

T O W N O F W E B S T E R

Monroe County, New York

BASIC FINANCIAL STATEMENTS

For The Year Ended December 31, 2022



BUSINESS
ADVISORS
AND CPAS

T A B L E O F C O N T E N T S

	Pages
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis (Unaudited)	4 - 15
Basic Financial Statements:	
Government-Wide Financial Statements -	
Statement of Net Position	16
Statement of Activities	17
Fund Financial Statements -	
Balance Sheet - Governmental Funds	18 - 19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20 - 21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position	24
Notes to the Basic Financial Statements	25 - 58
Required Supplemental Information:	
Schedule of changes in Town's Total OPEB Liability and Related Ratio (Unaudited)	59
Schedule of the Town's Proportionate Share of the Net Position Liability (Unaudited)	60
Schedule of Town Contributions (Unaudited)	61
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (Non GAAP Basis) and Actual - General and Major Special Revenues Fund Types (Unaudited)	62 - 66
Supplemental Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	67 - 68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds	69 - 70
Schedule of Expenditures of Federal Awards	71
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	72 - 73



BUSINESS
ADVISORS
AND CPAS

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in Town's total OPEB liability and related ratio, schedule of the Town's proportionate share of the net pension liability, schedule of Town contributions, and budgetary comparison information on pages 4-15 and 59-66 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 the Town's basic financial statements. The accompanying supplemental information as listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
May 5, 2023

Town of Webster, Monroe County, New York

Management's Discussion and Analysis (MD&A)

December 31, 2022

Introduction

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

Financial Highlights

Key financial highlights for year 2022 are as follows:

- ◆ On the government-wide financial statements, the total assets of the Town exceeded liabilities by \$83,163,358 (net position) an increase of \$9,839,669 from the prior year. Of the current year amount, the unrestricted portion is (\$21,262,761).
- ◆ The Town's governmental fund financial statements report a combined ending fund balance of \$29,269,986, an increase of \$2,683,205 in comparison with the prior year.
- ◆ At the end of the current year, the fund balance of the General Fund was \$8,584,311 an increase of \$838,107 from the prior year.
- ◆ General revenues which include Real Property Tax, Non-Property Tax (Sales Tax), Mortgage Tax, Compensation for Loss, Investment Earnings, and Miscellaneous accounted for \$31,164,135 or 74% of all revenues. Program specific revenues in the form of Charges for Services, Operating Grants and Contributions, and Capital Grants and Contributions accounted for \$10,919,444 or 26% of total revenues.

Overview of the Financial Statements

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

1. Government-Wide Financial Statements

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

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

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

2. Fund Financial Statements

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

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

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

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

3. *Notes to the Financial Statements*

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Webster, Monroe County, New York, net position at the close of the current year was \$83,163,358.

Net Position

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

	Governmental Activities		Total Variance
	2022	2021	
ASSETS:			
Current and Other Assets	\$ 37,457,579	\$ 31,763,132	\$ 5,694,447
Capital Assets	114,931,632	107,898,453	7,033,179
Total Assets	\$ 152,389,211	\$ 139,661,585	\$ 12,727,626
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows of Resources	\$ 22,156,928	\$ 23,857,966	\$ (1,701,038)
LIABILITIES:			
Long-Term Debt Obligations	\$ 47,010,609	\$ 50,392,700	\$ (3,382,091)
Other Liabilities	5,771,994	5,329,662	442,332
Total Liabilities	\$ 52,782,603	\$ 55,722,362	\$ (2,939,759)
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows of Resources	\$ 38,600,178	\$ 34,473,500	\$ 4,126,678
NET POSITION:			
Net Investment in Capital Assets	\$ 95,340,779	\$ 91,146,095	\$ 4,194,684
<u>Restricted For,</u>			
Other Purposes	9,085,340	9,477,161	(391,821)
Unrestricted	(21,262,761)	(27,299,567)	6,036,806
Total Net Position	\$ 83,163,358	\$ 73,323,689	\$ 9,839,669

Key Variances

- As a result of the New York State Pension System reporting a net pension asset, the current and other assets and deferred inflows of resources increased and deferred outflows of resources and long-term debt obligations decreased.
- The Town has several active capital projects including the waste water treatment plant, sandbar waterfront, and the lake road realignment.

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

There are restricted net position balances for other purposes. The remaining balance is unrestricted net position which has a deficit balance of (\$21,262,761).

Changes in Net Position

The Town's total revenues were more on December 31, 2022 than they were the year before, increasing by 20% to \$42,083,579. The Town relies upon taxes and charges for services as their primary revenue sources.

The Town's total expenditures were less on December 31, 2022 than they were the year before, decreasing 7% to \$32,243,910. Expenditures are evenly distributed dependent on the Town's services.

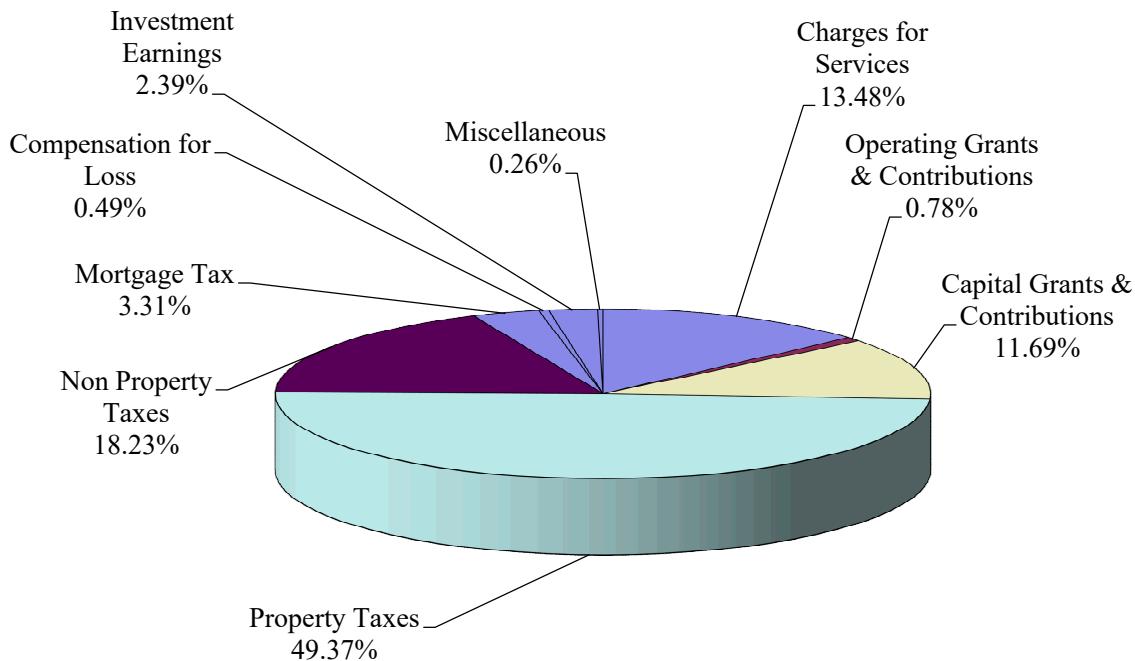
See table below:

	<u>2022</u>	<u>2021</u>	<u>Total Variance</u>
REVENUES:			
Program -			
Charges for Services	\$ 5,672,409	\$ 4,497,929	\$ 1,174,480
Operating Grants & Contributions	328,633	316,559	12,074
Capital Grants & Contributions	4,918,402	757,811	4,160,591
Total Program	\$ 10,919,444	\$ 5,572,299	\$ 5,347,145
General -			
Property Taxes	\$ 20,775,876	\$ 20,125,027	\$ 650,849
Non Property Taxes	7,672,725	6,754,557	918,168
Mortgage Tax	1,391,595	1,902,610	(511,015)
Compensation for Loss	205,791	121,416	84,375
Investment Earnings	1,007,272	368,935	638,337
Miscellaneous	110,876	198,940	(88,064)
Total General	\$ 31,164,135	\$ 29,471,485	\$ 1,692,650
TOTAL REVENUES	\$ 42,083,579	\$ 35,043,784	\$ 7,039,795
EXPENSES:			
General Government Support	\$ 5,551,229	\$ 5,639,322	\$ (88,093)
Public Safety	6,142,533	7,891,394	(1,748,861)
Health	1,588,815	1,051,015	537,800
Transportation	7,954,351	7,711,237	243,114
Economic Assistance & Development	250,267	185,320	64,947
Culture and Recreation	5,186,437	6,162,612	(976,175)
Home and Community Services	5,099,920	5,599,566	(499,646)
Interest	470,358	385,852	84,506
TOTAL EXPENSES	\$ 32,243,910	\$ 34,626,318	\$ (2,382,408)
INCREASE IN NET POSITION	\$ 9,839,669	\$ 417,466	
NET POSITION, BEGINNING OF YEAR	73,323,689	72,906,223	
NET POSITION, END OF YEAR	\$ 83,163,358	\$ 73,323,689	

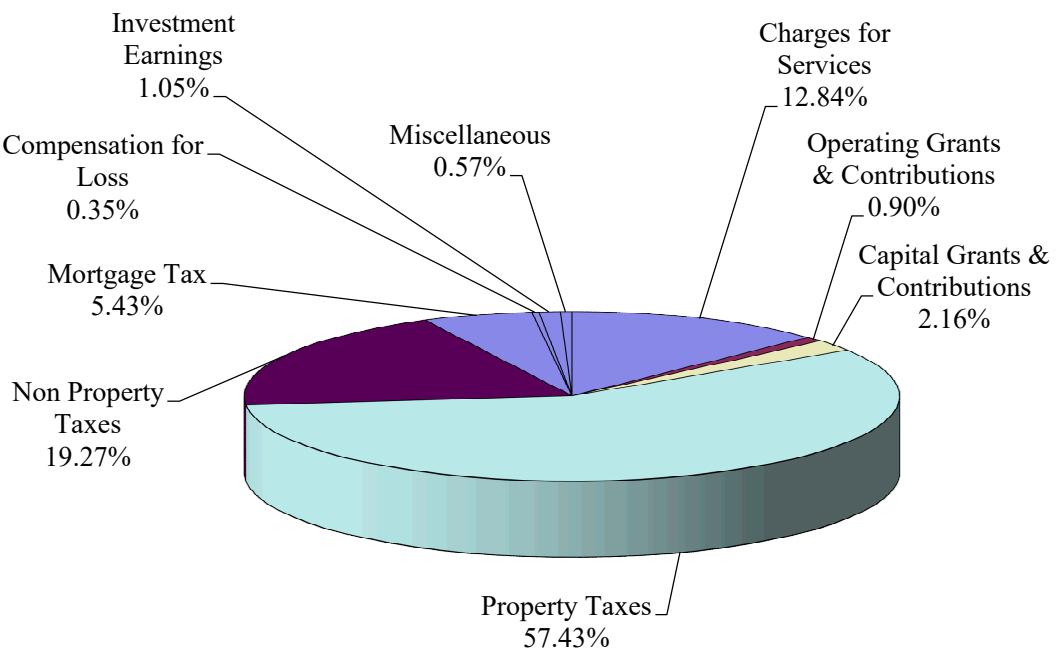
Key Variances

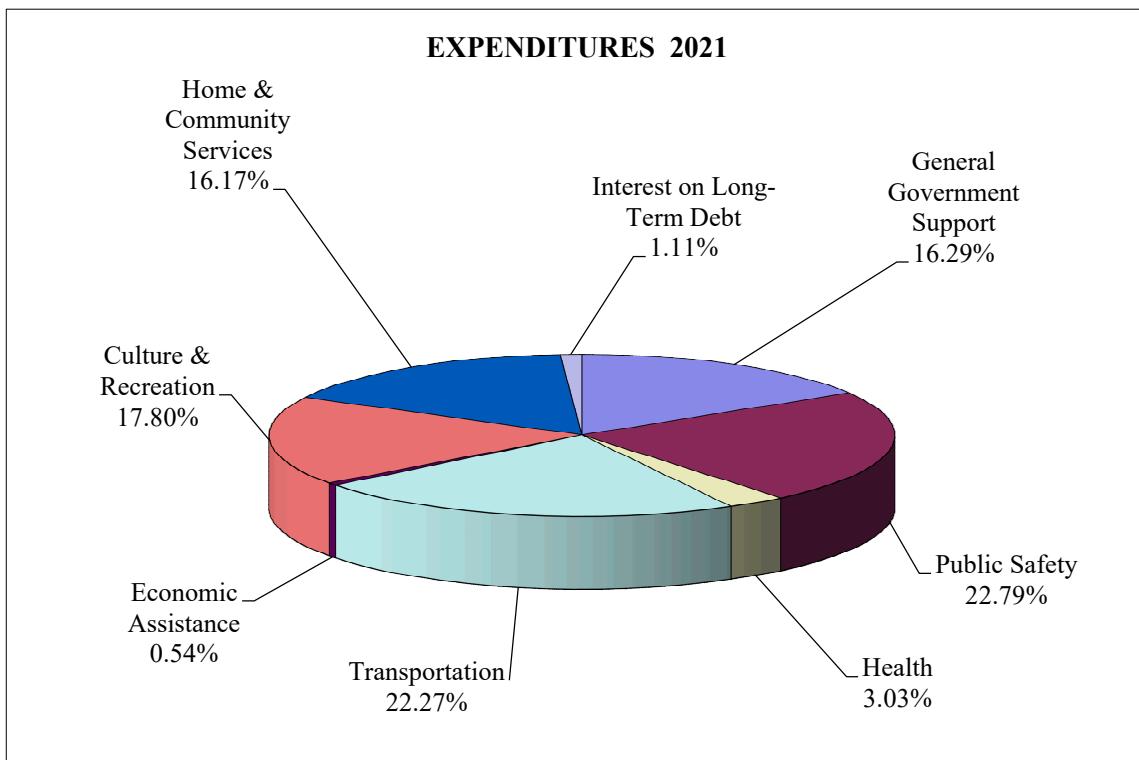
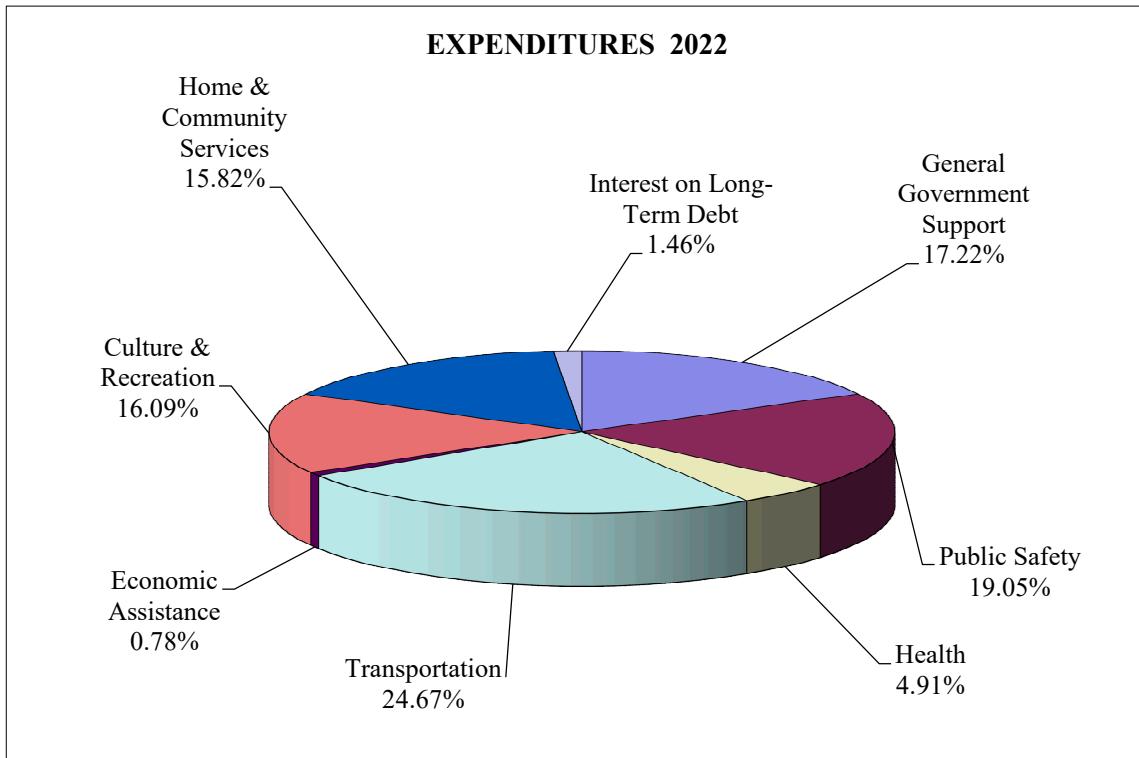
- Charges for Services increased \$1,174,480 as Town services returned to pre-pandemic levels.
- Capital Grants & Contributions increased \$4,160,591 due to the utilization of NYS REDI grants for the construction of Sandbar Park and the utilization of ARPA funds.
- Public Safety decreased \$1,748,861 as deferred outflows related to pension and OPEB dropped significantly year to year.

REVENUES 2022



REVENUES 2021





Financial Analysis of the Town of Webster's Funds

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

Governmental Funds

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

As of the end of the current year, the Town's combined governmental fund balances are \$29,269,986 which is more than last year's ending fund balance of \$26,586,781.

Of the total combined fund balances, \$1,326,529 has been classified as nonspendable fund balance, \$10,201,778 has been classified as restricted fund balance, \$12,637,807 has been classified as assigned fund balance, and the remaining balance of \$5,103,872 is unassigned fund balance.

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the General Fund was \$8,584,311, of which \$6,969,569 was unassigned. The fund balance for the Town of Webster's General Fund increased by \$838,107 compared with the prior year.

Budgetary Highlights

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

<u>Revenue Items</u>	<u>Budget Variance Original Vs. Amended</u>	<u>Explanation for Budget Variance</u>
General Fund Town-Wide-State and County Aid	\$267,946	Mortgage tax revenue exceeded the budgeted amount by \$285,595.
General Fund Town-Wide-Transfers-In	\$350,000	ARPA funds were utilized to provide grants to Webster based non-profit organizations. This was not in the original budget.
Highway Fund Town-Wide-Intergovernmental Charges	\$25,300	The budget was adjusted to reflect actual snow and ice revenue.
Highway Fund Town-Wide-Use of Money and Property	\$329,700	Revenue was generated via the utilization of equipment on Monroe County projects.
Highway Fund Town-Wide-Sale of Property and Compensation for Loss	(\$110,000)	The Highway Department budgeted to sell equipment but ended up trading it in to net down the purchase price.
Highway Fund Town-Wide-State and County Aid	(\$46,300)	CHIPS funds were budgeted to be utilized for equipment but ended up being used for employee labor to make road improvements.
Highway Fund-Part-Town-Intergovernmental Charges	\$100,000	The Town's Highway Superintendent was aggressive in landing Monroe County projects which drove more revenue for the Town.
Highway Fund-Part-Town-State and County Aid	\$241,000	The Highway Superintendent decided to utilize CHIPS money to offset the significant price increases for asphalt and other road building materials. This enabled the Town to get some projects done which would otherwise have been put on hold until prices come down.

<u>Expenditure Items</u>	<u>Budget Variance Original Vs. Amended</u>	<u>Explanation for Budget Variance</u>
General Fund Town-Wide-General Government Support	\$276,930	Software license fees increased as the Town migrated some of it's programs to cloud based servers. Also, utility costs were up substantially.
General Fund Town-Wide-Culture and Recreation	\$165,338	Labor and program costs were up as operations returned to pre-pandemic levels.
General Fund Town-Wide-Employee Benefits	(\$237,671)	Employee retirement costs came in well below the budgeted estimates.
General Fund Town-Wide-Transfers-Out	\$300,000	A transfer was made to the Capital Fund to fund the planning phase of the Highway building project. This was not in the original budget.
General Fund Part-Town-General government Support	\$58,820	The Town incurred significant costs to remove dead ash trees that were a safety concern to residents.
General Fund Part-Town-Employee Benefits	(\$77,330)	Employee retirement and medical insurance costs came in well below the budgeted estimates.
Highway Fund Town-Wide-Transportation	\$208,000	Due to extremely high inflation the cost of equipment exceeded original budget amounts.
Highway Fund-Part-Town-Transportation	\$813,800	Due to inflation and crude oil costs the road material and fuel costs were up substantially compared to the original budget.
Highway Fund-Part-Town-Employee Benefits	(\$282,800)	Employee retirement and workers compensation insurance costs came in well below the budgeted estimates.
Sewer Fund-Home and Community Services	\$267,340	Due to inflation utility and chemical costs were up substantially.
Sewer Fund-Employee Benefits	(\$91,000)	Employee retirement and medical insurance costs came in well below the budgeted estimates.
Sewer Fund-Transfer-Out	\$550,000	An unbudgeted transfer was made to fund the Lake Road pump station project from the Sewer Capital Reserve.

<u>Revenue Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanation for Budget Variance</u>
General Fund Town-Wide-State and County Aid	\$269,309	Mortgage tax revenue exceeded the budgeted amount by \$285,595.
General Fund Town-Wide-Federal Aid	\$350,000	ARPA funds were utilized to provide grants to Webster based non-profit organizations. This was not in the original budget.
General Fund Town-Wide-Transfers-In	(\$223,377)	\$350,000 was budgeted as a transfer for ARPA funds but it was ultimately recorded as Federal Aid revenue.
General Fund Part-Town-Non-Property Taxes	\$493,863	The Town's share of sales tax provided by Monroe County was substantially greater than the budget.
Highway Fund Town-Wide-Sale of Property and Compensation for Loss	\$26,000	The Highway Department budgeted to sell equipment but ended up trading it in to net down the purchase price.
Highway Fund-Part-Town-Non-Property Taxes	\$2,328,403	The Town's share of sales tax provided by Monroe County was substantially greater than the budget.
Highway Fund-Part-Town-Intergovernmental Charges	\$811,044	The Town's Highway Superintendent was aggressive in landing Monroe County projects which drove more revenue for the Town.
Highway Fund-Part-Town-State and County Aid	\$86,951	The Highway Superintendent decided to utilize CHIPS money to offset the significant price increases for asphalt and other road building

<u>Expenditure Items</u>	<u>Budget Variance Amended Vs. Actual</u>	<u>Explanation for Budget Variance</u>
General Fund Town-Wide-General Government Support	\$264,826	Software license fees increased as the Town migrated some of it's programs to cloud based servers. Also, utility costs were up substantially.
General Fund Town-Wide-Employee Benefits	\$515,283	Employee retirement and medical insurance costs came in well below the budgeted estimates.
General Fund Part-Town-Employee Benefits	\$59,174	Employee retirement and medical insurance costs came in well below the budgeted estimates.
Highway Fund Town-Wide-Transportation	\$154,897	Due to extremely high inflation the cost of equipment exceeded original budget amounts.
Highway Town-Wide-Employee Benefits	\$61,196	Employee retirement and medical insurance costs came in well below the budgeted estimates.
Highway Fund-Part-Town-Transportation	\$200,071	Due to inflation and crude oil costs the road material and fuel costs were up substantially compared to the original budget.
Highway Fund Part-Town-Employee Benefits	\$112,783	Employee retirement and workers compensation insurance costs came in well below the budgeted estimates.
Sewer Fund-Home and Community Services	\$278,352	Due to inflation utility and chemical costs were up substantially.
Sewer Fund-Transfer-Out	\$200,000	The budget includes a \$200,000 transfer to the Sewer Capital Reserve. The funds were moved from fund balance rather than via the transfer expenditure account.

Capital Assets

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

	<u>2022</u>	<u>2021</u>
<u>Capital Assets</u>		
Land	\$ 15,778,342	\$ 15,778,342
Work in Progress	8,520,801	14,095,576
Buildings and Improvements	23,950,342	24,513,302
Machinery and Equipment	9,259,248	7,623,611
Infrastructure	54,883,508	45,887,622
Total Capital Assets	<u>\$ 112,392,241</u>	<u>\$ 107,898,453</u>
<u>Lease Assets</u>		
Buildings	\$ 2,064,839	\$ 2,288,065
Equipment	474,552	329,436
Total Capital Assets	<u>\$ 2,539,391</u>	<u>\$ 2,617,501</u>

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

Long-Term Debt

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

Type	2022	2021
Serial Bonds	\$ 15,120,000	\$ 16,235,000
EFC Loan Payable	480,000	710,000
Installment Lease Purchase	35,176	68,215
Energy Performance Lease-Purchase	-	51,378
Capital Note	67,218	74,687
Interfund Loan	300,029	345,629
Lease Liability	2,590,364	-
Retainage Payable	232,363	-
Net Pension Liability	532,569	1,680,252
Compensated Absences	389,427	372,007
OPEB	27,263,463	30,855,532
Total Long-Term Obligations	\$ 47,010,609	\$ 50,392,700

The amount of principal paid on outstanding bonds and notes was \$1,482,486. More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

Factors Bearing on the Town's Future

The Town is in a strong financial position with a current ratio of 6.3:1 and a percentage of debt to equity of 51.6%. Several of the major funds have significant fund balance. The Town's General Town-wide Fund benefited from \$1,266,595 of mortgage tax revenue. The amount exceeded the budget of \$980,000 by \$286,595. Year to year Sales Tax revenue is up \$973,327 (\$7,139,516 for 2022 vs. \$6,166,189 for 2021) which is a record. Consumers are spending at a very high rate. Department Income is up compared to 2021 as the Parks & Recreation Department has continued to recover from the pandemic.

The Town has several major capital projects in various stages. The Town has been awarded three grants from the New York State Lake Ontario Resiliency and Economic Development Initiative (REDI). The following projects are currently underway:

The Sandbar Park Improvement Project will incorporate the following REDI projects:

- Installation of armoring at the shoreline on the south side and West end of Lake Road. This will include drainage improvements, drop inlets, control valves and pump connections. The grant award is for \$1,500,000 and it requires a local match of \$75,000 or 5%. However, the total cost is expected to be approximately \$2,500,000. The Town's share will be taken from unappropriated fund balance and financed via bond anticipation notes.
- Provide shoreline stabilization on the lake side of the park and elevate the walkway along the bayfront to maintain public access and protect the shoreline. The grant award is for \$748,000 and it requires a local match of \$37,400 or 5%. However, the total cost is expected to be approximately \$1,200,000. The Town's share will be taken from unappropriated fund balance and financed via bond anticipation notes.

There will be additional park improvements which will include the construction of a building that will house a restaurant. The total cost for these improvements and the building will be approximately \$8,800,000. The Town has received an additional grant of \$2,282,859 from the NYS Department of State Local Waterfront Revitalization Program. The unfunded portion of the project will be financed by a \$324,000 transfer from the Parkland Trust Fund and serial bonds. Depending on the bid results we expect the amount of serial bond financing to be between \$6,000,000 and \$7,000,000. The project began in October 2022 and is expected to be completed in June 2024.

The Town has additional REDI grant financing that is being utilized to improve the sewer system. The project is in process, and it involves replacing the wastewater pumping system with larger submersible pumps, raising the structure, and improved electrical elements at the Lake Road Pump Station. The grant award is \$501,000 and it requires a local match of \$25,050 or 5%. This grant is split between the Town and the Village. The Town's share of the grant award is 70% or \$333,165. The cost of the Town's portion is estimated to be \$827,170. The \$494,005 shortfall will be covered by the sewer capital reserve.

In March 2022 the Town entered into an energy performance contract to move forward with the WWTP Phase II project. The project will make improvements to the wastewater treatment plant which includes water pollution control facility asset renewal and the water resource recovery facility. An amended bond resolution was passed on September 8, 2022, in the amount of \$44,340,000. The Town hopes to fund the project with NYS EFC WIIA grants and American Rescue Funds of approximately \$2,500,000. The net amount will be bonded. The construction phase of the project is expected to begin in June 2023.

On February 23, 2023, the Town Board passed a bond resolution to authorize the construction of a Highway Department administration building and garage. It's expected that the cost will be approximately \$28,250,000. The Town will be pursuing grant funds and has appropriated \$300,000 from the General Town-wide fund. The net amount that will be bonded. The project is expected to begin in August 2023.

Requests for Information

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

The Town of Webster, Monroe County, New York
Paul Adams, Finance Director
(585) 872-7067

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK

Statement of Net Postion

December 31, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 28,876,382
Accounts receivable, net	1,446,120
State and federal aid receivable	3,954,181
Prepaid items	1,026,509
Net pension asset	2,154,387
 Capital assets:	
Land and work in progress	24,299,143
Other capital assets, net of depreciation	90,632,489
TOTAL ASSETS	\$ 152,389,211
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	\$ 22,156,928
LIABILITIES	
Accounts payable	\$ 2,285,216
Accrued liabilities	1,382,724
Other Liabilities	2,104,054
 Noncurrent liabilities:	
Due in one year	2,041,777
Due in more than one year	44,968,832
TOTAL LIABILITIES	\$ 52,782,603
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	\$ 38,600,178
NET POSITION	
Net investment in capital assets	\$ 95,340,779
 Restricted for:	
Restricted other purposes	9,085,340
Unrestricted	(21,262,761)
TOTAL NET POSITION	\$ 83,163,358

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

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK

Statement of Activities

For the Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
			Primary	Government	
Primary Government:					
Governmental Activities:					
General government support	\$ 5,551,229	\$ 47,312	\$ 102,225	\$ 350,000	\$ (5,051,692)
Public safety	6,142,533	212,174	9,146	-	(5,921,213)
Health	1,588,815	1,500,031	-	-	(88,784)
Transportation	7,954,351	1,539,123	124,368	445,750	(5,845,110)
Economic assistance and development	250,267	-	76,453	-	(173,814)
Culture and recreation	5,186,437	995,631	13,605	835,822	(3,341,379)
Home and community services	5,099,920	1,378,138	2,836	3,286,830	(432,116)
Interest on long-term debt	470,358	-	-	-	(470,358)
Total Governmental Activities	\$ 32,243,910	\$ 5,672,409	\$ 328,633	\$ 4,918,402	\$ (21,324,466)
General Revenues:					
Taxes:					
Property taxes					\$ 20,775,876
Non-property taxes					7,672,725
Mortgage tax					1,391,595
Compensation for loss					205,791
Investment earnings					1,007,272
Miscellaneous					110,876
Total General Revenues					\$ 31,164,135
Change in Net Position					\$ 9,839,669
Net Position - Beginning					73,323,689
Net Position - Ending					\$ 83,163,358

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK

Balance Sheet

Governmental Funds

December 31, 2022

	Major		
	General Fund	General Fund Part-Town	Capital Projects Fund
Assets			
Cash and cash equivalents	\$ 7,905,348	\$ 4,237,867	\$ -
Receivables, net	1,002,414	14,680	-
Due from other funds	1,179,655	1,103	78,445
Due from other governments, net	210,489	344,192	1,147,463
Prepaid items	506,580	27,811	-
Total Assets	\$ 10,804,486	\$ 4,625,653	\$ 1,225,908
Liabilities, Deferred Inflows, and Fund Balances			
Liabilities:			
Accounts payable	\$ 730,998	\$ 2,183,231	\$ 759,506
Accrued liabilities	1,082,277	12,300	-
Due to other funds	-	81,268	1,177,140
Total Liabilities	\$ 1,813,275	\$ 2,276,799	\$ 1,936,646
Deferred Inflows:			
Deferred inflows of resources	<u>\$ 406,900</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balances:			
Nonspendable	\$ 506,580	\$ 27,811	\$ -
Restricted	421,701	35,780	1,116,438
Assigned	686,461	2,285,263	-
Unassigned	6,969,569	-	(1,827,176)
Total Fund Balances	\$ 8,584,311	\$ 2,348,854	\$ (710,738)
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 10,804,486	\$ 4,625,653	\$ 1,225,908

Highway Fund	Highway Fund Part-Town	Sewer Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,224,323	\$ 6,264,629	\$ 5,635,555	\$ 3,608,660	\$ 28,876,382
-	-	394,980	34,046	1,446,120
-	-	2,523	9,699	1,271,425
104,493	2,138,222	9,322	-	3,954,181
34,987	249,211	161,960	45,960	1,026,509
\$ 1,363,803	\$ 8,652,062	\$ 6,204,340	\$ 3,698,365	\$ 36,574,617
\$ 55,589	\$ 149,195	\$ 344,206	\$ 166,545	\$ 4,389,270
1,487	77,356	40,133	23,483	1,237,036
-	-	12,347	670	1,271,425
\$ 57,076	\$ 226,551	\$ 396,686	\$ 190,698	\$ 6,897,731
\$ -	\$ -	\$ -	\$ -	\$ 406,900
\$ 34,987	\$ 249,211	\$ 461,980	\$ 45,960	\$ 1,326,529
57,092	212,824	5,345,674	3,012,269	10,201,778
1,214,648	7,963,476	-	487,959	12,637,807
-	-	-	(38,521)	5,103,872
\$ 1,306,727	\$ 8,425,511	\$ 5,807,654	\$ 3,507,667	\$ 29,269,986
\$ 1,363,803	\$ 8,652,062	\$ 6,204,340	\$ 3,698,365	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	114,931,632
Interest is accrued on outstanding bonds in the statement of net position but not in the funds.	(145,688)
The following long-term obligations are not due and payable in the current period, therefore, are not reported in the governmental funds:	
Serial Bonds Payable	(15,120,000)
Installment Purchase Debt	(35,176)
Lease Liability	(2,590,364)
Retainage Payable	(232,363)
Interfund Loan	(300,029)
Capital Note Payable	(67,218)
EFC Bond Payable	(480,000)
Deferred Outflows - Bonds	64,500
Deferred Inflows - Pensions	(12,378,199)
Deferred Outflows - Pensions	8,653,259
Deferred Inflows - OPEB	(25,815,079)
Deferred Outflows - OPEB	13,439,169
Pension Asset	2,154,387
Pension Liability	(532,569)
OPEB Liability	(27,263,463)
Compensated absences are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position.	(389,427)
Net Position of Governmental Activities	\$ 83,163,358

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

	Major			Capital Projects Fund	
	General Fund	General Fund Part-Town			
		General Fund Part-Town			
Revenues:					
Real property and tax items	\$ 14,733,817	\$ 95,132	\$ -		
Non-property taxes	533,209	1,285,113	-		
Departmental income	889,317	50,072	-		
Intergovernmental charges	258,281	-	-		
Use of money and property	344,945	49,311	-		
Licenses and permits	51,973	148,780	-		
Fines and forfeitures	190,488	-	-		
Sale of property and compensation for loss	102,957	-	-		
Miscellaneous	14,009	7,737	-		
Interfund revenues	-	-	-		
State and county aid	1,577,255	-	2,525,846		
Federal aid	350,000	-	1,596,806		
Total Revenues	\$ 19,046,251	\$ 1,636,145	\$ 4,122,652		
Expenditures:					
Current:					
General government support	\$ 3,220,036	\$ 615,130	\$ 260,277		
Public safety	4,632,905	223,512	220,180		
Health	50,012	-	-		
Transportation	440,585	-	-		
Economic assistance and development	219,072	-	-		
Culture and recreation	2,311,027	-	1,488,951		
Home and community services	48,592	126,004	4,690,753		
Employee benefits	4,038,046	215,296	628		
Debt Service:					
Debt service - principal	816,372	4,418	-		
Debt service - interest and other charges	185,643	1,371	-		
Total Expenditures	\$ 15,962,290	\$ 1,185,731	\$ 6,660,789		
Excess (deficiency) of revenue over expenditures	\$ 3,083,961	\$ 450,414	\$ (2,538,137)		
Other Financing Sources and Uses:					
Transfers - in	\$ 290,082	\$ 40,000	\$ 850,000		
Transfers - out	(2,535,936)	-	(126,623)		
Installment purchase debt	-	-	187,196		
Total Other Financing Sources and Uses	\$ (2,245,854)	\$ 40,000	\$ 910,573		
Net change in fund balances	\$ 838,107	\$ 490,414	\$ (1,627,564)		
Fund Balance - Beginning	7,746,204	1,858,440	916,826		
Fund Balance - Ending	\$ 8,584,311	\$ 2,348,854	\$ (710,738)		

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

Highway Fund	Highway Fund Part-Town	Sewer Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 848,234	\$ 1,461,100	\$ 2,875,297	\$ 762,296	\$ 20,775,876
-	5,854,403	-	-	7,672,725
-	-	505,702	1,684,348	3,129,439
215,439	1,316,044	426,950	-	2,216,714
406,370	65,892	80,225	42,615	989,358
-	7,640	-	-	208,393
-	-	-	-	190,488
26,000	3,416	23,707	-	156,080
38,387	18,463	-	70,667	149,263
-	-	-	4,750	4,750
103,780	427,951	-	13,605	4,648,437
-	-	-	-	1,946,806
\$ 1,638,210	\$ 9,154,909	\$ 3,911,881	\$ 2,578,281	\$ 42,088,329
\$ -	\$ -	\$ 1,200	\$ -	\$ 4,096,643
-	-	-	-	5,076,597
-	-	-	1,538,803	1,588,815
1,404,061	4,450,814	-	31,067	6,326,527
-	-	-	-	219,072
-	-	-	1,821,100	5,621,078
-	-	2,800,241	177,836	7,843,426
146,104	1,386,417	455,874	402,997	6,645,362
50,000	-	427,234	398,795	1,696,819
6,293	-	156,918	127,756	477,981
\$ 1,606,458	\$ 5,837,231	\$ 3,841,467	\$ 4,498,354	\$ 39,592,320
\$ 31,752	\$ 3,317,678	\$ 70,414	\$ (1,920,073)	\$ 2,496,009
\$ 500,310	\$ -	\$ 132,356	\$ 2,242,151	\$ 4,054,899
-	(500,000)	(725,000)	(167,340)	(4,054,899)
-	-	-	-	187,196
\$ 500,310	\$ (500,000)	\$ (592,644)	\$ 2,074,811	\$ 187,196
\$ 532,062	\$ 2,817,678	\$ (522,230)	\$ 154,738	\$ 2,683,205
774,665	5,607,833	6,329,884	3,352,929	26,586,781
\$ 1,306,727	\$ 8,425,511	\$ 5,807,654	\$ 3,507,667	\$ 29,269,986

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

Net Change in Fund Balances - Total Governmental Funds \$ 2,683,205

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

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

Capital outlay	\$ 6,790,911
Addition of assets	4,870,996
Depreciation	(3,904,182)
Gain/(Loss) on sale of assets	<u>(3,342,047)</u>
	4,415,678

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

Debt repayment	\$ 1,696,819
Proceeds from lease issuance	<u>(187,196)</u>
	1,509,623

The net OPEB liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds. 257,527

A portion of the amortized amount from refunding bonds is expensed annually (21,500)

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

Employees' Retirement System	795,393
Police and Fire Retirement System	441,903

Compensated absences represents the value of the earned and unused portion of the liability for vacation and compensatory time. They are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change of compensated absences. (17,420)

The retainage liability does not require the use of current financial resources and, therefore, is not reported as an expenditure in the government funds. (232,363)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 7,623

Change in Net Position of Governmental Activities \$ 9,839,669

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

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	<u>\$ 33,822</u>
TOTAL ASSETS	<u>\$ 33,822</u>
LIABILITIES	
Accounts payable	<u>\$ 20,172</u>
TOTAL LIABILITIES	<u>\$ 20,172</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 13,650</u>
TOTAL NET POSITION	<u><u>\$ 13,650</u></u>

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

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2022

	Custodial Funds
ADDITIONS	
Town Clerk collections	\$ 23,238
Justice fine and bail collections	185,154
Tax Receiver tax collections	<u>110,507,929</u>
TOTAL ADDITIONS	<u>\$ 110,716,321</u>
DEDUCTIONS	
Town Clerk - payments to various state agencies	\$ 23,238
Tax Receiver - tax payments to county	34,260,664
Tax Receiver - tax payments to school districts	72,035,743
Tax Receiver - tax payments to fire district	4,211,522
Justice - fines / bail paid to state	154,714
Justice - bail returned	<u>28,190</u>
TOTAL DEDUCTIONS	<u>\$ 110,714,071</u>
Change in net position	\$ 2,250
NET POSITION - BEGINNING	<u>11,400</u>
NET POSITION - ENDING	<u>\$ 13,650</u>

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

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK

Notes To The Basic Financial Statements

December 31, 2022

I. Summary of Significant Accounting Policies:

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

A. Financial Reporting Entity

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

The Town provides the following basic services to all, or some residents of the Town: public safety, highways and streets, sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services.

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

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

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

1. Included in the Reporting Entity

The Webster Public Library was established in 1929 by the Town and granted a charter by the State Board of Regents as provided in Article 5 of the Education Law. The Town appoints trustees; raises taxes for library purposes; has title to real property used by the library; and issues all library indebtedness which is supported by the full faith and credit of the Town. The library is a component unit, part of the primary government, and is reported in the special revenue fund types. The Town provides ongoing financial support of library operations through the annual property tax levy. However, line item control over the library budget as well as control over the library's general reserve fund rests exclusively with the Library Board of Trustees. Gifts and donations received by the Webster Public Library are reported within the Town's Fiduciary Fund. Pursuant to Education Law, such funds are under exclusive control of the Library Board of Trustees. The Town does not exercise oversight responsibility with regard to such gifts and donations.

(I.) (Continued)

2. Excluded From the Reporting Entity

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

- a.** The Town is served by one school district created by state legislation which designates the school boards as their governing authority. School board members are elected by the qualified voters of the District. The school boards designate management and exercise complete responsibility of all financial matters. The Town Council exercises no oversight over school operations. Their audit reports may be obtained by contacting the school district.
- b.** The West Webster Fire District is an independent District corporation that has the authority to levy its own property taxes and borrow in its own name, and for which the governing commissioners are elected by the residents of the District. The Board of Fire Commissioners has complete responsibility for management of the District and its fiscal affairs. The Town Council exercises no oversight over District operations. The audit report may be obtained by contacting the West Webster Fire District. The Town contracts for fire protection and ambulance services for the East Webster Fire Protection Area. The Village of Webster Volunteer Fire Department and the Union Hill Volunteer Fire Department provide these services. The Town of Webster, Monroe County, New York raises property taxes to meet these contractual obligations. During 2022, \$2,079,263 was raised in taxes and passed through the Town for the Fire Districts.
- c.** The Northeast Joint Quadrant Fire District is an independent District corporation that has the authority to levy its own property taxes and borrow in its own name, and for which the governing commissioners are elected by the residents of the District. The Board of Fire Commissioners has complete responsibility for management of the District and its fiscal affairs. The Town Council exercises no oversight over District operations. The audit report may be obtained by contacting the Northeast Joint Quadrant Fire District. The Town contracts for fire protection and ambulance services for the East Webster Fire Protection Area. The Village of Webster Volunteer Fire Department and the Union Hill Volunteer Fire Department provide these services. The Town of Webster, Monroe County, New York raises property taxes to meet these contractual obligations. During 2022, \$2,132,259 was raised in taxes and passed through the Town for the Fire Districts.

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

1. Government-Wide Statements

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

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

(I.) (Continued)

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

2. **Fund Financial Statements**

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

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

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

1. **Major Governmental Funds**

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

General Fund – Part-Town - used to account for the financial transactions of areas of the Town outside the Village.

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

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

Sewer Fund - used to account for user fees or other revenues which are received to provide sanitary sewer services to areas throughout the Town.

(I.) (Continued)

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

2. **Non-Major Governmental Funds**

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

Debt Service Fund - used to account for financial resources accumulated in a reserve for payment of future principal and interest on long-term indebtedness.

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

Public Library Fund	Water District Fund	Parks Fund
Lighting District Fund	Consolidated Sewer Fund	Ambulance Fund
Drainage Fund	Parkland Deposits Fund	

b. **Fiduciary Funds**

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

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

3. **Basis of Accounting**

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

a. **Modified Accrual**

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

(I.) (Continued)

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

b. Accrual

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

C. Assets, Liabilities, and Equity

1. Cash and Investments

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

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

Investments are stated at cost, which approximates market value.

2. Receivables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales tax and sewer fees.

In addition, the Town will report a receivable relating to a lease arrangement. The receivable is recorded at the present value of the future payments and recognized over the life of the lease.

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

3. Inventory

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

(I.) (Continued)

4. Prepaid Items

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

5. Capital Assets

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

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

A capitalization threshold of \$15,000 is used to report capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

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

6. Right To Use Assets

The Town-wide financial statements, right-to-use-assets are reported within the major class of the underlying asset and valued at the future minimum lease payment. Amortization is between 2 and 22 years based on the contract terms and/or estimated replacement of the assets.

7. Unearned Revenue

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

8. Deferred Outflows and Inflows of Resources

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

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

9. Short-Term Debt

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

10. Accrued Liabilities and Long-Term Obligations

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

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

a. Compensatory Absences

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and unused compensatory absences at various rates subject to certain maximum limitations. Police officers may also receive payment for unused sick leave within certain limits.

Estimated vacation and sick leave and compensatory absences accumulated by governmental fund type employees has been recorded in the general long-term debt account group.

Payment of vacation and sick leave recorded in the general long-term debt account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation and sick leave and compensatory absences when such payment becomes due.

(I.) (Continued)

b. Other Benefits

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

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

11. Encumbrances

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

12. Equity Classifications

a. Government-Wide Statements

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

1. **Net investment in capital assets** - consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Additionally, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
2. **Restricted net position** - consists of restricted assets (i.e. restrictions imposed by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enable legislation) reduced by liabilities and deferred inflows related to those assets.
3. **Unrestricted net position** - consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

b. Financial Statements –Fund Balance

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

(I.) (Continued)

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

D. Revenues, Expenditures/Expenses

1. Revenues

Real property taxes are levied January 1 and collected by the Receiver of Taxes without interest through February 10, and through May 31 with interest and penalties. Taxes for county purposes are levied together with taxes for town and special district purposes on a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Uncollected taxes at June 1 are turned over to Monroe County for collection.

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

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

2. Expenditures/Expenses

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

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

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

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

(I.) (Continued)

E. Internal and Interfund Balances and Activities

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

1. Fund Financial Statements

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

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

2. Government-Wide Financial Statements

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

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

F. Use of Estimates

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

G. New Accounting Standards

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

(I.) (Continued)

GASB has issued Statement 87 *Leases*.

GASB has issued Statement 91 *Conduit Debt Obligations*.

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

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

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

H. Future Changes in Accounting Standards

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

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

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

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

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

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

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

II. Changes in Accounting Principles

For the year ended December 31, 2022, the Town implemented GASB Statement No. 87, *Leases*. The implementation of the statement changes the reporting for leases which did not impact opening net position.

III. Stewardship, Compliance and Accountability:

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

A. Budgetary Data

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

(III.) (Continued)

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

2. Budget Basis of Accounting

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

3. Revenue Restrictions

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

B. Deposit and Investment Laws and Regulations

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

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

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

C. Deficit Fund Balances

1. Capital Projects Fund

The Capital Projects Fund had a deficit fund balance totaling \$710,738 at December 31, 2022 as a result of the timing of grant drawdowns and timing of the budget transfers which are included in future budgets.

2. Ambulance Fund

The Ambulance Fund had a deficit fund balance totaling \$38,521 at December 31, 2022 as a result cash deposits not being recorded on the books.

IV. Detail Notes on All Funds and Account Groups:

A. Cash and Cash Equivalents

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

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

Uncollateralized	\$ -
Collateralized with Securities held by the Pledging	
Financial Institution	11,468,455
Collateralized within Trust Department or Agent	938,172
Total	\$ 12,406,627

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$10,201,778 within the governmental funds and \$33,822 in the custodial funds.

B. Investments

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

Total investments of the cooperative as of year end are \$7,747,981 which consisted of \$3,234,007 in repurchase agreements, \$3,182,871 in U.S. Treasury Securities, \$212,295 in bank deposits FDIC insured and \$1,118,808 in collateralized bank deposits, with various interest rates and due dates.

C. Receivables

Receivables as of year end for the government's individual major funds, non-major funds and fiduciary funds in the aggregate including applicable allowances for uncollectible accounts are as follows:

<u>Description</u>	<u>Amount</u>
Franchise Fees	\$ 550,000
Interfund Loan	300,020
Sales Tax	1,912,180
New York State	1,666,974
Monroe County	134,838
Erie County	60,000
Insurance Claims	19,608
Northeast Quadrant	29,896
Bail and Fines	17,052
Webster CSD	99,827
Sewer Fees/Sewer Rents	104,302
Ambulance Fund	17,072
Lease Receivable	406,900
Miscellaneous	81,632
Total Receivables	\$ 5,400,301

(IV.) (Continued)

Future collections for the lease receivable are as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 95,444
2024	102,562
2025	102,257
2026	69,417
2027	37,220
Total	<u>\$ 406,900</u>

D. Tax Abatement

The County of Monroe IDA, and the Town enter into various property tax and sales tax abatement programs for the purpose of Economic Development. As a result the Town property tax revenue was reduced \$410,573. The Town received payment in lieu of tax (PILOT) payment totaling \$303,594 to help offset the property tax reduction. The Town also received additional PILOT revenue of \$77,210 from tax exempt properties.

E. Interfund Receivables, Payables, Revenues and Expenditures

Interfund balances at December 31, 2022 were as follows:

	Interfund			
	<u>Receivables</u>	<u>Payables</u>	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 1,179,655	\$ -	\$ 290,082	\$ 2,535,936
General Part-Town Fund	1,103	81,268	40,000	-
Highway Fund	-	-	500,310	-
Highway Part-Town Fund	-	-	-	500,000
Sewer Fund	2,523	12,347	132,356	725,000
Capital Fund	78,445	1,177,140	850,000	126,623
Nonmajor Funds	9,699	670	2,242,151	167,340
Total	<u>\$ 1,271,425</u>	<u>\$ 1,271,425</u>	<u>\$ 4,054,899</u>	<u>\$ 4,054,899</u>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position. The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance the highway fund, the highway fund part-town, and the library fund, as well as capital project expenditures and debt service expenditures.

(IV.) (Continued)

F. Changes In Capital and Lease Assets

1. Capital Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
<u>Governmental Activities:</u>				
<u>Capital Assets that are not Depreciated -</u>				
Land	\$ 15,778,342	\$ -	\$ -	\$ 15,778,342
Work in progress	14,095,576	7,023,274	12,598,049	8,520,801
Total Nondepreciable	\$ 29,873,918	\$ 7,023,274	\$ 12,598,049	\$ 24,299,143
<u>Capital Assets that are Depreciated -</u>				
Buildings and Improvements	\$ 45,458,665	\$ 288,640		\$ 45,747,305
Machinery and equipment	16,142,082	2,677,476	1,157,576	17,661,982
Infrastructure	104,737,501	11,163,236	-	115,900,737
Total Depreciated Assets	\$ 166,338,248	\$ 14,129,352	\$ 1,157,576	\$ 179,310,024
<u>Less Accumulated Depreciation -</u>				
Buildings and Improvements	\$ 20,945,363	\$ 851,600	\$ -	\$ 21,796,963
Machinery and equipment	8,518,471	616,426	732,163	8,402,734
Infrastructure	58,849,879	2,167,350	-	61,017,229
Total Accumulated Depreciation	\$ 88,313,713	\$ 3,635,376	\$ 732,163	\$ 91,216,926
<u>Total Capital Assets Depreciated, Net of Accumulated Depreciation</u>	\$ 78,024,535	\$ 10,493,976	\$ 425,413	\$ 88,093,098
Total Capital Assets	<u>\$ 107,898,453</u>	<u>\$ 17,517,250</u>	<u>\$ 13,023,462</u>	<u>\$ 112,392,241</u>

2. Lease Assets

A summary of changes in lease assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/22</u>
<u>Lease Assets:</u>				
<u>Buildings</u>				
Buildings	\$ 2,288,065	\$ -	\$ -	\$ 2,288,065
Equipment	329,436	190,696	-	520,132
Total Lease Assets	\$ 2,617,501	\$ 190,696	\$ -	\$ 2,808,197
<u>Less Accumulated Amortization:</u>				
Buildings	\$ -	\$ 223,226	\$ -	\$ 223,226
Equipment	-	45,580	-	45,580
Total Accumulated Amortization	\$ -	\$ 268,806	\$ -	\$ 268,806
Total Lease Assets, Net	<u>\$ 2,617,501</u>	<u>\$ (78,110)</u>	<u>\$ -</u>	<u>\$ 2,539,391</u>

(IV.) (Continued)

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

Depreciated Capital Assets (net)	\$ 112,392,241
Amortized Lease Assets (net)	2,539,391
Total Other Capital Assets	\$ 114,931,632

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

Governmental Activities:	Depreciation	Amortization	Total
General Government	\$ 873,894	\$ 268,806	\$ 1,142,700
Public Safety	97,251	-	97,251
Transportation	1,251,343	-	1,251,343
Culture and Recreation	312,055	-	312,055
Home and Community Services	1,100,833	-	1,100,833
Total Depreciation/Amortization Expense	\$ 3,635,376	\$ 268,806	\$ 3,904,182

G. Long-Term Debt

At December 31, 2022 the total outstanding obligations of the Town aggregated \$47,010,609 as follows:

Serial Bonds	\$ 15,120,000
Interfund Loan	300,029
Capital Note	67,218
EFC Loan Payable	480,000
Retainage Payable	232,363
Pension Liability	532,569
Installment Lease Purchase	35,176
Lease Payable	2,590,364
OPEB	27,263,463
Compensated Absences	389,427
Total	\$ 47,010,609

1. Serial Bonds

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

(IV.) (Continued)

2. Interest Reconciliation

A summary of the long-term interest expense as of December 31, 2022 is as follows:

<u>Governmental Activities:</u>	
Interest Paid	\$ 477,981
Less: Interest Accrued in the Prior Year	(153,311)
Plus: Interest Accrued in the Current Year	145,688
Total Long-Term Interest Expense	\$ 470,358

3. Other Long-Term Obligations

In addition to long-term bonded debt the Town had the following other obligations:

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

Long Term Interfund Loan – represents long-term loans the Sewer Capital Reserve has made to various water and sewer projects.

Installment Lease Purchase – The Town entered into a lease purchase agreement for a Ford F-350 in 2018 for four years at 6.95%. The Town also entered into a lease purchase for a network storage device in 2019 for five years at 7.61-8.06% interest. The Town also entered into a lease purchase for fitness equipment in 2020 for four years at 5.38%

Capital Note – The Town of Webster, Monroe County, New York entered into an agreement for the purchase of 23 acres of land described as the “Midnight Property” with the original land owners. This agreement is for twenty-five years at 2.0% interest. The remaining balance at December 31, 2022 was \$67,218.

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

Net Pension Liability – represents the Town’s portion of the NYSERS and NYPFRS system liabilities.

Lease Liability – represents the value of future lease principal payments

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

(IV.) (Continued)

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

<u>Governmental Activities:</u>	Balance			Balance		Due Within One Year
	<u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/22</u>		
Serial Bonds	\$ 16,235,000	\$ -	\$ 1,115,000	\$ 15,120,000	\$ 1,140,000	
EFC Loan Payable	710,000	-	230,000	480,000	235,000	
Installment Lease Purchase	68,215	-	33,039	35,176	35,176	
Energy Performance Lease-Purchase	51,378	-	51,378	-	-	
Capital Note	74,687	-	7,469	67,218	7,468	
Interfund Loan	345,629	-	45,600	300,029	46,800	
Lease Liability	-	2,590,364	-	2,590,364	247,613	
Retainage Payable	-	232,363	-	232,363	232,363	
Net Pension Liability	1,680,252	-	1,147,683	532,569	-	
Compensated Absences	372,007	17,420	-	389,427	97,357	
OPEB	30,855,532	-	3,592,069	27,263,463	-	
Total Governmental Activities	\$ 50,392,700	\$ 2,840,147	\$ 6,222,238	\$ 47,010,609	\$ 2,041,777	
Total Long-Term Obligations	\$ 50,392,700	\$ 2,840,147	\$ 6,222,238	\$ 47,010,609	\$ 2,041,777	

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

5. Debt Maturity Schedule

The following is a statement of bonds with corresponding maturity schedules:

<u>Description</u>	<u>Original Amount</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding 12/31/22</u>
Governmental Activities:					
Serial Bonds -					
Recreation Center	\$ 4,065,000	2015	2035	2.0 - 3.125%	\$ 2,860,000
Klem Road Water	\$ 127,600	2015	2033	2.0 - 3.125%	90,000
Glen Edyth/Sunset Trail Sewer	\$ 127,775	2015	2033	2.0 - 3.125%	90,000
Refunding Bond	\$ 3,870,000	2015	2025	1.0 - 3.0%	1,435,000
Public Improvements	\$ 11,110,000	2021	2049	2.0-2.375%	10,645,000
EFC Loan Payable					
Sandbar Sewer **	\$ 3,908,000	2014	2024	Various*	480,000

(IV.) (Continued)

* This interest is subsidized by the Environmental Facilities Corporation through the State Revolving Loan Fund.

** The interest paid on this bond was paid net of interest revenue earned as follows:

<u>Bond</u>	<u>Gross Interest Expense</u>	<u>Interest and Subsidy Revenue</u>	<u>Net Interest Paid</u>
2014B	\$ 29,380	\$ (29,380)	\$ -
Total	\$ 29,380	\$ (29,380)	\$ -

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

<u>Year</u>	<u>Installment Purchase</u>						<u>Interest</u>
	<u>Bonds</u>	<u>Debt</u>	<u>Note</u>	<u>Leases</u>	<u>Interest</u>		
2023	\$ 1,375,000	\$ 35,176	\$ 7,468	\$ 247,613	\$ 456,996		
2024	1,420,000	-	7,468	255,437	414,302		
2025	1,195,000	-	7,469	264,031	373,132		
2026	715,000	-	7,469	265,163	339,209		
2027	745,000	-	7,469	267,508	311,407		
2028-32	3,215,000	-	29,875	1,139,778	1,142,832		
2033-37	2,495,000	-	-	63,278	660,810		
2038-42	1,850,000	-	-	63,074	417,001		
2043-47	1,805,000	-	-	24,483	217,789		
2048-49	785,000	-	-	-	28,025		
Total	\$ 15,600,000	\$ 35,176	\$ 67,218	\$ 2,590,364	\$ 4,361,503		

7. In prior years, the Town defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. \$1,450,000 of bonds outstanding are considered defeased.

H. Deferred Inflows/Outflows of Resources

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 8,653,259	\$ 12,378,199
Bonds	64,500	-
Leases	-	406,900
OPEB	13,439,169	25,815,079
Total	\$ 22,156,928	\$ 38,600,178

(IV.) (Continued)

I. Fund Balances/Net Position

1. Fund Balances

a. Nonspendable

The Town has the following nonspendable funds:

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

Nonspendable Long Term Interfund Loan Receivable - The Sewer Fund Capital Reserve has lent various water and sewer projects cash to fund capital projects. Taxes are levied annually to repay a portion of the loans. This amount is not available to be spent from the Capital Reserve.

b. Restricted

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

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

	<u>Balance</u>			<u>Balance</u>
	<u>1/1/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/22</u>
Drainage Fund -				
Reserve for Flood Drainage	\$ 194,397	\$ 15,689	\$ -	\$ 210,086
Sewer Fund -				
Repairs and Improvements to Sewer System	1,537,627	725,626	550,000	1,713,253 *
Total Capital Reserves	\$ 1,732,024	\$ 741,315	\$ 550,000	\$ 1,923,339

* After removing the Nonspendable long-term and short-term Interfund Loan receivables portion from the Sewer Capital Reserve the remaining balance in the reserve at December 31, 2022 is \$1,413,233.

2. General Fund Whole Town – General Reserve – Reserve for the Forfeiture of the Proceeds of Crime - To conform with financial reporting requirements as promulgated by the Office of the State Comptroller, the Town has recorded the unspent balance of the forfeiture of the proceeds of crime in the General Fund as a general reserve. The Town Board did not appropriate anything from the reserve this year. The balance of this reserve at December 31, 2022 is \$61,604.

3. Insurance Reserve - The Town board has established such a reserve in accordance with General Municipal Law, Section 6(n). The purpose of this reserve is to pay for property loss, claims against the Town, and other liabilities incurred for which the Town has no insurance coverage. This reserve is recorded in the General Fund, and has a balance of \$202,451 at December 31, 2022.

(IV.) (Continued)

4. Debt Service Fund – Reserve For Debt - In accordance with General Municipal Law, Section 6-1, the Town has established a reserve to provide funding for the outstanding balance due on serial bonds and bond anticipation notes which were issued for various building and reconstruction projects. This reserve is recorded in the Debt Service Fund and may be reduced each year until the serial bonds and bond anticipation notes are paid in full. The balance at December 31, 2022 is \$560,993.

5. Workers' Compensation Reserve - The Town Board established a workers' compensation reserve in accordance with General Municipal Law, Section 6(j). This reserve is allocated across the following funds:

	Balance	Balance	
	1/1/22	Additions	12/31/22
General Fund	\$ 156,395	\$ 1,251	\$ 157,646
General Part-Town Fund	35,496	284	35,780
Highway Fund	56,639	453	57,092
Highway Part-Town Fund	211,136	1,688	212,824
Sewer Fund	205,989	1,649	207,638
Library Fund	5,848	48	5,896
Drainage Fund	22,236	177	22,413
Total Workers' Compensation Reserve	<u>\$ 693,739</u>	<u>\$ 5,550</u>	<u>\$ 699,289</u>

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

Sewer	Drainage	Lighting District	Parks
Water District	Consolidated Sewer		Parkland Trust

c. Assigned

The Town has the following assigned funds:

General Fund –	1. Appropriated for Taxes	2. Encumbrances
General Part-Town Fund -	1. Year End Equity	2. Appropriated for Taxes
Highway Fund -	1. Year End Equity	2. Appropriated for Taxes
Highway Part-Town Fund -	1. Year End Equity	2. Appropriated for Taxes
Library Fund -	1. Year End Equity	2. Appropriated for Taxes

Encumbrances represent purchase commitments made by the Town's purchasing agent through their authorization of a purchase order prior to year end. The Town assignment is based on the functional level of expenditures.

The following funds have significant encumbrances:

Highway Fund: Transportation \$777,514. Sewer Fund: Home and Community Services \$80,813.

(IV.) (Continued)

d. Unassigned

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

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

<u>FUND BALANCE:</u>	<u>General Fund</u>	<u>General PT Town</u>	<u>Capital Projects</u>	<u>Highway Fund</u>	<u>Highway Pt Town</u>	<u>Sewer Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<u>Nonspendable -</u>								
Prepaid items	\$ 506,580	\$ 27,811	\$ -	\$ 34,987	\$ 249,211	\$ 161,960	\$ 45,960	\$ 1,026,509
Interfund loan	-	-	-	-	-	300,020	-	300,020
Total Nonspendable	\$ 506,580	\$ 27,811	\$ -	\$ 34,987	\$ 249,211	\$ 461,980	\$ 45,960	\$ 1,326,529
<u>Restricted -</u>								
Capital reserve	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,413,233	\$ 210,086	\$ 1,623,319
General reserve	61,604	-	-	-	-	-	-	61,604
Insurance reserve	202,451	-	-	-	-	-	-	202,451
Reserve for debt	-	-	-	-	-	-	458,718	458,718
Workers' comp reserve	157,646	35,780	-	57,092	212,824	207,638	28,309	699,289
Capital projects	-	-	1,116,438	-	-	-	-	1,116,438
Appropriated for taxes	-	-	-	-	-	-	102,275	102,275
<u>Special districts -</u>								
Sewer Treatment	-	-	-	-	-	3,724,803	-	3,724,803
Drainage	-	-	-	-	-	-	305,415	305,415
Lighting district	-	-	-	-	-	-	7,855	7,855
Parks	-	-	-	-	-	-	3,662	3,662
Parkland deposits	-	-	-	-	-	-	1,710,232	1,710,232
Water district	-	-	-	-	-	-	31,184	31,184
Consolidated sewer	-	-	-	-	-	-	154,533	154,533
Total Restricted	\$ 421,701	\$ 35,780	\$ 1,116,438	\$ 57,092	\$ 212,824	\$ 5,345,674	\$ 3,012,269	\$ 10,201,778
<u>Assigned -</u>								
Appropriated for taxes	\$ 663,000	\$ 450,000	\$ -	\$ 698,000	\$ -	\$ -	\$ -	\$ 1,811,000
Outside village	-	1,835,263	-	-	-	-	-	1,835,263
Library	-	-	-	-	-	-	487,959	487,959
Public safety	17,207	-	-	-	-	-	-	17,207
Transportation	-	-	-	1,214,648	7,265,476	-	-	8,480,124
Culture and recreation	6,254	-	-	-	-	-	-	6,254
Total Assigned	\$ 686,461	\$ 2,285,263	\$ -	\$ 1,214,648	\$ 7,963,476	\$ -	\$ 487,959	\$ 12,637,807
<u>Unassigned</u>	\$ 6,969,569	\$ -	\$ (1,827,176)	\$ -	\$ -	\$ -	\$ (38,521)	\$ 5,103,872
TOTAL FUND BALANCE	\$ 8,584,311	\$ 2,348,854	\$ (710,738)	\$ 1,306,727	\$ 8,425,511	\$ 5,807,654	\$ 3,507,667	\$ 29,269,986

(IV.) (Continued)

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

The following restricted fund balances have monies appropriated for 2023 taxes:

Lighting district	\$ 3,700
Parkland deposits	<u>40,500</u>
Total Special Revenue	
Appropriated for Taxes	<u>\$ 44,200</u>

2. Net Position- Restricted for Other Purposes

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

General reserve	\$ 61,604
Insurance reserve	202,451
Reserve for debt	560,993
Capital Reserves	1,623,319
Workers' comp reserve	699,289
Sewer fund	3,724,803
Drainage fund	305,415
Lighting district fund	7,855
Parks fund	3,662
Parkland deposits fund	1,710,232
Water district fund	31,184
Consolidated sewer fund	<u>154,533</u>
Total Net Position - Restricted for Other Purposes	<u>\$ 9,085,340</u>

V. General Information and Pension Plans:

A. General Information About Pension Plan

1. Plan Description

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

2. Benefits Provided

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

Tier 1 and 2

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

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

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

(V.) (Continued)

Tier 3, 4, 5

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

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

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

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age of Tier 6 is 63 and ERS members and 62 for PFRS members.

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

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

Special Plans

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

Ordinary Disability Benefits

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

Accidental Disability Benefits

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

Ordinary Death Benefits

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

Post-Retirement Benefit Increases

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

3. Contributions

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

Prepayment		
Due Date	ERS	PFRS
12/15/2022	\$ 865,673	\$ 791,427
12/15/2021	\$ 1,201,436	\$ 838,883
12/15/2020	\$ 1,126,393	\$ 684,267

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

At December 31, 2022, the Town reported an asset of \$2,154,387 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2022, the Town's proportion was 0.026355 percent for ERS and 0.093755 percent for PFRS.

For the year ended December 31, 2022 the Town recognized pension expense of \$154,222 for ERS and \$363,903 for PFRS. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 163,155	\$ 287,112	\$ 211,621	\$ -
Changes of assumptions	3,595,431	3,187,540	60,669	-
Net difference between projected and actual earnings on pension plan investments	-	-	7,054,716	4,474,970
Changes in proportion and differences between the District's contributions and proportionate share of contributions	158,846	18,350	63,207	513,016
Subtotal	<u>\$ 3,917,432</u>	<u>\$ 3,493,002</u>	<u>\$ 7,390,213</u>	<u>\$ 4,987,986</u>
Town's contributions subsequent to the measurement date	613,663	629,162	-	-
Grand Total	<u>\$ 4,531,095</u>	<u>\$ 4,122,164</u>	<u>\$ 7,390,213</u>	<u>\$ 4,987,986</u>

The Town reported \$1,242,825 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2023	\$ (516,864)	\$ (353,046)
2024	(765,725)	(488,611)
2025	(1,820,088)	(1,152,235)
2026	(370,104)	522,601
2027	-	(23,693)
Total	<u>\$ (3,472,781)</u>	<u>\$ (1,494,984)</u>

(V.) (Continued)

1. Actuarial Assumptions

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

	<u>ERS</u>	<u>PFRS</u>
Interest rate	5.90%	5.90%
Salary scale	4.40%	6.50%
Inflation rate	2.70%	2.70%
COLA's	1.40%	1.40%

Annuitant mortality rates are based on Pri.H-2012 No Collar Mortality Table's experience with adjustments for mortality improvements based on MP-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 as follows:

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

The real rate of return is net of the long-term inflation assumption of 2.5% for ERS and 2.5% for PFRS.

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

2. Discount Rate

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

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

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

		Current		
	1% Decrease	Assumption	1% Increase	
	<u>(4.90%)</u>	<u>(5.90%)</u>	<u>(6.90%)</u>	
ERS				
Employer's proportionate share of the net pension asset (liability)	\$ (5,545,370)	\$ 2,154,387	\$ 8,594,863	
PFRS				
Employer's proportionate share of the net pension asset (liability)	\$ (5,924,007)	\$ (532,569)	\$ 3,930,110	

4. Pension Plan Fiduciary Net Position

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

	(In Thousands)	
	<u>ERS</u>	<u>PFRS</u>
Employers' total pension liability	\$ 223,874,888	\$ 42,237,292
Plan net position	<u>232,049,473</u>	<u>41,669,250</u>
Employers' net pension asset/(liability)	<u>\$ 8,174,585</u>	<u>\$ (568,042)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%	98.66%

VI. Health Reimbursement Accounts

A. Retiree Health Reimbursement Account

Effective January 1, 2008, the Town implemented the Town of Webster Retiree Health Reimbursement Account Plan. Former employees shall be eligible to participate depending on the year of retirement and the contract retired under. The Town contributes between \$400 and \$600 annually depending upon the retiree's class and policy size, however, no more than \$5,000 may ever be credited to the participants' account. If the sum of contributions exceeds this maximum dollar amount, the amount credited to the Participant's account shall be adjusted by reducing contributions or forfeiting unused contributions. Eligible expenses allowed for reimbursement are those incurred by participant, spouse, or dependent for medical care expenses, as defined by IRS Code Section 105(b), including non-prescription medicines, but excluding premiums for group, individual health insurance.

The Plan is accounted for on a calendar year basis. Any participant's funds remaining in the account at the end of a Plan year will be rolled over and added to the account of the next Plan year. The Plan is accounted for in the Town's General Fund and had a balance of \$29,191 at December 31, 2022.

B. White Collar and Police Health Reimbursement Account

Effective May 1, 2008, the Town implemented the Town of Webster White Collar Health Reimbursement Account Plan. Eligible employees are those that work under the contract and receive health insurance provided by the Town. The Town contributes \$400 annually, prorated for when the employee starts. However, no more than \$5,000 may ever be credited to the participants' account. If the sum of contributions exceeds this maximum dollar amount, the amount credited to the Participant's account shall be adjusted by reducing contributions or forfeiting unused contributions. Eligible expenses allowed for reimbursement are those incurred by participant, spouse, or dependent for medical care expenses, as defined by IRS Code Section 105(b), including non-prescription medicines, but excluding premiums for group, individual health insurance.

The Plan is accounted for on a calendar year basis. Any participant's funds remaining in the account at the end of a Plan year will be rolled over and added to the account of the next Plan year. The Plan is accounted for in the Town's General Fund and had a balance of \$5,939 for White Collar employees, and \$33,657 for Police at December 31, 2022.

C. Blue Collar Health Reimbursement Account

Effective May 1, 2008, the Town implemented the Town of Webster Blue Collar Health Reimbursement Account Plan. Eligible employees are those that work under the contract and receive health insurance provided by the Town. The Town contributes between \$235 and \$350 annually depending on size of the policy, prorated for when the employee starts. However, no more than \$5,000 may ever be credited to the participants' account. If the sum of contributions exceeds this maximum dollar amount, the amount credited to the Participant's account shall be adjusted by reducing contributions or forfeiting unused contributions. Eligible expenses allowed for reimbursement are those incurred by participant, spouse, or dependent for medical care expenses, as defined by IRS Code Section 105(b), including non-prescription medicines, but excluding premiums for group, individual health insurance.

The Plan is accounted for on a calendar year basis. Any participant's funds remaining in the account at the end of a Plan year will be rolled over and added to the account of the next Plan year. The Plan is accounted for in the Town's General Fund and had a balance of \$42,403 at December 31, 2022.

VII. Postemployment Benefits

A. General Information About the OPEB Plan

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

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

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

Inactive employees or beneficiaries currently receiving benefit payments	112
Active Employees	<hr/> 122
Total	<hr/> 234

B. Total OPEB Liability

The Town's total OPEB liability of \$27,263,463 was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

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

Inflation	2 percent
Salary Increases	4 percent, average, including inflation
Discount Rate	3.75 percent
Healthcare Cost Trend Rates	6.50 percent for 2022, decreasing to an ultimate rate of 4.30 percent for 2062 and later years
Retirees' Share of Benefit-Related Costs	Various percent of projected health insurance premiums for retirees

The discount rate was based on Bond Buyer 20-Bond General Obligation Bond Index.

Mortality rates were based on the Pri.H-2012 No Collar Mortality Table with generational mortality projections using Scale MP-2021.

(VII.) (Continued)

C. Changes in the Total OPEB Liability

Balance at December 31, 2021	<u>\$ 30,855,532</u>
<u>Changes for the Year -</u>	
Service cost	\$ 549,185
Interest	1,156,900
Differences between expected and actual experience	2,796,782
Changes in assumptions or other inputs	(6,725,793)
Benefit payments	(1,369,143)
Net Changes	\$ (3,592,069)
Balance at December 31, 2022	<u>\$ 27,263,463</u>

Changes of assumptions and other inputs reflect a change in the discount rate to 3.75 percent in 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current discount rate:

	Discount		
	1% Decrease	Rate	1% Increase
	<u>(2.75%)</u>	<u>(3.75%)</u>	<u>(4.75%)</u>
Total OPEB Liability	\$ 30,998,100	\$ 27,263,463	\$ 24,227,108

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current healthcare cost trend rate:

	Healthcare		
	1% Decrease	Cost Trend Rates	1% Increase
	<u>\$ 24,009,307</u>	<u>\$ 27,263,463</u>	<u>\$ 31,339,057</u>
Total OPEB Liability			

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

For the year ended December 31, 2022, the Town recognized OPEB expense of \$1,111,616. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,436,329	\$ 19,089,286
Changes of assumptions	10,002,840	6,725,793
Total	<u>\$ 13,439,169</u>	<u>\$ 25,815,079</u>

(VII.) (Continued)

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

<u>Year</u>	
2023	\$ (1,108,066)
2024	(1,108,066)
2025	(1,108,066)
2026	(1,109,175)
2027	(1,286,511)
Thereafter	<u>(6,656,026)</u>
Total	<u>\$ (12,375,910)</u>

VIII. Risk Management

A. General Information

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

B. Workers' Compensation

The Town carries commercial insurance for risk of loss, including general liability insurance, property insurance, and insurance on its fleet. The Town has contracted with the Public Employer Risk Management Association, Inc. (PERMA) for workers' compensation insurance. The Town pays an annual premium to PERMA for its general insurance coverage. PERMA is intended to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$250,000 for each insured event, up to a total of \$10 million. Total premium expense for 2022 totaled \$429,149.

C. Dental Plan

The Town began self-insuring for dental coverage for its employees during 2005. The Town contracts with a third party administrator who is responsible for processing claims and estimating liabilities. The Town does not carry excess insurance coverage relative to this Plan. The Town records expenditures as claims are presented for payment with a cap of \$1,000 a year per member. Based upon the requirements of GASB Statement #10, liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount of claims that have been incurred but not reported (IBNR's). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors.

A reconciliation of the claims recorded for 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Beginning liabilities	\$ 73,177	\$ 78,403
Premiums collected in excess (shortage) of claim payments	(19,833)	(5,226)
Ending liabilities	<u>\$ 53,344</u>	<u>\$ 73,177</u>

IX. Commitments and Contingencies

A. Litigation

The Town is subject to lawsuits in the ordinary conduct of its affairs. As of the end of the year the Town does not believe that the pending suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town, nor can outcomes be determined.

There are also approximately nineteen real property cases pending for which no financial outcome is determinable.

B. Webster Community Partnership

As of July 1, 2009, the Town of Webster, Monroe County, New York and the Webster Central School District entered into an updated municipal cooperation agreement to address the sharing of athletic fields and recreational facilities with each other and with community youth sports organizations. This agreement expired on December 31, 2010 and shall automatically renew for successive additional terms of one year each unless written notice is presented by either party. All usage fees shall be payable to the owner of the facility and both parties shall keep a record of their use of the facilities and meet periodically to discuss related matters.

C. Federal and State Funded Programs

The Town participates in a number of Federal and New York State grant and assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

X. Related Organizations:

A. Webster Library Foundation, Inc.

The Webster Library Foundation, Inc. is a not-for-profit corporation established under Section 102 of the Not-for Profit Corporation Law. The purpose of the Foundation is to support and provide funds to or for the benefit of the Webster Public Library. The Foundation shall have no members, and all corporate powers, rights and duties shall vest in the Board of Directors, which shall consist of at least three directors. The Town of Webster Board exercises no oversight responsibility for the management of the Foundation or accountability for fiscal matters. The Town is not liable for any Foundation indebtedness.

The Foundation was established on July 14, 2010, however, there was no financial activity until November 2010 when the Foundation received a donation of \$300,000. The total net position for the Foundation totaled \$322,622 at December 31, 2011 which is the most recent financial statement provided to the Town.

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

	TOTAL OPEB LIABILITY				
	2022	2021	2020	2019	2018
Service cost	\$ 549,185	\$ 1,536,277	\$ 1,337,922	\$ 1,061,421	\$ 622,151
Interest	1,156,900	1,043,489	902,452	957,412	1,339,298
Differences between expected and actual experiences	2,796,782	(21,573,030)	640,574	(49,405)	294,251
Changes of assumptions or other inputs	(6,725,793)	95,729	5,369,358	9,343,112	-
Benefit payments	(1,369,143)	(1,582,556)	(1,345,511)	(1,277,753)	(1,271,010)
Net Change in Total OPEB Liability	\$ (3,592,069)	\$ (20,480,091)	\$ 6,904,795	\$ 10,034,787	\$ 984,690
Total OPEB Liability - Beginning	\$ 30,855,532	\$ 51,335,623	\$ 44,430,828	\$ 34,396,041	\$ 33,411,351
Total OPEB Liability - Ending	\$ 27,263,463	\$ 30,855,532	\$ 51,335,623	\$ 44,430,828	\$ 34,396,041
Covered Employee Payroll	\$ 8,679,230	\$ 10,636,858	\$ 10,227,748	\$ 8,702,264	\$ 8,702,264
Total OPEB Liability as a Percentage of Covered Employee Payroll	314.12%	290.08%	501.92%	510.57%	395.25%

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

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

	NYERS Pension Plan							
	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.0264%	0.0257%	0.0262%	0.0267%	0.0282%	0.0266%	0.0279%	0.0274%
Proportionate share of the net pension liability (assets)	\$ (2,154,387)	\$ 25,613	\$ 6,945,671	\$ 1,894,445	\$ 911,210	\$ 2,496,735	\$ 4,472,728	\$ 926,561
Covered-employee payroll	\$ 7,915,830	\$ 7,681,146	\$ 7,835,855	\$ 7,796,355	\$ 7,558,556	\$ 7,655,175	\$ 7,138,823	\$ 6,966,128
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-27.216%	0.333%	88.640%	24.299%	12.055%	32.615%	62.654%	13.301%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
	NYSPFRS Pension Plan							
	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (assets)	0.0938%	0.0953%	0.0962%	0.0952%	0.0946%	0.0870%	0.0797%	0.0824%
Proportionate share of the net pension liability (assets)	\$ 532,569	\$ 1,654,639	\$ 5,142,797	\$ 1,596,382	\$ 956,028	\$ 1,803,688	\$ 2,360,521	\$ 226,782
Covered-employee payroll	\$ 3,311,574	\$ 3,343,338	\$ 3,234,712	\$ 3,166,012	\$ 3,180,956	\$ 3,278,344	\$ 2,921,487	\$ 2,605,883
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	16.082%	49.491%	158.988%	50.422%	30.055%	55.018%	80.799%	8.703%
Plan fiduciary net position as a percentage of the total pension liability	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%

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

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

	NYERS Pension Plan							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 1,201,436	\$ 1,126,396	\$ 1,129,048	\$ 1,114,676	\$ 1,152,513	\$ 1,091,163	\$ 1,258,281	\$ 1,358,305
Contributions in relation to the contractually required contribution	<u>(1,201,436)</u>	<u>(1,126,396)</u>	<u>(1,129,048)</u>	<u>(1,114,676)</u>	<u>(1,152,513)</u>	<u>(1,091,163)</u>	<u>(1,258,281)</u>	<u>(1,358,305)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 7,915,830	\$ 7,681,146	\$ 7,835,855	\$ 7,796,355	\$ 7,558,556	\$ 7,655,175	\$ 7,138,823	\$ 6,966,128
Contributions as a percentage of covered-employee payroll	15.18%	14.66%	14.41%	14.30%	15.25%	14.25%	17.63%	19.50%
	NYSPFRS Pension Plan							
	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contributions	\$ 841,400	\$ 684,267	\$ 652,486	\$ 666,667	\$ 725,829	\$ 646,042	\$ 508,043	\$ 809,415
Contributions in relation to the contractually required contribution	<u>(841,400)</u>	<u>(684,267)</u>	<u>(652,486)</u>	<u>(666,667)</u>	<u>(725,829)</u>	<u>(646,042)</u>	<u>(508,043)</u>	<u>(809,415)</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 3,311,574	\$ 3,343,338	\$ 3,234,712	\$ 3,166,012	\$ 3,180,956	\$ 3,278,344	\$ 2,921,487	\$ 2,605,883
Contributions as a percentage of covered-employee payroll	25.41%	20.47%	20.17%	21.06%	22.82%	19.71%	17.39%	31.06%

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

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

For the Year Ended December 31, 2022

GENERAL FUND						
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance	
Revenues:						
Real property and tax items	\$ 14,730,641	\$ 14,692,691	\$ 14,733,817	\$ -	\$ 41,126	
Non-property taxes	550,000	533,000	533,209	-	209	
Departmental income	838,200	761,036	889,317	-	128,281	
Intergovernmental charges	287,970	215,800	258,281	-	42,481	
Use of money and property	107,000	208,000	344,945	-	136,945	
Licenses and permits	41,000	35,820	51,973	-	16,153	
Fines and forfeitures	175,000	109,000	190,488	-	81,488	
Sale of property and compensation for loss	16,500	35,000	102,957	-	67,957	
Miscellaneous	197,900	85,918	14,009	-	(71,909)	
State and county aid	1,040,000	1,307,946	1,577,255	-	269,309	
Federal aid	-	-	350,000	-	350,000	
Total Revenues	\$ 17,984,211	\$ 17,984,211	\$ 19,046,251	\$ -	\$ 1,062,040	
Expenditures:						
Current:						
General government support	\$ 3,207,932	\$ 3,484,862	\$ 3,220,036	\$ -	\$ 264,826	
Public safety	4,659,864	4,738,984	4,632,905	17,207	88,872	
Health	50,000	50,080	50,012	-	68	
Transportation	485,675	476,975	440,585	-	36,390	
Economic assistance and development	191,400	220,302	219,072	-	1,230	
Culture and recreation	2,213,103	2,378,441	2,311,027	6,254	61,160	
Home and community services	55,300	55,300	48,592	-	6,708	
Employee benefits	4,791,000	4,553,329	4,038,046	-	515,283	
Debt Service:						
Debt service - principal	789,206	789,207	816,372	-	(27,165)	
Debt service - interest and other charges	174,727	174,727	185,643	-	(10,916)	
Total Expenditures	\$ 16,618,207	\$ 16,922,207	\$ 15,962,290	\$ 23,461	\$ 936,456	
Excess (deficiency) of revenue over expenditures	\$ 1,366,004	\$ 1,062,004	\$ 3,083,961	\$ (23,461)	\$ 1,998,496	
Other Financing Sources and Uses:						
Transfers - in	\$ 163,459	\$ 513,459	\$ 290,082	\$ -	\$ (223,377)	
Transfers - out	(2,235,936)	(2,535,936)	(2,535,936)	-	-	
Total Other Financing Sources and Uses	\$ (2,072,477)	\$ (2,022,477)	\$ (2,245,854)	\$ -	\$ (223,377)	
Net change in fund balances	\$ (706,473)	\$ (960,473)	\$ 838,107	\$ (23,461)	\$ 1,775,119	
Fund Balance - Beginning	7,746,204	7,746,204	7,746,204	-	-	
Fund Balance - Ending	\$ 7,039,731	\$ 6,785,731	\$ 8,584,311	\$ (23,461)	\$ 1,775,119	

Notes to Required Supplemental Information:

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

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

For the Year Ended December 31, 2022

GENERAL PART - TOWN FUND					
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Variance	
Revenues:					
Real property and tax items	\$ 95,132	\$ 95,132	\$ 95,132	\$ -	
Non-property taxes	774,000	791,250	1,285,113	493,863	
Departmental income	53,900	41,400	50,072	8,672	
Use of money and property	500	500	49,311	48,811	
Licenses and permits	127,000	122,750	148,780	26,030	
Miscellaneous	1,500	1,000	7,737	6,737	
Total Revenues	<u>\$ 1,052,032</u>	<u>\$ 1,052,032</u>	<u>\$ 1,636,145</u>	<u>\$ 584,113</u>	
Expenditures:					
Current:					
General government support	\$ 582,480	\$ 641,300	\$ 615,130	\$ 26,170	
Public safety	236,258	243,638	223,512	20,126	
Home and community services	126,482	128,812	126,004	2,808	
Employee benefits	351,800	274,470	215,296	59,174	
Debt Service:					
Debt service - principal	-	7,400	4,418	2,982	
Debt service - interest and other charges	-	1,400	1,371	29	
Total Expenditures	<u>\$ 1,297,020</u>	<u>\$ 1,297,020</u>	<u>\$ 1,185,731</u>	<u>\$ 111,289</u>	
Excess (deficiency) of revenue over expenditures	<u>\$ (244,988)</u>	<u>\$ (244,988)</u>	<u>\$ 450,414</u>	<u>\$ 695,402</u>	
Other Financing Sources and Uses:					
Transfers - in	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	
Total Other Financing Sources and Uses	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ -</u>	
Net change in fund balances	\$ (204,988)	\$ (204,988)	\$ 490,414	\$ 695,402	
Fund Balance - Beginning	<u>1,858,440</u>	<u>1,858,440</u>	<u>1,858,440</u>	<u>-</u>	
Fund Balance - Ending	<u>\$ 1,653,452</u>	<u>\$ 1,653,452</u>	<u>\$ 2,348,854</u>	<u>\$ 695,402</u>	

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

For the Year Ended December 31, 2022

HIGHWAY FUND						
	Original Budget		Budget			
	(Incl. Carryover	Encumbrances)	(Amended)	Actual	Encumbrances	Variance
Revenues:						
Real property and tax items	\$ 848,234	\$ 848,234	\$ 848,234	\$ -	\$ -	\$ -
Intergovernmental charges	190,000	215,300	215,439	-	-	139
Use of money and property	75,900	405,600	406,370	-	-	770
Sale of property and compensation for loss	110,000	-	26,000	-	-	26,000
Miscellaneous	33,750	35,050	38,387	-	-	3,337
State and county aid	150,000	103,700	103,780	-	-	80
Total Revenues	\$ 1,407,884	\$ 1,607,884	\$ 1,638,210	\$ -	\$ -	\$ 30,326
Expenditures:						
Current:						
Transportation	\$ 2,128,472	\$ 2,336,472	\$ 1,404,061	\$ 777,514	\$ -	\$ 154,897
Employee benefits	215,300	207,300	146,104	-	-	61,196
Debt Service:						
Debt service - principal	50,000	50,000	50,000	-	-	-
Debt service - interest and other charges	6,294	6,294	6,293	-	-	1
Total Expenditures	\$ 2,400,066	\$ 2,600,066	\$ 1,606,458	\$ 777,514	\$ -	\$ 216,094
Excess (deficiency) of revenue over expenditures	\$ (992,182)	\$ (992,182)	\$ 31,752	\$ (777,514)	\$ -	\$ 246,420
Other Financing Sources and Uses:						
Transfers - in	\$ 500,310	\$ 500,310	\$ 500,310	\$ -	\$ -	\$ -
Total Other Financing Sources and Uses	\$ 500,310	\$ 500,310	\$ 500,310	\$ -	\$ -	\$ -
Net change in fund balances	\$ (491,872)	\$ (491,872)	\$ 532,062	\$ (777,514)	\$ -	\$ 246,420
Fund Balance - Beginning	774,665	774,665	774,665	-	-	-
Fund Balance - Ending	\$ 282,793	\$ 282,793	\$ 1,306,727	\$ (777,514)	\$ -	\$ 246,420

Notes to Required Supplemental Information:

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

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

For the Year Ended December 31, 2022

HIGHWAY PART-TOWN FUND				
	Original Budget (Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Variance
Revenues:				
Real property and tax items	\$ 1,461,100	\$ 1,461,100	\$ 1,461,100	\$ -
Non-property taxes	3,526,000	3,526,000	5,854,403	2,328,403
Intergovernmental charges	405,000	505,000	1,316,044	811,044
Use of money and property	10,000	10,000	65,892	55,892
Licenses and permits	-	-	7,640	7,640
Sale of property and compensation for loss	-	-	3,416	3,416
Miscellaneous	10,500	10,500	18,463	7,963
State and county aid	100,000	341,000	427,951	86,951
Total Revenues	\$ 5,512,600	\$ 5,853,600	\$ 9,154,909	\$ 3,301,309
Expenditures:				
Current:				
Transportation	\$ 3,837,085	\$ 4,650,885	\$ 4,450,814	\$ 200,071
Employee benefits	1,782,000	1,499,200	1,386,417	112,783
Total Expenditures	\$ 5,619,085	\$ 6,150,085	\$ 5,837,231	\$ 312,854
Excess (deficiency) of revenue over expenditures	\$ (106,485)	\$ (296,485)	\$ 3,317,678	\$ 3,614,163
Other Financing Sources and Uses:				
Transfers - out	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ -
Total Other Financing Sources and Uses	\$ (500,000)	\$ (500,000)	\$ (500,000)	\$ -
Net change in fund balances	\$ (606,485)	\$ (796,485)	\$ 2,817,678	\$ 3,614,163
Fund Balance - Beginning	5,607,833	5,607,833	5,607,833	-
Fund Balance - Ending	<u>\$ 5,001,348</u>	<u>\$ 4,811,348</u>	<u>\$ 8,425,511</u>	<u>\$ 3,614,163</u>

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

For the Year Ended December 31, 2022

SEWER FUND						
	Original Budget					
	(Incl. Carryover Encumbrances)	Budget (Amended)	Actual	Encumbrances	Variance	
Revenues:						
Real property and tax items	\$ 2,873,214	\$ 2,873,214	\$ 2,875,297	\$ -	\$ 2,083	
Departmental income	497,735	463,245	505,702	-	42,457	
Intergovernmental charges	376,267	410,757	426,950	-	16,193	
Use of money and property	14,000	14,000	80,225	-	66,225	
Sale of property and compensation for loss	-	-	23,707	-	23,707	
Total Revenues	<u>\$ 3,761,216</u>	<u>\$ 3,761,216</u>	<u>\$ 3,911,881</u>	<u>\$ -</u>	<u>\$ 150,665</u>	
Expenditures:						
Current:						
General government support	\$ 40,940	\$ 21,000	\$ 1,200	\$ -	\$ 19,800	
Home and community services	2,892,066	3,159,406	2,800,241	80,813	278,352	
Employee benefits	586,700	495,700	455,874	-	39,826	
Debt Service:						
Debt service - principal	425,202	428,002	427,234	-	768	
Debt service - interest and other charges	157,397	157,897	156,918	-	979	
Total Expenditures	<u>\$ 4,102,305</u>	<u>\$ 4,262,005</u>	<u>\$ 3,841,467</u>	<u>\$ 80,813</u>	<u>\$ 339,725</u>	
Excess (deficiency) of revenue over expenditures	\$ (341,089)	\$ (500,789)	\$ 70,414	\$ (80,813)	\$ 490,390	
Other Financing Sources and Uses:						
Transfers - in	\$ 132,356	\$ 132,356	\$ 132,356	\$ -	\$ -	
Transfers - out	(375,000)	(925,000)	(725,000)	-	200,000	
Total Other Financing Sources and Uses	<u>\$ (242,644)</u>	<u>\$ (792,644)</u>	<u>\$ (592,644)</u>	<u>\$ -</u>	<u>\$ 200,000</u>	
Net change in fund balances	\$ (583,733)	\$ (1,293,433)	\$ (522,230)	\$ (80,813)	\$ 690,390	
Fund Balance - Beginning	<u>6,329,884</u>	<u>6,329,884</u>	<u>6,329,884</u>	<u>-</u>	<u>-</u>	
Fund Balance - Ending	<u>\$ 5,746,151</u>	<u>\$ 5,036,451</u>	<u>\$ 5,807,654</u>	<u>\$ (80,813)</u>	<u>\$ 690,390</u>	

Notes to Required Supplemental Information:

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

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2022

	Debt Service Fund	Public Library Fund	Water District Fund	Parkland Deposits Fund
Assets				
Cash and cash equivalents	\$ 560,993	\$ 586,183	\$ 31,184	\$ 1,710,232
Receivables, net	-	-	-	-
Due from other funds	-	9,699	-	-
Prepaid items	-	20,493	6,659	-
Total Assets	\$ 560,993	\$ 616,375	\$ 37,843	\$ 1,710,232
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 77,874	\$ -	\$ -
Accrued liabilities	-	23,483	-	-
Due to other funds	-	670	-	-
Total Liabilities	\$ -	\$ 102,027	\$ -	\$ -
Fund Balances:				
Nonspendable	\$ -	\$ 20,493	\$ 6,659	\$ -
Restricted	560,993	5,896	31,184	1,710,232
Assigned	-	487,959	-	-
Unassigned	-	-	-	-
Total Fund Balances	\$ 560,993	\$ 514,348	\$ 37,843	\$ 1,710,232
Total Liabilities and Fund Balances	\$ 560,993	\$ 616,375	\$ 37,843	\$ 1,710,232

Lighting Districts	Consolidated Sewer Fund	Drainage Districts Fund	Parks Fund	Ambulance Fund	Total Nonmajor Governmental Funds
\$ 10,941	\$ 154,533	\$ 550,865	\$ 3,729	\$ -	\$ 3,608,660
-	-	16,974	-	17,072	34,046
-	-	-	-	-	9,699
-	-	18,808	-	-	45,960
\$ 10,941	\$ 154,533	\$ 586,647	\$ 3,729	\$ 17,072	\$ 3,698,365
<hr/>					
\$ 3,086	\$ -	\$ 29,925	\$ 67	\$ 55,593	\$ 166,545
-	-	-	-	-	23,483
-	-	-	-	-	670
\$ 3,086	\$ -	\$ 29,925	\$ 67	\$ 55,593	\$ 190,698
<hr/>					
\$ -	\$ -	\$ 18,808	\$ -	\$ -	\$ 45,960
7,855	154,533	537,914	3,662	-	3,012,269
-	-	-	-	-	487,959
-	-	-	-	(38,521)	(38,521)
\$ 7,855	\$ 154,533	\$ 556,722	\$ 3,662	\$ (38,521)	\$ 3,507,667
<hr/>					
\$ 10,941	\$ 154,533	\$ 586,647	\$ 3,729	\$ 17,072	\$ 3,698,365

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

	Debt Service Fund	Public Library Fund	Water District Fund	Parkland Deposits Fund
Revenues:				
Real property and tax items	\$ -	\$ -	\$ 49,711	\$ -
Departmental income	- -	44,504	- -	104,400
Use of money and property	1,524	10,463	496	23,683
Miscellaneous	- -	667	- -	70,000
Interfund revenues	- -	- -	- -	- -
State and county aid	- -	13,605	- -	- -
Total Revenues	\$ 1,524	\$ 69,239	\$ 50,207	\$ 198,083
Expenditures:				
Current:				
Health	\$ - -	\$ - -	\$ - -	\$ - -
Transportation	- -	- -	- -	- -
Culture and recreation	- -	1,706,851	- -	37,090
Home and community services	- -	- -	- -	- -
Employee benefits	- -	276,357	- -	- -
Debt Service:				
Debt service - principal	7,469	180,714	34,600	59,100
Debt service - interest and other charges	1,494	87,700	19,224	5,611
Total Expenditures	\$ 8,963	\$ 2,251,622	\$ 53,824	\$ 101,801
Excess (deficiency) of revenue over expenditures	\$ (7,439)	\$ (2,182,383)	\$ (3,617)	\$ 96,282
Other Financing Sources and Uses:				
Transfers - in	\$ - -	\$ 2,235,936	\$ 6,215	\$ - -
Transfers - out	(167,340)	- -	- -	- -
Total Other Financing Sources and Uses	\$ (167,340)	\$ 2,235,936	\$ 6,215	\$ - -
Net change in fund balances	\$ (174,779)	\$ 53,553	\$ 2,598	\$ 96,282
Fund Balance - Beginning	735,772	460,795	35,245	1,613,950
Fund Balance - Ending	\$ 560,993	\$ 514,348	\$ 37,843	\$ 1,710,232

Lighting Districts Fund	Consolidated Sewer Fund	Drainage Districts Fund	Parks Fund	Ambulance Fund	Total Non-Major Governmental Funds
\$ 19,550	\$ 132,554	\$ 490,900	\$ 69,581	\$ -	\$ 762,296
-	-	35,413	-	1,500,031	1,684,348
174	1,547	4,596	132	-	42,615
-	-	-	-	-	70,667
4,750	-	-	-	-	4,750
-	-	-	-	-	13,605
\$ 24,474	\$ 134,101	\$ 530,909	\$ 69,713	\$ 1,500,031	\$ 2,578,281
\$ -	\$ -	\$ -	\$ -	\$ 1,538,803	\$ 1,538,803
31,067	-	-	-	-	31,067
-	-	-	77,159	-	1,821,100
-	-	177,836	-	-	177,836
-	-	126,640	-	-	402,997
-	116,912	-	-	-	398,795
-	13,727	-	-	-	127,756
\$ 31,067	\$ 130,639	\$ 304,476	\$ 77,159	\$ 1,538,803	\$ 4,498,354
\$ (6,593)	\$ 3,462	\$ 226,433	\$ (7,446)	\$ (38,772)	\$ (1,920,073)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,242,151
-	-	-	-	-	(167,340)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,074,811
\$ (6,593)	\$ 3,462	\$ 226,433	\$ (7,446)	\$ (38,772)	\$ 154,738
14,448	151,071	330,289	11,108	251	3,352,929
\$ 7,855	\$ 154,533	\$ 556,722	\$ 3,662	\$ (38,521)	\$ 3,507,667

TOWN OF WEBSTER, MONROE COUNTY, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2022

<u>Grantor / Pass - Through Agency</u>	<u>Assistance Listing</u>	<u>Pass-Through</u>	
		<u>Agency Number</u>	<u>Total Expenditures</u>
<u>Federal Award Cluster / Program</u>			
Equitable Sharing Program	16.922	N/A	\$ 49,711
Total U.S. Department of Justice			\$ 49,711
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,946,806
Total U.S. Department of Treasury			\$ 1,946,806
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,996,517



BUSINESS
ADVISORS
AND CPAS

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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Webster, Monroe County, New York as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 5, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
May 5, 2022