

**TOWN OF WEST SENECA,  
NEW YORK**

*Basic Financial Statements, Required Supplementary  
Information and Supplementary Information  
for the Year Ended December 31, 2023  
and Independent Auditors' Reports*



**TOWN OF WEST SENECA, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2023**

---

	<u>Page</u>
Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	4
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	13
Statement of Activities .....	14
Fund Financial Statements:	
Balance Sheet—Governmental Funds .....	15
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position .....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds .....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds to the Government-wide Statement of Activities .....	18
Notes to the Financial Statements .....	19
<b>Required Supplementary Information:</b>	
Schedule of the Town's Proportionate Share of the Net Pension Liability/(Asset)—Employees' Retirement System .....	45
Schedule of the Town's Contributions—Employees' Retirement System .....	46
Schedule of the Town's Proportionate Share of the Net Pension Liability—Police and Fire Retirement System .....	47
Schedule of the Town's Contributions—Police and Fire Retirement System .....	48
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios .....	49
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund .....	50

(continued)



**TOWN OF WEST SENECA, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2023**

---

(concluded)

	<u>Page</u>
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—Highway Fund .....	51
Schedule of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—Sewer Fund .....	52
Notes to the Required Supplementary Information.....	53
<b>Supplementary Information:</b>	
Combining Balance Sheet—Nonmajor Governmental Funds .....	54
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds .....	55
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	56
Schedule of Findings.....	58



## **DRESCHER & MALECKI LLP**

2721 Transit Road, Suite 111  
Elma, New York 14059  
Telephone: 716.565.2299  
Fax: 716.389.5178



### **INDEPENDENT AUDITORS' REPORT**

Honorable Town Board  
Town of West Seneca, New York:

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of West Seneca, New York (the "Town"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

##### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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.

##### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ended December 31, 2023, the Town restated net position of the governmental activities and the fund balance of the Capital Projects Fund as of December 31, 2022. Our opinion is not modified with respect to this matter.

##### ***Responsibilities of Management for the Financial Statements***

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

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

In performing an audit in accordance with GAAS and GAS, 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 other Required Supplementary 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 Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information, as listed in the table of contents, 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 February 5, 2025 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 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.

*Drescher + Maleki LLP*

February 5, 2025



**TOWN OF WEST SENECA, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2023**

---

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, 2023. We encourage the reader to consider the information contained in this analysis in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

**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 \$77,429,100 (*net position*). This consists of \$43,071,691 net investment in capital assets and an unrestricted deficit of \$(120,500,791).
- The Town's primary government net position increased by \$17,592,006 during the year ended December 31, 2023.
- At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$27,782,388, a decrease of \$4,019,075 in comparison with the prior year's fund balance of \$31,801,463, as restated.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$7,744,726, or approximately 20.6 percent of General Fund expenditures and transfers out. This total amount is *available for spending* at the Town's discretion and constitutes approximately 70.8 percent of the General Fund's total fund balance of \$10,943,519 at December 31, 2023.
- The Town's total bonded indebtedness decreased by \$3,530,000 during the current fiscal year as a result of scheduled principal payments.

**Overview of the Financial Statements**

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

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

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

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 this statement for some items that will result in cash flows in future fiscal periods (e.g., 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 support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services, and interest and other fiscal charges. The Town reports no business-type activities.

The government-wide financial statements can be found on pages 13-14 of this report.

**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*, available 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 governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Sewer Fund, and Capital Projects Fund, which are considered to be major funds. Data from the other six 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 in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 15-18 of this report.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-44 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 net pension liabilities/(asset), the changes in the Town’s other postemployment benefits (“OPEB”) obligation, and the Town’s budgetary comparison schedules for the General Fund, Highway Fund and Sewer Fund. Required Supplementary Information and the related notes to the required supplementary information can be found on pages 45-53 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 54-55.

### Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, liabilities and deferred inflows of exceeded assets and deferred outflows of resources of the primary government by \$(77,429,100) at the close of the most recent fiscal year, as compared to \$(95,021,106) at the close of the fiscal year ended December 31, 2022, as restated.

Table 1, shown below, presents a condensed statement of net position compared to the prior year.

**Table 1—Condensed Statements of Net Position—Primary Government**

	Primary Government	
	Governmental Activities	
	December 31,	
	2023	2022 (as restated)
Current assets	\$ 40,782,651	\$ 44,271,794
Noncurrent assets	92,249,444	84,410,164
Total assets	<u>133,032,095</u>	<u>128,681,958</u>
Deferred outflows of resources	<u>31,830,510</u>	<u>36,285,625</u>
Current liabilities	13,707,540	13,034,293
Noncurrent liabilities	<u>169,006,662</u>	<u>148,216,119</u>
Total liabilities	<u>182,714,202</u>	<u>161,250,412</u>
Deferred inflows of resources	<u>59,577,503</u>	<u>98,738,277</u>
Net position:		
Net investment in capital assets	43,071,691	40,030,922
Restricted	-	10,351,982
Unrestricted	<u>(120,500,791)</u>	<u>(145,404,010)</u>
Total net position	<u>\$ (77,429,100)</u>	<u>\$ (95,021,106)</u>

The largest positive portion of the Town’s net position, \$43,071,691, represents the net investment in capital assets, reflects its investment in capital and right-to-use assets (e.g. land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, infrastructure, and right-to-use assets), net of accumulated depreciation/amortization, less any related outstanding debt used to acquire those assets. The Town uses these capital assets to provide a variety of services to citizens. Accordingly, 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 to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of the Town’s net position, \$(120,500,791), represents an unrestricted net position deficit. The deficit is the result of having long-term commitments, including the net pension liabilities and OPEB obligation that are greater than the currently available resources. Payments for these liabilities will be budgeted in the year actual payment is made.

Table 2, presented below, shows the changes in net position for the years ended December 31, 2023 and December 31, 2022.

**Table 2—Condensed Statements of Changes in Net Position—Primary Government**

	Primary Government	
	Governmental Activities	
	Year Ended December 31,	
	2023	2022 (as restated)
Program revenues:		
Charges for services	\$ 9,107,487	\$ 5,563,438
Operating grants and contributions	4,497,813	5,423,808
Capital grants and contributions	1,900,871	1,169,628
General revenues	<u>51,618,403</u>	<u>52,160,734</u>
Total revenues	<u>67,124,574</u>	<u>64,317,608</u>
Program expenses	<u>49,532,568</u>	<u>38,680,883</u>
Change in net position	17,592,006	25,636,725
Net position—beginning	(95,021,106)	(121,052,194)
Restatement	<u>-</u>	<u>394,363</u>
Net position—ending	<u>\$ (77,429,100)</u>	<u>\$ (95,021,106)</u>

Overall revenues of the governmental activities increased 4.4 percent from the prior year. This increase was primarily the result of an increase in departmental income. Total expenses increased 28.1 percent from the prior year, due primarily to an increase in allocable employee benefits related to the net pension liability and OPEB obligation.

A summary of sources of revenues for the years ended December 31, 2023 and December 31, 2022 is presented below in Table 3.

**Table 3—Summary of Sources of Revenues—Governmental Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
Charges for services	\$ 9,107,487	\$ 5,563,438	\$ 3,544,049	63.7
Operating grants and contributions	4,497,813	4,134,430	363,383	8.8
Capital grants and contributions	1,900,871	1,169,628	731,243	62.5
Property taxes and other tax items	47,024,473	46,337,315	687,158	1.5
Use of money and property	1,078,040	158,061	919,979	582.0
Sale of property and compensation for loss	2,075,341	5,391,299	(3,315,958)	(61.5)
Miscellaneous	151,171	274,059	(122,888)	(44.8)
Unrestricted state aid	1,289,378	1,289,378	-	0.0
Total revenues	<u>\$ 67,124,574</u>	<u>\$ 64,317,608</u>	<u>\$ 2,806,966</u>	4.4

The Town’s most significant sources of revenues for the year ended December 31, 2023 were property taxes and other tax items of \$47,024,473, or 70.1 percent of total revenues, charges for services of \$9,107,487 or 13.6 percent of total revenues, and operating grants and contributions of \$4,497,813, or 6.7 percent of total revenues. For the year ended December 31, 2022 the Town’s most significant sources of revenue were property taxes and other tax items of \$46,337,315, or 72.0 percent of total revenues, charges for services of \$5,563,438, or 8.6 percent of total revenues, and sale of property and compensation for loss of \$5,391,299, or 8.4 percent of total revenues.

A summary of program expenses for the years ended December 31, 2023 and December 31, 2022 is presented below in Table 4.

**Table 4—Summary of Program Expenses—Governmental Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
General government support	\$ 4,208,726	\$ 4,277,038	\$ (68,312)	(1.6)
Public safety	14,249,409	9,734,960	4,514,449	46.4
Health	5,723	5,723	-	0.0
Transportation	11,513,030	9,012,524	2,500,506	27.7
Economic assistance and opportunity	21,915	16,615	5,300	31.9
Culture and recreation	3,714,090	2,561,618	1,152,472	45.0
Home and community services	14,205,906	11,275,956	2,929,950	26.0
Interest and other fiscal charges	1,613,769	1,796,449	(182,680)	(10.2)
Total program expenses	<u>\$ 49,532,568</u>	<u>\$ 38,680,883</u>	<u>\$ 10,851,685</u>	28.1

The Town’s most significant expense items for the year ended December 31, 2023 were public safety of \$14,249,409, or 28.8 percent of total expenses, home and community services of \$14,205,906, or 28.7 percent of total expenses, and transportation of \$11,513,030, or 23.2 percent of total expenses. For the year ended December 31, 2022 the Town’s most significant expense items were home and community services of \$11,275,956, or 29.2 percent of total expenses, public safety of \$9,734,960, or 25.2 percent of total expenses, and transportation of \$9,012,524, or 23.3 percent of total expenses.

## Financial Analysis of Governmental Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related 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 fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not been limited to use for a particular purpose by an external party, the Town itself, or a group of individuals that has been delegated authority to assign resources for use for particular purposes by the Town Board.

At December 31, 2023, the Town’s governmental funds reported combined ending fund balances of \$27,782,388, a decrease of \$4,019,075 from the prior year fund balance of \$31,801,463, as restated. Approximately 27.9 percent of this amount, \$7,744,726, constitutes *unassigned fund balance*, which is available for spending at the Town’s discretion. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that it is: (1) not in spendable form, \$1,055,264, (2) restricted for specific purposes, \$2,389,462 or (2) assigned for particular purposes, \$16,592,936.

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 \$7,744,726, while total fund balance increased \$674,151 to \$10,943,519 as a result greater than anticipated sales tax during the year. 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 expenditures and transfers out. Unassigned fund balance represents approximately 20.6 percent of General Fund expenditures and transfers out, while total fund balance represents 29.2 percent of that same amount.

The Town’s Highway Fund ending fund balance was \$5,175,448. Approximately 95.6% percent, \$4,948,599, of this amount is reported as fund balance assigned for specific use. During the year ended December 31, 2023, the Highway Fund fund balance decreased \$734,950 due to less state and federal aid received during the year.

The Town’s Sewer Fund ending fund balance was \$7,766,200. Approximately 97.8% percent, \$7,598,617, of this amount is reported as fund balance assigned for specific use. During the year ended December 31, 2023, the Sewer Fund fund balance increased \$2,282,635 due to lesser than anticipated home and community services during the year.

The Town’s Capital Projects Fund accounts for the construction and reconstruction of general public improvements. At the end of the current fiscal year, ending fund balance was \$2,389,462. Fund balance decreased \$6,373,696 as capital outlay expenditures of \$12,679,077 exceeded total revenues and transfers in.



## General Fund Budgetary Highlights

The Town’s General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year’s encumbrances since the funds were allocated under the previous year’s budget, and the Town has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended December 31, 2023 is presented below in Table 5.

**Table 5—General Fund Budget**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 31,272,068	\$ 36,505,031	\$ 38,187,591	\$ 1,682,560
Expenditures and other financing uses	32,475,452	38,792,561	37,513,440	1,279,121
Deficiency of revenues over expenditures and other financing uses	\$ (1,203,384)	\$ (2,287,530)	\$ 674,151	\$ 2,961,681

**Original budget compared to final budget**—During the year, the Town’s budgeted appropriations were amended to adjust for various increases in spending, totaling \$6,317,109, which were funded through \$5,232,963 of corresponding increases in budgeted revenues and the remaining through additional appropriation of fund balance. The increase in budgeted spending was primarily due to additional costs funded through American Rescue Plan Act (“ARPA”) federal aid that were not anticipated at the time of the budget.

**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 certain significant variances, including budgeted amounts exceeding actual spending in home and community services and transfers out expenditures by \$519,502, and \$464,976, respectively. The budgetary savings within home and community services was primarily due less than anticipated equipment purchases during the year. Furthermore, the budgetary savings within transfers out was mainly due to less than anticipated expenditures related to advanced funding necessary for the Capital Projects Fund. In addition, actual revenue outperformed final budget by \$1,682,560, primarily due to higher than anticipated sales tax revenue.

## Capital and Right-to-Use Assets and Debt Administration

**Capital and right-to-use assets**—The Town’s investment in capital assets for its governmental activities as of December 31, 2023, amounted to \$92,249,444 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, infrastructure, and right-to-use assets.

All depreciable capital assets were depreciated/amortized from acquisition date to the end of the current year, as outlined in the Town’s capital asset policy.

Capital and right-to-use assets, net of depreciation/amortization for the primary government at the years ended December 31, 2023 and December 31, 2022 are presented in Table 6 below:

**Table 6—Summary of Capital and Right-to-Use Lease Assets (Net of Depreciation/Amortization)**

	Governmental Activities	
	December 31,	
	2023	2022
Land	\$ 543,871	\$ 543,871
Construction in progress	13,085,248	6,758,639
Land improvements	348,331	318,525
Buildings	18,342,644	14,420,198
Building improvements	3,230,323	3,450,047
Machinery and equipment	7,292,931	4,500,723
Infrastructure	49,131,148	50,707,611
Right-to-use assets	181,026	594,060
Subscription assets	93,922	-
Total	<u>\$ 92,249,444</u>	<u>\$ 81,293,674</u>

Additional information on the Town’s capital and right-to-use assets can be found in Note 5 to the financial statements.

**Long-term debt**—At December 31, 2023, the Town had total bonded debt outstanding of \$36,120,000, as compared to \$39,650,000 in the prior year. During the year ended December 31, 2023 the Town made scheduled principal payments of \$3,530,000.

A summary of the Town’s long-term liabilities at December 31, 2023 and December 31, 2022 is presented in Table 7 below.

**Table 7—Summary of Long-Term Liabilities**

	December 31,	
	2023	2022 (as restated)
Bond payable	\$ 36,120,000	\$ 39,650,000
Premium on bonds payable	1,640,274	1,942,741
EFC notes payable	1,890,283	3,122,836
Installment purchase debt	6,171,929	7,272,460
Lease liability	190,713	592,297
SBITA liability	99,413	-
Compensated absences	5,821,192	3,388,039
Workers' compensation	2,156,252	3,863,052
OPEB obligation	96,635,732	87,350,661
Net pension liability	<u>18,280,874</u>	<u>1,034,033</u>
Total	<u>\$ 169,006,662</u>	<u>\$ 148,216,119</u>

Additional information on the Town’s long-term liabilities can be found in Note 12 to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate, not seasonally adjusted, for Erie County during December 2023 was 4.4 percent, as compared to New York State's unemployment rate of 4.6 percent and to the national unemployment rate of 3.7 percent. These factors are considered in preparing the Town's budget.

The 2024 adopted budget General Fund appropriations total \$33,424,628 and represents an approximate increase of 4.9 percent as compared to \$31,852,068 in 2023.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor's Office, 1250 Union Road, West Seneca, NY 14224.

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

# BASIC FINANCIAL STATEMENTS



**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

**TOWN OF WEST SENECA, NEW YORK**  
**Statement of Net Position**  
**December 31, 2023**

	<b>Primary Government Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 31,191,337
Restricted cash and cash equivalents	5,455,138
Receivables	252,511
Intergovernmental receivables	2,828,401
Prepaid items	1,055,264
Capital assets not being depreciated/amortized	13,629,119
Capital assets, net of accumulated depreciation/amortization	78,620,325
Total assets	133,032,095
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows—relating to pensions	13,703,720
Deferred outflows—relating to OPEB	18,126,790
Total deferred outflows of resources	31,830,510
<b>LIABILITIES</b>	
Accounts payable	5,463,403
Accrued liabilities	2,045,994
Intergovernmental payables	137,869
Bond anticipation notes payable	4,169,000
Unearned revenues	1,891,274
Noncurrent liabilities:	
Due within one year	7,528,289
Due in more than one year	161,478,373
Total liabilities	182,714,202
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows—relating to pensions	1,117,776
Deferred inflows—relating to OPEB	58,459,727
Total deferred inflows of resources	59,577,503
<b>NET POSITION</b>	
Net investment in capital assets	43,071,691
Unrestricted	(120,500,791)
Total net position	\$ (77,429,100)

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



**TOWN OF WEST SENECA, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2023**

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u> <u>Revenue and Changes</u> <u>in Net Position</u>
		<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Primary</u> <u>Governmental</u> <u>Activities</u>
<b>Primary government:</b>					
Governmental activities:					
General government support	\$ 4,208,726	\$ 3,726,934	\$ 4,119,866	\$ -	\$ 3,638,074
Public safety	14,249,409	1,441,874	220,447	-	(12,587,088)
Health	5,723	-	-	-	(5,723)
Transportation	11,513,030	608,853	-	516,978	(10,387,199)
Economic assistance and opportunity	21,915	-	-	-	(21,915)
Culture and recreation	3,714,090	428,514	7,500	-	(3,278,076)
Home and community services	14,205,906	2,901,312	150,000	1,383,893	(9,770,701)
Interest and other fiscal charges	1,613,769	-	-	-	(1,613,769)
Total primary government	<u>\$ 49,532,568</u>	<u>\$ 9,107,487</u>	<u>\$ 4,497,813</u>	<u>\$ 1,900,871</u>	<u>(34,026,397)</u>
General revenues:					
					37,640,433
					8,995,485
					388,555
					1,078,040
					2,075,341
					151,171
					1,289,378
					<u>51,618,403</u>
					17,592,006
					(95,021,106)
					<u>\$ (77,429,100)</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, 2023**

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>			
<b>ASSETS</b>						
Cash and cash equivalents	\$ 17,206,054	\$ 3,208,563	\$ 9,244,695	\$ -	\$ 1,532,025	\$ 31,191,337
Restricted cash and cash equivalents	1,891,274	-	-	3,563,864	-	5,455,138
Receivables	140,152	111,759	600	-	-	252,511
Intergovernmental receivables	1,221,429	1,230,448	348,857	27,667	-	2,828,401
Due from other funds	342,695	829,188	268,667	4,287,539	-	5,728,089
Prepaid items	904,925	126,849	23,490	-	-	1,055,264
Total assets	<u>\$ 21,706,529</u>	<u>\$ 5,506,807</u>	<u>\$ 9,886,309</u>	<u>\$ 7,879,070</u>	<u>\$ 1,532,025</u>	<u>\$ 46,510,740</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,059,749	\$ 51,643	\$ 2,042,142	\$ 1,285,603	\$ 24,266	\$ 5,463,403
Accrued liabilities	1,233,687	85,771	19,259	-	-	1,338,717
Intergovernmental payables	137,869	-	-	-	-	137,869
Due to other funds	5,440,431	193,945	58,708	35,005	-	5,728,089
Bond anticipation notes	-	-	-	4,169,000	-	4,169,000
Unearned revenue	1,891,274	-	-	-	-	1,891,274
Total liabilities	<u>10,763,010</u>	<u>331,359</u>	<u>2,120,109</u>	<u>5,489,608</u>	<u>24,266</u>	<u>18,728,352</u>
<b>FUND BALANCES</b>						
Nonspendable	904,925	126,849	23,490	-	-	1,055,264
Restricted	-	-	-	2,389,462	-	2,389,462
Assigned	2,293,868	5,048,599	7,742,710	-	1,507,759	16,592,936
Unassigned	7,744,726	-	-	-	-	7,744,726
Total fund balances	<u>10,943,519</u>	<u>5,175,448</u>	<u>7,766,200</u>	<u>2,389,462</u>	<u>1,507,759</u>	<u>27,782,388</u>
Total liabilities and fund balances	<u>\$ 21,706,529</u>	<u>\$ 5,506,807</u>	<u>\$ 9,886,309</u>	<u>\$ 7,879,070</u>	<u>\$ 1,532,025</u>	<u>\$ 46,510,740</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—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December 31, 2023**

---

Amounts reported for governmental activities in the statement of net position (page 13) are different because:

Total fund balances (deficit)—governmental funds (page 15)		\$ 27,782,388
Capital and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$168,499,103 and the accumulated depreciation/amortization is \$76,249,659.		92,249,444
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions and benefit payments	2,398,019	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion	11,305,701	
Deferred outflows related to OPEB	18,126,790	
Deferred inflows related to pension plans	(1,117,776)	
Deferred inflows related to OPEB	<u>(58,459,727)</u>	(27,746,993)
Net accrued interest expense for serial bonds and bond anticipation notes are not reported in the funds.		(707,277)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Bonds payable	\$ (36,120,000)	
Premium on bonds payable	(1,640,274)	
EFC notes payable	(1,890,283)	
Installment purchase debt	(6,171,929)	
Lease liability	(190,713)	
SBITA liability	(99,413)	
Compensated absences	(5,821,192)	
Workers' compensation	(2,156,252)	
OPEB obligation	(96,635,732)	
Net pension liability	<u>(18,280,874)</u>	<u>\$ (169,006,662)</u>
Net position of governmental activities		<u>\$ (77,429,100)</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**  
**Year Ended December 31, 2023**

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>			
<b>REVENUES</b>						
Real property taxes	\$ 17,574,709	\$ 9,976,908	\$ 9,634,576	\$ -	\$ 454,240	\$ 37,640,433
Other property tax items	388,555	-	-	-	-	388,555
Non-property tax items	8,995,485	-	-	-	-	8,995,485
Departmental income	820,872	246,072	2,901,312	-	90,713	4,058,969
Intergovernmental charges	-	159,717	-	-	-	159,717
Use of money and property	630,641	363,025	-	83,036	1,338	1,078,040
Licenses and permits	414,209	-	-	-	-	414,209
Fines and forfeitures	1,038,906	-	-	-	-	1,038,906
Sale of property and compensation for loss	460,103	232,784	-	1,382,454	-	2,075,341
Miscellaneous	69,770	75,000	-	6,401	-	151,171
Interfund revenue	2,050,823	1,384,863	-	-	-	3,435,686
State aid	1,556,995	516,978	-	1,383,893	-	3,457,866
Federal aid	4,080,196	150,000	-	-	-	4,230,196
Total revenues	<u>38,081,264</u>	<u>13,105,347</u>	<u>12,535,888</u>	<u>2,855,784</u>	<u>546,291</u>	<u>67,124,574</u>
<b>EXPENDITURES</b>						
Current:						
General government support	3,589,931	-	-	-	610	3,590,541
Public safety	9,893,748	-	-	-	-	9,893,748
Health	5,723	-	-	-	-	5,723
Transportation	1,579,352	8,382,836	-	-	-	9,962,188
Economic assistance and opportunity	21,915	-	-	-	-	21,915
Culture and recreation	3,007,491	-	-	-	26,313	3,033,804
Home and community services	4,563,924	-	8,911,087	-	192,095	13,667,106
Employee benefits	8,561,326	3,021,230	1,368	-	-	11,583,924
Debt service:						
Principal	1,927,238	2,003,545	980,402	1,232,553	127,844	6,271,582
Interest and other fiscal charges	504,803	582,686	618,788	-	66,644	1,772,921
Capital outlay	-	-	-	11,446,524	-	11,446,524
Total expenditures	<u>33,655,451</u>	<u>13,990,297</u>	<u>10,511,645</u>	<u>12,679,077</u>	<u>413,506</u>	<u>71,249,976</u>
Excess (deficiency) of revenues over expenditures	<u>4,425,813</u>	<u>(884,950)</u>	<u>2,024,243</u>	<u>(9,823,293)</u>	<u>132,785</u>	<u>(4,125,402)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	150,000	258,392	3,449,597	-	3,857,989
Transfers out	(3,857,989)	-	-	-	-	(3,857,989)
Subscription liability issued	106,327	-	-	-	-	106,327
Total other financing sources (uses)	<u>(3,751,662)</u>	<u>150,000</u>	<u>258,392</u>	<u>3,449,597</u>	<u>-</u>	<u>106,327</u>
Net change in fund balances (deficit)	674,151	(734,950)	2,282,635	(6,373,696)	132,785	(4,019,075)
Fund balances—beginning, as restated	10,269,368	5,910,398	5,483,565	8,763,158	1,374,974	31,801,463
Fund balances—ending	<u>\$ 10,943,519</u>	<u>\$ 5,175,448</u>	<u>\$ 7,766,200</u>	<u>\$ 2,389,462</u>	<u>\$ 1,507,759</u>	<u>\$ 27,782,388</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—Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2023**

---

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances—total governmental funds (page 17) \$ (4,019,075)

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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense and loss on disposal in the current period.

Capital asset additions	\$ 16,496,106	
Loss on disposal of assets	(96,735)	
Depreciation/amortization expense	(5,443,601)	10,955,770

Net differences between pension contributions and benefit payments recognized on the fund financial statements and the government-wide financial statements are as follows:

Town pension contributions	\$ 2,896,419	
Cost of benefits earned net of employee contributions	(6,418,037)	(3,521,618)

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected, and changes in assumptions and other inputs. These amounts are shown net of current amortization. 17,863,946

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (143,315)

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 funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Repayment of serial bonds	\$ 3,530,000	
Amortization of premium on serial bonds	302,467	
Repayment of installment purchase debt	1,232,553	
Repayment of EPC	1,100,532	
Change in leases	401,583	
Change in SBITAs	(99,413)	
Change in compensated absences	(2,433,153)	
Change in judgments and claims	1,706,800	
Change in OPEB obligation	(9,285,071)	(3,543,702)

Change in net position of governmental activities \$ 17,592,006

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

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

**TOWN OF WEST SENECA, NEW YORK**  
**Notes to the Financial Statements**  
**December 31, 2023**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic 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 governmental units. The Governmental Accounting Standards Board (the “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., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. The Town reports no business-type activities. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable. The Town reports no component units.

***Reporting Entity***

The Town is a unit of local government created by the State of New York. The Town operates under the 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, recreations, sanitary and storm sewerage and general administration. The Town Board is the legislative body responsible for overall operations and 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 fiduciary funds, even though the latter are 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 general rule are payments and charges between the Town's various functions. 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. Separate statements for each fund category—governmental and fiduciary—are 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 reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the Town and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is real property taxes.
- *Highway*—The Highway Fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town. The principal sources of revenue for the Highway Part-Town Fund are real property taxes.
- *Sewer Fund*—The Sewer Fund Fund is used to account for all revenues and expenditures related to the operation and maintenance of the Town's sewer districts. The principal source of revenue for the Water Districts Fund is real property taxes.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities. The principal sources of revenue for the Capital Projects Fund are grants, donations, and proceeds from the issuance of serial bonds.

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 revenue 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, pensions, 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.

The Town has recorded a long-term liability in its government-wide financial statements for services that have been received under a service contract. It is the Town's policy to report this as a long-term liability within its government-wide financial statements based on the *economic resources measurement focus*, and accrue the liability within the fund statements as it becomes due and as the resources for payment become available through the subsequent year's budget.

Property taxes, sales taxes, charges for services provided, and state and federal aid associated with the current fiscal period are all considered 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 of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

***Cash, Cash Equivalents and Investments***—The Town's cash, cash equivalents and investments consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. The Town had no investments at December 31, 2023; however, when the Town does have investments it is the Town's policy to record them at fair value based on quoted market value.

***Restricted Cash, Cash Equivalents***—Restricted cash and cash equivalents represent amounts to support unspent proceeds of debt and unearned revenues.

***Intergovernmental Receivables***—Receivables include amounts due from local, state, and federal governments and represent amounts owed to the Town to reimburse it for expenditures incurred pursuant to local, state, and federally funded programs. Receivables are recorded and revenues recognized as earned. Allowances are recorded when appropriate.

***Prepaid Items***—Certain 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 expenses/expenditures when consumed rather than when purchased.

**Capital and Right-to-use Assets**—Capital and right-to-use assets, which include land, construction in progress, land improvements, buildings, building improvements, machinery and equipment, infrastructure and right-to-use assets are reported in the governmental activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$25,000 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of its donation.

Land and construction in progress are not depreciated. The other capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Years
Land improvements	20
Buildings	40
Building improvements	20
Machinery and equipment	3 - 15
Infrastructure	10 - 100
Right-to-use assets	3 - 15

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new highway vehicle included as part of *expenditures—transportation*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

**Deferred Outflows/Inflows of Resources**—In addition to assets, the statement of financial 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. At December 31, 2023, the Town has two items that qualify for reporting in this category on the government-wide financial statements. The first item represents the effect of the net change in the Town’s proportion 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 systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The second item represents the effects of the change in the Town’s proportion of the collective OPEB liability and difference during the measurement period between certain contributions of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

In addition to liabilities, the statement of financial 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2023, the Town has two items that qualify for reporting in this category on the government-wide financial statements. The first item represents the effect of the net change in the Town’s proportion of the collective net pension liability/(asset) and the difference during the measurement periods between the Town’s contributions and its proportionate share of the total contributions to the pension systems not included in pension expense and is reported on the government-wide statements. The second item represents the effects of

the change in the Town's proportion of the collective OPEB liability and difference during the measurement period between certain contributions of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability.

***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 Town'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 a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) 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 revenues 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 Expenses/Expenditures***

***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.

**Property Taxes**—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<sup>st</sup> based on assessed property values as of that date.

Tax payments are due January 1<sup>st</sup> to February 15<sup>th</sup> without penalty; February 16<sup>th</sup> to 28<sup>th</sup> a 1.5% penalty; March 1<sup>st</sup> to 15<sup>th</sup> a 3.0% penalty; March 16<sup>th</sup> to 31<sup>st</sup> a 4.5% penalty; April 1<sup>st</sup> to 15<sup>th</sup> a 6.0% penalty; April 16<sup>th</sup> to 30<sup>th</sup> 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<sup>st</sup>, at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items that 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 Town Clerk, independent of Town operations.

**Unearned Revenues**—Certain revenues have not met the revenue recognition criteria for financial purposes. At December 31, 2023, the Town reported \$1,891,274 of unearned revenue in the General Fund. The Town received cash in advance related to the American Rescue Plan Act (“ARPA”), but has not performed the services and therefore recognizes a liability.

**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 government-wide financial statements. Payment of sick leave and compensatory time is budgeted and recorded as expenditures in the governmental fund 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.

**Pension Plan**—The Town is mandated by New York State law to participate in the New York State Police and Fire Retirement System (“PFRS”) and the New York State Local Employees’ Retirement System (“ERS”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

**Other Postemployment Benefits**—In addition to providing pension benefits, the Town provides health insurance coverage for certain retired employees, as disclosed in Note 8.

#### **Other**

**Estimates**—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, liabilities, deferred outflows/inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements during the reported period. Actual results could differ from those estimates.

***Adoption of New Accounting Pronouncements***—During the year ended December 31, 2023, the Town implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”). GASB Statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements (“SBITAs”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. A portion of GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. The implementation of GASB Statements No. 94, 96, and a portion of 99 did not have a material impact on the Town’s financial position or results from operations.

***Future Impacts of Accounting Pronouncements***—The Town has not completed the process of evaluating the impact that will result from adopting the remainder of GASB Statement No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024; No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025; No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets* effective for the year ending December 31, 2026. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 99, 100, 101, 102, 103 and 104 will have on its financial position and results of operations when such statements are adopted.

#### ***Stewardship, Compliance and Accountability***

***Legal Compliance—Budgets***—The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 30, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1<sup>st</sup>. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5<sup>th</sup>.
- 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.
- Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20<sup>th</sup>.
- 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.

Additional information regarding the Town’s budgets can be found in the Notes to the Required Supplementary Information section of this report.

**2. RESTATEMENT OF FUND BALANCE AND NET POSITION**

During the year ended December 31, 2023, the Town identified a long-term prepaid item that did not meet the criteria for reporting within the governmental activities. In addition, the Town identified a prior period adjustment related to accounts payable within the Capital Projects Fund. As a result, the effect of the restatements to the Town’s governmental activities, and the Capital Projects Fund is summarized as follows:

	Governmental Activities	Capital Projects Fund
Fund balance/net position–December 31, 2022, as previously stated	\$ (95,415,469)	\$ 9,093,950
Long-term prepaid asset	725,155	-
Adjustment to accounts payable	<u>(330,792)</u>	<u>(330,792)</u>
Fund balance/net position–December 31, 2022, as restated	<u>\$ (95,021,106)</u>	<u>\$ 8,763,158</u>

**3. CASH AND CASH EQUIVALENTS**

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 New York 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 deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance (FDIC). The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash, cash equivalents, and investments at December 31, 2023, are as follows:

	Governmental Activities
Petty cash (uncollateralized)	\$ 3,850
Deposits	36,642,625
Total	<u>\$ 36,646,475</u>

**Deposits**—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2023 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 1,000,000	\$ 1,000,000
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	<u>35,171,276</u>	<u>35,642,625</u>
Total	<u>\$ 36,171,276</u>	<u>\$ 36,642,625</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. At December 31, 2023, the Town's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Town's name.

**Restricted Cash and Cash Equivalents**—The Town reports restricted cash, totaling \$5,455,138 within the General Fund, and Capital Projects Fund. These funds are set aside for future payments related to unearned revenues and capital projects in the amounts of \$1,891,274, and \$3,563,864, respectively.

**Investments**—The Town had no investments at December 31, 2023.

**Interest Rate Risk**—In accordance with its investment policy, the Town manages exposures by limiting investments entered into by the Town to low risk type investments governed by New York State statute.

#### 4. RECEIVABLES

Revenues accrued by the Town at December 31, 2023 consisted of the following:

**Receivables**—Represents amounts due from various sources. The Town’s accounts receivable at December 31, 2023 are presented below:

Governmental Funds:			
General Fund:			
Special assessments	\$	55,114	
Royalty fee		13,155	
Miscellaneous		<u>71,883</u>	\$ 140,152
Highway Fund			
Sale of equipment		106,978	
Miscellaneous		<u>4,781</u>	111,759
Sewer Fund			
Miscellaneous			<u>600</u>
Total governmental funds			<u>\$ 252,511</u>

**Intergovernmental Receivables**—Represents amounts due from other units of government, such as Federal, New York State, County of Erie or other local governments. Intergovernmental receivables at December 31, 2023 are presented below:

General Fund:			
Due from Erie County—sales tax	\$	992,646	
Clerk fees		63,925	
Court fees		61,639	
Due from Federal Government—FEMA Grant		21,747	
Due from New York State—various grants		50,621	
Due from Erie County—various grants		<u>30,851</u>	\$ 1,221,429
Highway Fund:			
Due from New York State DOT	\$	516,977	
Due from Federal Government—FEMA Grant		439,313	
Due from New York State—various grants		124,158	
Due from Erie County—various grants		<u>150,000</u>	1,230,448
Sewer Fund:			
Sewer charges			348,857
Capital Projects Fund:			
Due from New York State—DASNY Grant			<u>27,667</u>
Total governmental funds			<u>\$ 2,828,401</u>



## 5. CAPITAL AND RIGHT-TO-USE ASSETS

Capital and right-to-use asset activity for governmental activities for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Capital assets, not being depreciated:				
Land	\$ 543,871	\$ -	\$ -	\$ 543,871
Construction in progress	6,758,639	6,660,013	333,404	13,085,248
Total capital assets, not being depreciated	<u>7,302,510</u>	<u>6,660,013</u>	<u>333,404</u>	<u>13,629,119</u>
Capital assets, being depreciated/amortized:				
Land improvements	8,811,538	333,404	-	9,144,942
Buildings	22,494,144	4,559,251	-	27,053,395
Building improvements	5,665,197	52,260	-	5,717,457
Machinery and equipment	15,902,862	3,534,278	1,339,827	18,097,313
Infrastructure	92,430,021	1,583,977	-	94,013,998
Right-to-use assets	736,552	-	-	736,552
Subscription assets	-	106,327	-	106,327
Total capital assets, being depreciated/amortized	<u>146,040,314</u>	<u>10,169,497</u>	<u>1,339,827</u>	<u>154,869,984</u>
Less accumulated depreciation/amortization for:				
Land improvements	8,493,013	303,598	-	8,796,611
Buildings	8,073,946	636,805	-	8,710,751
Building improvements	2,215,150	271,984	-	2,487,134
Machinery and equipment	11,402,139	645,335	1,243,092	10,804,382
Infrastructure	41,722,410	3,160,440	-	44,882,850
Right-to-use assets	142,492	413,034	-	555,526
Subscription assets	-	12,405	-	12,405
Total accumulated depreciation/amortization	<u>72,049,150</u>	<u>5,443,601</u>	<u>1,243,092</u>	<u>76,249,659</u>
Total capital assets, being depreciated/amortized, net	<u>73,991,164</u>	<u>4,725,896</u>	<u>96,735</u>	<u>78,620,325</u>
Governmental activities capital assets, net	<u>\$ 81,293,674</u>	<u>\$ 11,385,909</u>	<u>\$ 430,139</u>	<u>\$ 92,249,444</u>

Depreciation/amortization expense was charged to the functions and programs of governmental activities as follows:

Governmental activities:	
General government support	\$ 1,055,741
Public safety	101,517
Transportation	2,206,037
Culture and recreation	293,900
Home and community services	<u>1,786,406</u>
Total governmental activities	<u>\$ 5,443,601</u>

## 6. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at December 31, 2023 were as follows:

	General Fund	Highway Fund	Sewer Fund	Total Governmental Funds
Salaries and employee benefits	\$ 1,233,687	\$ 85,771	\$ 19,259	\$ 1,338,717
Total	<u>\$ 1,233,687</u>	<u>\$ 85,771</u>	<u>\$ 19,259</u>	<u>\$ 1,338,717</u>

## 7. PENSION PLANS

***Police and Fire Retirement System (“PFRS”) and Employees’ Retirement System (“ERS”)—***The Town participates in the PFRS and ERS (the “Systems”). These are cost-sharing multiple employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are 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 and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. The 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](http://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, NY 12244.

The Systems are noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their 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 System’s fiscal year ending March 31.

***Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—***At December 31, 2023, the Town reported the following liability for its proportionate share of the net pension liability for PFRS and ERS. The net pension liability were measured as of March 31, 2023. The total pension liability used to calculate the net pension liability were determined by actuarial valuations as of April 1, 2022, with updated procedures used to roll forward the total net pension liability to the measurement date. The Town’s proportion of the net pension liability were based on a projection 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.

	PFRS	ERS
Measurement date	March 31, 2023	March 31, 2023
Net pension liability	\$ 9,884,895	\$ 8,395,979
Town's portion of the Plan's total net pension liability	0.1793838%	0.0391530%

For the year ended December 31, 2023, the Town recognized pension expenses of \$126,513 and \$375,640 respectively, for PFRS and ERS. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the sources shown below:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	PFRS	ERS	PFRS	ERS
Differences between expected and actual experiences	\$ 966,149	\$ 894,237	\$ -	\$ 235,791
Changes of assumptions	4,816,883	4,077,629	-	45,065
Net difference between projected and actual earnings on pension plan investments	17,475	-	-	49,326
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	381,728	151,600	411,511	376,083
Town contributions subsequent to the measurement date	1,407,168	990,851	-	-
Total	<u>\$ 7,589,403</u>	<u>\$ 6,114,317</u>	<u>\$ 411,511</u>	<u>\$ 706,265</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	PFRS	ERS
2024	\$ 1,104,602	\$ 990,774
2025	(215,759)	(537,120)
2026	2,928,779	1,699,383
2027	1,809,722	2,264,164
2028	143,380	-

**Actuarial Assumptions**—The total pension liability as of the measurement date were determined by using actuarial valuations as noted in the table on the following page, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the actuarial assumptions are shown on the following page.

	ERS	PFRS
Measurement date	March 31, 2023	March 31, 2023
Actuarial valuation date	April 1, 2022	April 1, 2022
Interest rate	5.90%	5.90%
Salary scale	4.40%	6.20%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.90%	2.90%
Cost-of-living adjustments	1.50%	1.50%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2021. The actuarial assumptions used in the April 1, 2022 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.

	PFRS and ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2023	
Measurement date		
Asset class:		
Domestic equities	32.0 %	4.3 %
International equities	15.0	6.9
Private equity	10.0	7.5
Real estate	9.0	4.6
Opportunistic/absolute return strategies	3.0	5.4
Credit	4.0	5.4
Real assets	3.0	5.8
Fixed income	23.0	1.5
Cash	<u>1.0</u>	0.0
Total	<u>100 %</u>	

**Discount Rate**—The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. 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 chart presented below 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 one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—PFRS	\$ 20,605,526	\$ 9,884,895	\$ 1,007,569
Employer's proportionate share of the net pension liability/(asset)—ERS	20,289,480	8,395,979	(1,542,425)

**Pension Plan Fiduciary Net Position**—The components of the current-year net pension liabilities of the employers as of the respective valuation dates, were as follows:

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	April 1, 2022	April 1, 2022	
Employers' total pension liability	\$ 43,835,333	\$ 232,627,259	\$ 276,462,592
Plan fiduciary net position	38,324,863	211,183,223	249,508,086
Employers' net pension liability	<u>\$ 5,510,470</u>	<u>\$ 21,444,036</u>	<u>\$ 26,954,506</u>
System fiduciary net position as a percentage of total pension liability	87.4%	90.8%	90.3%

## 8. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

**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 services, accumulated sick leave and depends upon associated group or union. 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.

**Employees Covered by Benefit Terms**—At December 31, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	199
Active employees	<u>168</u>
Total	<u>367</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 fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“AAL”) under GASB Statement No. 45.

**Total OPEB Liability**

The Town’s total OPEB liability of \$96,635,732 was measured as of December 31, 2023, and was determined by an actuarial valuation as of January 1, 2022.

**Actuarial Methods and Assumptions**—Calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the December 31, 2023 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.05% effective December 31, 2022 to 3.77% for the fiscal year ending December 31, 2023. The salary scale remained at 4.00% at December 31, 2023. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate at December 31, 2023 used is 7.75% while the ultimate healthcare cost trend rate is 3.04%. Mortality rates were 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.

**Changes in the Total OPEB Liability**—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability
Balance at December 31, 2022	\$ 87,350,661
Changes for the year:	
Service cost	2,690,258
Interest	3,606,021
Changes of assumptions	6,393,062
Differences between expected and actual experience	(1,397,534)
Benefit payments	(2,006,736)
Net changes	9,285,071
Balance at December 31, 2023	\$ 96,635,732

**Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate**—The discount rate assumption can have an impact on the total OPEB liability. The table below presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability.

	1% Decrease (2.77%)	Current Discount Rate (3.77%)	1% Increase (4.77%)
Total OPEB liability	\$ 111,125,221	\$ 96,635,732	\$ 84,783,415

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (7.75%) and ultimate (3.04%) healthcare cost trend rates.

	1% Decrease (6.75% / 2.04%)	Healthcare Cost Trend Rates (7.75% / 3.04%)	1% Increase (8.75% / 4.04%)
Total OPEB liability	\$ 81,658,283	\$ 96,635,732	\$ 115,845,687

**Funding Policy**—Authorization for the Town to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by the Town’s Board. The Town recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. Town governmental activities contributed \$2,006,736 for the fiscal year ended December 31, 2023. The Town’s contributions to the OPEB plan are based on negotiated contracts with bargaining units, as discussed in Note 15. Any amendments to the employer’s contributions are subject to the collective bargaining agreements.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—The Town reports deferred outflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability are required to be determined. The table below presents the Town’s deferred outflows of resources at December 31, 2023.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 37,880,842
Changes of assumptions	18,126,790	20,578,885
Total	<u>\$ 18,126,790</u>	<u>\$ 58,459,727</u>

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

<u>Year Ending December 31,</u>	
2024	\$ (10,157,538)
2025	(9,369,886)
2026	(9,811,039)
2027	(8,889,396)
2028	(2,372,978)
Thereafter	267,900

**9. 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. Changes in the Town's workers' compensation liability for the past two years are as follows:

Year Ended December 31,	Liability Beginning of Year	Claims and Adjustments	Claim Payments	Liability End of Year
2023	\$ 3,863,052	\$ 1,975,391	\$ 3,682,191	\$ 2,156,252
2022	3,056,075	1,556,972	749,995	3,863,052

**10. LEASES AND SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENT (“SBITA”) LIABILITIES**

The Town is a lessee for a noncancellable lease of equipment and an information technology agreement. Under GASB Statement No. 87, *Leases*, the Town recognizes a lease liability and an intangible right-to-use lease asset (least asset) in the financial statements. Under GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the Town recognizes a SBITA liability and a SBITA asset in the government-wide financial statements. The Town recognized lease and SBITA liabilities if they are considered significant, individually or in the aggregate, to the financial statements.

At the commencement of a lease the Town initially measures the lease/SBITA liability at the present value of payments expected to be made during the lease/SBITA term. Subsequently, the lease/SBITA liability is reduced by the principal portion of lease/SBITA payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for lease/SBITA payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to lease/SBITA include how the Town determines (1) the discount rate it uses to discount the expected lease/SBITA payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments.

- The Town uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease/SBITA terms include the noncancellable period of the lease/SBITA. Lease/SBITA payments included in the measurement of the liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease/SBITA and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.



Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term debt on the statement of net position.

During previous years, the Town entered into long-term, lease agreements as the lessee for the acquisition and use of various property and equipment. As of December 31, 2023, the value of the lease liabilities was \$190,713. The Town is required to make annual principal and interest payments ranging from \$22,328 to \$73,077. The leases have an interest rate of 3.25%. The value of the right-to-use assets as of the end of the current fiscal year was \$736,552 and had accumulated amortization of \$555,526.

At December 31, 2023, the Town maintained a subscription based information technology agreement. As a result of the implementation of the GASB Statement No. 96, *Subscription Based Information Technology Agreements*, the Town now reports this as a SBITA liability. As of December 31, 2023, the value of the SBITA liability was \$99,413. The Town is required to make annual principal and interest payments ranging from \$13,402 to \$28,463. The agreement has a interest rate of 3.25%. The value of the right-to-use SBITA asset as of the end of the current fiscal year was \$106,327 and had accumulated amortization of \$12,405.

**11. SHORT TERM DEBT**

Liabilities for bond anticipation notes (“BANs”) are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs used for assessable improvement projects may be renewed for periods equivalent to the life of the permanent financing provided that annual reductions of principal are made. The table below is a summary of the Town’s short-term debt for the year ended December 31, 2023:

	Issued	Maturity	Interest Rate	Balance 1/1/2023	Issues	Redemptions	Balance 12/31/2023
Bond anticipation notes:							
Acquisition of garbage truck	2/10/2022	2/10/2002	0.99%	\$ 216,000	\$ -	\$ 216,000	\$ -
Acquisition of garbage truck	2/9/2023	2/9/2024	4.07%	-	144,000	-	144,000
Various infrastructure projects	10/25/2023	2/9/2024	5.00%	-	4,025,000	-	4,025,000
Total				<u>\$ 216,000</u>	<u>\$ 4,169,000</u>	<u>\$ 216,000</u>	<u>\$ 4,169,000</u>

**12. LONG-TERM LIABILITIES**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as noncurrent liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The Town’s outstanding long-term liabilities bonds payable, premiums on bonds payable, installment purchase debt, lease liability, SBITA liability, compensated absences, judgements and claims liability, other postemployment benefits (“OPEB”) obligation, and net pension liability. The serial bonds of the Town are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the Town's long-term debt at December 31, 2023 follows:

	Balance 1/31/2023 (as restated)	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Governmental activities:					
Bonds payable	\$ 39,650,000	\$ -	\$ 3,530,000	\$ 36,120,000	\$ 3,265,000
Premium on bonds payable	1,942,741	-	302,467	1,640,274	302,467
Bonds payable	41,592,741	-	3,832,467	37,760,274	3,567,467
EFC notes payable	3,122,836	-	1,232,553	1,890,283	1,890,283
Installment purchase debt	7,272,461	-	1,100,532	6,171,929	1,164,210
Lease liability	592,296	-	401,583	190,713	93,672
SBITA liability	-	106,327	6,914	99,413	14,913
Compensated absences	3,388,039	2,433,153	-	5,821,192	582,119
Judgements and claims	3,863,052	1,975,391	3,682,191	2,156,252	215,625
OPEB obligation	87,350,661	12,689,341	3,404,270	96,635,732	-
Net pension liability *	1,034,033	17,246,841	-	18,280,874	-
Total governmental activities	<u>\$ 148,216,119</u>	<u>\$ 34,451,053</u>	<u>\$ 13,660,510</u>	<u>\$ 169,006,662</u>	<u>\$ 7,528,289</u>

\* Additions to the net pension liability are shown net of reductions.

**Bonds Payable**—The Town issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. 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 original maturities that range from 5 to 30 years. Principal is paid annually, interest is paid semi-annually; these payments are recorded in the associated fund, either being the General Fund, Highway Fund, and Sewer Fund.

A summary of additions and reductions, for the year ended December 31, 2023 follows:

Description	Year of	Original Issue	Interest Rate (%)	Balance			Balance 12/31/2023
	Issue/ Maturity			1/1/2023	Additions	Reductions	
Governmental activities:							
General Fund:							
Various purpose refunding bonds	2015/2028	\$ 2,255,669	3.0-5.0	\$ 335,000	\$ -	\$ 315,000	\$ 20,000
Burchfield, Metz, general Town recreation	2016/2028	200,000	2.0-5.0	95,931	-	18,023	77,908
Police headquarters addition	2016/2028	1,520,000	2.0-5.0	729,069	-	136,977	592,092
Road reconstruction and paving	2017/2030	135,000	1.5-5.0	95,000	-	10,000	85,000
Library and comm. Cnt. Expenses	2018/2045	10,222,045	3.0-5.0	8,910,000	-	340,000	8,570,000
Accounting software	2018/2045	300,000	3.0-5.0	60,000	-	60,000	-
Radio system upgrades and GPS units	2018/2025	29,200	5.0	13,000	-	3,000	10,000
Equipment and vehicles	2018/2025	276,037	5.0	127,455	-	40,455	87,000
Highway Fund:							
Various purpose refunding bonds	2015/2028	8,735,000	3.0-5.0	3,845,000	-	840,000	3,005,000
Road reconstruction and paving	2017/2030	4,405,000	1.5-5.0	3,110,000	-	290,000	2,820,000
Steph. Ave., N. Am. Dr., Comm. Pkwy	2018/2045	2,400,000	3.0-5.0	1,580,000	-	220,000	1,360,000
Equipment and vehicles	2018/2025	1,627,664	5.0	751,545	-	238,545	513,000
Equipment and vehicles	2022/2027	1,800,000	5.0	1,800,000	-	325,000	1,475,000
Road reconstruction and paving	2022/2037	1,500,000	3.5-4.25	1,500,000	-	90,000	1,410,000
Sewer Fund:							
Sanitary and sewer facilities	2018/2045	17,155,000	3.0-5.0	15,125,000	-	525,000	14,600,000
2015 Water Improvements	2018/2045	1,650,000	3.0-5.0	1,470,000	-	45,000	1,425,000
Improvements to facilities of W.D. #3	2018/2025	34,300	5.0	15,000	-	5,000	10,000
Improvements to facilities of W.D. #3 Leydecker	2018/2025	187,800	5.0	88,000	-	28,000	60,000
Total governmental activities				<u>\$ 39,650,000</u>	<u>\$ -</u>	<u>\$ 3,530,000</u>	<u>\$ 36,120,000</u>

**Premiums on Bonds Payable**—Previously, the Town issued serial bonds and refunding serial bonds which receive bond premiums. The premiums are being amortized on a straight-line basis over the life of the bonds. Total unamortized bond premiums at December 31, 2023 are \$1,640,274 within governmental activities.

**Environmental Facilities Corporation Notes Payable**—During the year ended December 31, 2022, the Town acquired an interest-free financing through the Environmental Facilities Corporation (“EFC”) totaling \$3,122,836 to financing certain capital projects. During the current year, the Town repaid a net amount of \$1,232,553. The remaining balance of \$1,890,283 will be repaid by the Town during the year ended December 31, 2024.

**Installment Purchase Debt**—The Town has entered into installment purchase contracts for certain energy performance modifications to improve energy efficiency. Principal and interest payments are made quarterly. At December 31, 2023, the Town reports a liability for installment purchase debt of \$6,171,928 of which \$1,164,210 is considered to be due within one year.

**Lease Liability**—At December 31, 2023 the outstanding balance on the Town’s lease liabilities was \$190,713. Refer to Note 10 for more information related to the Town’s lease liabilities.

**SBITA Liability**—The Town has entered into a long-term subscription based information technology agreement (“SBITA”). The outstanding balance at December 31, 2023 was \$99,413 Refer to Note 10 for additional information related to the Town’s subscription liability.

**Compensated Absences**—As described in Note 1, the Town records the value of compensated absences in the government-wide financial statements. The annual budgets of the respective funds of which the employees’ payroll is recorded provide for these benefits as they become due. The liability for compensated absences at December 31, 2023 amounts to \$5,821,192. While the payments of compensated absences are dependent upon many factors, the Town has estimated that \$582,119 will become due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily available.

**Judgements and Claims**—As explained in Note 9, the Town’s judgements and claims liability represents liabilities relating to self-insured workers’ compensation and general liability insurance. The Town reports a liability for judgements and claims at December 31, 2023 of \$2,156,252.

**OPEB Obligation**—As explained in Note 8, the Town provides health insurance coverage for certain retirees. The Town’s annual other postemployment benefit (“OPEB”) cost is calculated based on the annual required contributions of the employer, an amount determined in accordance with the parameters of GASB. The long-term OPEB liability is estimated to be \$96,635,732 as of December 31, 2023.

**Net Pension Liability**—The Town reports a liability totaling \$18,280,874 for its proportionate share of the net pension liability for the Police and Fire Retirement System and Employees’ Retirement System. Refer to Note 7 for additional information related to the Town’s net pension liability.

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

Year ending December 31,	Governmental Activities										Total
	Bonds Payable	Premiums on Bonds Payable	EFC Notes Payable	Installment Purchase Debt	Lease Liability	Subscription Liability	Compensated Absences	Workers' Compensation	Net Pension Liability	OPEB Obligation	
2024	\$ 3,265,000	\$ 302,467	\$ 1,890,283	\$ 1,164,210	\$ 93,672	\$ 14,913	\$ 582,119	\$ 215,625	\$ -	\$ -	\$ 7,528,289
2025	3,390,000	302,467	-	1,234,352	97,041	19,064	-	-	-	-	5,042,924
2026	2,755,000	302,467	-	1,304,704	-	23,571	-	-	-	-	4,385,742
2027	2,630,000	302,467	-	1,110,698	-	28,463	-	-	-	-	4,071,628
2028	2,100,000	302,467	-	439,489	-	13,402	-	-	-	-	2,855,358
2029-2033	7,525,000	127,939	-	918,476	-	-	-	-	-	-	8,571,415
2034-2038	7,180,000	-	-	-	-	-	-	-	-	-	7,180,000
2039-2043	6,795,000	-	-	-	-	-	-	-	-	-	6,795,000
2044-2048 thereafter	480,000 -	- -	- -	- -	- -	- -	- 5,239,073	- 1,940,627	- 18,280,874	- 96,635,732	- 122,096,306
Total	<u>\$ 36,120,000</u>	<u>\$ 1,640,274</u>	<u>\$ 1,890,283</u>	<u>\$ 6,171,929</u>	<u>\$ 190,713</u>	<u>\$ 99,413</u>	<u>\$ 5,821,192</u>	<u>\$ 2,156,252</u>	<u>\$ 18,280,874</u>	<u>\$ 96,635,732</u>	<u>\$ 169,006,662</u>

Interest requirements on serial bonds, installment purchase debt and lease liability are as follows:

Year ending December 31,	Serial Bonds	Installment Purchase Debt	Lease Liability	Subscription Liability
2024	\$ 1,351,801	\$ 166,526	\$ 6,849	\$ 9,307
2025	1,190,543	130,833	3,479	7,231
2026	1,023,011	93,207	-	4,978
2027	900,610	55,211	-	2,532
2028	803,384	26,991	-	284
2029-2033	3,074,489	40,202	-	-
2034-2038	1,960,657	-	-	-
2039-2043	734,806	-	-	-
2044-2048	18,203	-	-	-
Total	<u>\$ 11,057,504</u>	<u>\$ 512,970</u>	<u>\$ 10,328</u>	<u>\$ 24,332</u>

### 13. 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. Debt that is outstanding related to water infrastructure assets that have been turned over to the Erie County Water Authority are excluded from this calculation. The following is a reconciliation of the Town's governmental activities net investment in capital assets:

Capital and right-to-use assets, net of accumulated depreciation/amortization	\$ 92,249,444
Less related debt:	
Serial bonds	(36,120,000)
Premium on serial bonds	(1,640,274)
Bond anticipation notes	(4,169,000)
EFC notes payable	(1,890,283)
Installment purchase debt	(6,171,929)
SBITA liability	(99,413)
Lease liability	(190,713)
Capital Projects Fund—accounts payable	(1,285,603)
Unspent proceeds of debt	2,389,462
Net investment in capital assets	<u>\$ 43,071,691</u>

- **Unrestricted 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, 2023 includes:

- **Prepaid Items**—Represents amounts prepaid to the retirement system that are applicable to future accounting periods. The General Fund, Highway Fund and Sewer Fund reported amounts of \$904,925, \$126,849, and \$23,490, respectively, at December 31, 2023.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as creditors, grantors, contributors, or laws and regulations of other governments) through constitutional provisions or enabling legislation. At December 31, 2023, the Town reported the following restricted fund balance:

- **Restricted for Capital Projects**—Represents amounts restricted for future capital projects, \$2,389,462.

In the fund financial statements, 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. At December 31, 2023, the Town reported no committed fund balance:

In the fund financial statements, assignments are not legally required segregations, but are subject to a purpose constraint that represents an intended use established by the Town Board. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. At December 31, 2023, the Town reported the following fund balance assignments:

	Subsequent Year's		Specific	Total
	Expenditures	Encumbrances	Use	Assigned
General Fund	\$ 2,200,000	\$ 93,868	\$ -	\$ 2,293,868
Highway Fund	100,000	-	4,948,599	5,048,599
Sewer Fund	120,000	24,093	7,598,617	7,742,710
Nonmajor governmental funds	15,359	-	1,492,400	1,507,759
Total	<u>\$ 2,435,359</u>	<u>\$ 117,961</u>	<u>\$ 14,039,616</u>	<u>\$ 16,592,936</u>

- **Assigned to Subsequent Year’s Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2024 fiscal year.
- **Assigned to Encumbrances**—Represents funds accumulated for commitments related to unperformed contracts or purchase orders for goods or services.
- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignment’s purpose relates to each fund’s operations and represents amounts within funds that are not restricted or committed.

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

#### 14. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of December 31, 2024 is presented below:

Fund	Interfund	
	Receivable	Payable
General Fund	\$ 342,695	\$ 5,440,431
Highway Fund	829,188	193,945
Sewer Fund	268,667	58,708
Capital Projects Fund	4,287,539	35,005
Total governmental funds	<u>\$ 5,728,089</u>	<u>\$ 5,728,089</u>

Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification. Interfund transfers of the Town for the year ended December 31, 2023 are presented below:

Fund	Transfers in	Transfers out
General Fund	\$ -	\$ 3,857,989
Highway Fund	150,000	-
Sewer Fund	258,392	-
Capital Projects Fund	3,449,597	-
Total	<u>\$ 3,857,989</u>	<u>\$ 3,857,989</u>

#### 15. LABOR CONTRACTS

The majority of the Town’s 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 policies. The White Collar employees have negotiated contracts in place through December 31, 2023. The Blue Collar employees are operating under a contract in place through December 31, 2025. The PBA employees are operating under a contract in place through December 31, 2031.

#### 16. COMMITMENTS

**Encumbrances**—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of December 31, 2023, the Town reported one significant encumbrance in the General Fund of \$92,564 for equipment.

## 17. TAX ABATEMENTS

The Town is subject to tax abatements granted by the Erie County Industrial Development Agency ("ECIDA") and West Seneca Industrial Development Agency ("WSIDA"). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the ECIDA and WSIDA and include the abatement of state, county, local, and school district taxes, in addition to other assistance. In the case of the Town, the abatements have resulted in reductions of property taxes, which the Town administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by ECIDA and WSIDA, the Town collected \$76,849 during 2023 in payments in lieu of taxes ("PILOT"), these collections were made in lieu of \$341,211 in property taxes.

## 18. CONTINGENCIES

**Litigation**—The Town is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the Town. The outcome of these matters is not presently determinable, but in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the Town.

**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 within the financial statements.

**Grants**—In the normal course of operations, the Town receives grant funds from various federal and state agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions that are specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the Town. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

**Pollution Remediation Obligations**—In 2004 the Town was issued a consent order by the New York State Department of Environmental Conservation relating to the abatement of overflow sanitary sewer discharges. The consent order was amended in 2008 and the Town has responded and continues to study and plan for remedial actions. As of December 31, 2023, the Town has issued debt to remediate the notice of consent and additional liabilities will be financed as remediation progresses.

## 19. SUBSEQUENT EVENTS

On February 8, 2024, the Town issued \$4,097,000 of bond anticipation notes with a 4.00 percent interest rate. These bonds mature on February 7, 2025. In addition, the Town issued \$18,682,000 of bond anticipation notes with a 4.00 percent interest rate. These bonds mature on February 7, 2025.

Management has evaluated subsequent events through February 5, 2025, which is the date the financial statements are available for issuance, and have determined, except as disclosed above, there are no subsequent events that require disclosure under generally accepted accounting principles.

\* \* \* \* \*



## REQUIRED SUPPLEMENTARY INFORMATION



**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

**TOWN OF WEST SENECA, NEW YORK**  
**Schedule of the Town's Proportionate Share of the**  
**Net Pension Liability/(Asset)—Employees' Retirement System**  
**Last Ten Fiscal Years**

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2023	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/(asset)	0.0391530%	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)	<u>\$ 8,395,979</u>	<u>\$ (3,116,490)</u>	<u>\$ 36,122</u>	<u>\$ 10,307,174</u>	<u>\$ 2,747,205</u>	<u>\$ 1,188,260</u>	<u>\$ 3,722,518</u>	<u>\$ 6,313,719</u>	<u>\$ 1,307,653</u>	<u>\$ 1,749,162</u>
Town's covered payroll	\$ 10,298,692	\$ 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 payroll	81.5%	(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	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

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

	<b>Year Ended December 31,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contributions	\$ 1,135,610	\$ 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	<u>(1,135,610)</u>	<u>(1,139,897)</u>	<u>(1,577,006)</u>	<u>(1,396,314)</u>	<u>(1,427,039)</u>	<u>(1,434,332)</u>	<u>(1,327,298)</u>	<u>(1,426,037)</u>	<u>(1,666,916)</u>	<u>(1,779,337)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 10,502,635	\$ 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 payroll	10.8%	11.6%	15.6%	13.4%	14.3%	14.3%	14.1%	15.2%	17.7%	18.0%

**TOWN OF WEST SENECA, NEW YORK**  
**Schedule of the Town's Proportionate Share of the**  
**Net Pension Liability/(Asset)—Police and Fire Retirement System**  
**Last Ten Fiscal Years**

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2023	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/(asset)	0.1793838%	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)	<u>\$ 9,884,895</u>	<u>\$ (3,116,490)</u>	<u>\$ 36,122</u>	<u>\$ 10,307,174</u>	<u>\$ 2,747,205</u>	<u>\$ 1,188,260</u>	<u>\$ 3,722,518</u>	<u>\$ 6,313,719</u>	<u>\$ 1,307,653</u>	<u>\$ 1,749,162</u>
Town's covered payroll	\$ 6,739,300	\$ 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 payroll	146.7%	(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	87.4%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

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

	<b>Year Ended December 31,</b>									
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contributions	\$ 1,760,809	\$ 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	<u>(1,760,809)</u>	<u>(1,139,897)</u>	<u>(1,577,006)</u>	<u>(1,396,314)</u>	<u>(1,427,039)</u>	<u>(1,434,332)</u>	<u>(1,327,298)</u>	<u>(1,426,037)</u>	<u>(1,666,916)</u>	<u>(1,779,337)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 7,026,893	\$ 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 payroll	25.1%	11.6%	15.6%	13.4%	14.3%	14.3%	14.1%	15.2%	17.7%	18.0%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>						
Service cost	\$ 2,690,258	\$ 4,543,919	\$ 5,980,885	\$ 4,642,422	\$ 3,547,823	\$ 4,104,546
Interest	3,606,021	2,157,102	2,980,588	3,475,917	5,032,908	4,843,155
Changes of assumptions	6,393,062	(30,062,243)	6,112,241	16,290,893	24,708,660	(16,037,882)
Differences between expected and actual experience	(1,397,534)	(28,879,587)	(14,979,894)	(12,857,420)	(29,872,147)	(1,031,318)
Benefit payments	(2,006,736)	(2,577,961)	(1,945,787)	(2,149,696)	(1,816,072)	(2,149,450)
Net changes in total OPEB liability	<u>9,285,071</u>	<u>(54,818,770)</u>	<u>(1,851,967)</u>	<u>9,402,116</u>	<u>1,601,172</u>	<u>(10,270,949)</u>
Total OPEB liability—beginning	<u>87,350,661</u>	<u>142,169,431</u>	<u>144,021,398</u>	<u>134,619,282</u>	<u>133,018,110</u>	<u>143,289,059</u>
Total OPEB liability—ending	<u>\$ 96,635,732</u>	<u>\$ 87,350,661</u>	<u>\$ 142,169,431</u>	<u>\$ 144,021,398</u>	<u>\$ 134,619,282</u>	<u>\$ 133,018,110</u>
<b>Plan fiduciary net position</b>						
Contributions—employer	\$ 2,006,736	\$ 2,577,961	\$ 1,945,787	\$ 2,149,696	\$ 144,163	\$ 146,094
Benefit payments	(2,006,736)	(2,577,961)	(1,945,787)	(2,149,696)	(144,163)	(146,094)
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Town's total OPEB liability—ending</b>	<u>\$ 96,635,732</u>	<u>\$ 87,350,661</u>	<u>\$ 142,169,431</u>	<u>\$ 144,021,398</u>	<u>\$ 134,619,282</u>	<u>\$ 133,018,110</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 19,236,999	\$ 18,354,369	\$ 17,740,525	\$ 18,806,726	\$ 18,619,800	\$ 18,006,768
Town's total OPEB liability as a percentage of covered-employee payroll	502.3%	475.9%	801.4%	765.8%	723.0%	738.7%

\*Information prior to the year ended December 31, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.



**TOWN OF WEST SENECA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes and tax items	\$ 17,574,709	\$ 17,574,709	\$ 17,574,709	\$ -
Other preoperty tax items	330,008	330,008	388,555	58,547
Non-property tax items	7,958,500	7,958,500	8,995,485	1,036,985
Departmental income	712,613	712,613	820,872	108,259
Use of money and property	96,000	96,000	630,641	534,641
Licenses and permits	408,000	408,000	414,209	6,209
Fines and forfeitures	770,000	770,000	1,038,906	268,906
Sale of property and compensation for loss	45,000	613,777	460,103	(153,674)
Miscellaneous	3,000	3,000	69,770	66,770
Interfund revenues	1,955,686	1,955,686	2,050,823	95,137
State aid	1,418,552	1,674,901	1,556,995	(117,906)
Federal aid	-	4,407,837	4,080,196	(327,641)
Total revenues	<u>31,272,068</u>	<u>36,505,031</u>	<u>38,081,264</u>	<u>1,576,233</u>
<b>EXPENDITURES</b>				
Current:				
General government support	3,792,620	3,544,292	3,589,931	(45,639)
Public safety	10,233,855	9,870,415	9,893,748	(23,333)
Health	5,723	5,723	5,723	-
Transportation	571,130	1,819,454	1,579,352	240,102
Economic assistance and opportunity	21,800	21,915	21,915	-
Culture and recreation	2,778,488	3,129,174	3,007,491	121,683
Home and community services	3,172,108	5,083,426	4,563,924	519,502
Employee benefits	8,968,132	8,563,156	8,561,326	1,830
Debt service:				
Principal	1,518,740	1,927,238	1,927,238	-
Interest and other fiscal charges	490,856	504,803	504,803	-
Total expenditures	<u>31,553,452</u>	<u>34,469,596</u>	<u>33,655,451</u>	<u>814,145</u>
Excess (deficiency) of revenues over expenditures	<u>(281,384)</u>	<u>2,035,435</u>	<u>4,425,813</u>	<u>2,390,378</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(922,000)	(4,322,965)	(3,857,989)	464,976
Subscription liability issued	-	-	106,327	106,327
Total other financing sources (uses)	<u>(922,000)</u>	<u>(4,322,965)</u>	<u>(3,751,662)</u>	<u>571,303</u>
Net change in fund balances *	(1,203,384)	(2,287,530)	674,151	2,961,681
Fund balances—beginning	<u>10,269,368</u>	<u>10,269,368</u>	<u>10,269,368</u>	<u>-</u>
Fund balances—ending	<u>\$ 9,065,984</u>	<u>\$ 7,981,838</u>	<u>\$ 10,943,519</u>	<u>\$ 2,961,681</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF WEST SENECA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Highway Fund**  
**Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 9,976,908	\$ 9,976,908	\$ 9,976,908	\$ -
Departmental income	-	-	246,072	246,072
Intergovernmental charges	328,500	328,500	159,717	(168,783)
Use of money and property	10,000	10,000	363,025	353,025
Sale of property and compensation for loss	-	106,978	232,784	125,806
Miscellaneous	-	-	75,000	75,000
Interfund revenue	1,384,863	1,384,863	1,384,863	-
State aid	-	516,975	516,978	3
Federal aid	150,000	300,000	150,000	(150,000)
Total revenues	<u>11,850,271</u>	<u>12,624,224</u>	<u>13,105,347</u>	<u>481,123</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	6,673,918	8,432,861	8,382,836	50,025
Employee benefits	3,727,341	3,622,054	3,021,230	600,824
Debt service:				
Principal	2,003,545	2,019,750	2,003,545	16,205
Interest	582,753	582,753	582,686	67
Total expenditures	<u>12,987,557</u>	<u>14,657,418</u>	<u>13,990,297</u>	<u>667,121</u>
Deficiency of revenues over expenditures	<u>(1,137,286)</u>	<u>(2,033,194)</u>	<u>(884,950)</u>	<u>(185,998)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	279,246	150,000	(129,246)
Total other financing sources	<u>-</u>	<u>279,246</u>	<u>150,000</u>	<u>(129,246)</u>
Net change in fund balances*	(1,137,286)	(1,753,948)	(734,950)	1,018,998
Fund balances—beginning	5,910,398	5,910,398	5,910,398	-
Fund balances—ending	<u>\$ 4,773,112</u>	<u>\$ 4,156,450</u>	<u>\$ 5,175,448</u>	<u>\$ 1,018,998</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF WEST SENECA, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Sewer Fund**  
**Year Ended December 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 9,634,576	\$ 9,634,576	9,634,576	\$ -
Departmental income	2,539,072	2,539,072	2,901,312	362,240
Use of money and property	-	-	-	-
Total revenues	<u>12,173,648</u>	<u>12,173,648</u>	<u>12,535,888</u>	<u>362,240</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	10,314,661	10,643,245	8,911,087	1,732,158
Employee benefits	429,712	429,712	1,368	428,344
Debt service:				
Principal	970,405	970,405	980,402	(9,997)
Interest and other fiscal charges	<u>618,788</u>	<u>618,788</u>	<u>618,788</u>	<u>-</u>
Total expenditures	<u>12,333,566</u>	<u>12,662,150</u>	<u>10,511,645</u>	<u>2,150,505</u>
Deficiency of revenues over expenditures	<u>(159,918)</u>	<u>(488,502)</u>	<u>2,024,243</u>	<u>(1,788,265)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>-</u>	<u>275,292</u>	<u>258,392</u>	<u>(16,900)</u>
Total other financing sources	<u>-</u>	<u>275,292</u>	<u>258,392</u>	<u>(16,900)</u>
Net change in fund balances *	(159,918)	(213,210)	2,282,635	2,495,845
Fund balances—beginning	<u>5,483,565</u>	<u>5,483,565</u>	<u>5,483,565</u>	<u>-</u>
Fund balances—ending	<u>\$ 5,323,647</u>	<u>\$ 5,270,355</u>	<u>\$ 7,766,200</u>	<u>\$ 2,495,845</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF WEST SENECA, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2023**

---

**1. OPEB LIABILITY**

*Changes of Assumptions*—In the December 31, 2023 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.05% effective December 31, 2022 to 3.77% for the fiscal year ending December 31, 2023. The salary scale remained at 4.00% at December 31, 2023. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate at December 31, 2023 used is 7.75% while the ultimate healthcare cost trend rate is 3.04%. Mortality rates were 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.

**2. BUDGETARY INFORMATION**

*Budgetary Basis of Accounting*—Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America for all governmental funds, with the exception of the Capital Projects Fund and Special Purpose Fund. The Capital Projects Fund is appropriated on a project-length basis; appropriations are approved through Town Board resolution at the project's inception and lapse upon termination of the project.

The appropriated budget is prepared by fund, function, and department. Transfers of appropriations require the approval of the Town Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental classification.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Actual results of operations presented in accordance with GAAP and the Town's accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements.

*Excess of Expenditures over Appropriations*—The Town's appropriations for the year ended December 31, 2023 exceeded the adjusted budget as follows:

- General Fund general government support expenditures exceeded the adjusted budget primarily due to greater than anticipated contractual costs.
- General Fund public safety expenditures exceeded the adjusted budget primarily due to greater than anticipated salaries and wages cost.
- Sewer Fund principal expenditures exceeded the adjusted budget due to an unbudgeted principal payment.

## SUPPLEMENTARY INFORMATION



**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

**TOWN OF WEST SENECA, NEW YORK**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**December 31, 2023**

	<u>Water Fund</u>	<u>Industrial Park</u>	<u>Electric Light (Gas Conversion)</u>	<u>Electric Light</u>	<u>Special Districts Funds</u>	<u>Special Purpose Fund</u>	<u>Total Nonmajor Funds</u>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 997,118	\$ 39,449	\$ 61,335	\$ 162,998	\$ 1,260,900	\$ 271,125	\$ 1,532,025
Total assets	<u>\$ 997,118</u>	<u>\$ 39,449</u>	<u>\$ 61,335</u>	<u>\$ 162,998</u>	<u>\$ 1,260,900</u>	<u>\$ 271,125</u>	<u>\$ 1,532,025</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 646	\$ 23,620	\$ 24,266	\$ -	\$ 24,266
Total liabilities	<u>-</u>	<u>-</u>	<u>646</u>	<u>23,620</u>	<u>24,266</u>	<u>-</u>	<u>24,266</u>
<b>FUND BALANCES</b>							
Assigned	997,118	39,449	60,689	139,378	1,236,634	271,125	1,507,759
Total fund balances	<u>997,118</u>	<u>39,449</u>	<u>60,689</u>	<u>139,378</u>	<u>1,236,634</u>	<u>271,125</u>	<u>1,507,759</u>
Total liabilities and fund balances	<u>\$ 997,118</u>	<u>\$ 39,449</u>	<u>\$ 61,335</u>	<u>\$ 162,998</u>	<u>\$ 1,260,900</u>	<u>\$ 271,125</u>	<u>\$ 1,532,025</u>



**TOWN OF WEST SENECA, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2023**

	<u>Water Fund</u>	<u>Industrial Park</u>	<u>Electric Light (Gas Conversion)</u>	<u>Electric Light</u>	<u>Special Districts Funds</u>	<u>Special Purpose Fund</u>	<u>Total Nonmajor Funds</u>
<b>REVENUES</b>							
Real property taxes	\$ 316,661	\$ 1,000	\$ 14,971	\$ 121,608	\$ 454,240	\$ -	\$ 454,240
Departmental income	-	-	-	-	-	90,713	90,713
Use of money and property	-	-	-	-	-	1,338	1,338
Total revenues	<u>316,661</u>	<u>1,000</u>	<u>14,971</u>	<u>121,608</u>	<u>454,240</u>	<u>92,051</u>	<u>546,291</u>
<b>EXPENDITURES</b>							
Current:							
General government support	-	-	-	-	-	610	610
Culture and recreation	-	-	-	-	-	26,313	26,313
Home and community services	59,154	-	9,632	123,309	192,095	-	192,095
Debt service:							
Principal	78,000	-	-	49,844	127,844	-	127,844
Interest and other fiscal charges	<u>57,283</u>	<u>-</u>	<u>-</u>	<u>9,361</u>	<u>66,644</u>	<u>-</u>	<u>66,644</u>
Total expenditures	<u>194,437</u>	<u>-</u>	<u>9,632</u>	<u>182,514</u>	<u>386,583</u>	<u>26,923</u>	<u>413,506</u>
Net change in fund balances	122,224	1,000	5,339	(60,906)	67,657	65,128	132,785
Fund balances—beginning	<u>874,894</u>	<u>38,449</u>	<u>55,350</u>	<u>200,284</u>	<u>1,168,977</u>	<u>205,997</u>	<u>1,374,974</u>
Fund balances—ending	<u>\$ 997,118</u>	<u>\$ 39,449</u>	<u>\$ 60,689</u>	<u>\$ 139,378</u>	<u>\$ 1,236,634</u>	<u>\$ 271,125</u>	<u>\$ 1,507,759</u>

**\*\* THIS PAGE INTENTIONALLY LEFT BLANK \*\***

## DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111  
Elma, New York 14059  
Telephone: 716.565.2299  
Fax: 716.389.5178



### **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Town Board  
Town of West Seneca, New York:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of West Seneca, New York (the “Town”) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated February 5, 2025.

#### ***Report On Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 that we consider to be material weaknesses.

### ***Report On Compliance and Other Matters***

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

### **Town's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The Town's responses were not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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

*Drescher + Malecki LLP*

February 5, 2025

**TOWN OF WEST SENECA, NEW YORK**  
**Schedule of Findings**  
**Year Ended December 31, 2023**

---

*We consider the deficiencies identified below to be material weaknesses in internal control.*

**Finding 2023-001—Bank Reconciliations**

**Criteria**—Bank accounts should be reconciled to the general ledger for all cash accounts within a reasonable time of receiving the bank statements. This reconciliation should be signed off and dated by the preparer and then be appropriately reviewed by another party.

**Condition and Context**—During the year ended December 31, 2023, several bank account reconciliations were not performed in a timely manner. Further, there was no evidence of a review on those bank reconciliations that were performed.

**Cause**—As a result of turnover in senior accounting positions, bank reconciliations were not performed consistently throughout the year.

**Effect or Potential Effect**—The Town is at risk of misstated general ledger account balances and exposed to increased risk of errors in reporting and the opportunity for fraud.

**Recommendation**—We recommend that the Town performs timely bank reconciliations on all cash accounts. Further, these reconciliations should be reviewed by a separate individual.

**View of Responsible Officials and Corrective Action Plan**—The Town has hired a part-time bookkeeper to perform bank reconciliations on all bank accounts. These bank reconciliations will be reviewed and signed off on by the Director of Finance.

**Finding 2023-002—Audit Preparedness**

**Criteria**—Prior to performance of the external financial statement audit, the Town should prepare its accounting records by appropriately closing the books for the year. Standard and timely closing procedures should be followed and include sufficient documentation that is readily available, ensure that reconciliations of account balances are performed, and an analysis of accounts is available. In addition, the general ledger should be reviewed to ensure that all activity is appropriately recorded.

**Condition and Context**—Several trial balance accounts provided to the auditors were not appropriately reconciled for accurate financial statement reporting and disclosures.

**Cause**—As a result of turnover in senior accounting positions throughout the current fiscal year, various accounting functions were not performed.

**Effect or Potential Effect**—The audit of the financial statements was significantly delayed.

***Recommendation***—We recommend that the Town follow procedures to facilitate an effective and timely year-end financial closing process in preparation of the external audit. These procedures should include certain checklists and analysis procedures to be performed, and can be applied on a monthly routine basis, as well, to ensure that the financial records are available on a timely basis.

***View of Responsible Officials and Corrective Action Plan***—The Town experienced turn over in the Director of Finance position at the end of the 2023 fiscal year. This position has since been filled and the Town anticipates all accounts will be properly reconciled and adjusted in a timely manner.

## **DRESCHER & MALECKI LLP**

2721 Transit Road, Suite 111  
Elma, New York 14059  
Telephone: 716.565.2299  
Fax: 716.389.5178



February 5, 2025

Honorable Town Board  
Town of West Seneca, New York:

We have audited the financial statements of Town of West Seneca, New York (the “Town”) as of and for the year ended December 31, 2023, and have issued our report thereon dated February 5, 2025 (which report includes an emphasis of matter paragraph regarding the restatement of net position of governmental activities and fund balance of the Capital Projects Fund). Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated February 5, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the Town solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses in internal control over financial reporting and other comments regarding other matters noted during our audit in separate communications to you dated February 5, 2025.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

## Qualitative Aspects of the Entity’s Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements. Except for the matters discussed below, there have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2023.

As described in Note 2 to the financial statements, during the year ended December 31, 2023, the Town identified a long-term prepaid item that did not meet the criteria for reporting within the governmental activities. In addition, the Town identified a prior period adjustment to accounts payable within the Capital Projects Fund. As a result, the effect of the restatement to the Town’s governmental activities, and the Capital Projects Fund is summarized as follows:

	Governmental Activities	Capital Projects Fund
Fund balance/net position—December 21, 2022, as previously stated	\$ (95,415,469)	\$ 9,093,950
Long-term prepaid asset	725,155	-
Adjustment to accounts payable	<u>(330,792)</u>	<u>(330,792)</u>
Fund balance/net position—December 21, 2022, as restated	<u>\$ (95,021,106)</u>	<u>\$ 8,763,158</u>

Additionally, during the year ended December 31, 2023, the Town implemented GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*. GASB Statement No. 94 improves financial reporting by addressing issues related to public-private and public-public partnerships arrangements (“PPPs”). GASB Statement No. 96 improves financial reporting by establishing a definition for Subscription-Based Information Technology Arrangements (“SBITAs”) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. A portion of GASB Statement No. 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to GASB Statements No. 94 and 96. The implementation of GASB Statements No. 94, 96, and a portion of 99 did not have a material impact on the Town’s financial position or results from operations.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on 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 markedly from management’s current judgments.



The most sensitive accounting estimates affecting the financial statements for the year ended December 31, 2023 are the allowance for receivables, and the liabilities for compensated absences, leases, SBITAs, judgments and claims. other postemployment benefits (“OPEB”) obligation, and the net pension liability.

Management's estimate of the allowance for receivables is based on past trends and available information regarding collectability, the liability for compensated absences is based on past trends and available information regarding eligibility, leave balances accrued and current compensation rates, and the liability for leases and SBITAs are based on a present value calculation using an estimated incremental borrowing rate. Management's estimate of the liabilities for judgments and claims, OPEB obligation and the net pension liability are based on information obtained from third party specialists, including information obtained from loss runs obtained from third party administrators and an actuarial valuation performed by a consultant. We evaluated the key factors and assumptions used to develop the estimates for the allowance for receivables, and the liabilities for compensated absences, leases, SBITAs, judgments and claims, other postemployment benefits (“OPEB”) obligation and the net pension liability, and determined that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

#### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Town’s financial statements relate to significant accounting policies and disclosures relating to risk management, contingencies and estimates as described in Notes 1, 9 and 18 to the financial statements.

#### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We encountered no significant unusual transactions throughout our audit.

#### **Significant Difficulties Encountered during the Audit**

Although we ultimately received full cooperation of management and believe that we were given direct and unrestricted access to the Town’s books and records, we encountered significant difficulties in performing and completing the audit process. Principally, these difficulties related to the poor condition of books and records, lack of consistent and standard accounting procedures, lack of available documentation, and employee turnover. All of these issues contributed to the problem and added to the time and related cost of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. As of December 31, 2022, General Fund intergovernmental payables were understated by \$136,143. This error has been corrected at December 31, 2023. In addition, as of December 31, 2023, the total cash balances for the Town reported unreconciled amounts of \$138,000. Finally, as of December 31, 2023, interfund balances in the Capital Projects Fund are misstated by \$51,456. The financial statement misstatements effect in the current and prior periods, as determined by management, are immaterial, both

individually and in the aggregate, to the financial statements taken as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. Material misstatements that were identified as a result of our audit procedures were brought to the attention of, and corrected by, management. Those items are included within the proposed adjusting journal entries for the year ended December 31, 2023, which are attached to the management representation letter dated February 5, 2025 as Exhibit I (copy attached).

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Town's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated February 5, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings or Issues**

In the normal course of our professional association with the Town, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that have occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Town's auditors.

### **Existence of a Material Misstatement that Affects the Financial Statements of a Prior Period in Which There Was a Predecessor Auditor**

We have identified the existence of a material misstatement that affects the prior period financial statements on which the predecessor auditor had previously reported without modification.

During the year ended December 31, 2023, the Town identified a long-term prepaid item that did not meet the criteria for reporting within the governmental activities. In addition, the Town identified prior period adjustments accounts payable within the Capital Projects Fund. As a result, the effect of the restatement to the Town’s governmental activities, and the Capital Projects Fund is summarized as follows:

	Governmental Activities	Capital Projects Fund
Fund balance/net position—December 21, 2022, as previously stated	\$ (95,415,469)	\$ 9,093,950
Long-term prepaid asset	725,155	-
Adjustment to accounts payable	<u>(330,792)</u>	<u>(330,792)</u>
Fund balance/net position—December 21, 2022, as restated	<u>\$ (95,021,106)</u>	<u>\$ 8,763,158</u>

\* \* \* \* \*

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

*Drescher + Maleki LLP*

February 5, 2025

# TOWN OF WEST SENECA



Gary A. Dickson  
Supervisor's Office

TOWN SUPERVISOR  
Gary A. Dickson  
TOWN COUNCIL  
Scott D. Robertson  
Jeffrey A. Piekarec  
Susan K. Kims  
Robert J. Breidenstein

---

February 5, 2025

Drescher & Malecki LLP  
2721 Transit Road, Suite 111  
Elma, NY 14059

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of West Seneca, New York (the "Town") as of December 31, 2023, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and the results of operations of the various opinion units of the Town in accordance with accounting principles generally accepted for governments in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve omission or misstatement of accounting information that, in the light of surrounding circumstances, there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 5, 2025:

## **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated February 5, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

## TOWN OF WEST SENECA

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- Except for the items below, there are no identified material uncorrected misstatements:
  - As of December 31, 2022, General Fund intergovernmental payables were understated by \$136,143.
  - As of December 31, 2023, the Town's reconciled bank accounts were \$138,000 higher than the general ledger cash balance.
  - As of December 31, 2023, interfund balances in the Capital Projects Fund are misstated by \$51,456.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All funds and activities are properly classified.
- There are no component units or joint ventures with an equity interest, that should be included; and, related organizations are properly disclosed.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and

## TOWN OF WEST SENECA

presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense/expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues or general revenues.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- With the exception of \$51,456 unreconciled in the Capital Projects Fund, all interfund transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and

## TOWN OF WEST SENECA

- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Town has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the Town is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range

## TOWN OF WEST SENECA

of estimated future outflows has been established, we have recognized the minimum amount within the range.

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (“GASB-62”), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There has been no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

### **Required Supplementary Information**

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the fair presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period and the basis for our assumptions and interpretations, underlying those measurements or presentations, are reasonable and appropriate in the circumstances.



## TOWN OF WEST SENECA

### Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with U.S. GAAP.
- We believe that the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period and the basis for or assumptions and interpretations, underlying those measurements or presentations, are reasonable and appropriate in the circumstances.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

### Other Specific Representations

- The Town has not completed the process of evaluating the impact that will result from adopting the remainder of GASB Statement No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024, No. 102, *Certain Risk Disclosures*, effective for the year ending December 31, 2025, No. 103, *Financial Reporting Model Improvements*; and No. 104, *Disclosure of Certain Capital Assets* effective for the year ending December 31, 2026. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 99, 100, 101, 102, 103 and 104 will have on its financial position and results of operations when such statements are adopted.
- No department or agency of the Town has reported a material instance of noncompliance to us.
- The Town is in compliance with the Office of the New York State Comptroller's reporting requirements relating to the New York State property tax cap and tax freeze legislation.
- 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 audit could become a liability of the governmental funds. While the amount of any expenditure which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.
- The Town is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans, interfund receivables, and accounts receivable, as well as estimates used to

## TOWN OF WEST SENECA

determine such amounts. At December 31, 2023, the General Fund reported an allowance of \$17,292.

- We have no intention of terminating or withdrawing from the multiple-employer plans or taking any other action that could result in an effective termination or reportable event for any of the plans. We are not aware of any occurrences that could result in the termination of any of our pension or multiple-employer plans to which we contribute. We believe that the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- We are unable to determine the possibility of a withdrawal liability in a multi-employer benefit plan.
- At December 31, 2023, the Capital Projects Fund reported a deficit fund balance of \$685,463. This deficit is primarily the result of capital outlay expenditures exceeding revenues and transfers in, and is expected to be remedied through future debt issuances and transfers from other funds.
- The Town is exposed to various risks of loss related to damage and destruction of assets, vehicle liability, injuries to employees, health insurance and unemployment insurance. These risks are covered by commercial insurance purchased from independent third parties. There have not been any significant changes in any type of insurance coverage from the prior year.
- During the year ended December 31, 2023, the Town evaluated GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. As a result of evaluation, the Town recognizes right-to-use subscription assets and subscription liabilities as a lessee. The Town recognizes subscription assets and liabilities if they are considered significant, individually or in the aggregate, to the financial statements.
- The Town values lease and subscription assets as the sum of the initial measurement of the remaining lease or subscription liability, plus any payments made at or before lease or subscription inception.
- The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. As of December 31, 2023, the Town reported on significant encumbrance in the General Fund of \$92,564 for equipment.
- We agree with the work of specialists in evaluating the other postemployment benefits obligation and the net pension liability, and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact the independence or objectivity of the specialists. We believe that the actuarial assumptions and methods used to measure the other postemployment benefits obligation and net pension costs are appropriate in the circumstances.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- In the opinion of management, all fund balance restrictions, commitments and assignments are appropriate and reasonable as of December 31, 2023.

## TOWN OF WEST SENECA

- During the year ended December 31, 2023, the Town identified a long-term prepaid item that did not meet the criteria for reporting within the governmental activities. In addition, the Town identified a prior period adjustment to accounts payable within the Capital Projects Fund. As a result, the effect of the restatement to the Town's governmental activities, and the Capital Projects Fund is summarized as follows:

	Governmental Activities	Capital Projects Fund
Fund balance/net position—December 21, 2022, as previously stated	\$ (95,415,469)	\$ 9,093,950
Long-term prepaid asset	725,155	-
Adjustment to accounts payable	<u>(330,792)</u>	<u>(330,792)</u>
Fund balance/net position—December 21, 2022, as restated	<u>\$ (95,021,106)</u>	<u>\$ 8,763,158</u>

- On February 8, 2024, the Town issued \$4,097,000 of bond anticipation notes with a 4.00 percent interest rate. These bonds mature on February 7, 2025. In addition, the Town issued \$18,682,000 of bond anticipation notes with a 4.00 percent interest rate. These bonds mature on February 7, 2025.
- We have received and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements. The proposed adjusting journal entries are described in Exhibit I.
- In addition to the audit services, based on information in the Town's trial balance, Drescher & Malecki LLP has assisted the Town in preparing the Town's financial statements for the year ended December 31, 2023. In conjunction with the preparation of the financial statements, the Town has performed the following functions:
  - Made all management decisions and performed all management functions.
  - Assigned a competent individual to oversee the services.
  - Evaluated the adequacy of the services performed.
  - Evaluated and accepted responsibility for the results of the service performed.
  - Established and maintained internal controls, including a process to monitor the system of internal control.
- Town management understands that Drescher & Malecki LLP has not performed any management functions or made management decisions on behalf of the Town. Any nonattest services were performed in accordance with the applicable professional standards issued by the American Institute of Certified Public Accountants.



\_\_\_\_\_  
Gary Dickson, Supervisor



\_\_\_\_\_  
Judy Kindron, Director of Finance

**Town of West Seneca, New York  
Proposed Adjusting Journal Entries  
Year Ended December 31, 2023**

**Exhibit I**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Adjusting Journal Entries JE # 1</b>			
To record additional sales tax accrual at year end.			
01-0000-00-10410	Due from State & Federal	\$ 296,377	
01-0001-00-41120	Non-Prop Tax Dist by County		\$ 296,377
<b>Total</b>		<b><u>296,377</u></b>	<b><u>296,377</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
To write-off receivable balance at year end.			
01-0001-00-42770	Unclassified Revenues	2,184	
01-0000-00-10380	Accounts Receivable		2,184
<b>Total</b>		<b><u>2,184</u></b>	<b><u>2,184</u></b>
<b>Adjusting Journal Entries JE # 3</b>			
To adjust for ARPA activity at year end.			
01-0001-00-44955	Federal Aid - ARPA	327,640	
01-0000-00-20688	Other Liabilities		327,640
<b>Total</b>		<b><u>327,640</u></b>	<b><u>327,640</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
To adjust for prepaid activity at year end.			
01-3120-00-50200	Equipment	75,698	
01-0000-00-10480	Prepaid Items		75,698
<b>Total</b>		<b><u>75,698</u></b>	<b><u>75,698</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
To adjust for receivables at year end.			
01-0001-00-43089	State Aid - Other General Gove	17,292	
01-0000-00-10381	Allowance for Receivables / DFOG		17,292
<b>Total</b>		<b><u>17,292</u></b>	<b><u>17,292</u></b>
<b>Adjusting Journal Entries JE # 6</b>			
To adjust beginning fund balance within the General Fund and Highway Fund to match the prior year financial statements.			
01-0000-00-30909	Fund Balance	14,799	
02-5140-00-50489	Tool House Supplies	868	
01-0001-00-42770	Unclassified Revenues		14,799
02-0000-00-30909	Fund Balance		868
<b>Total</b>		<b><u>15,667</u></b>	<b><u>15,667</u></b>
<b>Adjusting Journal Entries JE # 7</b>			
To adjust for General Fund encumbrances at year end.			
01-0000-00-30899	Reserve for Encumbrances	17,292	
01-0000-00-30909	Fund Balance		17,292
<b>Total</b>		<b><u>17,292</u></b>	<b><u>17,292</u></b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 8</b>			
To reclassify asset activity at year end.			
01-0000-00-10440	Due from Other Governments	125,564	
01-0000-00-10380	Accounts Receivable		125,564
<b>Total</b>		<b><u>125,564</u></b>	<b><u>125,564</u></b>
<b>Adjusting Journal Entries JE # 9</b>			
For reporting purposes only: To record activity in the General Fund in accordance with GASB Statement No. 84.			
01-0000-00-10200	Cash	1,100,209	
04-0000-00-10100	Suspense	40	
04-0000-00-10225	Payroll Account	1,226	
04-0000-00-10392	Due from General for Payroll	430	
04-0000-00-20010	CSEA	5,051	
04-0000-00-20014	Garnishes	133	
04-0000-00-20018	457 Keogh	39,074	
04-0000-00-20019	United Way	76	
04-0000-00-20020	Group Health Insurance Retiree	8,302	
04-0000-00-20023	Group Health Insurance Active	9,935	
04-0000-00-20025	Employee Deductions	2,809	
04-0000-00-20029	Solicitors Permits	500	
04-0000-00-20030	Garanty & Bid Deposits	282,827	
04-0000-00-20031	Street Opening Deposits	1,000	
04-0000-00-20034	Performance Bond	116,393	
04-0000-00-20035	Clean Fill Deposits	900	
04-0000-00-20036	Metropolitan Life Insurance	92	
04-0000-00-20038	Unclaimed Funds	12	
04-0000-00-20040	State Retirement	205,426	
04-0000-00-20044	Overfndg Section 105 HAS	103,513	
04-0000-00-20047	AFLAC Insurance	1,750	
04-0000-00-20085	Other Funds	35,473	
04-0000-00-20600	Accounts Payable	287,093	
04-0000-00-20630	Due to Other Funds	214,334	
01-0000-00-10391	Due from Other Funds		76,535
01-0000-00-20600DM	Accounts Payable - Trust		287,093
01-0000-00-20601DM	Accrued Liabilities - Trust		736,581
04-0000-00-10200	Cash		1,100,209
04-0000-00-10391	Due from Other Funds		138,229
04-0000-00-20011	Red Jacket		8,165
04-0000-00-20013	Section 125 Flex Plan		2,328
04-0000-00-20017	Key Savings - Partial DD		525
04-0000-00-20021	State Income Taxes		503
04-0000-00-20022	Federal Income Tax		1,106
04-0000-00-20024	Association and Union Dues		1,524
04-0000-00-20026	Social Security Taxes		39,518
04-0000-00-20027	Medicaid/SS		24,282
<b>Total</b>		<b><u>2,416,598</u></b>	<b><u>2,416,598</u></b>

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Adjusting Journal Entries JE # 10</b>			
For reporting purposes only: To reclassify Highway Fund bond principal payments at year end.			
02-5140-00-50489	Tool House Supplies	16,205	
02-9710-00-50910	Principal		16,205
<b>Total</b>		<b>16,205</b>	<b>16,205</b>
<b>Adjusting Journal Entries JE # 11</b>			
For reporting purposes only: To record subscription liability issued at year end.			
01-1310-00-50216	Computer Software	106,327	
01-0001-00-45781	SBITA Proceeds		106,327
<b>Total</b>		<b>106,327</b>	<b>106,327</b>
<b>Adjusting Journal Entries JE # 12</b>			
For reporting purposes only: To record subscription principal and interest payments as of December 31, 2023.			
01-9787-00-50910	Principal	6,914	
01-9787-00-50911	Interest	6,322	
01-1310-00-50216	Computer Software		13,236
<b>Total</b>		<b>13,236</b>	<b>13,236</b>
<b>Adjusting Journal Entries JE # 13</b>			
For reporting purposes only: To record lease principal and interest payments at year end.			
01-9788-00-50910	Principal	401,583	
01-9788-00-50911	Interest	10,113	
01-1310-00-50216	Computer Software		411,696
<b>Total</b>		<b>411,696</b>	<b>411,696</b>