds.

| | |
|------------------------------------|--------------|
| Deferred outflow - pension related | 10,879,906 |
| Deferred outflow - OPEB related | 9,728,345 |
| Deferred inflow - pension related | (1,004,264) |
| Deferred inflow - OPEB related | (21,693,187) |

Long-term obligations are not due and payable in the current period and, therefore are not reported as fund liabilities.

| | |
|-----------------------------------|---------------------|
| Compensated absences | (2,013,586) |
| General obligation debt | (16,311,031) |
| Installment purchase agreements | (760,040) |
| Workers' compensation obligations | (715,084) |
| SBITA liability | (87,849) |
| Total OPEB obligations | <u>(47,060,461)</u> |

Total net position of governmental activities \$ 1,711,897

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2023**

| | General Fund | Highway Fund | Sewer Fund | Capital Projects Fund | Total Nonmajor Governmental Funds | Total |
|---|----------------------|---------------------|---------------------|------------------------|-----------------------------------|-----------------------|
| REVENUES: | | | | | | |
| Real property taxes | \$ 12,007,112 | \$ 3,557,280 | \$ 3,902,100 | \$ - | \$ 3,778,863 | \$ 23,245,355 |
| Real property tax items | 474,731 | - | 10,921 | - | - | 485,652 |
| Nonproperty tax items | 7,686,246 | - | - | - | - | 7,686,246 |
| Departmental income | 1,684,894 | - | 8,092 | - | 1,193,406 | 2,886,392 |
| Intergovernmental charges | 3,379 | 747,395 | - | - | - | 750,774 |
| Use of money and property | 506,203 | 13,765 | 37,686 | 88 | 123,522 | 681,264 |
| Licenses and permits | 47,329 | 85,888 | - | - | - | 133,217 |
| Fines and forfeitures | 85,608 | - | - | - | - | 85,608 |
| Sale of property and compensation for loss | 213,556 | 88,136 | 19,318 | 186,940 | 24,347 | 532,297 |
| Miscellaneous | 229,872 | - | 1,154 | 337,374 | 307,033 | 875,433 |
| Interfund revenues | 1,304,846 | - | - | - | - | 1,304,846 |
| State aid | 1,661,669 | 1,713,733 | - | - | 14,642 | 3,390,044 |
| Federal aid | 5,889,833 | - | - | - | 1,085,548 | 6,975,381 |
| Total revenues | <u>31,795,278</u> | <u>6,206,197</u> | <u>3,979,271</u> | <u>524,402</u> | <u>6,527,361</u> | <u>49,032,509</u> |
| EXPENDITURES: | | | | | | |
| General governmental support | 6,543,483 | 67,795 | 40,350 | 477,494 | 20,906 | 7,150,028 |
| Public safety | 15,335,071 | - | - | - | - | 15,335,071 |
| Public health | 425,185 | - | - | - | - | 425,185 |
| Transportation | 344,346 | 6,359,253 | - | 817,898 | 46,865 | 7,568,362 |
| Economic assistance and | 490,420 | - | - | - | - | 490,420 |
| Culture and recreation | 3,739,575 | - | - | 17,599 | 2,222,562 | 5,979,736 |
| Home and community services | 2,811,254 | - | 3,290,051 | 898,678 | 3,030,202 | 10,030,185 |
| Debt service - | | | | | | |
| Principal | 1,004,088 | 528,483 | 431,603 | - | 632,152 | 2,596,326 |
| Interest | 675,189 | 150,937 | 170,310 | - | 381,923 | 1,378,359 |
| Total expenditures | <u>31,368,611</u> | <u>7,106,468</u> | <u>3,932,314</u> | <u>2,211,669</u> | <u>6,334,610</u> | <u>50,953,672</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>426,667</u> | <u>(900,271)</u> | <u>46,957</u> | <u>(1,687,267)</u> | <u>192,751</u> | <u>(1,921,163)</u> |
| OTHER FINANCING SOURCES AND USES: | | | | | | |
| Proceeds from long-term debt | 52,276 | - | - | 2,532,241 | - | 2,584,517 |
| BANs redeemed from appropriations | - | - | - | 902,500 | - | 902,500 |
| Operating transfers - in | 9,000 | 531,295 | 59,625 | - | - | 599,920 |
| Operating transfers - out | (518,795) | - | - | (81,125) | - | (599,920) |
| Total other financing sources and uses | <u>(457,519)</u> | <u>531,295</u> | <u>59,625</u> | <u>3,353,616</u> | <u>-</u> | <u>3,487,017</u> |
| CHANGE IN FUND BALANCE | (30,852) | (368,976) | 106,582 | 1,666,349 | 192,751 | 1,565,854 |
| FUND BALANCE - beginning of year | <u>11,544,840</u> | <u>1,738,683</u> | <u>1,069,757</u> | <u>(25,507,422)</u> | <u>2,030,857</u> | <u>(9,123,285)</u> |
| FUND BALANCE - end of year | <u>\$ 11,513,988</u> | <u>\$ 1,369,707</u> | <u>\$ 1,176,339</u> | <u>\$ (23,841,073)</u> | <u>\$ 2,223,608</u> | <u>\$ (7,557,431)</u> |

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended December 31, 2023

Net change in fund balances - governmental funds \$ 1,565,854

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the statement of activities reports only a portion of the outlay as an expense. Also, depreciation is recorded in the statement of activities, but not as a change in fund balance of the governmental funds. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

| | | |
|-------------------------------|--------------------|-----------|
| Capital additions | 9,159,797 | |
| Depreciation and amortization | <u>(5,664,842)</u> | 3,494,955 |

Losses on the disposal of capital assets are recorded in the statement of activities, but not in the governmental funds. (177,428)

Proceeds from the issuance of long-term debt are recorded as other financing sources in the governmental funds, but are increases in long-term liabilities on the statement of net position:

| | | |
|---------------------------|-----------------|-------------|
| Installment purchase debt | (312,741) | |
| Serial bonds | (2,219,500) | |
| SBITA liability | <u>(52,276)</u> | (2,584,517) |

Repayments of long-term liabilities are a reduction on the statement of net position, but are treated as an expenditure in the governmental funds:

| | | |
|-----------------------------------|--|-----------|
| General obligation debt principal | | 1,115,000 |
| Installment purchase agreements | | 467,292 |
| SBITA payments | | 111,535 |

Amortization of the deferred amount on refunding is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities. (10,975)

Amortization of bond premiums is not recorded as revenue in the governmental funds, but is recorded in the statement of activities. 32,677

Accrued interest is an expenditure in the statement of activities, but is not reported as an expenditure in the governmental funds. (70,566)

Various transactions are reported in the statement of activities, but do not require the use of current financial resources and; therefore, are not recorded as expenditures in the governmental funds:

| | | |
|--|--|-----------|
| (Increase) Decrease in compensated absences | | (101,576) |
| (Increase) Decrease in workers' compensation liability | | 243,223 |
| (Increase) Decrease in total OPEB obligation | | 866,547 |

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense:

| | | |
|--|--------------------|--------------------|
| Pension contributions | 2,350,453 | |
| Cost of benefits earned, net of employee contributions | <u>(4,365,706)</u> | <u>(2,015,253)</u> |

Change in net position of governmental activities \$ 2,936,768

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

Statement of Fiduciary Net Position

December 31, 2023

| | <u>Custodial Funds</u> |
|---|------------------------|
| ASSETS | |
| Cash | \$ 367,400 |
| Total assets | <u>367,400</u> |
| LIABILITIES | |
| Other liabilities | <u>5,103</u> |
| Total liabilities | <u>5,103</u> |
| NET POSITION | |
| Restricted for individuals, organizations and other governments | <u>\$ 362,297</u> |

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

Statement of Changes in Fiduciary Net Position For the Year Ended December 31, 2023

| | <u>Custodial Funds</u> |
|---------------------------------------|--------------------------|
| ADDITIONS: | |
| Taxes collected for other governments | \$ 113,434,042 |
| Bail deposits | <u>47,441</u> |
| Total additions | <u>113,481,483</u> |
| DEDUCTIONS: | |
| Payment of taxes to other governments | 113,434,042 |
| Bail remitted | <u>129,564</u> |
| Total deductions | <u>113,563,606</u> |
| Change in fiduciary net position | (82,123) |
| NET POSITION - beginning of year | <u>444,420</u> |
| NET POSITION - end of year | <u><u>\$ 362,297</u></u> |

The accompanying notes are an integral part of these statements.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Irondequoit, New York (the Town) are prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

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 Comptroller is responsible for daily financial management and oversight.

The Town provides its residents with the following basic services: general administrative services; police and law enforcement; town courts; highway maintenance; reconstruction and snow and ice control; public library; town clerk; receiver of taxes; recreation and parks; drainage; street lighting; sewer services; water services; capital improvements; and community development. All governmental activities and functions performed by the Town are its direct responsibility.

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 as set forth in generally accepted accounting principles.

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 decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth by the GASB including legal standing, fiscal dependency, and financial accountability. A component unit is included in the Town's reporting entity if it is both fiscally dependent on the Town and there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Based on the application of these criteria, the Town has determined that there are no organizations that meet criteria for inclusion in the reporting entity of the Town.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Basis of Presentation

1. Government-Wide Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All of the Town's services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The Town first uses restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions, i.e., public safety and transportation, etc. The functions are also supported by general government revenues (property, sales taxes, mortgage tax, state revenue sharing, and investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (custodial). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

2. Fund Financial Statements

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. Generally accepted accounting principles set forth minimum criteria (percentage of the assets/deferred inflows of resources, liabilities/deferred outflows of resources, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The non-major funds are combined in one column in the fund financial statements.

- 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:

Major Governmental Funds:

General Fund - the principal operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Highway Fund - established pursuant to Highway Law Section 141 to account for revenues and expenditures for highway purposes.

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

Capital Projects Fund - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities; or the acquisition of equipment.

Nonmajor Governmental Funds:

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

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

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 nonmajor special revenue funds utilized by the Town:

- Lighting Districts
- Drainage District
- Library Fund
- Water District
- Special Grant Fund
- Miscellaneous Special Revenue Fund

- b. **Fiduciary Funds** - Fiduciary funds are used to report assets held by the Town in a trustee or custodial capacity. These activities are not included in the government-wide financial statements because their resources do not belong to the Town and are not available for use. The following is the Town's fiduciary fund:

Custodial Fund - used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Basis of Accounting/Measurement Focus

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

The Town's financial statements are prepared in conformity with accounting principles generally accepted in the United States as prescribed by the GASB, which is the primary standard setting body for establishing governmental accounting and financial reporting principles.

1. Accrual

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include grants and donations. On an accrual basis, revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except when the elimination would distort direct costs and program revenue reported for the various functions concerned.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

2. Modified Accrual

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after the end of the year.

Material revenues that are accrued include real property taxes, sales taxes, franchise taxes, and state and federal aid. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and bond anticipation notes redeemed from appropriations are reported as other financing sources.

Expenditures are recorded when incurred except that:

- Expenditures for prepaid expenses and inventory-type items are recognized at the time of the disbursement.
- Principal and interest on indebtedness is not recognized as an expenditure until due and paid.
- Compensated absences, such as vacation and compensatory time which vests or accumulates, are charged as an expenditure when paid.

Real Property Taxes

The Monroe County Legislature prepares the levy in late December of each year and jointly bills the Town levy and Monroe County real property taxes. Property taxes are levied and become a lien as of January 1st based on assessed property values as of that date.

Tax payments are due and collected during the period January 1st to May 31st.

The tax roll is returned to the Monroe County Commissioner of Finance after May 31st at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

Cash and Cash Equivalents

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 date of acquisition.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Accounts and Leases Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Prepaid Items

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

Due To/From Other Funds

The amounts reported on the Governmental Funds Balance Sheet for due to and from other funds represents amounts due between different fund types (i.e. general, highway, and non-major funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year end is provided subsequently in these notes.

Capital Assets

Purchased or constructed capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, sidewalks and similar items), are reported in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's useful life are not capitalized.

Capitalization thresholds, depreciation methods, and estimated useful lives of capital assets reported in the government-wide financial statements are as follows:

| | Estimated Useful Life | Depreciation Method | Capitalization Threshold |
|-------------------------|--------------------------|---------------------|-----------------------------|
| Land Improvements | 15 years | Straight-Line | \$ 15,000 |
| Buildings | 40 years | Straight-Line | \$ 15,000 |
| Building Improvements | 15 years | Straight-Line | \$ 15,000 |
| Machinery and Equipment | 3-15 years | Straight-Line | \$ 15,000 |
| Infrastructure | 15-40 years | Straight-Line | \$ 15,000 |

Capital assets also include lease assets and subscription-based information technology arrangements (SBITAs) with a term greater than one year. The Town does not implement a capitalization threshold for lease or SBITA assets. Lease and SBITA assets are amortized on a straight-line basis over the term of the lease/SBITA.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Compensated Absences

The Town labor agreements provide for sick leave, vacations, and miscellaneous other paid absences. Upon retirement certain eligible employees qualify for paid medical premiums and/or payment for value of unused sick leave. These payments are budgeted annually without accrual.

Payments of compensated absences recorded in the government-wide financial statements are dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources are made available for the payment of compensated absences when such payments become due.

Postemployment Benefits

The Town provides postemployment health insurance coverage to its retired employees and their survivors. Substantially all employees may become eligible for these benefits when they reach eligible retirement age and have worked 20 years for the Town. The Town made no provision for recognizing the cost of postemployment benefits which may eventually be paid to employees who have not yet retired, on the governmental funds statements. On the government-wide statements, these amounts attributable to past service have been recorded as a liability.

Unearned Revenue

Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period under the modified accrual method of accounting. 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.

Short-Term Debt

The Town may issue Bond Anticipation Notes (BANs), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years of the original issue date.

Long-Term Obligations

Long-term liabilities to be repaid from governmental resources are recorded as liabilities in the government-wide financial statements. The long-term liabilities consist primarily of serial bonds payable, installment purchase agreements, compensated absences, and other postemployment benefits.

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

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Interfund Transactions

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with certain interfund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financial or other services.

Insurance

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not yet exceeded commercial insurance coverage in recent fiscal years. The Town is a member of the New York State Municipal Workers' Compensation Alliance for the purpose of providing the workers' compensation and employers' liability coverages required by New York State Law. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

Deferred Outflows/Inflows of Resources

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

Labor Relations

Town employees are represented by five collective bargaining units with the balance of employees governed by Town Board rules and regulations.

Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States and, as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from these estimates.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Net Position - Government-Wide Financial Statements

The government-wide financial statements display net position in three components as follows:

- **Net Investment in Capital Assets**

This net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- **Restricted Net Position**

This net position consists of resources with constraints placed on their use either by external groups such as creditors, grantors, contributors, laws or regulations of other governments, or law through constitutional provisions or enabling legislation.

- **Unrestricted Net Position**

This net position consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balances - Fund Financial Statements

The governmental fund financial statements present fund balances according to classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable Fund Balances**

These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balance was \$778,651 at December 31, 2023.

- **Restricted Fund Balances**

These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. Restricted fund balance was \$4,704,111 at December 31, 2023.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

- **Committed Fund Balances**

These are amounts that can be used only for specific purposes determined by a formal action of the Town Board. The Town Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board, prior to the end of the year. The Town does not have Committed fund balance as of December 31, 2023.

- **Assigned Fund Balances**

These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Town does not have a formal policy regarding the assignment of fund balances, it is at the discretion of the Town's Finance Committee to make assignments as they see fit. Assigned fund balance was \$2,187,444 at December 31, 2023.

- **Unassigned Fund Balances**

These are all other spendable amounts.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town Board has provided otherwise in its commitment or assignment actions.

The Town has a fund balance policy in which the Town is to maintain in unrestricted fund balance a range of percentages from a minimum of 5% to a maximum of 20% of the annual operating budget of a particular operating fund. During 2023, the unrestricted fund balance exceeded the maximum percentage.

2. STEWARDSHIP

Budgetary

A. Budget Policies

- a. Prior to October 30th, the Town Supervisor files a tentative budget to the Town Clerk for submission to the Town Board for the year commencing the following January 1st. The tentative budget, which includes proposed expenditures and the proposed means of financing them, is then presented to the Town Board by November 10th.
- b. The full Town Board reviews the tentative budget and may make some revisions before approving a preliminary budget and calling for a public hearing which is generally held in November.
- c. Following the public hearing, revisions may again be made by the Town Board before adopting the budget by November 20th.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

- d. Formal annual budgetary accounts are employed as a management control device for the General Fund and each Individual Special Revenue Fund Type.
- e. During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for departmental budgetary control. Budget amendments and budget transfers require Town Board approval.
- f. Annual budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. All unencumbered appropriations, except for Special Grant-related appropriations, lapse at the end of the fiscal year.
- g. Capital Project Fund appropriations are not included in the Town's annual budget. Instead appropriations are approved through a Town Board resolution at the project's inception, and lapse upon termination of the project.
- h. Total expenditures for each object classification within a department may not legally exceed the total appropriation for that object classification.

B. Budget Basis of Accounting

Budgets 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. Budgetary comparison schedules are presented as required supplementary information in the basic financial statements.

Budget/GAAP Reconciliation

The Town reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. This results in the following reconciliation of the fund balances computed on GAAP basis and budgetary basis:

| | General Fund | Highway Fund | Sewer Fund |
|---|----------------------|---------------------|-------------------|
| GAAP basis fund balance at December 31, 2023 | \$ 11,513,988 | \$ 1,369,707 | \$ 1,176,339 |
| Less: Outstanding encumbrances | <u>(207,535)</u> | <u>(195,410)</u> | <u>(258,744)</u> |
| Budgetary basis fund balance at December 31, 2023 | <u>\$ 11,306,453</u> | <u>\$ 1,174,297</u> | <u>\$ 917,595</u> |

C. Revenue Restrictions

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

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

Cash and Cash Equivalents and Investments

Town investment policies are governed by state statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within and authorized to do business in New York State. The Town Comptroller is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Demand deposits and certificates of deposit at year-end were entirely covered by FDIC insurance and collateral held by financial institutions. At December 31, 2023, cash and cash equivalents are composed entirely of demand deposit accounts, money market accounts and savings accounts. All deposits are carried at cost.

Investment and Deposit Policy

The Town follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; ensure conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of the investment activity is the responsibility of the Town Comptroller.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Town's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Town's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Town's investment and deposit policy authorizes the Town to purchase the following types of investments:

- Obligations of the United States Treasury and United States agencies.
- Obligations of the New York State and its localities.
- Certificates of deposit.
- Interest bearing demand accounts.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Town's investment and deposit policy, all deposits of the Town including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits. The Town restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

Custodial Credit Risk - Deposits

As of December 31, 2023, the bank balance of the Town's cash and cash equivalents of its primary government, including fiduciary funds, was exposed to custodial credit risk as follows:

| | Bank Balance | Carrying Amount |
|--|-------------------------|---------------------|
| Fund: | | |
| Primary government | \$27,630,632 | \$26,962,790 |
| Fiduciary funds | 371,272 | 367,400 |
| Cash and cash equivalents | <u>\$28,001,904</u> | <u>\$27,330,190</u> |
| Covered by FDIC insurance | \$ 783,144 | |
| Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name | <u>29,843,624</u> | |
| Total | <u>\$30,626,768</u> | |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

4. RECEIVABLES

Receivables

Receivables at December 31, 2023 for individual major and nonmajor funds consisted of the following which are stated at net realizable value. Town management has deemed the amounts to be fully collectible:

| Description | General | Highway | Sewer | Capital Projects | Nonmajor | Total |
|------------------------------------|---------------------|-------------------|-----------------|---------------------|-------------------|---------------------|
| Accounts receivable: | | | | | | |
| Franchise fees | \$ 288,941 | \$ - | \$ - | \$ - | \$ - | \$ 288,941 |
| Water rents receivable | - | - | - | - | 323,153 | 323,153 |
| Miscellaneous receivables | 105,425 | 124,433 | - | - | 3,114 | 232,972 |
| Total accounts receivable | <u>\$ 394,366</u> | <u>\$ 124,433</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 326,267</u> | <u>\$ 845,066</u> |
| Leases receivable | <u>\$ 752,182</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 837,412</u> | <u>\$ 1,589,594</u> |
| State and federal receivable: | | | | | | |
| Sales tax | \$ 2,336,877 | \$ - | \$ - | \$ - | \$ - | \$ 2,336,877 |
| Mortgage tax | 315,490 | - | - | - | - | 315,490 |
| NYS equipment grant | 87,000 | 38,000 | - | - | - | 125,000 |
| NYS Snow and Ice | - | 25,127 | - | - | - | 25,127 |
| NYS CHIPS receivable | - | 433,902 | - | - | - | 433,902 |
| Miscellaneous grants receivable | 64,315 | - | 2,199 | 37,449 | 33,035 | 136,998 |
| Total state and federal receivable | <u>\$ 2,803,682</u> | <u>\$ 497,029</u> | <u>\$ 2,199</u> | <u>\$ 37,449</u> | <u>\$ 33,035</u> | <u>\$ 3,373,394</u> |
| Due from other governments: | | | | | | |
| Stop DWI grant | \$ 1,833 | \$ - | \$ - | \$ - | \$ - | \$ 1,833 |
| Miscellaneous | 3,528 | - | - | - | - | 3,528 |
| Property maintenance from County | 69,588 | - | - | - | - | 69,588 |
| Delinquent water rents | - | - | - | - | 170,278 | 170,278 |
| Total due from other governments | <u>\$ 74,949</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 170,278</u> | <u>\$ 245,227</u> |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

5. INTERFUND ACTIVITY

Interfund Receivables, Payables, Revenues and Expenditures

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

| | Interfund | | Transfers | |
|-----------------------|---------------------|---------------------|-------------------|-------------------|
| | Receivable | Payable | In | Out |
| General fund | \$ 3,004,990 | \$ 107 | \$ 9,000 | \$ 518,795 |
| Highway fund | 107 | - | 531,295 | - |
| Sewer fund | - | - | 59,625 | - |
| Capital Projects fund | - | 3,004,990 | - | 81,125 |
| Total | <u>\$ 3,005,097</u> | <u>\$ 3,005,097</u> | <u>\$ 599,920</u> | <u>\$ 599,920</u> |

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and move residual cash from closed projects to debt service to be used for debt payments at a later date.

The purpose of interfund transfers within a Town is to consolidate funding from multiple funds into one for the purchase of a large piece of equipment or the completion of a project that is to benefit multiple funds.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

6. LEASES RECEIVABLE

Lessor Agreements

The Town's leasing operations consist of the leasing of buildings with various inception dates and remaining terms ranging from 7 to 287 months. The leases receivables were discounted to a net present value at December 31, 2023 using a 2.12% interest rate.

Activity of lease inflows for the year ended December 31, 2023 is summarized as follows:

| | Balance |
|------------------------------|-------------------|
| <u>Lease-related revenue</u> | <u>12/31/2023</u> |
| Lease revenue - | |
| Building | \$ 103,540 |
| Interest revenue | <u>34,353</u> |
| Total | <u>\$ 137,893</u> |

Future minimum lease payments due to the Town are as follows:

| | Principal | Interest | Total |
|-----------|--------------------|-------------------|--------------------|
| 2024 | \$ 66,295 | \$ 33,066 | \$ 99,361 |
| 2025 | 65,313 | 31,621 | 96,934 |
| 2026 | 51,740 | 30,411 | 82,151 |
| 2027 | 54,638 | 29,286 | 83,924 |
| 2028 | 57,658 | 29,286 | 86,944 |
| 2029-2033 | 350,703 | 119,735 | 470,438 |
| 2034-2038 | 441,816 | 76,945 | 518,761 |
| 2039-2043 | 384,946 | 33,998 | 418,944 |
| 2044-2048 | <u>116,485</u> | <u>2,015</u> | <u>118,500</u> |
| Total | <u>\$1,589,594</u> | <u>\$ 386,363</u> | <u>\$1,975,957</u> |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements December 31, 2023

7. CAPITAL ASSETS

A summary of changes in capital assets follows:

| | Balance 1/1/2023 (as restated) | Increases | Decreases | Balance 12/31/2023 |
|---|--------------------------------------|--------------|----------------|-----------------------|
| <u>Governmental activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 10,464,388 | \$ - | \$ - | \$ 10,464,388 |
| Construction in progress | 7,125,583 | 8,046,988 | (5,546,758) | 9,625,813 |
| Total capital assets not being depreciated | 17,589,971 | 8,046,988 | (5,546,758) | 20,090,201 |
| Capital assets being depreciated: | | | | |
| Buildings | 35,670,275 | - | - | 35,670,275 |
| Improvements | 17,434,725 | - | - | 17,434,725 |
| Machinery, equipment and vehicles | 16,668,671 | 1,278,047 | (582,522) | 17,364,196 |
| Infrastructure | 81,990,358 | 5,329,244 | - | 87,319,602 |
| Total capital assets being depreciated | 151,764,029 | 6,607,291 | (582,522) | 157,788,798 |
| Less: Accumulated depreciation for: | | | | |
| Buildings | (7,702,855) | (799,689) | - | (8,502,544) |
| Improvements | (5,996,693) | (493,681) | - | (6,490,374) |
| Machinery, equipment and vehicles | (9,977,133) | (1,272,258) | 405,094 | (10,844,297) |
| Infrastructure | (55,991,470) | (3,020,375) | - | (59,011,845) |
| Total accumulated depreciation | (79,668,151) | (5,586,003) | 405,094 | (84,849,060) |
| SBITA assets that are amortized: | | | | |
| Subscription IT assets | 147,108 | 52,276 | - | 199,384 |
| Total SBITA assets that are amortized | 147,108 | 52,276 | - | 199,384 |
| Less: Accumulated amortization for: | | | | |
| Subscription IT assets | - | (78,839) | - | (78,839) |
| Total amortization for SBITA assets | - | (78,839) | - | (78,839) |
| Capital assets, net | 72,242,986 | 994,725 | (177,428) | 73,060,283 |
| Governmental activities capital assets, net | \$ 89,832,957 | \$ 9,041,713 | \$ (5,724,186) | \$ 93,150,484 |

Depreciation expense for the year ended December 31, 2023 was charged to functions/programs of the primary government as follows:

| | Depreciation | Amortization |
|----------------------------|--------------|--------------|
| General government | \$ 647,111 | \$ 78,839 |
| Public safety | 212,294 | - |
| Transportation | 1,808,510 | - |
| Culture and recreation | 1,340,565 | - |
| Home and community service | 1,577,523 | - |
| Total depreciation | \$ 5,586,003 | \$ 78,839 |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

8. PENSION PLANS

Plan Description

The Town participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (collectively, the Systems). The Sea Breeze Water (SBW) District also participates in the New York State and Local ERS. These are cost-sharing multiple-employer, public employee retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

Funding Policies

Membership, benefits, and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

ERS

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 - Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 - Generally those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 - Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members of the System on or after April 1, 2012.

PFRS

- Tier 1 - Those persons who last became members before July 31, 1973.
- Tier 2 - Those persons who last became members on or after July 31, 1973, but before July 1, 2009.
- Tier 3 - Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 - Not applicable.
- Tier 5 - Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Contributions

The Systems are noncontributory for the employee who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the Systems contribute 3% of their salary throughout their active membership. The Comptroller certifies the rates expressed as proportions of members' payroll annually which are used in computing the contributions required to be made by employers to the pension accumulation fund. Employees who join on or after April 1, 2012 will contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members will vary based on each member's annual compensation varying between 3-6%.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

| | <u>ERS</u> | <u>ERS - SBW</u> | <u>PFRS</u> |
|------|--------------|------------------|--------------|
| 2023 | \$ 944,872 | \$ 22,994 | \$ 1,405,581 |
| 2022 | \$ 1,230,159 | \$ 33,628 | \$ 1,375,733 |
| 2021 | \$ 1,101,075 | \$ 29,757 | \$ 1,159,534 |

The Town's contributions made to the Systems were equal to 100% of the required contributions required for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2023, the Town reported a net pension liability of:

| | <u>ERS</u> | <u>ERS - SBW</u> | <u>PFRS</u> | <u>Total</u> |
|-----------------------|--------------|------------------|--------------|---------------|
| Net pension liability | \$ 6,821,053 | \$ 113,649 | \$ 7,554,972 | \$ 14,489,674 |

The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability/asset was determined by the actuarial valuation as of April 1, 2022. The Town's proportion of the net pension liability/asset 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 proportionate share was:

| | <u>ERS</u> | <u>ERS - SBW</u> | <u>PFRS</u> |
|------------------------|------------|------------------|-------------|
| Proportionate share | 0.0318086% | 0.0005300% | 0.1371021% |
| Change from prior year | 0.0009120% | -0.0001133% | -0.0072118% |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

For the year ended December 31, 2023, the Town recognized pension expense of \$4,640,153. At December 31, 2023, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| ERS | | |
| Differences between expected and actual experience | \$ 726,496 | \$ 191,561 |
| Changes in assumptions | 3,312,744 | 36,612 |
| Net difference between projected and actual earnings on pension plan investments | - | 40,073 |
| Changes in proportion and differences between the Town's contributions and proportionate share of contributions | 117,176 | 242,826 |
| Contributions subsequent to the measurement date | 801,767 | - |
| Total | <u>\$ 4,958,183</u> | <u>\$ 511,072</u> |
| ERS - SBW | | |
| Differences between expected and actual experience | \$ 12,104 | \$ 3,192 |
| Changes in assumptions | 55,195 | 610 |
| Net difference between projected and actual earnings on pension plan investments | - | 668 |
| Changes in proportion and differences between the Town's contributions and proportionate share of contributions | 10,266 | 5,659 |
| Contributions subsequent to the measurement date | 21,973 | - |
| Total | <u>\$ 99,538</u> | <u>\$ 10,129</u> |
| PFRS | | |
| Differences between expected and actual experience | \$ 738,422 | \$ - |
| Changes in assumptions | 3,681,518 | - |
| Net difference between projected and actual earnings on pension plan investments | 13,356 | - |
| Changes in proportion and differences between the Town's contributions and proportionate share of contributions | 188,813 | 483,063 |
| Contributions subsequent to the measurement date | 1,200,076 | - |
| Total | <u>\$ 5,822,185</u> | <u>\$ 483,063</u> |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense for ERS, ERS-SBW and PFRS, respectively:

| Plan's Year Ended March 31: | ERS | ERS - SBW | PFRS |
|-----------------------------|---------------------|------------------|---------------------|
| 2024 | \$ 833,573 | \$ 16,792 | \$ 766,303 |
| 2025 | (401,466) | (4,406) | (241,257) |
| 2026 | 1,368,514 | 24,245 | 2,164,745 |
| 2027 | 1,844,723 | 30,805 | 1,343,866 |
| 2028 | - | - | 105,389 |
| | <u>\$ 3,645,344</u> | <u>\$ 67,436</u> | <u>\$ 4,139,046</u> |

The Town recognized \$801,767, \$21,973, and \$1,200,076, as deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2023, related to ERS, ERS-SBW, and PFRS, respectively. These amounts will be recognized as a reduction of the net pension liabilities in the year ended December 31, 2024.

Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023.

The actuarial valuation used the following actuarial assumptions for both the ERS and PFRS:

| | |
|----------------------------|--|
| Inflation | 2.9% |
| Salary scale | 4.4% in ERS, 6.2% in PFRS, indexed by service |
| Investment Rate of Return | 5.9% compounded annually, net of investment expenses, including inflation |
| Cost of living adjustments | 1.5% compounded annually |
| Decremets | Developed from the Plan's 2020 experience study of the period April 1, 2015 through March 31, 2020 |
| Mortality improvement | Society of Actuaries Scale MP-2021 |

Long-Term Rate of Return

The long-term expected 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 return, net of investment expenses 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.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target | Long-Term Expected Real |
|-----------------------------|---------------------|-------------------------|
| | Allocations in % | Rate of Return in % |
| Domestic equity | 32.0 | 4.30 |
| International equity | 15.0 | 6.85 |
| Private equity | 10.0 | 7.50 |
| Real estate | 9.0 | 4.60 |
| Opportunistic/ARS portfolio | 3.0 | 5.38 |
| Credit | 4.0 | 5.43 |
| Real asset | 3.0 | 5.84 |
| Fixed income | 23.0 | 1.50 |
| Cash | <u>1.0</u> | 0.00 |
| | <u>100</u> | |

Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. 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 determined. Based upon the assumptions, the Plan's 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.

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 5.9%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (4.9%) or 1% higher (6.9%) than the current rate:

| | Decrease (4.9%) | Discount (5.9%) | 1% Increase (6.9%) |
|--|----------------------|---------------------|-----------------------|
| ERS Proportionate Share of net pension liability (asset) | <u>\$ 16,483,561</u> | <u>\$ 6,821,053</u> | <u>\$ (1,253,095)</u> |
| ERS - SBW Proportionate Share of net pension liability (asset) | <u>\$ 274,640</u> | <u>\$ 113,649</u> | <u>\$ (20,878)</u> |
| PFRS Proportionate Share of net pension liability (asset) | <u>\$ 15,748,693</u> | <u>\$ 7,554,972</u> | <u>\$ (770,079)</u> |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2023 for ERS and PFRS respectively follow:

ERS and ERS - SBW

| | | |
|---|----|-------------------|
| Total pension liability | \$ | 232,627,259 |
| Net position | | (211,183,223) |
| Net pension liability (asset) | \$ | <u>21,444,036</u> |
| ERS net position as a percentage of total pension liability | | 90.78% |

PFRS

| | | |
|--|----|------------------|
| Total pension liability | \$ | 43,835,333 |
| Net position | | (38,324,863) |
| Net pension liability (asset) | \$ | <u>5,510,470</u> |
| PFRS net position as a percentage of total pension liability | | 87.43% |

9. POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Town provides certain health care benefits for retired employees. The Town administers the Town of Irondequoit Retiree Medical, Prescription Drug and Dental Benefits Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit Plan (OPEB).

In general, the Plan provides for continuation of medical insurance benefits and dental insurance for certain retirees and their spouses and can be amended by action of the Town subject to applicable collective bargaining and employment agreements. There were 288 retired employees and their spouses receiving benefits as of the valuation date at December 31, 2023. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan in a trust that meet all of the criteria in GASB statement No. 75, paragraph 4.

Benefits Provided

The obligations of the Plan are established and amended by action of the Town pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and members varies depending on the applicable agreement. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the Town. The accrual basis of accounting is used. The amount paid during 2023 was \$2,031,123.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Employees Covered by Benefit Terms

At the December 31, 2023 valuation date, the following employees were covered by the benefit terms:

| | |
|--|-------------------|
| Inactive employees and spouses or beneficiaries currently receiving benefits | 288 |
| Active employees | <u>170</u> |
| Total participants | <u><u>458</u></u> |

Total OPEB Liability

The Town's total OPEB liability was measured as of December 31, 2023 and was determined by an actuarial valuation as of December 31, 2022.

Actuarial Methods and Assumptions

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 | 2.0 percent per year |
| Payroll Growth | 3.0 percent average |
| Discount Rate | 3.25 percent |
| Excess Medical Cost Growth | 1.2 percent |

The discount rate was based on "The Bond Buyer 20-Bond General Obligation Bond Index" as of the valuation date, which represents the average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

Changes in the Total OPEB Liability

| | |
|--|-----------------------------|
| Balance at January 1, 2023 | \$ <u>43,579,484</u> |
| Changes for the year- | |
| Service cost | 859,751 |
| Interest | 1,622,212 |
| Differences between expected and actual experience | 281,174 |
| Change in assumptions | 2,748,963 |
| Benefit payments | <u>(2,031,123)</u> |
| Net changes | <u><u>3,480,977</u></u> |
| Balance at December 31, 2023 | \$ <u><u>47,060,461</u></u> |

Changes of assumptions and other inputs reflect a change in the discount rate from 3.75% in 2022 to 3.25% in 2023.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

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 the discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease (2.25%) | Current Discount (3.25%) | 1% Increase (4.25%) |
|----------------------|---------------------------|--------------------------------|---------------------------|
| Total OPEB Liability | <u>\$ 53,508,254</u> | <u>\$ 47,060,461</u> | <u>\$ 41,826,006</u> |

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 (0.20%) | Current Discount (1.20%) | 1% Increase (2.20%) |
|----------------------|---------------------------|--------------------------------|---------------------------|
| Total OPEB Liability | <u>\$ 41,109,346</u> | <u>\$ 47,060,461</u> | <u>\$ 54,620,767</u> |

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 \$1,164,576. At December 31, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between actual and expected experience | \$ 456,538 | \$ 11,886,819 |
| Change of assumptions | <u>9,271,807</u> | <u>9,806,368</u> |
| Total | <u>\$ 9,728,345</u> | <u>\$ 21,693,187</u> |

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

| Fiscal Year Ending December 31 | Amount |
|--------------------------------|------------------------|
| 2024 | \$ (994,250) |
| 2025 | (2,037,736) |
| 2026 | (3,166,646) |
| 2027 | (3,586,219) |
| 2028 | (1,421,898) |
| Thereafter | <u>(758,093)</u> |
| | <u>\$ (11,964,842)</u> |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

10. BOND ANTICIPATION NOTES

Short term debt provides financing for governmental activities. The Town issued Bond Anticipation Notes (BANs) in order to finance ongoing road repair projects, buildings, and equipment purchases.

The following is a summary of changes in short-term debt for the year ended December 31, 2023:

| | | |
|-------------------|----|---------------------|
| January 1, 2023 | \$ | 26,143,000 |
| Borrowings | | 25,161,000 |
| Repayments | | <u>(26,143,000)</u> |
| December 31, 2023 | \$ | <u>25,161,000</u> |

Below is a summary of BANs outstanding as of December 31, 2023:

| Date Issued | Maturity Date | Interest Rate | Amount |
|-------------|---------------|---------------|----------------------|
| 4/13/2023 | 4/12/2024 | 5.00% | \$ 10,470,000 |
| 12/14/2023 | 12/13/2024 | 4.00% | <u>14,691,000</u> |
| | | | <u>\$ 25,161,000</u> |

11. LONG-TERM OBLIGATIONS

Serial Bonds

The Town borrows money in order to acquire land, 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 serial bonds 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 liquidations of the long-term liabilities. The Town has general obligation serial bonds and notes from direct borrowings.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

The following contains a summary of bonds with corresponding maturity schedules:

| | | Amount of | Year of Final | Interest | Amount |
|------------------------------------|---------------|---------------------|---------------|----------|---------------------------|
| | Year of Issue | Original Issue | Maturity | Rate | Outstanding 12/31/2023 |
| Notes from Direct Borrowings | | | | | |
| Public Improvements | 2004 | \$ 300,000 | 2024 | 4.75% | \$ 15,000 |
| Total notes from direct borrowings | | <u>300,000</u> | | | <u>15,000</u> |
| Serial Bonds | | | | | |
| Public Improvements | 2012 | 4,490,000 | 2024 | 3.13% | 70,000 |
| Public Improvements | 2012 | 4,485,000 | 2032 | 2.00% | 1,680,000 |
| Public Improvements | 2016 | 627,150 | 2030 | 2.50% | 175,000 |
| Public Improvements | 2017 | 3,475,000 | 2030 | 2.00% | 1,594,981 |
| Public Improvements | 2017 | 1,300,000 | 2032 | 2.50% | 685,000 |
| Public Improvements | 2019 | 10,960,000 | 2044 | 2.00% | 9,785,000 |
| Public Improvements | 2023 | <u>2,219,500</u> | 2038 | 4.25% | <u>2,219,500</u> |
| Total serial bonds | | <u>27,556,650</u> | | | <u>16,209,481</u> |
| Total bonds | | <u>\$27,856,650</u> | | | <u>\$16,224,481</u> |

Other Long-Term Debt

In addition to the above long-term debt the Town had the following other non-current liabilities:

- **Compensated absences** - represents the value earned and unused portion of the liability for compensated absences.
- **Postemployment benefits** - represents the cost of health care benefits provided to retirees.
- **Workers' compensation** - represents future obligations to be paid to employees for work related incidents.
- **Installment purchase agreements** - represents future obligations to be repaid under non-cancellable agreements for certain vehicles and equipment.
- **Net pension liability** - represents the Town's proportionate share of the ERS, ERS-SBW, and PFRS net pension liability.
- **SBITA liability** - represents future obligations to be paid for technology subscriptions.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

The following is a summary of changes in long-term obligations:

| | Balance 1/1/2023 (as restated) | Additions | Deletions | Balance 12/31/2023 | Due Within One Year |
|---------------------------------|--------------------------------------|----------------------|-----------------------|-----------------------|------------------------|
| General obligation debt: | | | | | |
| Serial bonds | \$ 15,059,981 | \$ 2,219,500 | \$ (1,070,000) | \$ 16,209,481 | \$ 1,304,500 |
| Notes from direct borrowings | 60,000 | - | (45,000) | 15,000 | 15,000 |
| Premium | 119,227 | - | (32,677) | 86,550 | - |
| | <u>15,239,208</u> | <u>2,219,500</u> | <u>(1,147,677)</u> | <u>16,311,031</u> | <u>1,319,500</u> |
| Other liabilities: | | | | | |
| Compensated absences | 1,912,010 | 1,391,864 | (1,290,288) | 2,013,586 | 201,359 |
| Workers' compensation | 958,307 | - | (243,223) | 715,084 | 166,457 |
| Installment purchase agreements | 914,591 | 312,741 | (467,292) | 760,040 | 290,581 |
| Postemployment benefits | 43,579,484 | 5,512,100 | (2,031,123) | 47,060,461 | - |
| Net pension liability | 819,767 | 13,669,907 | - | 14,489,674 | - |
| SBITA liability | 147,108 | 52,276 | (111,535) | 87,849 | 87,849 |
| | <u>48,331,267</u> | <u>20,938,888</u> | <u>(4,143,461)</u> | <u>65,126,694</u> | <u>746,246</u> |
| Total long-term obligations | <u>\$ 63,570,475</u> | <u>\$ 23,158,388</u> | <u>\$ (5,291,138)</u> | <u>\$ 81,437,725</u> | <u>\$ 2,065,746</u> |

Interest on long-term debt, including BAN interest, for the year was composed of:

| | |
|--|--------------------|
| Interest paid | \$1,378,359 |
| Plus: Interest accrued in the current year | 389,265 |
| Less: Interest accrued in the prior year | <u>(318,699)</u> |
| Total interest expense | <u>\$1,448,925</u> |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

The following table summarizes the Town's future general obligation debt requirements as of December 31:

| | Notes from Direct Borrowings | | Serial Bonds | | Total |
|-----------|------------------------------|---------------|----------------------|---------------------|----------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 15,000 | \$ 745 | \$ 1,299,500 | \$ 381,113 | \$ 1,696,358 |
| 2025 | - | - | 1,255,000 | 359,475 | 1,614,475 |
| 2026 | - | - | 1,210,000 | 342,976 | 1,552,976 |
| 2027 | - | - | 1,200,000 | 321,101 | 1,521,101 |
| 2028 | - | - | 970,000 | 297,156 | 1,267,156 |
| 2029-2033 | - | - | 4,094,981 | 1,144,977 | 5,239,958 |
| 2034-2038 | - | - | 2,725,000 | 704,925 | 3,429,925 |
| 2039-2043 | - | - | 2,835,000 | 310,575 | 3,145,575 |
| 2044 | - | - | 620,000 | 9,300 | 629,300 |
| Totals | <u>\$ 15,000</u> | <u>\$ 745</u> | <u>\$ 16,209,481</u> | <u>\$ 3,871,598</u> | <u>\$ 20,096,824</u> |

The Town's future installment purchase agreements are for vehicles and equipment with various inception dates and remaining terms ranging from 2 to 59 months. Interest rates on the agreements vary from 2.6% to 6.8%. The following table summarizes the Town's future installment purchase agreements requirements as of December 31:

| | Total |
|-------|-------------------|
| 2024 | \$ 290,581 |
| 2025 | 145,603 |
| 2026 | 131,053 |
| 2027 | 136,652 |
| 2028 | 56,151 |
| Total | <u>\$ 760,040</u> |

In 2017, the Town defeased certain 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. At December 31, 2023, \$3,465,000 of bonds outstanding were considered defeased. The bond refunding resulted in an economic gain on refunding of \$318,907. The excess of the reacquisition price over the net carrying amount of the refunded bonds in the amount of \$75,914 has been deferred and is being amortized using the straight-line method through 2030. This amount is reflected as a deferred outflow of resources on the financial statements. For the year ended December 31, 2023, the Town recognized \$5,840 in amortization expense reducing the deferred amount on refunding to a balance of \$35,034 at December 31, 2023.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

12. FUND BALANCES

As of December 31, 2023, fund balances are composed of the following:

| | General Fund | Highway Fund | Sewer Fund | Capital Projects | Non-major Funds |
|----------------------------|---------------|--------------|--------------|------------------|-----------------|
| Nonspendable: | | | | | |
| Prepaid expenditures | \$ 622,623 | \$ 48,556 | \$ 49,573 | \$ - | \$ 57,899 |
| Restricted: | | | | | |
| Future appropriations | - | 500,000 | - | - | - |
| Unspent BAN proceeds | - | - | - | - | - |
| General government support | - | 3,000 | - | - | - |
| Transportation | - | 7,346 | - | - | 76,048 |
| Culture and recreation | - | - | - | - | 19,056 |
| Home and community | - | - | 253,744 | - | 98,081 |
| Other spendable amounts | - | 810,805 | 873,022 | - | 1,972,524 |
| Asset forfeiture fund | 90,485 | - | - | - | - |
| Total Restricted | 90,485 | 1,321,151 | 1,126,766 | - | 2,165,709 |
| Assigned: | | | | | |
| Future appropriations | 1,464,620 | - | - | - | - |
| General government | 54,469 | - | - | - | - |
| Public safety | 114,277 | - | - | - | - |
| Economic assistance | 5,294 | - | - | - | - |
| Culture and recreation | 25,305 | - | - | - | - |
| Home and community | 8,190 | - | - | - | - |
| Self insurance fund | 515,289 | - | - | - | - |
| Total Assigned | 2,187,444 | - | - | - | - |
| Unassigned | 8,613,436 | - | - | (23,841,073) | - |
| Total | \$ 11,513,988 | \$ 1,369,707 | \$ 1,176,339 | \$ (23,841,073) | \$ 2,223,608 |

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

13. DEFERRED COMPENSATION PLAN

Employees of the Town may elect to participate in the Public Employees Benefits Services Corporation Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. As of December 31, 2023, the market value of the assets of the Plan totaled \$18,803,916. Because these assets belong to employees and the funds are held by an independent custodian, the amounts are not recorded by the Town.

Employees contribute to the Plan through voluntary salary deductions. Participation in the Plan is voluntary and the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The Plan is administered by an independent third-party which is responsible for administering the fund's investments and record keeping.

14. TAX ABATEMENT

The Town has multiple real property tax abatement agreements entered into by the County of Monroe Industrial Development Agency under Article 18-A of the real property tax law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes (PILOT) and are under one of five possible programs:

JobsPlus Program

Under the JobsPlus program the recipient can be manufacturers, technology-based producer service companies, commercial projects which will increase the tax assessment with new construction and the rehabilitation of existing commercial buildings that have been vacant for a long period of time. They must meet a minimum of 10% job creation goal over impacted employment within three years. The project must use all local labor for the construction of new, expanded or renovated facilities.

Enhanced JobsPlus Program

Under the Enhanced JobsPlus program the recipient can be manufacturers or technology based producer service companies. The requirements are an investment minimum of \$15 million in new plant, machinery and equipment or renovation of existing buildings, a minimum of 100 new jobs from new companies locating in Monroe County, or existing companies expanding operations within Monroe County within 3 years, and in the absence of a waiver permitting otherwise, the project must use all local labor for the construction of new, expanded or renovated facilities.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

Shelter Rent

Property tax abated under the Shelter Rent program is for new building or renovation projects for student or affordable housing. This program requires job creation of a minimum of 10% within 3 years as well as the use of local labor for the construction of new or renovation of facilities.

Green JobsPlus

Under the Green JobsPlus program the recipient can be manufacturers, technology-based producer service companies, or commercial projects which will increase the tax assessment with new construction. Requirements for this program are that the project must be rated as certified, gold, silver or platinum by the United States Green Building Council’s Leadership in Energy and Environmental Design Green Building Rating System must meet the minimum of 10% job creation in 3 years and must use all local labor.

LeasePlus Program

For new building construction or renovation projects for universities and medical related facilities in which a 501(c)(3) entity leases from a for-profit entity. The requirements under this program are job creation of 10% within 3 years and the use of local labor.

The following information relates to the PILOT agreements entered into under the aforementioned programs:

See table on subsequent page

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

| Year Began | Agreement / Property | Total Assessed Value | Tax Rate per \$1,000 | Tax Value | Regular Amount Due | Pilot Received | Taxes Abated |
|------------|--|----------------------|----------------------|--------------|--------------------|----------------|--------------|
| 2013 | 1612 E. Ridge Road/ LA Fitness Health Club | \$ 3,214,300 | \$ 6.41 | \$ 3,214,300 | \$ 20,604 | \$ 20,604 | \$ - |
| 2013 | 723 Washington Avenue/A. I. Armitage LLC | 195,000 | 6.41 | 195,000 | 1,250 | 1,250 | - |
| 2015 | 999 East Ridge Road/Morgan Depot Plaza LLC | 2,900,500 | 6.41 | 2,544,500 | 18,592 | 16,310 | 2,282 |
| 2015 | 1055 East Ridge Road/Tops Building B | 1,806,900 | 6.41 | 1,516,320 | 11,582 | 9,720 | 1,862 |
| 2015 | 1025 East Ridge Road/Gas Station Building C | 321,300 | 6.41 | 290,760 | 2,060 | 1,864 | 196 |
| * 1995 | 1500 & 1550 Portland Ave./St. Ann's (a) | 26,985,600 | 6.41 | 26,985,600 | 172,978 | 50,000 | 122,978 |
| * 2009 | 2150 Portland Ave. /Heritage Christian (a) | 515,000 | 6.41 | 515,000 | 3,301 | 1,133 | 2,168 |
| * 2008 | St. Salomes - Culver Rd./Providence Housing (a) | 1,140,000 | 6.41 | 1,140,000 | 7,307 | 26,552 | (19,245) |
| * 2004 | Brower Rd. Housing/ Devel. Fund Corp. (a) | 2,778,600 | 6.41 | 2,778,600 | 17,811 | 16,000 | 1,811 |
| * 2007 | Sycamore Green Apts./Irond. Housing Dev. Fund (a) | 5,958,600 | 6.41 | 5,958,600 | 38,195 | 40,361 | (2,166) |
| * 2015 | Bakers Park, Stranahan, 651 Titus Ave/I-Square (a) | 3,194,300 | 6.41 | 3,194,300 | 20,475 | 18,216 | 2,259 |
| 2020 | Skyview on the Ridge/Medley Centre | 9,554,100 | 6.41 | 5,200,000 | 61,242 | 39,689 | 21,553 |

* Irondequoit's unique PILOT agreements are based on special terms & conditions agreed upon by the affected taxing jurisdiction. Most of these agreements are with non-profit organizations.

(a) In the case of properties listed as wholly exempt in Roll Section 8 that meet the criteria of a non-profit organization, the tax implication of a unique PILOT can be higher or lower than the Regular Tax Due based on the agreement outlined in the PILOT.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

15. SELF INSURANCE

Risk Retention

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Prior to June 1, 2022, the Town was self-insured for workers' compensation claims. During this previous period, judgments and claims were recorded when it was probable that an asset had been impaired or a liability had been incurred and the amount of loss could be reasonably estimated. The Town is still liable for claims incurred during the prior period. As of June 1, 2022, the Town became a member of the New York State Municipal Workers' Compensation Alliance (Comp Alliance). The Comp Alliance is a group self-insurance program, a network of municipal employers that have joined together for the purpose of providing the workers' compensation and employers' liability coverages required by New York State Law. The Town makes an annual funding contribution to the Comp Alliance that is used to pay for claims incurred during the year over the lifetime of the claim.

As of December 31, 2023, the remaining self-insured workers' compensation liabilities were \$715,084.

Changes in the Town's claims liability amount in fiscal year 2022 and 2023 were:

| Fiscal Year | Beginning Balance | Current Year | | Claim Payments | Balance at Year End |
|-------------|----------------------|-------------------------|------------|-------------------|------------------------|
| | | Changes in Estimates | Claims and | | |
| 2022 | \$ 969,985 | \$ 78,013 | | \$ (89,691) | \$ 958,307 |
| 2023 | \$ 958,307 | \$ - | | \$ (243,223) | \$ 715,084 |

16. AMERICAN RESCUE PLAN ACT

The American Rescue Plan Act provided the Town with \$22,454,916 in total. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure. As of December 31, 2023, the Town has expended \$10,537,176 of these funds.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to Basic Financial Statements

December 31, 2023

17. RESTATEMENT

Change in accounting principle

During the year ended December 31, 2023, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 96, Subscription-Based Information Technology Arrangements. GASB Statement No. 96 enhances the relevance and consistency of information of the government's subscription-based information technology arrangement (SBITA) contracts. It establishes requirements for the accounting treatment of SBITAs based on the principle that SBITAs are financings of the right-to-use subscription-asset and a corresponding subscription liability. A government is required to recognize a SBITA liability and an intangible right-to-use subscription-asset.

As a result of the change in accounting principle, the Town's beginning assets and liabilities were restated, as shown below.

| | Governmental Activities | |
|--|-------------------------|-------------------------|
| | Assets | Liabilities |
| Balance at December 31, 2022, as previously reported | \$ 131,125,840 | \$ (110,111,930) |
| Restatements of beginning balance for - | | |
| Change in accounting principle - GASB 96 | 147,108 | (147,108) |
| Balance at January 1, 2023, as restated | <u>\$ 131,272,948</u> | <u>\$ (110,259,038)</u> |

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF IRONDEQUOIT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - (Unaudited) For the Year Ended December 31, 2023

| | Original Budget | Final Budget | Actual Amount (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------------|------------------------------------|--|
| REVENUES: | | | | |
| Real property taxes | \$ 12,007,112 | \$ 12,007,112 | \$ 12,007,112 | \$ - |
| Real property tax items | 472,392 | 472,392 | 474,731 | 2,339 |
| Nonproperty tax items | 6,366,000 | 6,366,000 | 7,686,246 | 1,320,246 |
| Departmental income | 1,353,375 | 1,353,375 | 1,684,894 | 331,519 |
| Intergovernmental charges | 18,000 | 18,000 | 3,379 | (14,621) |
| Use of money and property | 141,652 | 141,652 | 506,203 | 364,551 |
| Licenses and permits | 48,480 | 48,480 | 47,329 | (1,151) |
| Fines and forfeitures | 150,500 | 150,500 | 85,608 | (64,892) |
| Sale of property and compensation for loss | 174,500 | 174,500 | 213,556 | 39,056 |
| Miscellaneous | 668,003 | 165,248 | 229,872 | 64,624 |
| Interfund revenues | 529,699 | 1,373,294 | 1,304,846 | (68,448) |
| State aid | 1,001,000 | 1,643,183 | 1,661,669 | 18,486 |
| Federal aid | 110,200 | 5,833,384 | 5,889,833 | 56,449 |
| Total revenues | <u>23,040,913</u> | <u>29,747,120</u> | <u>31,795,278</u> | <u>2,048,158</u> |
| EXPENDITURES: | | | | |
| General governmental support | 5,742,385 | 7,141,667 | 6,597,952 | 543,715 |
| Public safety | 13,823,806 | 15,467,596 | 15,449,348 | 18,248 |
| Public health | - | 425,185 | 425,185 | - |
| Transportation | 477,959 | 348,992 | 344,346 | 4,646 |
| Economic assistance and opportunity | 301,160 | 495,741 | 495,714 | 27 |
| Culture and recreation | 2,701,759 | 4,500,380 | 3,764,880 | 735,500 |
| Home and community services | 1,201,288 | 2,898,992 | 2,819,444 | 79,548 |
| Debt service | 1,649,996 | 1,628,534 | 1,679,277 | (50,743) |
| Total expenditures | <u>25,898,353</u> | <u>32,907,087</u> | <u>31,576,146</u> | <u>1,330,941</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(2,857,440)</u> | <u>(3,159,967)</u> | <u>219,132</u> | <u>3,379,099</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from long-term debt | - | - | 52,276 | 52,276 |
| Operating transfers - in | 9,000 | 974,492 | 9,000 | (965,492) |
| Operating transfers - out | - | (1,484,287) | (518,795) | 965,492 |
| Total other financing sources (uses) | <u>9,000</u> | <u>(509,795)</u> | <u>(457,519)</u> | <u>52,276</u> |
| CHANGE IN FUND BALANCE | <u>\$ (2,848,440)</u> | <u>\$ (3,669,762)</u> | <u>(238,387)</u> | <u>\$ 3,431,375</u> |
| FUND BALANCE - beginning of year | | | <u>11,544,840</u> | |
| FUND BALANCE - end of year | | | <u>\$ 11,306,453</u> | |

TOWN OF IRONDEQUOIT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Highway Fund - (Unaudited) For the Year Ended December 31, 2023

| | Original Budget | Final Budget | Actual Amount (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|--|
| REVENUES: | | | | |
| Real property taxes | \$ 3,557,280 | \$ 3,557,280 | \$ 3,557,280 | \$ - |
| Intergovernmental charges | 804,105 | 821,510 | 747,395 | (74,115) |
| Use of money and property | 2,900 | 2,900 | 13,765 | 10,865 |
| Licenses and permits | 135,000 | 135,000 | 85,888 | (49,112) |
| Sale of property and compensation for loss | 110,000 | 125,180 | 88,136 | (37,044) |
| State aid | 696,104 | 1,528,279 | 1,713,733 | 185,454 |
| Total revenues | <u>5,305,389</u> | <u>6,170,149</u> | <u>6,206,197</u> | <u>36,048</u> |
| EXPENDITURES: | | | | |
| General governmental support | 68,129 | 71,084 | 69,795 | 1,289 |
| Transportation | 4,864,920 | 6,655,020 | 6,552,663 | 102,357 |
| Debt service | 884,840 | 679,441 | 679,420 | 21 |
| Total expenditures | <u>5,817,889</u> | <u>7,405,545</u> | <u>7,301,878</u> | <u>103,667</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(512,500)</u> | <u>(1,235,396)</u> | <u>(1,095,681)</u> | <u>139,715</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers - in | <u>12,500</u> | <u>724,706</u> | <u>531,295</u> | <u>(193,411)</u> |
| Total other financing sources (uses) | <u>12,500</u> | <u>724,706</u> | <u>531,295</u> | <u>(193,411)</u> |
| CHANGE IN FUND BALANCE | <u>\$ (500,000)</u> | <u>\$ (510,690)</u> | <u>(564,386)</u> | <u>\$ (53,696)</u> |
| FUND BALANCE - beginning of year | | | <u>1,738,683</u> | |
| FUND BALANCE - end of year | | | <u>\$ 1,174,297</u> | |

TOWN OF IRONDEQUOIT, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Sewer Fund - (Unaudited) For the Year Ended December 31, 2023

| | Original Budget | Final Budget | Actual Amount (Budgetary Basis) | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|--|
| REVENUES: | | | | |
| Real property taxes | \$ 3,902,100 | \$ 3,902,100 | \$ 3,902,100 | \$ - |
| Real property tax items | 10,922 | 10,922 | 10,921 | (1) |
| Departmental income | 5,000 | 5,000 | 8,092 | 3,092 |
| Use of money and property | 7,500 | 7,500 | 37,686 | 30,186 |
| Sale of property and compensation for loss | 80,500 | 80,500 | 19,318 | (61,182) |
| Miscellaneous | - | 1 | 1,154 | 1,153 |
| Total revenues | <u>4,006,022</u> | <u>4,006,023</u> | <u>3,979,271</u> | <u>(26,752)</u> |
| EXPENDITURES: | | | | |
| General governmental support | 47,888 | 47,888 | 45,350 | 2,538 |
| Home and community services | 3,686,837 | 3,712,597 | 3,543,795 | 168,802 |
| Debt service | <u>649,922</u> | <u>649,922</u> | <u>601,913</u> | <u>48,009</u> |
| Total expenditures | <u>4,384,647</u> | <u>4,410,407</u> | <u>4,191,058</u> | <u>219,349</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(378,625)</u> | <u>(404,384)</u> | <u>(211,787)</u> | <u>192,597</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers - in | <u>59,625</u> | <u>59,625</u> | <u>59,625</u> | - |
| Total other financing sources (uses) | <u>59,625</u> | <u>59,625</u> | <u>59,625</u> | - |
| CHANGE IN FUND BALANCE | <u>\$ (319,000)</u> | <u>\$ (344,759)</u> | <u>(152,162)</u> | <u>\$ 192,597</u> |
| FUND BALANCE - beginning of year | | | <u>1,069,757</u> | |
| FUND BALANCE - end of year | | | <u>\$ 917,595</u> | |

TOWN OF IRONDEQUOIT, NEW YORK

Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)

For the Years Ended December 31:

| | Last 10 Fiscal Years (Dollar amounts displayed in thousands) | | | | | | | | | |
|---|--|------------------|------------------|------------------|------------------|------------------|------|------|------|------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Total OPEB Liability | | | | | | | | | | |
| Service cost | \$ 860 | \$ 797 | \$ 1,653 | \$ 1,579 | \$ 1,246 | \$ 873 | | | | |
| Interest | 1,622 | 2,050 | 1,395 | 1,284 | 1,367 | 2,108 | | | | |
| Change in benefit terms | - | - | - | (528) | - | - | | | | |
| Differences between expected and actual experience | 281 | (737) | (15,226) | (1,727) | 831 | (3,985) | | | | |
| Changes in assumptions | 2,749 | (11,583) | 179 | 6,937 | 12,872 | - | | | | |
| Benefit payments | (2,031) | (1,916) | (2,191) | (2,126) | (2,176) | (2,397) | | | | |
| Total change in total OPEB liability | 3,481 | (11,389) | (14,190) | 5,419 | 14,140 | (3,401) | | | | |
| Total OPEB liability - beginning | 43,579 | 54,968 | 69,158 | 63,739 | 49,599 | 53,000 | | | | |
| Total OPEB liability - ending | \$ 47,060 | \$ 43,579 | \$ 54,968 | \$ 69,158 | \$ 63,739 | \$ 49,599 | | | | |
| Covered-employee payroll | \$ 10,817 | 10,817 | \$ 10,882 | \$ 10,565 | \$ 9,548 | \$ 12,139 | | | | |
| Total OPEB liability as a percentage of covered-employee payroll | 435.1% | 402.9% | 505.1% | 654.6% | 667.6% | 408.6% | | | | |

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

Notes to schedule:

Changes of assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following reflects the discount rate used each period:

| | | | | | | |
|---------------|-------|-------|-------|-------|-------|-------|
| Discount rate | 3.25% | 3.75% | 2.00% | 2.00% | 2.75% | 4.00% |
|---------------|-------|-------|-------|-------|-------|-------|

Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The healthcare cost were updated to reflect 2024 premium rates.

The healthcare trend cost rates have been reset to an initial rate of 6.50% decreasing annually to an ultimate rate of 4.30% in 2062.

Plan Assets. No assets are accumulated in a trust that meets the criteria in GASB 75, paragraph 4, to pay related benefits:

- Contributions from the employer and any nonemployer contributing entities, and earnings thereon, must be irrevocable.
- Plan assets must be dedicated to providing OPEB to Plan members in accordance with the benefit terms.
- Plan assets must be legally protected from the creditors of the employer, nonemployer contributing entities, the Plan administrator, and Plan members.

TOWN OF IRONDEQUOIT, NEW YORK

Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited) For the Years Ended December 31:

| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS | *Last 10 Fiscal Years (Dollar amounts displayed in thousands) | | | | | | | | |
|--|---|------------|----------|----------|----------|----------|----------|----------|----------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Proportion of the net pension liability (asset) | 0.032% | 0.031% | 0.030% | 0.029% | 0.030% | 0.029% | 0.030% | 0.027% | 0.027% |
| Proportionate share of the net pension liability (asset) | \$ 6,821 | \$ (2,526) | \$ 29 | \$ 7,800 | 2,119 | \$ 943 | \$ 2,777 | \$ 4,409 | \$ 913 |
| Covered-employee payroll | \$ 8,688 | \$ 7,985 | \$ 7,967 | \$ 7,701 | \$ 7,568 | \$ 7,288 | \$ 7,507 | \$ 6,593 | \$ 6,816 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 78.51% | -31.63% | 0.36% | 101.29% | 28.00% | 12.94% | 36.99% | 66.87% | 13.39% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 90.78% | 103.65% | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% | 90.70% | 97.90% |
| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS SEA BREEZE WATER DISTRICT | *Last 10 Fiscal Years (Dollar amounts displayed in thousands) | | | | | | | | |
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Proportion of the net pension liability (asset) | 0.001% | 0.001% | 0.001% | 0.001% | 0.001% | 0.001% | 0.001% | 0.001% | 0.065% |
| Proportionate share of the net pension liability (asset) | \$ 114 | \$ (53) | \$ 1 | \$ 169 | \$ 47 | \$ 22 | \$ 67 | \$ 114 | \$ 23 |
| Covered-employee payroll | \$ 194 | \$ 220 | \$ 218 | \$ 209 | \$ 203 | \$ 197 | \$ 195 | \$ 168 | \$ 169 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 58.76% | -24.09% | 0.46% | 80.86% | 23.15% | 11.17% | 34.36% | 67.86% | 13.61% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 90.78% | 103.65% | 99.95% | 86.39% | 96.27% | 98.24% | 94.70% | 90.70% | 97.90% |
| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - PFRS | *Last 10 Fiscal Years (Dollar amounts displayed in thousands) | | | | | | | | |
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Proportion of the net pension liability (asset) | 0.137% | 0.144% | 0.136% | 0.140% | 0.125% | 0.129% | 0.136% | 0.134% | 0.135% |
| Proportionate share of the net pension liability (asset) | \$ 7,555 | \$ 820 | \$ 2,364 | \$ 7,486 | \$ 2,093 | \$ 1,300 | \$ 2,813 | \$ 3,969 | \$ 371 |
| Covered-employee payroll | \$ 5,678 | 5,313 | \$ 5,330 | \$ 4,921 | \$ 5,103 | \$ 5,112 | \$ 5,143 | \$ 4,501 | \$ 4,588 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 133.06% | 14.44% | 44.35% | 152.12% | 41.02% | 25.43% | 54.70% | 88.18% | 8.09% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 87.43% | 98.66% | 95.79% | 84.86% | 95.09% | 96.93% | 93.50% | 90.20% | 99.00% |

* Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

TOWN OF IRONDEQUOIT, NEW YORK

Schedule of Contributions - Pension Plans (Unaudited)

For the Years Ended December 31:

| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS | *Last 10 Fiscal Years (Dollar amounts displayed in thousands) | | | | | | | | |
|--|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution | \$ 944 | \$ 1,230 | \$ 1,101 | \$ 1,078 | \$ 1,070 | \$ 1,061 | \$ 1,181 | \$ 1,143 | \$ 1,329 |
| Contributions in relation to the contractually required contribution | <u>944</u> | <u>1,230</u> | <u>1,101</u> | <u>1,078</u> | <u>1,070</u> | <u>1,061</u> | <u>1,181</u> | <u>1,143</u> | <u>1,329</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | 8,688 | \$ 7,985 | \$ 7,967 | \$ 7,701 | \$ 7,568 | \$ 7,288 | \$ 7,507 | \$ 6,593 | \$ 6,816 |
| Contributions as a percentage of covered-employee payroll | 10.87% | 15.40% | 13.82% | 14.00% | 14.14% | 14.56% | 15.73% | 17.34% | 19.50% |
| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS SEA BREEZE WATER DISTRICT | *Last 10 Fiscal Years (Dollar amounts displayed in thousands) | | | | | | | | |
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution | \$ 23 | \$ 34 | \$ 30 | \$ 28 | \$ 27 | \$ 27 | \$ 27 | \$ 24 | \$ 34 |
| Contributions in relation to the contractually required contribution | <u>23</u> | <u>34</u> | <u>30</u> | <u>28</u> | <u>27</u> | <u>27</u> | <u>27</u> | <u>24</u> | <u>34</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 194 | \$ 220 | \$ 218 | \$ 209 | \$ 203 | \$ 197 | \$ 195 | \$ 168 | \$ 169 |
| Contributions as a percentage of covered-employee payroll | 11.86% | 15.45% | 13.76% | 13.40% | 13.30% | 13.71% | 13.85% | 14.29% | 20.12% |
| NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - PFRS | *Last 10 Fiscal Years (Dollar amounts displayed in thousands) | | | | | | | | |
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution | \$ 1,406 | \$ 1,376 | \$ 1,160 | \$ 1,046 | \$ 1,118 | \$ 1,176 | \$ 1,136 | \$ 1,030 | \$ 1,108 |
| Contributions in relation to the contractually required contribution | <u>1,406</u> | <u>1,376</u> | <u>1,160</u> | <u>1,046</u> | <u>1,118</u> | <u>1,176</u> | <u>1,136</u> | <u>1,030</u> | <u>1,108</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee payroll | \$ 5,678 | \$ 5,313 | \$ 5,330 | \$ 4,921 | \$ 5,103 | \$ 5,112 | \$ 5,143 | \$ 4,501 | \$ 4,588 |
| Contributions as a percentage of covered-employee payroll | 24.76% | 25.90% | 21.76% | 21.26% | 21.91% | 23.00% | 22.09% | 22.88% | 24.15% |

*Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

SUPPLEMENTARY INFORMATION

TOWN OF IRONDEQUOIT, NEW YORK

**Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2023**

| | Special Grant Fund | Miscellaneous Special Revenue Fund | Library Fund | Drainage District | Lighting Districts | Water District | Total Nonmajor Governmental Funds |
|---|-----------------------|--|-------------------|----------------------|-----------------------|---------------------|---|
| ASSETS | | | | | | | |
| Cash and cash equivalents | \$ 726,737 | \$ 239,933 | \$ 616,464 | \$ 68,280 | \$ 379,869 | \$ 545,148 | \$ 2,576,431 |
| Receivables | - | - | 3,114 | - | - | 323,153 | 326,267 |
| State and federal receivable | 33,035 | - | - | - | - | - | 33,035 |
| Due from other governments | - | - | - | - | - | 170,278 | 170,278 |
| Lease receivable | - | - | - | - | - | 837,412 | 837,412 |
| Prepaid expenditures | - | - | 37,005 | 9,765 | - | 11,129 | 57,899 |
| Total assets | <u>\$ 759,772</u> | <u>\$ 239,933</u> | <u>\$ 656,583</u> | <u>\$ 78,045</u> | <u>\$ 379,869</u> | <u>\$ 1,887,120</u> | <u>\$ 4,001,322</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | |
| LIABILITIES: | | | | | | | |
| Accounts payable | \$ 33,734 | \$ - | \$ 59,733 | \$ 20,195 | \$ 4,954 | \$ 101,623 | \$ 220,239 |
| Accrued liabilities | 538 | - | 23,275 | 5,811 | - | 5,969 | 35,593 |
| Unearned revenues | 725,500 | - | - | - | - | - | 725,500 |
| Total liabilities | <u>759,772</u> | <u>-</u> | <u>83,008</u> | <u>26,006</u> | <u>4,954</u> | <u>107,592</u> | <u>981,332</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | | | | |
| Lease related | - | - | - | - | - | 796,382 | 796,382 |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>796,382</u> | <u>796,382</u> |
| FUND BALANCES: | | | | | | | |
| Nonspendable | - | - | 37,005 | 9,765 | - | 11,129 | 57,899 |
| Restricted | - | 239,933 | 536,570 | 42,274 | 374,915 | 972,017 | 2,165,709 |
| Total fund balances | <u>-</u> | <u>239,933</u> | <u>573,575</u> | <u>52,039</u> | <u>374,915</u> | <u>983,146</u> | <u>2,223,608</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 759,772</u> | <u>\$ 239,933</u> | <u>\$ 656,583</u> | <u>\$ 78,045</u> | <u>\$ 379,869</u> | <u>\$ 1,887,120</u> | <u>\$ 4,001,322</u> |

TOWN OF IRONDEQUOIT, NEW YORK

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2023

| | Special Grant | Miscellaneous Special Revenue | | | | | Total Nonmajor Governmental |
|--|---------------|----------------------------------|--------------|-------------------|--------------------|----------------|--------------------------------|
| | Fund | Fund | Library Fund | Drainage District | Lighting Districts | Water District | Funds |
| REVENUES: | | | | | | | |
| Real property taxes | \$ - | \$ - | \$ 2,695,213 | \$ 881,644 | \$ 161,600 | \$ 40,406 | \$ 3,778,863 |
| Departmental income | - | - | 108,492 | - | - | 1,084,914 | 1,193,406 |
| Use of money and property | - | 4,010 | 224 | 1,102 | 7,142 | 111,044 | 123,522 |
| Sale of property and compensation for loss | - | - | 2,457 | - | - | 21,890 | 24,347 |
| Miscellaneous | 200,034 | 56,500 | 4,985 | - | 45,264 | 250 | 307,033 |
| State aid | - | - | 14,642 | - | - | - | 14,642 |
| Federal aid | 1,085,548 | - | - | - | - | - | 1,085,548 |
| Total revenues | 1,285,582 | 60,510 | 2,826,013 | 882,746 | 214,006 | 1,258,504 | 6,527,361 |
| EXPENDITURES: | | | | | | | |
| General governmental support | - | - | - | - | - | 20,906 | 20,906 |
| Transportation | - | - | - | - | 46,865 | - | 46,865 |
| Culture and recreation | - | - | 2,222,562 | - | - | - | 2,222,562 |
| Home and community services | 1,285,582 | - | - | 597,232 | - | 1,147,388 | 3,030,202 |
| Debt service - | | | | | | | |
| Principal | - | - | 340,000 | 269,652 | - | 22,500 | 632,152 |
| Interest | - | - | 282,650 | 80,173 | - | 19,100 | 381,923 |
| Total expenditures | 1,285,582 | - | 2,845,212 | 947,057 | 46,865 | 1,209,894 | 6,334,610 |
| CHANGE IN FUND BALANCE | - | 60,510 | (19,199) | (64,311) | 167,141 | 48,610 | 192,751 |
| FUND BALANCE - beginning of year | - | 179,423 | 592,774 | 116,350 | 207,774 | 934,536 | 2,030,857 |
| FUND BALANCE - end of year | \$ - | \$ 239,933 | \$ 573,575 | \$ 52,039 | \$ 374,915 | \$ 983,146 | \$ 2,223,608 |

SECTION B

UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S 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

May 13, 2024

To the Town Board of the
Town of Irondequoit, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Irondequoit, New York (the Town), 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 May 13, 2024.

Report on 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 audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 entity'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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE**

May 13, 2024

To the Town Board of the
Town of Irondequoit, New York

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Town of Irondequoit, New York's (the Town's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended December 31, 2023. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

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Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

TOWN OF IRONDEQUOIT, NEW YORK

Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2023

| Federal Grantor/Pass Through Grantor/Program or Cluster Title | Assistance Listing Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|------------------------------|--|-------------------------|
| U.S. Department of Housing and Urban Development: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii | 14.228 | N/A | \$ 1,085,548 |
| Total U.S. Department of Housing and Urban Development | | | 1,085,548 |
| U.S. Department of the Treasury: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | 5,683,353 |
| Total U.S. Department of the Treasury | | | 5,683,353 |
| U.S. Department of Justice: Bulletproof Vest Partnership Program | 16.607 | N/A | 294 |
| Total U.S. Department of Justice | | | 294 |
| U.S. Department of Health and Human Services: <i>Passed through Monroe County Office for the Aging -</i> Aging Cluster - Special Programs for the Aging-Title III, Part C-Nutrition Services | 93.045 | 4300002492 | 155,329 |
| Total Aging Cluster | | | 155,329 |
| Total U.S. Department of Health and Human Services | | | 155,329 |
| U.S. Department of Homeland Security: Homeland Security Grant Program | 97.067 | N/A | 13,228 |
| Total U.S. Department of Homeland Security | | | 13,228 |
| Total Expenditures of Federal Awards | | | \$ 6,937,752 |

The accompanying notes are an integral part of this schedule.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to the Schedule of Expenditures of Federal Awards

December 31, 2023

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Irondequoit, New York (the Town) under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Since the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented in conformity with accounting principles generally accepted in the United States and the amounts presented are derived from the Town's general ledger.

3. PASS-THROUGH PROGRAMS

Where the Town receives funds from a government entity other than the federal government (pass-through), the funds are accumulated based upon the Assistance Listing number advised by the pass-through grantor.

Identifying numbers, other than Assistance Listing numbers, which may be assigned by pass-through grantors are not maintained in the Town's financial management system. The Town has identified certain pass-through identifying numbers and included them in the Schedule, as available.

4. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent such costs are included in the federal financial reports used as the source for the data presented.

The Town did not elect to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

5. MATCHING COSTS

Matching costs, i.e., the Town's or State's share of certain program costs, are not included in the schedule of expenditures of federal awards.

TOWN OF IRONDEQUOIT, NEW YORK

Schedule of Findings and Questioned Costs For the Year Ended December 31, 2023

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

___ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

___ Yes X None noted

Noncompliance material to financial statements noted?

___ Yes X No

Federal Awards

Internal control over major program:

Material weakness(es) identified?

___ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

___ Yes X None noted

Type of auditor's report issued on compliance for the major program

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance, section 200.516(a)?

___ Yes X No

Identification of major programs:

Assistance Listing

Number

Name of Federal Program

21.027

COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?

X Yes ___ No

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

D. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None.

SECTION C

NEW YORK STATE SINGLE AUDIT

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE
STATE TRANSPORTATION ASSISTANCE PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY PART 43 OF NEW YORK CODES, RULES AND
REGULATIONS**

May 13, 2024

To the Town Board of the
Town of Irondequoit, New York

Report on Compliance of the State Transportation Assistance Program

Opinion on State Transportation Assistance Program

We have audited the Town of Irondequoit, New York's (the Town's) compliance with the types of compliance requirements identified in Part 43 of the New York Codes, Rules and Regulations (NYCRR) that could have a direct and material effect on the Town's state transportation assistance program tested for the year ended December 31, 2023. The Town's state transportation assistance program tested is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its state transportation assistance program for the year ended December 31, 2023.

Basis For Opinion on State Transportation Assistance Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Part 43 of NYCRR. Our responsibilities under those standards and Part 43 of NYCRR are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the state transportation assistance program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's state transportation assistance programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and Part 43 of NYCRR will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of the state transportation assistance program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements of Part 43 of NYCRR, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Part 43 of NYCRR, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Part 43 of NYCRR. Accordingly, this report is not suitable for any other purpose.

TOWN OF IRONDEQUOIT, NEW YORK

Schedule of State Transportation Assistance Expended For the Year Ended December 31, 2023

| Program Title | NYS Contract/Ref. | Expenditures |
|---|----------------------|---------------------|
| | Number | |
| Consolidated Local Street and Highway Improvement Program (CHIPS) | N/A | \$ 794,496 |
| Extreme Winter Recovery (EWR) | N/A | 106,181 |
| PAVE-NY | N/A | 123,285 |
| Pave Our Potholes (POP) | N/A | 82,190 |
| State Touring Route (STR) | N/A | <u>607,581</u> |
| | | <u>\$ 1,713,733</u> |

The accompanying notes are an integral part of this schedule.

TOWN OF IRONDEQUOIT, NEW YORK

Notes to the Schedule of State Transportation Assistance Expended December 31, 2023

1. GENERAL

The accompanying Schedule of State Transportation Assistance Expended for the Town of Irondequoit, New York (the Town) presents the expenditures of all financial assistance programs provided by the New York State Department of Transportation.

2. BASIS OF ACCOUNTING

The accompanying Schedule of State Transportation Assistance Expended is presented in conformity with accounting principles generally accepted in the United States.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the New York State financial reports used as the source for the data presented.

TOWN OF IRONDEQUOIT, NEW YORK

Schedule of Findings and Questioned Costs For State Transportation Assistance Expended For the Year Ended December 31, 2023

A. SUMMARY OF AUDIT RESULTS

1. Internal control over state transportation assistance expended:

- No significant deficiencies or material weaknesses were reported.

2. The independent auditor's report on compliance with requirements of the state transportation assistance program and on internal control over compliance required by Part 43 of the New York Codes, Rules and Regulations expressed an unmodified opinion and did not disclose any material noncompliance with the state transportation program tested.

3. The program tested was:

- CHIPS

B. FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

There were no current year findings and there were no prior year findings.

C. COMPLIANCE FINDINGS AND QUESTIONED COSTS

There were no current year findings and there were no prior year findings.