

Town of West Seneca, New York

*Basic Financial Statements, Required Supplementary
Information, and Supplemental Schedules
for the Year Ended December 31, 2022
and Independent Auditors' Report*

TOWN OF WEST SENECA, NEW YORK
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INDEPENDENT AUDITORS' REPORT

To the Honorable Town Board
Town of West Seneca, New York

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 West Seneca (the "Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2022, 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 *Governmental 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' 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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, 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 combining and individual nonmajor fund financial statements and any other supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2023, 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.

R.A. MERCER & CO., P.C.

R.A. Mercer & Co., P.C.

West Seneca, New York
August 25, 2023

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TOWN OF WEST SENECA, NEW YORK
Management's Discussion and Analysis
For the Year Ended December 31, 2022

As management of the Town of West Seneca, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2022. This document should be read in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$95,415,469 (net position). This amount consists of \$40,030,922 in net investment in capital assets and \$10,351,982 restricted for specific purposes offset by negative unrestricted net position of \$145,798,373, of which \$145,547,544 relates to the OPEB liability (net of any deferred outflows and deferred inflows).
- The Town's total net position increased by \$25,646,703 during 2022. This increase is attributable to a number of factors. The Town's net position increased by \$8 million as a result of its revenues exceeding its expenditures under governmental fund accounting. The Town's net position also increased by \$2 million as a result of a decrease to its New York State pension liability (and the associated changes in the deferred outflows and deferred inflows). Additionally, the Town's net position increased by \$9.8 million as a result of a decrease to its OPEB liability (and the associated changes in the deferred outflows and deferred inflows).
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$32,132,255, an increase of \$14,601,576 in comparison with the prior year due primarily to overall revenues exceeding expenditures.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$8,115,305, or approximately 26.6% of total General Fund expenditures. This is an improvement over the prior year's percentage of 22.3%.
- The Town's total bonded debt increased by \$285,000 based on principal payments made of \$3,015,000 netted with debt proceeds acquired from the issuance of new term debt of \$3,300,000.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the

most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Town does not have any business-type activities.

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *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* at the end of the fiscal year. Such information may be useful in evaluating a government'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 expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General, Highway, Sewer, and Capital Projects Funds, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The Town adopts an annual budget for all governmental funds, except Capital Projects, Special Purpose, and Debt Service Funds. A budgetary comparison statement has been provided for all major governmental funds to demonstrate compliance with their budgets.

The financial statements for governmental funds can be found in the fund financial statements, following the government-wide financial statements.

Notes to the Financial Statements. The financial statements also include notes that explain some of the information in the financial statements and provide detailed data. They are essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found following the fund financial statements section of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town’s funding its obligation to provide post-employment benefits to its employees, the Town’s net pension liability, and the Town’s budgetary comparison schedules for each major fund with a legally adopted budget. The required supplementary information can be found following the notes to the financial statements of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds as well as the combining Balance Sheet and combining Statement of Revenues, Expenditures, and Other Financing Sources and Changes in Fund Balances (Deficits) for the capital projects fund are presented immediately following the Required Supplementary Information in the Supplementary Information section of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$95,415,469 at the close of the 2022 fiscal year.

Table 1 – Condensed Statement of Net Position

	Governmental Activities		Dollar Change
	2022	2021	
Current Assets	\$ 47,388,284	28,134,762	19,253,522
Capital Assets	81,293,674	79,127,463	2,166,211
Total Assets	<u>128,681,958</u>	<u>107,262,225</u>	<u>21,419,733</u>
Deferred Outflows of Resources	36,285,625	46,558,597	(10,272,972)
Current Liabilities	16,551,492	12,018,099	4,533,393
Long-Term Liabilities	145,093,283	201,908,422	(56,815,139)
Total Liabilities	<u>161,644,775</u>	<u>213,926,521</u>	<u>(52,281,746)</u>
Deferred Inflows of Resources	98,738,277	60,956,473	37,781,804
Net Position:			
Net Investment in Capital Assets	40,030,922	30,561,639	9,469,283
Restricted	10,351,982	2,993,848	7,358,134
Unrestricted	(145,798,373)	(154,617,659)	8,819,286
Total Net Position	<u>\$ (95,415,469)</u>	<u>(121,062,172)</u>	<u>25,646,703</u>

At the end of the current fiscal year, the Town's is able to report positive balances in two categories of net position. Both net investment in capital assets and restricted net position report positive balances. Unrestricted net position reports a deficit balance, which indicates its long-term outlook relies on future revenue streams.

The largest portion of the Town's net position (\$40,030,922) reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town’s net position, \$10,351,982, represents resources subject to external restrictions on how they may be used and are reported as restricted net position. The remaining category of total net position (negative \$145,798,373), is considered to be unrestricted. This deficit does not mean the Town does not have the assets available to meets it obligations in the upcoming year, but rather, it is

the result of having long-term commitments that are greater than its currently available resources. Payments for these liabilities will be budgeted in the year that the actual payments will be made.

Governmental activities. Governmental activities increased the Town's net position by \$25,636,725. Additionally, the Town recorded a prior period adjustment to its net position for \$9,978 due to the implementation of a new accounting standard. Table 2 shows the changes in net position for the years ended December 31, 2022 and 2021.

Table 2 – Changes in Net Position

	Governmental Activities		
	2022	2021	Dollar Change
Revenue:			
Program Revenues:			
Charges for Services	\$ 5,563,438	5,328,758	234,680
Operating Grants and Contributions	6,593,436	2,654,884	3,938,552
General Revenues:			
Real Property Taxes and Tax Items	37,994,229	37,871,645	122,584
Non-Property Taxes	8,343,086	8,022,182	320,904
Sale of Property and Compensation for Loss	5,391,299	-	5,391,299
Use of Money and Property	158,061	106,978	51,083
Premium on Bonds and BANs	274,059	274,059	-
Total Revenues	64,317,608	54,258,506	10,059,102
Expenses:			
General Government Support	4,277,038	5,147,803	(870,765)
Public Safety	9,734,960	14,624,096	(4,889,136)
Health	5,723	5,567	156
Transportation	9,012,524	11,151,294	(2,138,770)
Economic Assistance and Opportunity	16,615	21,570	(4,955)
Culture and Recreation	2,561,618	4,103,889	(1,542,271)
Home and Community Services	11,275,956	13,155,068	(1,879,112)
Interest and Fiscal Charges	1,796,449	1,952,209	(155,760)
Total Expenses	38,680,883	50,161,496	(11,480,613)
Change in Net Position	25,636,725	4,097,010	21,539,715
Net Position - Beginning of Year	(121,062,172)	(125,159,182)	
Change in Accounting Principle	9,978	-	
Net Position - End of Year	\$ (95,415,469)	(121,062,172)	

As previously noted, the change in the Town's net position for 2022 was an increase of \$25,646,703 which compares with an increase in net position during the previous year of \$4,097,010. An analysis of revenues and expenses reveals the following:

- The most significant revenue sources are real property and other tax items, operating grants and contributions, and non-property taxes (which is largely an allocation of sales tax collected within the County of Erie) which accounted for 59.1%, 10.3%, and 13.0% of total revenue respectively during 2022. Comparatively, these revenue categories comprised 69.8%, 4.9% and 14.8% of revenues, respectively during the prior year. Combined, these three revenue types make up 82.3% and 89.5% of all Town revenue during 2022 and 2021 respectively.
- The most significant expense items include home and community services (services such as sanitary sewers, garbage and refuse), public safety (services such as police and safety inspection), and transportation (services such as road maintenance and repair and snow removal) which account for 29.2%, 25.2%, and 23.3% of all expenses respectively during 2022. Comparatively, these

expense categories comprised 26.2%, 29.2%, and 22.2% of all expenses respectively during 2021. Combined, these three expense types made up 77.6% of all Town expenses during 2022 and 2021.

- Significant expense decreases were noted in the public safety, transportation, culture and recreation, and home and community services categories.

Program revenues for 2022 and 2021 Governmental Activities were as follows:

Table 3 – Sources of Revenues – Primary Government

	2022		2021		Dollar
	Amount		Amount		Change
Charges for Services	\$ 5,563,438	8.7%	5,328,758	9.8%	234,680
Operating Grants and Contributions	6,593,436	10.3%	2,654,884	4.9%	3,938,552
Real Property Taxes and Tax Items	37,994,229	59.1%	37,871,645	69.8%	122,584
Non-Property Taxes (Sale Tax)	8,343,086	13.0%	8,022,182	14.8%	320,904
Sale of Property and Compensation for Loss	5,391,299	8.4%	-	0.0%	5,391,299
Use of Money and Property	158,061	0.3%	106,978	0.2%	51,083
Premium on Bonds and BANs	274,059	0.4%	274,059	0.5%	-
Total General Revenues	\$ 64,317,608		54,258,506		10,059,102

Program expenses for 2022 and 2021 Governmental Activities were as follows:

Table 4 – Expense by Function

	2022		2021		Dollar
	Amount		Amount		Change
General Government Support	\$ 4,277,038	11.1%	5,147,803	10.3%	(870,765)
Public Safety	9,734,960	25.2%	14,624,096	29.2%	(4,889,136)
Health	5,723	0.0%	5,567	0.0%	156
Transportation	9,012,524	23.3%	11,151,294	22.2%	(2,138,770)
Economic Assistance	16,615	0.0%	21,570	0.0%	(4,955)
Culture and Recreation	2,561,618	6.6%	4,103,889	8.2%	(1,542,271)
Home and Community Services	11,275,956	29.2%	13,155,068	26.2%	(1,879,112)
Interest and Fiscal Charges	1,796,449	4.6%	1,952,209	3.9%	(155,760)
Total General Expenses	\$ 38,680,883		50,161,496		(11,480,613)

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

Governmental Funds – The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned and assigned fund balances* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund

balances of \$32,132,255, an increase of \$17,530,679, in comparison with the prior year. This increase in fund balance is due to revenues exceeding expenditures during the year. *Unassigned fund balance* is \$6,975,202. Additionally, the Town's *assigned fund balances* totaled \$13,734,739. *Nonspendable* fund balance amounts totaled \$1,070,332 at December 31, 2022. These nonspendable fund balance amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. For the Town as of December 31, 2022, these nonspendable amounts represent prepaid assets. *Restricted* amounts, totaling \$10,351,982 at December 31, 2022, represent net current financial resources that are constrained to specific purposes by their providers.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,115,305, while total fund balance amounted to \$10,269,368. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 26.6 percent of total General Fund expenditures, while total fund balance represents approximately 33.7 percent of total General Fund expenditures.

General Fund Budgetary Highlights

A summary of the General Fund results of operations for the year ended December 31, 2022 is presented below in Table 5:

Table 5 – Summary of General Fund Results of Operations

	<u>Budgeted Amount</u>		<u>Budgetary</u>	<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Variance</u>		<u>Final Budget</u>
Revenues	\$ 30,702,614	30,988,232	285,618	34,083,271	3,095,039
Expenditures and Other					
Financing Uses	<u>30,702,614</u>	<u>31,076,020</u>	<u>373,406</u>	<u>31,757,208</u>	<u>(681,188)</u>
Excess (Deficiency) of Revenues over					
Expenditures and Other Financing Uses	<u>\$ -</u>	<u>(87,788)</u>	<u>(87,788)</u>	<u>2,326,063</u>	<u>2,413,851</u>

Original budget compared to final budget. During the year, the Town increased the estimated original revenues and the original budgeted appropriations by \$285,618.

Final budget compared to actual results. A review of actual revenues and expenditures compared to the estimated revenues and appropriations in the final budget yields favorable variances of \$613,086 within non-property tax revenues, \$519,724 within state aid, \$1,749,653 within federal aid, \$99,933 within other property tax items, \$80,800 within general government support, and \$36,958 within public safety, and negative variances of \$55,480 within miscellaneous revenue, \$77,170 within home and community services, \$13,533 within culture and recreation, and \$713,798 within interfund transfers. The variance within non-property tax revenues was created through sales tax distributions from Erie County exceeding the estimated amount. The variances within the other categories were caused by circumstances that occurred after the budget was adopted and for which no budgetary adjustments were made.

Capital Assets and Debt Administration

Capital Assets - The Town's investment in capital assets (including right-to-use assets, in accordance with the requirements of GASB Statement No. 87 – *Leases*) as of December 31, 2022 amounted to \$81,293,674 (net of accumulated depreciation and amortization). This investment in capital assets includes land and land improvements, infrastructure, buildings and improvements, machinery and equipment.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the Town's capital asset policy. Capital assets net of depreciation for the governmental activities are presented in the table below:

	Governmental Activities	
	2022	2021
Land	\$ 543,871	543,871
Construction in Progress	6,758,639	4,181,207
Land Improvements	318,526	241,386
Buildings	14,420,198	15,007,637
Building Improvements	3,450,047	3,608,339
Machinery and Equipment	4,500,722	3,793,891
Infrastructure	50,707,611	51,751,132
Right-to-Use Assets	594,060	-
Total	<u>\$ 81,293,674</u>	<u>79,127,463</u>

The Town's infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide financial statements. The Town has elected to depreciate their infrastructure assets. Additional information on the Town's capital assets can be found in the notes to the financial statements.

Debt - At December 31, 2022, the Town had total bonded debt outstanding of \$39,650,000 as compared to \$39,365,000 in the prior year. During 2022, the Town issued new serial bonds in the amount of \$3,300,00 and made principal payments on its debt of \$3,015,000. Additional information on the Town's long-term debt can be found in the notes to the financial statements.

Additionally, the Town acquired short-term financing in its Capital Projects fund in the amount of \$3,122,836. There are no payment terms associated with this liability and there is no interest rate applied to it. These funds are due to be paid back in 2023.

Economic Factors

According to the Bureau of Labor Statistics data, the unemployment rate for the Buffalo-Niagara region was 3.4 percent as of the end of December, 2022. This compares to New York State's average unemployment rate of 4.1 percent and the national unemployment rate of 3.5 as of the same date.

While these factors were considered in preparing the Town's 2023 budget, the costs for employee health insurance, workers' compensation, and retirement costs mandated by the New York State and Local Employees Retirement System and the New York State Police and Fire Retirement System continue to rise and have significant influence on the Town's budget.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Supervisor's Office, Town of West Seneca, 1250 Union Road, West Seneca, New York 14224.

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BASIC FINANCIAL STATEMENTS

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TOWN OF WEST SENECA, NEW YORK
Statement of Net Position
December 31, 2022

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash	\$ 32,373,675
Restricted Cash	8,528,675
Accounts Receivable	81,694
Prepays	345,177
Due from Other Governments	2,942,573
Net Pension Asset	3,116,490
Capital Assets not being Depreciated	7,302,510
Capital Assets net of Accumulated Depreciation	<u>73,991,164</u>
Total Assets	<u>128,681,958</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - ERS/PFRS	15,754,332
Deferred Outflows - OPEB	<u>20,531,293</u>
Total Deferred Outflows of Resources	<u>36,285,625</u>
 LIABILITIES	
Accounts Payable	5,609,110
Accrued Liabilities	1,173,659
Due to Other Governments	1,775
Other Liabilities	6,428,112
Bond Anticipation Notes	216,000
Other Short-Term Financing	3,122,836
Noncurrent Liabilities:	
Due Within One Year	5,979,208
Due in More Than One Year	<u>139,114,075</u>
Total Liabilities	<u>161,644,775</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - ERS/PFRS	20,010,101
Deferred Inflows - OPEB	<u>78,728,176</u>
Total Deferred Inflows of Resources	<u>98,738,277</u>
 NET POSITION	
Net Investment in Capital Assets	40,030,922
Restricted for:	
Capital Purchases	10,259,271
Grants	92,711
Unrestricted	<u>(145,798,373)</u>
Total Net Position	<u>\$ (95,415,469)</u>

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

TOWN OF WEST SENECA, NEW YORK
Statement of Activities
For the Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
Primary Government:				
Governmental Activities:				
General Government Support	\$ 4,277,038	497,570	2,640,065	(1,139,403)
Public Safety	9,734,960	1,208,679	84,501	(8,441,780)
Health	5,723	22,451	-	16,728
Transportation	9,012,524	464,559	1,471,983	(7,075,982)
Economic Assistance and Opportunity	16,615	-	-	(16,615)
Culture and Recreation	2,561,618	357,356	1,348,378	(855,884)
Home and Community Services	11,275,956	3,012,823	1,048,509	(7,214,624)
Interest and Fiscal Charges	1,796,449	-	-	(1,796,449)
Total Primary Government	<u>\$ 38,680,883</u>	<u>5,563,438</u>	<u>6,593,436</u>	<u>(26,524,009)</u>
General Revenues:				
				37,994,229
				8,343,086
				5,391,299
				158,061
				<u>274,059</u>
				52,160,734
				25,636,725
				(121,062,172)
				9,978
				<u>\$ (95,415,469)</u>

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

TOWN OF WEST SENECA, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2022

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>			
ASSETS						
Cash	\$ 17,373,922	5,169,395	8,471,666	-	1,358,692	32,373,675
Restricted Cash	92,711	25,218	-	8,410,746	-	8,528,675
Accounts Receivable	81,664	30	-	-	-	81,694
Prepaid Items	937,583	112,809	19,940	-	-	1,070,332
Due from Other Governments	1,419,340	1,159,567	332,375	27,667	3,624	2,942,573
Due from Other Funds	440,186	605,055	10,273	876,042	14,272	1,945,828
Total Assets	<u>20,345,406</u>	<u>7,072,074</u>	<u>8,834,254</u>	<u>9,314,455</u>	<u>1,376,588</u>	<u>46,942,777</u>
LIABILITIES						
Accounts Payable	1,511,122	832,496	3,263,878	-	1,614	5,609,110
Accrued Liabilities	446,359	135,235	28,103	-	-	609,697
Due to Other Funds	1,688,670	193,945	58,708	4,505	-	1,945,828
Due to Other Governments	1,775	-	-	-	-	1,775
Other Liabilities	6,428,112	-	-	-	-	6,428,112
Bond Anticipation Notes Payable	-	-	-	216,000	-	216,000
Total Liabilities	<u>10,076,038</u>	<u>1,161,676</u>	<u>3,350,689</u>	<u>220,505</u>	<u>1,614</u>	<u>14,810,522</u>
FUND BALANCES (DEFICITS)						
Nonspendable	937,583	112,809	19,940	-	-	1,070,332
Restricted	92,711	25,218	-	10,234,053	-	10,351,982
Assigned	1,123,769	5,772,371	5,463,625	-	1,374,974	13,734,739
Unassigned	8,115,305	-	-	(1,140,103)	-	6,975,202
Total Fund Balances (Deficits)	<u>10,269,368</u>	<u>5,910,398</u>	<u>5,483,565</u>	<u>9,093,950</u>	<u>1,374,974</u>	<u>32,132,255</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 20,345,406</u>	<u>7,072,074</u>	<u>8,834,254</u>	<u>9,314,455</u>	<u>1,376,588</u>	<u>46,942,777</u>

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

TOWN OF WEST SENECA, NEW YORK
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2022

Amounts reported for Governmental Activities in the Statement of Net Position (page 18) are different because:

Total fund balances (deficits) - governmental funds (page 20)	\$ 32,132,255
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$153,342,824 and the accumulated depreciation and amortization is \$72,049,150.	81,293,674
To recognize interest accrual on long term debt.	(563,962)
To recognize the net pension asset.	3,116,490
To recognize the net pension liability.	(1,034,033)
To recognize the deferred outflows related to the net pension liability.	15,754,332
To recognize the deferred inflows related to the net pension liability.	(20,010,101)
To recognize the deferred outflows related to the OPEB liability.	20,531,293
To recognize the deferred inflows related to the OPEB liability.	(78,728,176)
To eliminate the prepaid amount to NYS pension expense.	(725,155)
To record the premium on the issuance of bonds.	(1,942,741)
To recognize a liability for short-term financing procured.	(3,122,836)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:	
Serial bonds payable	(39,650,000)
Energy Performance Contract	(7,272,461)
Leases	(592,296)
Other post-employment benefits payable	(87,350,661)
Judgments and claims payable	(3,863,052)
Compensated absences payable	(3,388,039)
	<u>(142,116,509)</u>
Net position of governmental activities	<u>\$ (95,415,469)</u>

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

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2022

	<u>Special Revenue</u>			Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Highway	Sewer			
REVENUES						
Real Property Taxes	\$ 16,890,255	10,340,585	9,786,063	-	584,962	37,601,865
Other Property Tax Items	392,364	-	-	-	-	392,364
Non-property Tax Items	8,343,086	-	-	-	-	8,343,086
Departmental Income	748,622	304,041	-	-	64,928	1,117,591
Intergovernmental Charges	-	160,518	256,320	-	-	416,838
Use of Money and Property	112,017	20,172	-	25,495	377	158,061
Sale of Property and Compensation for Loss	112,141	61,892	-	5,217,266	-	5,391,299
Licenses and Permits	367,983	-	-	-	-	367,983
Fines and Forfeitures	850,503	-	-	-	-	850,503
Miscellaneous	52,520	-	-	1,500	-	54,020
Interdistrict Revenues	-	-	2,756,503	-	-	2,756,503
Interfund Revenues	1,890,928	1,293,663	-	-	-	3,184,591
State Aid	1,960,199	661,643	-	1,169,628	-	3,791,470
Federal Aid	2,362,653	439,313	-	-	-	2,801,966
Total Revenues	<u>34,083,271</u>	<u>13,281,827</u>	<u>12,798,886</u>	<u>6,413,889</u>	<u>650,267</u>	<u>67,228,140</u>
EXPENDITURES						
Current:						
General Government Support	3,427,816	-	-	-	7,695	3,435,511
Public Safety	9,478,763	-	-	-	-	9,478,763
Health	5,723	-	-	-	-	5,723
Transportation	630,133	8,856,514	-	-	-	9,486,647
Economic Assistance and Opportunity	16,615	-	-	-	-	16,615
Culture and Recreation	2,551,734	-	-	-	25,793	2,577,527
Home and Community Services	3,208,166	-	9,770,065	-	161,328	13,139,559
Employee Benefits	8,549,913	3,198,298	283,326	-	-	12,031,537
Debt Service:						
Principal	2,065,870	1,520,850	955,317	-	121,192	4,663,229
Interest	561,677	489,520	659,656	-	71,547	1,782,400
Capital Outlay	-	-	-	2,577,433	-	2,577,433
Total Expenditures	<u>30,496,410</u>	<u>14,065,182</u>	<u>11,668,364</u>	<u>2,577,433</u>	<u>387,555</u>	<u>59,194,944</u>
Excess (deficiency) of Revenues Over Expenditures	<u>3,586,861</u>	<u>(783,355)</u>	<u>1,130,522</u>	<u>3,836,456</u>	<u>262,712</u>	<u>8,033,196</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	511,027	-	749,771	-	1,260,798
Transfers Out	(1,260,798)	-	-	-	-	(1,260,798)
Short-Term Financing Issued	-	-	-	3,122,836	-	3,122,836
Bond Proceeds	-	3,300,000	-	-	-	3,300,000
Premium on Bonds	-	145,544	-	-	-	145,544
Total Other Financing Sources and Uses	<u>(1,260,798)</u>	<u>3,956,571</u>	<u>-</u>	<u>3,872,607</u>	<u>-</u>	<u>6,568,380</u>
Net Change in Fund Balance	2,326,063	3,173,216	1,130,522	7,709,063	262,712	14,601,576
Fund Balances (Deficit) - Beginning	7,943,305	2,737,182	4,353,043	1,384,887	1,112,262	17,530,679
Fund Balances (Deficit) - Ending	<u>\$ 10,269,368</u>	<u>5,910,398</u>	<u>5,483,565</u>	<u>9,093,950</u>	<u>1,374,974</u>	<u>32,132,255</u>

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

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

Amounts reported for governmental activities in the statement of activities (page 19) are different because:

Net change in fund balances (deficit) - total governmental funds (page 22) \$ 14,601,576

Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation, amortization, and disposals, net of lease activity recorded. 1,563,937

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental resources. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds from serial bonds	(3,300,000)	
Repayment of serial bonds	3,015,000	
Repayment of deficiency anticipation note	600,000	
Repayment of installment purchase debt	1,048,228	
Net change in accrued interest - serial bonds	7,700	
Recording of premium on issuance of bonds	(145,544)	
Amortization of bond premium	<u>274,059</u>	1,499,443

The issuance of a short-term financing arrangement provides current financial resources to governmental funds, while the repayment of the principal of short-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. This amount is the net effect of these differences in the treatment of short-term debt and related items: (3,122,836)

(Increases) decreases in the proportionate share of the net pension liability reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. 2,017,171

Some expenses reported in the statement of activities (i.e. compensated absences, judgments and claims, and other post-employment benefits) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net effect of these differences is as follows:

Decrease (increase) in compensated absences	85,313	
Decrease (increase) in judgments and claims	(806,977)	
Decrease (Increase) in other post-employment benefits	<u>9,799,098</u>	<u>9,077,434</u>

Change in net position of governmental activities \$ 25,636,725

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

TOWN OF WEST SENECA, NEW YORK
Notes to the Financial Statements
December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all the nonfiduciary activities of the Town. All fiduciary activities (if any) are reported only in the fund financial statements. *Governmental activities* are supported by taxes and intergovernmental revenues. The Town reports no business-type activities or component units.

Financial Reporting Entity

The Town is a unit of local government created by the State of New York. The Town operates under provisions of New York State law and with authority vested by those statutes provides services and facilities in the areas of police, highway, sanitation, parks, recreation, sanitary and storm sewerage and general administration. The three-member Town Board is the legislative body responsible for overall operations. The Supervisor serves as both Chief Executive Officer and Chief Fiscal Officer.

Independently elected officials of the Town consist of the following:

Supervisor	Town Clerk
Councilmembers (4)	Receiver of Taxes and Assessments
Town Justices (2)	Superintendent of Highways

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

The County of Erie is a unit of local government, which operates within the boundaries of the Town. Public education is provided by three independent school districts within the Town.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and a fiduciary fund, even though the latter is excluded from the government-wide financial statements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments and charges between the Town's water and sewer and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds (if any). The Town currently does not have any fiduciary funds. If, in the future, the Town has an active fiduciary fund, separate statements for each fund category—governmental and fiduciary—will be presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town considers the following governmental funds as major funds:

- General Fund – is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- Highway Fund – this fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town.
- Sewer Fund – this fund is used to record all revenues and expenditures related to operation and maintenance of the sewer districts.
- Capital Projects Fund – this fund accounts for the acquisition and construction of the Town's major capital facilities.

During the course of operations, the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide 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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as

they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Information

Budgetary Basis of Accounting – Annual budgets for all governmental funds, except the Capital Projects, Debt Service, and Special Purpose Funds, are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A form of encumbrance accounting is employed as an extension of budgetary control in all governmental funds, under which purchase orders, certain contracts and other commitments outstanding at year-end for the expenditure of monies (encumbrances) are recorded as an assignment of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. On January 1st, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year's original budget.

The Capital Projects 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 completion of the project.

The Town reported encumbrances of \$623,384, \$422,286 and \$116,868 in the General, Highway, and Sewer Funds respectively at December 31, 2022.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within 90 days of the Town's original acquisition date.

Restricted Cash and Cash Equivalents – Unspent proceeds from debt are reported as restricted cash and cash equivalents within the Capital Projects Fund. The proceeds of debt can only be used for the stated purpose of the borrowing.

Prepays – Certain retirement payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets – Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items) are reported in the appropriate governmental column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost equal to or greater than \$25,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Buildings and Land Improvements	20
Infrastructure:	
Dams and Drainage Systems	100
Water and Sewer Systems	50
Traffic Control Systems	40
Bridges and Culverts	30
Roads	10
Machinery and Equipment:	
Office Equipment and Furniture	7
Heavy Equipment	15
Other	5
Vehicles	8
Computers	3

Right-to-Use Assets – Upon implementing GASB Statement No. 87 – *Leases*, the Town recognized “right-to-use” assets for the value of the assets it leases, net of accumulated amortization. The net value of these assets at December 31, 2022 was \$594,060.

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2022, the Town has two items that qualify for reporting in this category. The first item represents the effect of the net change in the Town’s share of the collective net pension liability, the difference during the measurement period between the Town’s contributions and its proportionate share of the total contribution to the pension system not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The second item represents the change in assumptions used in calculating the collective net OPEB liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Town’s proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Town’s contributions and

its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to the Town's other post-employment liability amount reported in the Statement of Net Position.

Net Position Flow Assumption – Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions – Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies – Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Board has authorized the Supervisor to assign fund balance. The Town Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program Revenues – Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Compensated Absences – The Town labor agreements and Town Board rules and regulations provide

for sick leave, vacations, and miscellaneous other paid absences. Upon retirement, certain eligible employees qualify for partially paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Estimated sick leave and compensatory time accumulated by governmental fund type employees is reported on the entity-wide financial statements. Payment of sick leave and compensatory time is budgeted and recorded as expenditure in the governmental funds on an annual basis as amounts are paid. Management believes that sufficient resources will be made available for the payments of sick leave and compensatory time when such payments become due.

Adoption of New Accounting Pronouncements – During the year ended December 31, 2022, the Town adopted the provisions of the following GASB Statements:

- GASB Statement No. 87, *Leases*. GASB Statement No. 87 requires the recognition of certain assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. Under this statement, a lease is required to be recognized as a lease liability and an intangible right-to-use lease asset and the lessor is required to recognize a lease receivable and deferred inflow of resources.
- GASB Statement No. 91, *Conduit Debt Obligations*. GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers.
- GASB Statement No. 92, *Omnibus 2020, paragraphs 6 through 12*. GASB Statement No. 92 helps to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates, paragraphs 11b, 13, and 14*. GASB Statement No. 93 addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (“IBOR”).
- GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans – an Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. GASB Statement No. 97 attempts to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (“OPEB”) plans and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans.

Future Impacts of Accounting Pronouncements – The Town has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangement*; No. 96, *Subscription-Based Information Technology Arrangement*; and No. 99, *Omnibus 2022*, effective for the year ended December 31, 2023, and No. 100, *Accounting Changes and Error Correction – an Amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ended

December 31, 2024. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 94, 96, 100, and 101 will have on its financial position and results of operations when such statements are adopted.

2. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting – The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 30, the Town Supervisor files a "tentative" budget with the Town Clerk for the following fiscal year to commence on January 1st. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5th.
2. The full Town Board reviews the tentative budget and may adjust same before approving a "preliminary" budget and calling for a public hearing, which is generally held in October.
3. Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20th.
4. Formal annual budgetary accounts are employed as a management control device for the General, Highway, Sewer and Special District Funds.
5. 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 the departmental budgetary control. All budget amendments and budget transfers require Town Board approval.
6. Annual budgets for governmental funds, except the Capital Projects Fund and Special Purpose Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A form of encumbrance accounting is employed as an extension of budgetary control in all governmental funds, under which purchase orders, certain contracts and other commitments outstanding at year-end for the expenditure of monies (encumbrances) are recorded as an assignment of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. On January 1st, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year's original budget.
7. The Capital Projects 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.
8. Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Town's 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 the State. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposits in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal government. The Town had no investments at December 31, 2022.

Cash at year-end consisted of:

	Governmental Funds
Petty cash (uncollateralized)	\$ 3,850
Deposits	<u>40,898,500</u>
Total	<u><u>\$ 40,902,350</u></u>

Deposits – All deposits are carried at fair value. The following is a summary of deposits:

	Carrying Balance	Bank Balance
Insured (FDIC)	\$ 1,000,000	1,000,000
Uninsured:		
Collateral held by bank's agent in the Town's name	<u>39,902,350</u>	<u>40,035,866</u>
Total	<u><u>\$ 40,902,350</u></u>	<u><u>41,035,866</u></u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2022, the Town's deposits were FDIC insured or collateralized.

Restricted Cash—The Town reports restricted cash of \$92,711 within the General Fund and \$25,218 within the Highway Fund. The Town also reports restricted cash of \$8,410,746 within the Capital Projects Fund for amounts representing nonoperating cash that has been raised through borrowings. The use of these proceeds is limited to the specific purpose of the issue.

4. PROPERTY TAX

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

Tax payments are due January 1 to February 15 without penalty; February 16 to 28 a 1.5% penalty; March 1 to 15 a 3% penalty; March 16 to 31 a 4.5% penalty; April 1 to 15 a 6% penalty; April 16 to 30 a 7.5% penalty; and 1.5% added each month thereafter.

The tax roll is returned to the Erie County Commissioner of Finance after May 1 at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items are returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

The Town also bills and collects taxes for various school districts within Town limits. Collections of the school district taxes and remittances of them are accounted for by the Receiver of Taxes and Assessments, independent of Town operations.

5. RECEIVABLES

Major revenue accrued by the Town at December 31, 2022 are:

Accounts receivable – Represents amounts due to the Town from outside parties for various purposes.

General Fund:		
Special Assessments	\$ 54,904	
Miscellaneous	<u>26,760</u>	81,664
Highway Fund:		
Other Transportation Departmental Income		<u>30</u>
Total Accounts Receivable		<u>\$ 81,694</u>

Due from other governments – Represents amounts due from other units of government, such as Federal, New York State, County of Erie, or other local governments. Amount due the Town at December 31, 2022 are:

General Fund:		
Erie County - sales tax	\$ 695,632	
FEMA grant	319,791	
Justice fees	83,457	
Town clerk fees	49,062	
Workers' Compensation Reimbursement	13,389	
State grants	242,940	
Miscellaneous	<u>15,069</u>	1,419,340
Highway Fund:		
NYS DOT Apportionments	537,485	
FEMA grant	439,313	
State grants	124,158	
Erie County - snow removal	52,055	
Miscellaneous	<u>6,556</u>	1,159,567
Capital Projects Fund:		
State grants	<u>27,667</u>	27,667
Sewer Fund:		
Sewer Charges	329,575	
Town Clerk Fees	<u>2,800</u>	332,375
Special Purpose Fund:		
Miscellaneous	<u>3,624</u>	<u>3,624</u>
Total Due from Other Governments		<u>\$ 2,942,573</u>

6. CAPITAL ASSETS / RIGHT-TO-USE ASSETS

Capital asset (which include capitalized “right-to-use” assets) activity for the year ended December 31, 2022 was as follows:

	Balance	Change in		Balance	
	1/1/2022	Accounting Principles	Additions	Disposals	12/31/2022
Capital Assets, not being Depreciated:					
Land	\$ 543,871	-	-	-	543,871
Construction in Progress	<u>4,181,207</u>	-	<u>2,577,432</u>	-	<u>6,758,639</u>
Total Capital Assets, not being Depreciated	4,725,078	-	2,577,432	-	7,302,510
Capital Assets, being Depreciated					
Land Improvements	8,454,309	-	357,229	-	8,811,538
Buildings	22,494,144	-	-	-	22,494,144
Building Improvements	5,572,397	-	92,800	-	5,665,197
Machinery and Equipment	16,627,479	-	1,369,789	(2,094,406)	15,902,862
Infrastructure	90,558,615	-	1,871,406	-	92,430,021
Right-to-use assets	-	<u>112,890</u>	<u>623,662</u>	-	<u>736,552</u>
Total Capital Assets, being Depreciated	143,706,944	112,890	4,314,886	(2,094,406)	146,040,314
Less Accumulated Depreciation/Amortization for:					
Land Improvements	8,212,923	-	280,090	-	8,493,013
Buildings	7,486,507	-	587,439	-	8,073,946
Building Improvements	1,964,058	-	251,092	-	2,215,150
Machinery and Equipment	12,833,588	-	595,321	(2,026,770)	11,402,139
Infrastructure	38,807,483	-	2,914,927	-	41,722,410
Right-to-use assets	-	<u>11,289</u>	<u>131,203</u>	-	<u>142,492</u>
Total Accumulated Depreciation/Amortization	69,304,559	11,289	4,760,072	(2,026,770)	72,049,150
Total Capital Assets, being Depreciated, net	<u>74,402,385</u>	<u>101,601</u>	<u>(445,186)</u>	<u>(67,636)</u>	<u>73,991,164</u>
Total Capital Assets, Net	<u>\$ 79,127,463</u>	<u>101,601</u>	<u>2,132,246</u>	<u>(67,636)</u>	<u>81,293,674</u>

Depreciation and amortization expense was charged to functions/programs of the governmental activities for the year ended December 31, 2022 as follows:

Function/Program	Allocated Depreciation	Allocated Amortization	Total
General government support	\$ 854,820	\$ 68,356	923,176
Public safety	88,770	-	88,770
Transportation	1,866,188	62,847	1,929,035
Culture and recreation	256,996	-	256,996
Home and community services	1,562,095	-	1,562,095
	<u>\$ 4,628,869</u>	<u>131,203</u>	<u>4,760,072</u>

7. ACCRUED LIABILITIES

Accrued liabilities reported by governmental activities at December 31, 2022 were as follows:

	General Fund	Highway Fund	Sewer Fund	Total Governmental Funds
Salary and Employee Benefits	\$ 446,359	135,235	28,103	609,697
Total Accrued Liabilities	<u>446,359</u>	<u>135,235</u>	<u>28,103</u>	609,697
Accrued Interest				<u>563,962</u>
Total Accrued Liabilities - Government-Wide				<u>\$ 1,173,659</u>

8. DUE TO OTHER GOVERNMENTS

Liabilities for amounts owed to other governmental entities at December 31, 2022 were \$1,775 for miscellaneous items in the General Fund.

9. PENSION PLANS

New York State Employees' Retirement System ("ERS") and Police and Fire Retirement System ("PFRS") - 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") (the "Systems"). These are cost-sharing, multiple-employer retirement systems. The net position of the Systems is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all assets and record changes in fiduciary net position allocated to the Systems. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Systems. System benefits are established under the provisions of the New York State Retirement Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the Systems, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a state statute. The Systems are included in the State's financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The Systems are noncontributory for employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, but prior to January 1, 2010, the contribution employee contribution requirement is 3% of the employees' salary for the first ten years of membership. Employees who joined the Systems on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) are

generally required to contribute three percent (3%) to three- and one-half percent (3.5%) of their salary for the entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>PFRS</u>
2022	\$ 1,139,897	1,760,809
2021	1,577,006	1,792,409
2020	1,396,314	1,680,908

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2022, the Town reported the following liability for its proportionate share of the net pension liabilities for the ERS and PFRS Systems. The net pension liability was measured as of March 31, 2022 for ERS/PFRS. The total pension liability used to calculate the net pension liabilities were measured as of March 31, 2022. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2021, with update procedures used to roll forward the total net pension liabilities to the measurement date. The Town's proportion of the net pension liabilities was based on projections of the Town's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the Systems in reports provided to the Town.

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2022	March 31, 2022
Net pension (asset) liability	\$ (3,116,490)	1,034,033
Town's portion of the Plan's total		
Net pension liability	0.0381241%	0.1820338%

For the year ended December 31, 2022, the Town's recognized pension expense of \$3,704 for ERS and \$1,008,892 for PFRS. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS
Differences between expected and actual experience	\$ 236,016	557,455	306,126	-
Change of assumptions	5,201,072	6,188,911	87,762	-
Net difference between projected and actual earnings on pension plan investments	-	-	10,205,199	8,688,577
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	165,824	504,348	399,004	323,433
Town's contributions subsequent to the measurement date	<u>1,139,897</u>	<u>1,760,809</u>	-	-
Total	<u>\$6,742,809</u>	<u>9,011,523</u>	<u>10,998,091</u>	<u>9,012,010</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	ERS	PFRS
Year Ended:		
2023	\$ (873,640)	(388,948)
2024	(1,242,231)	(649,868)
2025	(2,729,508)	(1,989,650)
2026	(549,800)	1,201,442
2027	-	65,728
Thereafter	-	-

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

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2022	March 31, 2022
Actuarial Valuation Date	April 1, 2021	April 1, 2021
Interest Rate	5.9%	5.9%
Salary Scale	4.5%	5.7%
Decrement Tables	April 1, 2015 - March 31, 2020 System's experience	April 1, 2015 - March 31, 2020 System's experience
Inflation Rate	2.5%	2.5%
Cost of Living Adjustment	1.3%	1.3%

The annuitant mortality rates are based on April 1, 2015 – March 31, 2020 Systems’ experience with adjustments for mortality improvements based on MP-2020. The actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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

ERS and PFRS
Measurement Date: March 31, 2022

<u>Asset type</u>	<u>Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.00%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic portfolio	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.58%
Fixed income	23.00%	0.00%
Cash	1.00%	-1.00%
	<u>100.00%</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. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 percentage point lower (4.9%) or 1 percentage point higher (6.9%) than the current assumption:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
ERS			
Employer's proportionate share of the net pension (asset) liability	\$ 8,021,811	(3,116,490)	(12,433,141)
		Current Assumption	1% Increase
PFRS	(4.9%)	(5.9%)	(6.9%)
Employer's proportionate share of the net pension (asset) liability	\$11,502,020	1,034,033	(7,630,681)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report.

The components of the current-year net pension liabilities of the employers as of the valuation dates were as follows:

	(Dollars in Thousands)		
	ERS	PFRS	Total
Valuation date	April 1, 2021	April 1, 2021	
Employers' total pension liability	\$223,874,888	42,237,292	266,112,180
Plan fiduciary net position	232,049,473	41,669,250	273,718,723
Employers' net pension liability	<u>\$ (8,174,585)</u>	<u>568,042</u>	<u>(7,606,543)</u>
Systems' fiduciary net position as a percentage of total pension liability	103.65%	98.66%	102.86%

10. OTHER POSTEMPLOYMENT BENEFIT ("OPEB") OBLIGATIONS

Plan Description – The Town pays for a portion of eligible retirees' health insurance, depending on the type of health plan provided. Eligibility for postretirement benefits is based on age, years of service, accumulated sick leave and depends upon associated group or union as follows: (1) *The West Seneca Police Benevolent Association*, (2) *Town of West Seneca Blue Collar Unit (CSEA, Local 1000 AFSCME, AFL-CIO)*, (3) *Town of West Seneca White Collar Unit (CSEA, Local 1000 AFSCME, AFL-CIO)* and (4) *those covered under administrative rules and regulations*. The plan is a single-employer defined benefit OPEB plan administered by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 5 of GASB Statement No. 75. The Plan does not issue financial statements and is not a trust.

Funding Policy – Authorization for the Town to pay a portion of retiree health insurance premiums was enacted through various contracts, which were ratified by the Town Board. Upon retirement, the Town generally pays a portion of the cost of the employee's current coverage at the time of retirement for a period of time as outlined in the various contracts.

Employees covered by benefit terms – At December 31, 2022 (the ending date of the most recent *full*, annual actuarial valuation of retiree group health benefits, determined in accordance with GASB Statement No. 75), the total number of participants in the OPEB plan were comprised as follows:

Active employees	168
Retirees	187
Survivors	<u>12</u>
Total	<u><u>367</u></u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the year using the current discount rate.

Total OPEB liability – The Town’s OPEB liability of \$87,350,661 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

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

Healthcare cost trend rates – The annual rate of increase in healthcare costs was developed based on a review of published national trend survey data in relation to the retiree health plan offerings and updated long-term rates based on the Society of Actuaries Long Term Healthcare Cost Trend Model v2023_b (the Getzen model) with adjustments based on Labor-Management Health Fund’s expectations for short-term Pre-65 medical and prescription trend. The pre-65 assumed medical rates of increase range from 4.05% in 2022 to 4.037% in 2075 and beyond. The post-65 assumed Medicare Advantage medical trend rates of increase range from 4.05% in 2022 to 4.037% in 2075 and beyond. The prescription drug assumed rates of increase range from 7.750% in 2022 to 4.037% in 2075 and beyond. The Medicare Part B assumed medical rates of increase range from 4.05% in 2022 to 4.037% in 2075 and beyond. The assumed rate for additional benefits is 3.25%.

Salary increases – Salaries are assumed to increase 4% per year. The salary scale was based on the Town’s review of historical experience as well as future expectations.

Mortality – The mortality assumption was updated to the sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees, healthy retirees, and contingent survivors, and then adjusted for mortality improvements with the Scale MP-2021 mortality improvement scale on a generational basis. The revised assumption resulted in a net increase in liabilities.

Discount rate – 4.05% as of December 31, 2022.

Changes in the total OPEB liability – The following table presents the changes in the total OPEB liability during the year ended December 31, 2022:

	<u>Total OPEB Liability</u>
Balance at December 31, 2021	\$ 142,169,431
Changes for the year:	
Service cost	4,543,919
Interest cost	2,157,102
Differences between expected and actual experience	(28,879,587)
Change of assumptions or other inputs	(30,062,243)
Actual benefit payments	(2,577,961)
Balance at December 31, 2022	<u>\$ 87,350,661</u>

Sensitivity of the total OPEB liability to the changes in the discount rate – The following table presents the total OPEB liability of the Town, as well as what the Town’s OPEB liability would be if it were calculated using a discount rate that was 1 percentage point higher or lower than the current rate.

	<u>1% Decrease (3.05%)</u>	<u>Discount rate (4.05%)</u>	<u>1% Increase (5.05%)</u>
Total OPEB liability	\$ 100,170,423	87,350,661	76,838,092

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate – The following table presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that was 1 percentage point higher or lower than the initial (7.750%) / ultimate (4.037%) healthcare cost trend rates.

	<u>1% Decrease (6.75%/3.037%)</u>	<u>Healthcare Cost Trend Rates (7.75%/4.037%)</u>	<u>1% Increase (8.75%/5.037%)</u>
Total OPEB liability	\$ 74,756,993	87,350,661	103,364,526

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended December 31, 2022, the Town recognized an OPEB income of \$7,221,137. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Differences between expected and actual experience	\$ -	50,942,750
Change of assumptions	20,531,293	27,785,426
Total	<u>\$ 20,531,293</u>	<u>78,728,176</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2023	\$ 13,656,356
2024	10,945,476
2025	10,157,824
2026	10,598,977
2027	9,677,334
Thereafter	3,160,916

11. RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town carries commercial insurance for coverage with respect to Town buildings, equipment, and employee theft. The Town self-insures for risks relating to workers' compensation insurance and general liability. The Town currently reports all of its risk management activities in its general fund, highway fund, and sewer fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Total expenditures for claims, judgments and workers compensation recorded in the Town's governmental funds for the year ended December 31, 2022 were \$749,995.

Additionally, at December 31, 2022, the amount of the Government Funds long-term liabilities totaled \$3,863,052, which was recorded net of accrued liabilities in the General Fund, Highway Fund and Sewer Fund. This liability is the Town's best estimate based on available information. Changes in the reported liability resulted from the following:

	Beginning of Year <u>Balance</u>	Claims Additions	Claims Payments	End of Year <u>Balance</u>
2022 Workers' Comp.	\$ 3,056,075	1,556,972	(749,995)	3,863,052
2021 Workers' Comp.	3,703,299	65,361	(712,585)	3,056,075

Pollution Remediation—In 2004 the New York State Department of Environmental Conservation ("NYSDEC") issued the Town a notice of consent relating to the abatement of overflow sanitary sewer discharges. The notice of consent was amended in 2008 and the Town has responded and continues to study and plan for remedial actions. As of December 31, 2022, the Town has issued bonds to remediate the notice of consent and any additional liabilities will be financed by future bond or BAN financing.

12. SHORT-TERM DEBT

On February 1, 2022, the Town issued a bond anticipation note ("BAN") in the amount of \$216,000 for the purpose of financing the acquisition of two garbage trucks. Principal payments on the BAN must be made annually. The table below is a summary of the Town's short-term debt for the year ended December 31, 2022:

	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 1/1/2022</u>	<u>Issues</u>	<u>Redemptions</u>	<u>Balance 12/31/2022</u>
Acquisition of garbage truck:	2/12/2021	2/11/2022	0.64%	\$ 288,000	-	288,000	-
Acquisition of garbage truck:	2/12/2021	2/11/2022	0.99%	-	216,000	-	216,000
Total:				<u>\$ -</u>	<u>216,000</u>	<u>-</u>	<u>216,000</u>

Additionally, the Town acquired short-term financing in its Capital Project fund during 2022 in the amount of \$3,122,836. Consistent with the requirements of governmental accounting, this amount was recorded as revenue in 2022 on the fund Statement of Revenue, Expenditures, and Changes in Fund Balance – Governmental Funds, and was adjusted to a short-term liability on the government-wide Statement of Net Position. There are no payment terms associated with this liability and there is no interest rate applied to it. These funds are due to be paid back in 2023.

13. LONG-TERM LIABILITIES

Summary of Changes in Indebtedness – The following is a summary of changes in long-term debt for the year ended December 31, 2022:

	<i>Restated</i> <u>Balance at 1/1/2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/2022</u>	<u>Due Within One Year</u>
Serial Bonds	\$ 39,365,000	3,300,000	3,015,000	39,650,000	3,530,000
Bond Premium	2,071,256	145,544	274,059	1,942,741	302,467
Long-term deficiency notes payable	600,000	-	600,000	-	-
Lease Purchases	8,320,689	-	1,048,229	7,272,460	1,100,532
OPEB Obligation	142,169,431	6,701,021	61,519,791	87,350,661	-
Workers' Comp.	3,056,075	1,556,972	749,995	3,863,052	750,000
NYS Retirement - ERS	36,122	-	3,152,612	(3,116,490)	-
NYS Retirement - PFRS	2,816,497	-	1,782,464	1,034,033	-
Compensated Absences	3,473,352	137,695	223,008	3,388,039	169,402
Leases of right-to-use asset	433,402	281,883	122,988	592,297	126,807
Sub total	202,341,824	12,123,115	72,488,146	141,976,793	5,979,208
Less: net NYS retirement assets	-	-	-	2,082,457	-
Total	<u>\$ 202,341,824</u>	<u>12,123,115</u>	<u>72,488,146</u>	<u>144,059,250</u>	<u>5,979,208</u>

Serial Bonds - The Town issues serial bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 40 years. The following is a summary of changes in bonded debt for the year ended December 31, 2022:

	<u>Year of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance at 1/1/2022</u>	<u>New Debt Issued</u>	<u>Principal Payments</u>	<u>Balance at 12/31/2022</u>
General fund							
Various Purpose refunding bonds	2015/2028	2,255,669	3.0-5.0	\$ 635,000	-	300,000	335,000
Burchfield, Metz, general town rec.	2016/2028	200,000	2.0-5.0	113,953	-	18,022	95,931
Addition of police headquarters	2016/2028	1,520,000	2.0-5.0	866,046	-	136,977	729,069
Road reconstruction & repaving	2017/2030	135,000	5.0-1.5	105,000	-	10,000	95,000
Library and comm. cnt. exp.	2018/2045	10,222,045	5.0-3.0	9,250,000	-	340,000	8,910,000
Accounting software	2018/2045	300,000	5.0-3.0	120,000	-	60,000	60,000
Radio system upgrades & GPS units	2018/2025	29,200	5.0	18,000	-	5,000	13,000
Purchase of certain eq.t & vehicles	2018/2025	276,037	5.0	166,605	-	39,150	127,455
				<u>11,274,604</u>	<u>-</u>	<u>909,149</u>	<u>10,365,455</u>
Highway fund							
Various purpose refunding bonds	2015/2028	8,735,000	3.0-5.0	4,640,000	-	795,000	3,845,000
Road reconstruction & repaving	2017/2030	4,405,000	5.0-1.5	3,390,000	-	280,000	3,110,000
Steph. Ave, N. Am. Dr, Comm. Pkwy	2018/2045	2,400,000	5.0-3.0	1,780,000	-	200,000	1,580,000
Purchase of certain eq. & vehicles	2018/2025	1,627,664	5.0	982,395	-	230,850	751,545
Purchase of certain eq. & vehicles	2022/2027	1,800,000	5.0	-	1,800,000	-	1,800,000
Road reconstruction & repaving	2022/2037	1,500,000	3.5-4.25	-	1,500,000	-	1,500,000
				<u>10,792,395</u>	<u>3,300,000</u>	<u>1,505,850</u>	<u>12,586,545</u>
Special Districts Fund							
Sanitary and sewer facilities	2018/2045	17,155,000	5.0-3.0	15,650,000	-	525,000	15,125,000
2015 Water Improvements	2018/2045	1,650,000	5.0-3.0	1,515,000	-	45,000	1,470,000
Imp. to Facilities of W.D. #3	2018/2025	34,300	5.0	20,000	-	5,000	15,000
Imp. to Facilities of W.D. #3 Lydecker	2018/2025	187,800	5.0	113,000	-	25,000	88,000
Total Special Districts Fund				<u>17,298,000</u>	<u>-</u>	<u>600,000</u>	<u>16,698,000</u>
Total				<u>\$ 39,364,999</u>	<u>3,300,000</u>	<u>3,014,999</u>	<u>39,650,000</u>

The following schedule sets forth the remaining annual maturities and annual interest payments on serial bonds at December 31, 2022:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 3,530,000	1,554,032	5,084,032
2024	3,265,000	1,351,801	4,616,801
2025	3,390,000	1,190,543	4,580,543
2026	2,755,000	1,023,011	3,778,011
2027	2,630,000	900,610	3,530,610
2028-2032	8,305,000	3,370,545	11,675,545
2033-2037	7,075,000	2,190,766	9,265,766
2038-2042	7,430,000	985,575	8,415,575
2043-2045	1,270,000	62,653	1,332,653
Total	<u>\$ 39,650,000</u>	<u>12,629,536</u>	<u>52,279,536</u>

Defeasance – During October, 2018, the Town issued \$3,355,000 in general obligation bonds with an interest rate of 5.0% and used the proceeds to redeem \$3,520,000 of outstanding bonds with interest rates of 3.8% and 4.0%. As a result, the retired bonds were considered to be defeased, and the liability for these bonds has been removed from the Town’s financial statements, replaced with the liability for the new bonds. The economic gain on the transactions (the difference between the amount owed on the bonds defeased and the amount owed on the new bonds acquired) was \$165,000. This amount is included in the bond premium amount and is being amortized over 86 months, the life of the new bonds.

Deficiency Note Payable – In accordance with Section 29.20 of the local finance laws of the State of New York, any municipality, school district, or district corporation may issue deficiency notes during any fiscal year to finance a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for such current fiscal year. Such notes may be issued in such amounts as the finance board shall determine to be necessary, but not to exceed five per cent of the amount of the annual budget of such municipality, school district, or district corporation. On November 18, 2020, the Town issued a \$600,000 deficiency note with an interest rate of 1.03 percent. This note was redeemed at maturity on November 18, 2022.

Energy Performance Contract - Installment Purchase Debt – The Town has entered into energy performance contracts for modifications to various facilities. The modifications were made to improve energy efficiency. Principal and interest payments are made quarterly. The following is a summary of lease purchase transactions of the Town for the year ended December 31, 2022:

Year of Issue/ Maturity	Amount of Original Issue	Interrest Rate	Balance at 1/1/2022	Issued During 2022	Payment During 2022	Balance at 12/31/2022	Payment Range
2012/2028	\$ 9,474,049	3.39%	\$ 4,634,156	-	677,364	3,956,792	\$ 118,556 - \$ 125,294
2016/2032	5,313,003	2.37%	3,686,533	-	370,865	3,315,668	\$ 65,000 - \$150,000
Total			<u>\$ 8,320,689</u>	<u>-</u>	<u>1,048,229</u>	<u>7,272,460</u>	

The following is a maturity schedule of installment purchase debt:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,100,532	200,379	1,300,911
2024	1,164,210	166,527	1,330,737
2025	1,234,352	130,834	1,365,186
2026	1,304,705	93,206	1,397,911
2027	1,110,700	55,211	1,165,911
2028-2032	<u>1,357,961</u>	<u>67,193</u>	<u>1,425,154</u>
	<u>\$ 7,272,460</u>	<u>713,350</u>	<u>7,985,810</u>

Other Postemployment Benefits ("OPEB") Obligation – As explained in Note 9, the Town provides a portion of health care benefits for retirees. The Town's annual OPEB cost is calculated based on the annual required contributions of the employer, an amount determined in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pension*. The Town's long-term OPEB obligation is estimated to be \$87,350,661 at December 31, 2022.

Judgments and Claims – As explained in Note 10, the Town's judgments and claims obligation represents liabilities relating to self-insured workers compensation and other judgments and claims.

Compensated Absences – As explained in Note 1, the Town reports the value of governmental fund type compensated absences as a long-term liability. The annual budgets of the operating funds provide funding for these benefits as they become payable.

Leases – In accordance with the requirements of GASB Statement No. 87 – *Leases*, the Town recorded “right-to-use” assets and associated lease liabilities for it leases that qualify for such accounting treatment. At December 31, 2022, the Town had three such leases. The specific terms of the leases are summarized in the following table:

<u>Lease Description</u>	<u>Lease Start Date</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Payment Term</u>
Equipment	July 31, 2021	2.95%	\$ 24,643	5 annual payments
Equipment	May 17, 2022	2.50%	44,396	7 annual payments
Equipment	January 1, 2022	3.50%	75,698	5 annual payments

The following is a maturity schedule of the Town’s lease liabilities:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 126,807	19,221	146,028
2024	130,748	15,319	146,067
2025	134,814	11,293	146,107
2026	114,364	7,140	121,504
2027	42,257	2,854	45,111
2028	43,307	1,088	44,395
	<u>\$ 592,297</u>	<u>56,915</u>	<u>649,212</u>

14. OTHER LIABILITIES

The Town’s “Other Liabilities” at December 31, 2022 consisted of the following:

Advance funding under the ARP grant (see below)	\$ 5,971,470
Other advance funding received, not yet spend at year-end	79,673
Trust and agency liabilities	<u>376,969</u>
	<u>\$ 6,428,112</u>

In July, 2021, the Town received a grant funding advance under the American Rescue Plan (ARP) Act in the amount of \$8,508,246. Of this total, the Town spend \$2,536,776 through December 31, 2022. The remaining amount of \$5,971,470 is recorded as “Other Liabilities” on the Town’s books and records.

15. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets*** – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

The following is a reconciliation of the Town's net investment in capital assets–governmental activities.

Capital assets, net of depreciation		\$ 80,699,614
Right-to-use assets, net of amortization		594,060
Debt issued to acquire capital assets:		
Serial bonds	(39,650,000)	
Bond anticipation note	(216,000)	
Unamortized bond issue premium	(1,942,741)	
Installment purchase debt	(7,272,460)	
Lease obligations	(592,297)	
Unexpended debt proceeds	<u>8,410,746</u>	<u>(41,262,752)</u>
Net investment in capital assets		<u>\$ 40,030,922</u>

- **Restricted Component of Net Position** – This category represents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The components of the Town’s restricted net position are disclosed below.
- **Unrestricted Component of Net Position** – This category represents net position of the Town not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Town at December 31, 2022 includes:

- **Prepays** - Represents amounts that are applicable to future accounting periods. The total amount of \$1,070,332 recorded in the governmental funds includes \$725,155 which is prepaid to the New York State retirement systems that are applicable to future accounting periods. This amount is eliminated through the GASB Statement No. 34 conversion to government-wide financial statements. Other amounts recorded as prepaid assets include a deposit on file with the Town’s health insurer of \$241,445 and other miscellaneous amounts of \$103,732.

Restrictions represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balance maintained by the Town at December 31, 2022 included the following:

	Capital Equipment		Total
	Purchases	Grants	Restricted
General Fund	\$ -	92,711	92,711
Highway Fund	25,218	-	25,218
Capital Projects Fund	<u>10,234,053</u>	<u>-</u>	<u>10,234,053</u>
	<u>\$ 10,259,271</u>	<u>92,711</u>	<u>10,351,982</u>

- **Capital Equipment Purchases** – Represents amounts of \$25,218 in the Highway Fund and \$10,234,053 in the Capital Projects Fund, reserved for future purchases of capital equipment and debt service.

Commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Town's highest level of decision-making authority. The Town reported no commitments of fund balance as of December 31, 2022.

- **Grants** – Represents \$92,711 in the General Fund to be spend under the terms set forth by the grantors.

Assignments represent amounts that are intended to be used by the Town for specific purposes. Assignments of fund balance at December 31, 2022 include:

	Casualty and liability	Special Revenue Funds	Special Purpose Funds	Encumbrances	Total Assigned
General Fund	\$ 500,385	-	-	623,384	1,123,769
Highway Fund	-	5,350,085	-	422,286	5,772,371
Sewer Fund	-	5,346,757	-	116,868	5,463,625
Other Governmental Funds	-	1,168,977	205,997	-	1,374,974
	<u>\$ 500,385</u>	<u>11,865,819</u>	<u>205,997</u>	<u>1,162,538</u>	<u>13,734,739</u>

- **Encumbrances**—Represents amounts which have been committed through purchase orders or contracts. As of December 31, 2022, the Town reported \$623,384 of encumbrances for the General Fund, \$422,286 for the Highway Fund, and \$116,868 for the Sewer Fund. The detail of encumbrances by category is as follows:

	General Fund	Highway Fund	Sewer Fund	Total
General Government Support	\$ 8,671	-	-	8,671
Public Safety	5,039	-	-	5,039
Transportation	596,339	422,286	-	1,018,625
Culture & Recreation	13,335	-	-	13,335
Home and community services	-	-	116,868	116,868
Total	<u>\$623,384</u>	<u>422,286</u>	<u>116,868</u>	<u>1,162,538</u>

- **Casualty and Liability**— Represents funds accumulated for non-insured liability and casualty losses, for worker's compensation claims, and uncollectible receivable amounts.
- **Special Revenue Funds**— Represents fund balance within the special revenue funds that is assigned for a specific purpose.

If the Town must use funds for emergency expenditures, the Town Board shall authorize the Supervisor to expend funds first from funds classified under GASB 54 as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB 54 will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available the Town will use unassigned fund balance.

16. INTERFUND BALANCES AND ACTIVITY

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. These balances are expected to be collected/paid within the subsequent year.

Interfund transfers are used primarily to support capital project expenditures. Interfund receivables, payables, and transfers of the Town as of, and for the year ended December 31, 2022, consisted of the following:

Fund	Receivables	Payables
General Fund	\$ 440,186	1,688,670
Highway Fund	605,055	193,945
Sewer Fund	10,273	58,708
Capital Projects Fund	876,042	4,505
Other Governmental Funds:		
Special Purpose	14,272	-
Total	<u>\$ 1,945,828</u>	<u>\$ 1,945,828</u>

17. LABOR RELATIONS

The majority of Town employees are represented by three bargaining units, White Collar, Police Benevolent Association ("PBA") and Blue Collar. Some department heads and most part-time employees are governed by Town Board policies. The White-Collar employees and Police employees have negotiated contracts in place through December 31, 2023. The Blue-Collar employees are operating under a contract that was in place through December 31, 2025.

18. CONTINGENCIES

Assessments—The Town is a defendant in litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Town vigorously defends assessments, the likelihood of success is on a case-by-case basis and is dependent upon various factors including market values and appraised amounts. No potential amount or potential range of loss is determinable. However, management believes that level of such potential loss, if any, would be immaterial and no provisions have been made with the financial statements.

Grants—In the normal course of operations, the Town receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Litigation- The Town is subject to a number of lawsuits in the ordinary course of its affairs. Town Management, after considering all relevant facts, including the opinion of the Town attorney and outside counsel in certain instances, is of the opinion that such litigation will not, in the aggregate, have a material adverse effect on the Town's financial position.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 25, 2023, which is the date the financial statements are available for issuance.

20. TAX ABATEMENTS

The Town enters into property tax abatement agreements with local businesses through the Erie County Industrial Development Agency and the Town of West Seneca Industrial Development Agency for the purpose of attracting or retaining businesses within the Town’s jurisdiction in an effort to provide a solid start-up base for new commercial development to ensure growth within the Town.

The Town collected \$128,950 during 2022 in payments in lieu of taxes (“PILOT.”) These collections were made in lieu of \$201,362 in property taxes. The Town abated property taxes totaling \$72,412.

21. CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2022, the Town adopted the provisions of GASB Statement No. 87, *Leases*. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset. The impact of these required accounting changes on the Town’s government-wide activity is as follows:

Net position, January 1, 2021	\$ (121,062,172)
Right-to-use lease asset	112,890
Accumulated amortization	(11,289)
Lease liability	<u>(91,623)</u>
Net position, as restated, January 1, 2021	<u>\$ (121,052,194)</u>

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REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF WEST SENECA, NEW YORK
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios
Last Five Fiscal Years *

Measurement date	Year Ended			
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Total OPEB liability				
Service Cost	\$ 4,543,919	5,980,885	4,642,422	3,547,823
Interest	2,157,102	2,980,588	3,475,917	5,032,908
Differences between expected and actual experience in the measurement of the total OPEB liability	(28,879,587)	(14,979,894)	(12,857,420)	(29,872,147)
Changes in assumptions or other inputs	(30,062,243)	6,112,241	16,290,893	24,708,660
Benefit payments	(2,577,961)	(1,945,787)	(2,149,696)	(1,816,072)
Net change in OPEB liability	(54,818,770)	(1,851,967)	9,402,116	1,601,172
Total OPEB liability - beginning	142,169,431	144,021,398	134,619,282	133,018,110
Total OPEB liability - ending	87,350,661	142,169,431	144,021,398	133,619,282
Covered payroll	\$ 18,354,369	17,740,525	18,806,726	18,619,800
Total OPEB liability as a percentage of covered payroll	475.91%	801.38%	765.80%	722.99%

Notes to schedule:
Changes of assumption: Changes of assumptions and other inputs reflect the effects of the discount rate each period. The following are the discount rates used in each period.

2018	3.71%
2019	2.75%
2020	2.00%
2021	1.84%
2022	4.05%

* Ten years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The accompanying independent auditors' report should be read in conjunction with these financial statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Proportionate Share
of the Net Pension Liability - Employees' Retirement System
Last Nine Years *

Measurement date	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Town's proportion of the net pension liability	0.0381241%	0.0362766%	0.0389235%	0.0387733%	0.0368174%	0.0396172%	0.0393371%	0.0387080%	0.0387080%
Town's proportionate share of the net pension liability (asset)	\$ (3,116,490)	36,122	10,307,174	2,747,205	1,188,260	3,722,518	6,313,719	1,307,653	1,749,162
Town's covered-employee payroll	\$ 10,223,033	10,018,750	9,804,783	10,060,975	9,740,536	8,950,780	9,355,036	9,015,252	9,072,777
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-30.5%	0.4%	105.1%	27.3%	12.2%	41.6%	67.5%	14.5%	19.3%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	98.50%

* Information prior to the year ended December 31, 2014 is not available.

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Contributions -
Employees' Retirement System
Last Nine Years *

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,139,897	1,577,006	1,396,314	1,427,039	1,434,332	1,327,298	1,426,037	1,666,916	1,779,337
Contributions in relation to the contractually required contribution	(1,139,897)	(1,577,006)	(1,396,314)	(1,427,039)	(1,434,332)	(1,327,298)	(1,426,037)	(1,666,916)	(1,779,337)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	\$ 9,868,119	10,127,046	10,414,313	9,964,068	10,037,097	9,390,240	9,354,997	9,424,813	9,862,173
Contributions as a percentage of covered-employee payroll	11.6%	15.6%	13.4%	14.3%	14.3%	14.1%	15.2%	17.7%	18.0%

* Information prior to the year ended December 31, 2014 is not available.

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Proportionate Share
of the Net Pension Liability - Police and Fire Retirement System
Last Nine Years *

Measurement date	Year Ended December 31,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	
Town's proportion of the net pension liability	0.1820338%	0.1622148%	0.1695494%	0.1718153%	0.1771639%	0.1922942%	0.1978449%	0.1870713%	0.1870713%	
Town's proportionate share of the net pension liability	\$ 1,034,033	2,816,497	9,062,308	2,881,452	1,790,696	3,985,590	5,857,766	514,932	778,796	
Town's covered-employee payroll	\$ 6,557,610	6,655,710	6,938,388	6,488,487	6,595,388	6,563,090	6,589,174	6,133,266	6,080,305	
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	15.8%	42.3%	130.6%	44.4%	27.2%	60.7%	88.9%	8.4%	12.8%	
Plan fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	95.09%	96.93%	93.46%	90.24%	99.03%	98.50%	

* Information prior to the year ended December 31, 2014 is not available.

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Contributions -
Police and Fire Retirement System
Last Nine Years *

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,760,809	1,792,409	1,680,908	1,532,369	1,551,547	1,585,804	1,572,569	1,482,515	1,654,760
Contributions in relation to the contractually required contribution	(1,760,809)	(1,792,409)	(1,680,908)	(1,532,369)	(1,551,547)	(1,585,804)	(1,572,569)	(1,482,515)	(1,654,760)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	\$ 6,704,169	6,451,308	6,687,775	6,888,301	6,480,358	6,622,994	6,722,152	6,553,620	6,446,544
Contributions as a percentage of covered-employee payroll	26.3%	27.8%	25.1%	22.2%	23.9%	23.9%	23.4%	22.6%	25.7%

* Information prior to the year ended December 31, 2014 is not available.

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>			Varaince with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Real Property Taxes	\$ 16,890,255	16,890,255	16,890,255	-
Other Property Tax Items	292,431	292,431	392,364	99,933
Non-property Tax Items	7,730,000	7,730,000	8,343,086	613,086
Departmental Income	1,090,448	1,090,448	1,116,605	26,157
Use of Money and Property	96,000	96,000	112,017	16,017
Sale of Property and Compensation for Loss	13,000	71,695	112,141	40,446
Fines and Forfeitures	765,000	765,000	850,503	85,503
Miscellaneous	3,000	108,000	52,520	(55,480)
Interfund Revenues	1,890,928	1,890,928	1,890,928	-
State Aid	1,318,552	1,440,475	1,960,199	519,724
Federal Aid	613,000	613,000	2,362,653	1,749,653
Total Revenues	<u>30,702,614</u>	<u>30,988,232</u>	<u>34,083,271</u>	<u>3,095,039</u>
EXPENDITURES				
Current:				
General Government Support	3,658,521	3,508,616	3,427,816	80,800
Public Safety	9,190,402	9,515,721	9,478,763	36,958
Health	5,723	5,723	5,723	-
Transportation	540,462	634,724	630,133	4,591
Economic Assistance and Opportunity	16,915	16,915	16,615	300
Culture and Recreation	2,539,626	2,538,201	2,551,734	(13,533)
Home and Community Services	3,160,000	3,130,996	3,208,166	(77,170)
Employee Benefits	8,415,754	8,549,913	8,549,913	-
Debt Service:				
Principal	2,065,870	2,065,870	2,065,870	-
Interest	562,341	562,341	561,677	664
Total Expenditures	<u>30,155,614</u>	<u>30,529,020</u>	<u>30,496,410</u>	<u>32,610</u>
Excess (deficiency) of Revenues Over Expenditures	<u>547,000</u>	<u>459,212</u>	<u>3,586,861</u>	<u>3,127,649</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(547,000)</u>	<u>(547,000)</u>	<u>(1,260,798)</u>	<u>(713,798)</u>
Total Other Financing Uses	<u>(547,000)</u>	<u>(547,000)</u>	<u>(1,260,798)</u>	<u>(713,798)</u>
Net Change in Fund Balances	-	(87,788)	2,326,063	2,413,851
Fund Balances - Beginning	<u>7,943,305</u>	<u>7,943,305</u>	<u>7,943,305</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 7,943,305</u>	<u>7,855,517</u>	<u>10,269,368</u>	<u>2,413,851</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Highway Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real Property Taxes	\$ 10,340,585	10,340,585	10,340,585	-
Departmental Income	-	-	304,041	304,041
Intergovernmental Charges	328,500	328,500	160,518	(167,982)
Use of Money and Property	8,000	8,000	20,172	12,172
Sale of Property and Compensation for Loss	-	54,920	61,892	6,972
Interfund Revenues	1,293,663	1,293,663	1,293,663	-
State Aid	-	537,485	661,643	124,158
Federal Aid	140,000	140,000	439,313	299,313
Total Revenues	<u>12,110,748</u>	<u>12,703,153</u>	<u>13,281,827</u>	<u>578,674</u>
EXPENDITURES				
Current:				
Transportation	6,187,612	7,772,366	8,856,514	(1,084,148)
Employee Benefits	3,609,274	3,198,354	3,198,298	56
Debt Service:				
Principal	1,520,850	1,520,850	1,520,850	-
Interest	489,520	489,520	489,520	-
Total Expenditures	<u>11,807,256</u>	<u>12,981,090</u>	<u>14,065,182</u>	<u>(1,084,092)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>303,492</u>	<u>(277,937)</u>	<u>(783,355)</u>	<u>(505,418)</u>
OTHER FINANCING SOURCES (USES)				
Transfer In	-	-	511,027	511,027
Transfers Out	(303,492)	(303,492)	-	303,492
Bond Proceeds	-	-	3,300,000	3,300,000
Premium on Bonds	-	-	145,544	145,544
Total Other Financing Sources and Uses	<u>(303,492)</u>	<u>(303,492)</u>	<u>3,956,571</u>	<u>4,260,063</u>
Net Change in Fund Balances*	-	(581,429)	3,173,216	3,754,645
Fund Balances - Beginning	2,737,182	2,737,182	2,737,182	-
Fund Balances - Ending	<u>\$ 2,737,182</u>	<u>2,155,753</u>	<u>5,910,398</u>	<u>3,754,645</u>

*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Sewer Fund
For the Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Varaince with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real Property Taxes	\$ 9,786,063	9,786,063	9,786,063	-
Intergovernmental Charges	243,884	243,884	256,320	12,436
Interdistrict Revenues	<u>2,416,785</u>	<u>2,416,785</u>	<u>2,756,503</u>	<u>339,718</u>
Total Revenues	<u>12,446,732</u>	<u>12,446,732</u>	<u>12,798,886</u>	<u>352,154</u>
EXPENDITURES				
Current:				
Home and Community Services	10,508,833	10,508,833	9,770,065	738,768
Employee Benefits	283,326	283,326	283,326	-
Debt Service:				
Principal	955,317	955,317	955,317	-
Interest	<u>659,656</u>	<u>659,656</u>	<u>659,656</u>	<u>-</u>
Total Expenditures	<u>12,407,132</u>	<u>12,407,132</u>	<u>11,668,364</u>	<u>738,768</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>39,600</u>	<u>39,600</u>	<u>1,130,522</u>	<u>1,090,922</u>
Net Changes in Fund Balances	39,600	39,600	1,130,522	1,090,922
Fund Balances - Beginning	<u>4,353,043</u>	<u>4,353,043</u>	<u>4,353,043</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,392,643</u>	<u>4,392,643</u>	<u>5,483,565</u>	<u>1,090,922</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

SUPPLEMENTARY INFORMATION

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TOWN OF WEST SENECA, NEW YORK
Non-Major Governmental Funds
Combining Balance Sheet
December 31, 2022

	<u>Special District</u> <u>Funds</u>	<u>Special</u> <u>Purpose</u> <u>Funds</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,170,591	188,101	1,358,692
Due from Other Governments	-	3,624	3,624
Due from Other Funds	-	14,272	14,272
Total Assets	<u>1,170,591</u>	<u>205,997</u>	<u>1,376,588</u>
LIABILITIES			
Accounts Payable	<u>1,614</u>	-	<u>1,614</u>
Total Liabilities	<u>1,614</u>	-	<u>1,614</u>
FUND BALANCES (DEFICIT)			
Assigned	<u>1,168,977</u>	<u>205,997</u>	<u>1,374,974</u>
Total Fund Balances (Deficits)	<u>1,168,977</u>	<u>205,997</u>	<u>1,374,974</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 1,170,591</u>	<u>205,997</u>	<u>1,376,588</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ending December 31, 2022

	Special District	Special	
	Funds	Purpose	
	Funds	Funds	Total
REVENUES			
Real Property Taxes	\$ 584,962	-	584,962
Departmental Income	-	64,928	64,928
Use of Money and Property	-	377	377
Total Revenues	<u>584,962</u>	<u>65,305</u>	<u>650,267</u>
EXPENDITURES			
Current:			
General Government Support	-	7,695	7,695
Culture and Recreation	-	25,793	25,793
Home and Community Services	161,328	-	161,328
Debt Service	192,739	-	192,739
Total Expenditures	<u>354,067</u>	<u>33,488</u>	<u>387,555</u>
Excess of Revenues over Expenditures	<u>230,895</u>	<u>31,817</u>	<u>262,712</u>
Net Change in Fund Balance	230,895	31,817	262,712
Fund Balance - Beginning	<u>938,082</u>	<u>174,180</u>	<u>1,112,262</u>
Fund Balance - Ending	<u>\$ 1,168,977</u>	<u>205,997</u>	<u>1,374,974</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Capital Projects Fund
Combining Balance Sheet
For the Year Ended December 31, 2022

Project	Assets				Liabilities				Fund Balances (Deficits)				Total Liabilities and Fund Balances (Deficits)
	Due from Other Funds	Due from Other Governments	Restricted Cash	Total Assets	Accounts Payable	Due to Other Funds	BANs Payable	Total Liabilities	Restricted	Unassigned	Total Fund Balances (Deficits)		
General Fund:													
Recreation and Playgrounds	\$ -	-	100,103	100,103	-	-	-	-	100,103	-	-	100,103	100,103
Town Hall / Police Department Improvements	-	-	44,572	44,572	-	-	-	-	44,572	-	-	44,572	44,572
Energy Performance Contract	-	-	1,503	1,503	-	-	-	-	1,503	-	-	1,503	1,503
Burchfield & Other Improvements	-	-	(30,652)	(30,652)	-	-	-	-	(30,652)	-	-	(30,652)	(30,652)
Energy Performance Contract II	-	-	1,626	1,626	-	-	-	-	1,626	-	-	1,626	1,626
Town Hall & Senior Center ADA Restrooms	-	-	(35,818)	(35,818)	-	-	-	-	(35,818)	-	-	(35,818)	(35,818)
Seneca Place Project	-	-	(1,157)	(1,157)	-	-	-	-	(1,157)	-	-	(1,157)	(1,157)
Buildings & Grounds Reconstruction	-	-	58,000	58,000	-	-	-	-	58,000	-	-	58,000	58,000
Community Center / Library Construction	-	-	234,272	234,272	-	4,505	-	4,505	229,767	-	-	229,767	234,272
Cazenovia Creek Ice Control	-	-	12,984	12,984	-	-	-	-	12,984	-	-	12,984	12,984
Sidewalk Repair	-	-	69,195	69,195	-	-	-	-	69,195	-	-	69,195	69,195
Software / Hardware Conversion	-	-	(82,866)	(82,866)	-	-	-	-	(82,866)	-	-	(82,866)	(82,866)
Switzer Park Improvements	-	-	(246,231)	(246,231)	-	-	-	-	(246,231)	-	-	(246,231)	(246,231)
Ice Rink DASNY	-	-	94,446	94,446	-	-	-	-	94,446	-	-	94,446	94,446
Animal Shelter Rehab.	-	-	11,714	11,714	-	-	-	-	11,714	-	-	11,714	11,714
Garbage Trucks	-	-	2,597	2,597	-	-	-	-	(213,403)	-	-	(213,403)	2,597
Veteran's Park	-	-	-	-	-	-	-	-	-	-	-	-	-
Harlem Road Bike Track	198,271	-	(198,271)	-	-	-	-	-	-	-	-	-	-
Burchfield Renovation	-	27,667	(24,453)	3,214	-	-	-	-	3,214	-	-	3,214	3,214
Fireman's Park	992	-	(992)	-	-	-	-	-	-	-	-	-	-
Highway Fund:													
Highway Equipment	-	-	65,912	65,912	-	-	-	-	65,912	-	-	65,912	65,912
ECCDBG Street Projects	-	-	20,447	20,447	-	-	-	-	20,447	-	-	20,447	20,447
Town Roads Construction	-	-	632,506	632,506	-	-	-	-	632,506	-	-	632,506	632,506
Highway Garage	-	-	3,074,926	3,074,926	-	-	-	-	3,074,926	-	-	3,074,926	3,074,926
Sewer Fund:													
Sanitary Sewer Project	-	-	5,296,640	5,296,640	-	-	-	-	5,296,640	-	-	5,296,640	5,296,640
Sewer Consolidation Grant	-	-	(3,000)	(3,000)	-	-	-	-	(3,000)	-	-	(3,000)	(3,000)
Plant 6 Repairs	-	-	(6,158)	(6,158)	-	-	-	-	(6,158)	-	-	(6,158)	(6,158)
Fisher Road Sewer	-	-	(23,024)	(23,024)	-	-	-	-	(23,024)	-	-	(23,024)	(23,024)
East Center Road Sanitary Sewer	-	-	(8,536)	(8,536)	-	-	-	-	(8,536)	-	-	(8,536)	(8,536)
Flow Metering Project	676,779	-	(289,435)	387,344	-	-	-	-	387,344	-	-	387,344	387,344
Water Fund:													
ECWA Direct Access	-	-	35,781	35,781	-	-	-	-	35,781	-	-	35,781	35,781
Orchard Park Road Water Main	-	-	(451,934)	(451,934)	-	-	-	-	(451,934)	-	-	(451,934)	(451,934)
Seneca Creek Water Main	-	-	69,122	69,122	-	-	-	-	69,122	-	-	69,122	69,122
Leydecker Water Main (WD #3)	-	-	11,806	11,806	-	-	-	-	11,806	-	-	11,806	11,806
East & West Water Main (WD #3)	-	-	5,032	5,032	-	-	-	-	5,032	-	-	5,032	5,032
Elmsford Circle Water Main	-	-	7,413	7,413	-	-	-	-	7,413	-	-	7,413	7,413
2009-10: East & West-Water District #3	-	-	(34,224)	(34,224)	-	-	-	-	(34,224)	-	-	(34,224)	(34,224)
2009-10: East & West-Water District #4	-	-	(600)	(600)	-	-	-	-	(600)	-	-	(600)	(600)
Lein Road Water Main	-	-	(2,500)	(2,500)	-	-	-	-	(2,500)	-	-	(2,500)	(2,500)
	\$ 876,042	27,667	8,410,746	9,314,455	-	4,505	216,000	220,505	10,234,053	(1,140,103)	9,093,950	9,314,455	

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Capital Projects Fund
Combining Schedule of Revenues, Expenditures and Other Financing Sources and Changes in fund Balances (Deficits)
For the Year Ended December 31, 2022

Project	Revenues				Other Financing Sources				Total Revenue and Other Financing Sources	Capital Outlay Financing Uses	Total Expenditures and Other Financing Uses	Total Fund Balances (Deficits) 12/31/2022
	Fund Balances (Deficits) 1/1/2022	Interest	Miscellaneous	Insurance Recoveries	Grant Revenue	BANs Redeemed from Appropriations	Debt Proceeds	Transfers In				
General Fund:												
Recreation and Playgrounds	\$ 99,226	877	-	-	-	-	-	877	-	-	100,103	
Town Hall / Police Department Improvements	44,181	391	-	-	-	-	-	391	-	-	44,572	
Energy Performance Contract	1,490	13	-	-	-	-	-	13	-	-	1,503	
Burchfield & Other Improvements	(30,652)	-	-	-	-	-	-	-	-	-	(30,652)	
Energy Performance Contract II	1,612	14	-	-	-	-	-	14	-	-	1,626	
Town Hall & Senior Center ADA Restrooms	(35,818)	-	-	-	-	-	-	-	-	-	(35,818)	
Seneca Place Project	(1,157)	-	-	-	-	-	-	-	-	-	(1,157)	
Buildings & Grounds Reconstruction	57,492	508	-	-	-	-	-	508	-	-	58,000	
Community Center / Library Construction	227,713	2,054	-	-	-	-	-	2,054	-	-	229,767	
Cazenovia Creek Ice Control	12,870	114	-	-	-	-	-	114	-	-	12,984	
Sidewalk Repair	68,588	607	-	-	-	-	-	607	-	-	69,195	
Software / Hardware Conversion	(82,866)	-	-	-	-	-	-	-	-	-	(82,866)	
Switzer Park Improvements	(254,695)	-	-	-	8,464	-	-	8,464	-	-	(246,231)	
Ice Rink DASNY	93,618	828	-	-	-	-	-	828	-	-	94,446	
Animal Shelter Rehab.	11,611	103	-	-	-	-	-	103	-	-	11,714	
Garbage Trucks	(285,426)	23	-	-	-	-	72,000	72,023	-	-	(213,403)	
Veterans Park	(127,082)	-	-	-	127,082	-	-	127,082	-	-	-	
Harlem Road Park Bike Track	(143,360)	-	-	-	200,000	-	-	200,000	56,640	56,640	-	
Burchfield Renovation	-	-	1,500	-	27,667	-	-	29,167	25,953	25,953	3,214	
Fireman's Park	-	-	-	-	-	-	992	992	992	992	-	
Highway Fund:												
Highway Equipment	65,334	578	-	-	-	-	-	578	-	-	65,912	
ECCDBG Street Projects	20,268	179	-	-	-	-	-	179	-	-	20,447	
Town Roads Construction	626,962	5,544	-	-	-	-	-	5,544	-	-	632,506	
Highway Garage	-	-	-	5,217,266	-	-	-	5,217,266	2,142,340	2,142,340	3,074,926	
Sewer Fund:												
Sanitary Sewer Project	1,416,932	12,530	-	-	806,415	-	-	3,941,781	62,073	62,073	5,296,640	
Sewer Consolidation Grant	(3,000)	-	-	-	-	-	-	-	-	-	(3,000)	
Plant 6 Repairs	(6,158)	-	-	-	-	-	-	-	-	-	(6,158)	
Fisher Road Sewer	(23,024)	-	-	-	-	-	-	-	-	-	(23,024)	
East Center Road Sanitary Sewer	(8,536)	-	-	-	-	-	-	-	-	-	(8,536)	
Flow Meter Project	-	-	-	-	-	-	676,779	676,779	289,435	289,435	387,344	
Water Fund:												
ECWA Direct Access	35,467	314	-	-	-	-	-	314	-	-	35,781	
Orchard Park Road Water Main	(451,934)	-	-	-	-	-	-	-	-	-	(451,934)	
Seneca Creek Water Main	68,516	606	-	-	-	-	-	606	-	-	69,122	
Leydecker Water Main (WD #3)	11,703	103	-	-	-	-	-	103	-	-	11,806	
East & West Water Main (WD #3)	4,988	44	-	-	-	-	-	44	-	-	5,032	
Elmsford Circle Water Main	7,348	65	-	-	-	-	-	65	-	-	7,413	
2009-10: East & West-Water District #3	(34,224)	-	-	-	-	-	-	-	-	-	(34,224)	
2009-10: East & West-Water District #4	(600)	-	-	-	-	-	-	-	-	-	(600)	
Lein Road Water Main	(2,500)	-	-	-	-	-	-	-	-	-	(2,500)	
TOTAL	\$ 1,384,887	25,495	1,500	5,217,266	1,169,628	-	749,771	10,286,496	2,577,433	2,577,433	9,095,950	

The accompanying independent auditors' report should be read in conjunction with these statements.



Kenneth S. Frank, CPA
Roger J. Lis, Jr. CPA
Christopher M. Zera, CPA

R. A. MERCER & CO., P.C.
Certified Public Accountants

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Raymond A. Mercer, CPA 1931-1983

Kathryn A. Larracuente, CPA

August 25, 2023

To the Honorable Town Board
Town of West Seneca, New York

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of West Seneca (the "Town") for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 28, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. The Town adopted all applicable new accounting standards during the year. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the Town's financial statements was:

Management's estimate of the depreciation expense is based on the estimated lives and costs of capital asset. We evaluated the methods, assumptions, and data used to develop the estimate for depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 25, 2022.



Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Town Board and management of the Town of West Seneca and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

R.A. Mercer & Co., P.C.

R.A. MERCER & CO., P.C.

West Seneca, New York
August 25, 2023



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE U.S. DEPARTMENT OF
TREASURY CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS PROGRAM (CSLFRF)
REQUIREMENTS FOR AN ALTERNATIVE CSLFRF COMPLIANCE EXAMINATION ENGAGEMENT

To the Honorable Town Board
Town of West Seneca, New York

We have examined the Town of West Seneca's (the "Town's") compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2022. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

In our opinion, the Town complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts or grant agreements that have a material effect on the Town's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the Town's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinions. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.



Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the Town complied, in all material respects with the specified requirements referenced above during the year ended December 31, 2022. Accordingly, this report is not suitable for any other purpose.

R.A. MERCER & CO., P.C.

R.A. Mercer & Co., P.C.

West Seneca, New York
August 25, 2023