

Town of Clarkson, New York

Financial Statements
As of December 31, 2023
Together With
Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

Honorable Town Board
Town of Clarkson, New York

Qualified and Unmodified Opinions

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

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the Town of Clarkson, New York, as of December 31, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Funds General Townwide, General Outside Village, Highway Townwide, Highway Outside Village, Capital Projects, Lighting, Miscellaneous, Sewer, and Water and Aggregate Remaining Fund Information.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Funds General Townwide, General Outside Village, Highway Townwide, Highway Outside Village, Capital Projects, Lighting, Miscellaneous, Sewer, and Water and Aggregate Remaining Fund Information of the Town of Clarkson, New York, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 of Clarkson, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matter Giving Rise to the Qualified Opinion on the General Fund

Management has not recorded the effects of other post-employment benefits costs and future obligations, including deferred outflows and inflows of resources, in the Government Wide Statement of Net Position, and accordingly, has not recorded the related expenses in the Statement of Activities. Accounting principles generally accepted in the United States of America require that the full accrual basis of accounting be utilized for the government-wide financial statements which requires all other post-employment benefit costs and future obligations be recorded. The amount by which this departure would affect the assets, deferred inflows of resources, liabilities, deferred outflows of resources, net position, and expenses of the Governmental Activities has not been determined.

(Continued)

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90 Linden Oaks, Suite 100
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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional 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 of Clarkson, New York'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 of Clarkson, New York'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.

(Continued)

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Clarkson, New York's basic financial statements. The accompanying combining nonmajor governmental fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2025, on our consideration of the Town of Clarkson, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Clarkson, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Clarkson, New York's internal control over financial reporting and compliance.

Rochester, New York
February 10, 2025

TOWN OF CLARKSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

This section of the Town of Clarkson, New York's (the "Town") annual financial report presents a discussion and analysis of the Town's financial performance during the fiscal year ended December 31, 2023. Please read it in conjunction with the Town's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeds its liabilities and the deferred inflows of resources at the close of the 2023 fiscal year by \$5,470,236 (net position). Of this amount, \$3,801,214 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, and \$1,669,022 is investment in capital assets net of related debt.
- The Town's total net position increased by \$605,502 during the year ended December 31, 2023.
- As of December 31, 2023, the Town's governmental funds reported combined fund balances of \$4,219,221, an increase of \$275,039 in comparison with the prior year.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$2,074,864.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements for governmental activities tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report on the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Basic Financial Statements

Government-Wide Financial Statements

The government-wide Statement of Net Position and Statement of Activities report information about the Town as a whole and about its activities. These statements include all assets/deferred outflows of resources and liabilities/deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in net position. The Town's net position, the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position is one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other nonfinancial factors, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities are both composed of governmental activities. The governmental activities include the Town's basic services, such as public safety and general administration. Property taxes fund most of these activities. The Town does not consider any of its activities to be business-type activities. At the same time, there are no other entities that the Town considers to be component units that would be included in the Town's financial statements.

The government-wide financial statements can be found on pages 11-12 of this report.

TOWN OF CLARKSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Basic Financial Statements, Continued

Fund Financial Statements

The Fund financial statements provide detailed information about the Town's most significant funds, not the Town as a whole. However, the Town Board establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money, such as funding received from the U.S. Department of Housing and Urban Development. The Town has two types of funds - governmental and fiduciary.

- Governmental Funds
Most of the Town's basic services are reported in governmental funds. These funds focus on how money flows into and out of those funds and the balances remaining at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The Town's governmental activities (reported in the Statement of Net Position and the Statement of Activities) are reconciled to the governmental funds.

- Fiduciary Funds
The Town is the trustee, or fiduciary, for its custodial fund. All of the Town's fiduciary activities are reported separately in the statements of fiduciary net position and change in fiduciary net position. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The basic governmental fund financial statements can be found on pages 13-18 of this report.

Notes to the Basic Financial Statements

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

The Notes can be found on pages 19-37 of this report.

TOWN OF CLARKSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net positions may serve, over time, as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$5,470,235 at the close of the most recent fiscal year.

	<u>2023</u>	<u>2022</u>
Assets:		
Current and other assets	\$ 4,581,998	\$ 4,964,862
Capital assets, net of depreciation	<u>2,447,835</u>	<u>2,154,209</u>
Total assets	<u>7,029,833</u>	<u>7,119,071</u>
Deferred outflows of resources - pension related	<u>778,853</u>	<u>729,009</u>
Liabilities:		
Long-term liabilities	1,778,037	1,121,626
Other liabilities	<u>458,403</u>	<u>703,878</u>
Total liabilities	<u>2,236,440</u>	<u>1,825,504</u>
Deferred inflows of resources - pension related	102,010	1,157,842
Net position:		
Net investment in capital assets	1,669,022	1,322,692
Unrestricted	<u>3,801,214</u>	<u>3,542,042</u>
Total net position	<u>\$ 5,470,236</u>	<u>\$ 4,864,734</u>

- The largest portion of the Town's net position of \$3,801,214 reflects unrestricted net position. This amount reflects the amounts available to the Town to meet existing obligations to creditors and residents as well as to provide additional services and make investments.
- Total assets decreased by 1.25% due to the decrease of the Town's proportionate share of the net pension asset to a net pension liability from the prior year to the current year.

TOWN OF CLARKSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS, Continued

Statement of Activities

Governmental activities increased the Town's net position by \$605,501.

The following table indicates the changes in net position for governmental activities:

	<u>2023</u>	<u>2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 509,839	\$ 706,640
Operating grants and contributions	1,066,565	1,202,447
Capital grants and contributions	<u>715,797</u>	<u>224,390</u>
Total program revenues	<u>2,292,201</u>	<u>2,133,477</u>
General revenues:		
Property taxes	1,484,592	1,440,498
Other property tax items	82,109	67,320
Sales tax and franchises	79,030	80,571
Use of money and property	521,341	376,662
Refund of prior years expenditures	2,461	-
Miscellaneous	920	14,176
Sale of property and compensation for loss	<u>45,792</u>	<u>29,468</u>
Total general revenues	<u>2,216,245</u>	<u>2,008,695</u>
Total revenues	<u>4,508,446</u>	<u>4,142,172</u>
Expenses:		
General governmental support	867,628	858,587
Public safety	169,236	82,598
Health	2,323	-
Transportation	2,061,353	1,881,677
Culture and recreation	505,497	411,795
Home and community service	<u>296,907</u>	<u>209,103</u>
Total expenses	<u>3,902,944</u>	<u>3,443,760</u>
Change in net position	605,502	698,412
Net Positon - Beginning	<u>4,864,734</u>	<u>4,166,322</u>
Net Position - Ending	<u>\$ 5,470,236</u>	<u>\$ 4,864,734</u>

- The Town's general revenues increased by about 10.33% primarily due to an increase in interest on bank deposits.
- The Town's total expenses increased 13.43% due in large part to the change in net pension liability and related expenses during the current period.

TOWN OF CLARKSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS, Continued

The following table represents the Town's total sources of revenue as a percentage of total revenue for the years ended December 31, 2023 and 2022:

Sources of Revenue – Primary Government

	<u>2023</u>	<u>2022</u>
Charges for services	11%	17%
Operating grants and contributions	24%	29%
Capital grants and contributions	16%	5%
Property taxes	33%	35%
Other property tax items	2%	2%
Sales tax and franchises	2%	2%
Use of money and property	12%	9%
Refund of prior years expenditures	0%	0%
Miscellaneous	0%	0%
Sale of property and compensation for loss	<u>1%</u>	<u>1%</u>
	<u>100%</u>	<u>100%</u>

The following table represents the expenses of the Town's programs as a percentage of the Town's total expenses for the years ended December 31, 2023 and 2022:

Expenses - Primary Government

	<u>2023</u>	<u>2022</u>
General governmental support	22%	25%
Public safety	4%	2%
Health	0%	0%
Transportation	53%	55%
Culture and recreation	13%	12%
Home and community service	<u>8%</u>	<u>6%</u>
	<u>100%</u>	<u>100%</u>

TOWN OF CLARKSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

TOWN FUNDS FINANCIAL ANALYSIS

Highlights

The Town's governmental funds reported a combined fund balance of \$4,219,221 on December 31, 2023. The components of the Town's total increase in fund balance of \$275,039 was a result of increases in the general townwide fund of \$405,704, the general outside village fund of \$292,227, the highway townwide funds of \$46,267, the highway outside village fund of \$15,111, the miscellaneous fund of \$1,550, and the water fund of \$20,706. These increases were offset by decreases of \$491,190 in the capital project fund, \$5,771 in the lighting fund, and \$9,565 in the sewer fund.

Budget and Actual Highlights

The Town's general townwide fund's actual expenditures of \$1,199,521 were \$40,309 lower than the final budgeted amounts. General outside village fund budgetary actual expenditure was \$48,781 lower than budgeted amounts. Highway townwide fund's actual expenditures were \$30,296 lower than budgeted amounts. Highway outside village actual expenditures were \$82,497 higher than budgeted amounts.

The schedules comparing the Town's original and final budget with actual results are included for the general townwide and outside villages funds and the highway townwide and outside village funds, as required supplementary information to the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets (net of accumulated depreciation) on December 31, 2023 and 2022 was \$2,547,231 and \$2,154,209, respectively. This investment in capital assets includes land, building and improvements, equipment, and furniture and fixtures. All depreciable assets were depreciated as outlined in the Town's capital asset policy.

Summary of capital assets, net of accumulated depreciation, for the governmental activities, on December 31, 2023 and 2022 are as follows:

	2023	2022
Land	\$ 737,682	\$ 737,682
Construction in progress	543,119	-
Buildings and improvements	1,055,790	1,055,790
Machinery and equipment	2,167,646	2,309,800
Furniture and fixtures	195,935	195,935
Right-of-use assets	13,523	13,523
Accumulated depreciation	<u>(2,265,860)</u>	<u>(2,257,917)</u>
 Total capital assets, net of depreciation	 <u>\$ 2,447,835</u>	 <u>\$ 2,054,813</u>

The Town's infrastructure assets are recorded at historical cost in the government-wide financial statements. The Town has elected to depreciate its infrastructure assets.

Debt

On December 31, 2023 and 2022 the Town had \$778,813 and \$778,813, respectively, outstanding for repayment of debt incurred. In 2023 and 2022, the Town repaid \$52,704 and \$47,794, respectively, for the principal on this debt. More detailed information about the Town's long-term debt is presented in note 7 of the basic financial statements.

TOWN OF CLARKSON, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal year 2024 budget, including tax rates, inflationary costs, etc. The following are significant items to note:

- The tax rate increased 1.02%.
- The increase in interest rate received on bank deposits has had a significant positive impact.
- There was a large increase in the Town's assessed value of real property for 2024.
- Inflation and the potential impact remain to be seen.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Supervisor, at 3710 Lake Road, PO Box 858, Clarkson, NY 14430.

BASIC FINANCIAL STATEMENTS

TOWN OF CLARKSON, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2023

Assets and Deferred Outflows of Resources

Assets:

Current Assets:

Cash and cash equivalents	\$	4,048,014
Due from other governments		343,272
Other receivables		123,757
Prepaid expenses		<u>66,955</u>
Total Current Assets		<u>4,581,998</u>

Noncurrent Assets:

Capital assets, net of depreciation		<u>2,447,835</u>
Total Assets		<u>7,029,833</u>

Deferred Outflows of Resources - Pension Related		778,853
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Total Assets and Deferred Outflows of Resources		<u>\$ 7,808,686</u>
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Liabilities, Deferred Outflows of Resources, and Net Position

Liabilities:

Current Liabilities:

Accounts payable	\$	78,326
Due to other governments		171,102
Accrued liabilities		38,476
Deferred income		115,192
Other liabilities		37,602
Current portion - long-term debt		<u>17,705</u>
Total Current Liabilities		<u>458,403</u>

Noncurrent Liabilities:

Long-term debt, net of current portion		761,108
Compensated absences		144,567
Net pension liability		<u>872,362</u>
Total Liabilities		<u>2,236,440</u>

Deferred Outflows of Resources - Pension Related		102,010
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Net Position:

Net investment in capital assets		1,669,022
Unrestricted		<u>3,801,214</u>
Total Net Position		<u>5,470,236</u>

Total Liabilities, Deferred Outflows of Resources, and Net Position		<u>\$ 7,808,686</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
Functions and programs:					
General governmental support	\$ 867,628	\$ 126,397	\$ 1,066,565	\$ -	\$ 325,334
Public safety	169,236	74,902	-	-	(94,334)
Health	2,323	-	-	-	(2,323)
Transportation	2,061,353	239,801	-	715,797	(1,105,755)
Culture and recreation	505,497	34,505	-	-	(470,992)
Home and community service	<u>296,907</u>	<u>34,234</u>	<u>-</u>	<u>-</u>	<u>(262,673)</u>
Total governmental activities	<u>\$ 3,902,944</u>	<u>\$ 509,839</u>	<u>\$ 1,066,565</u>	<u>\$ 715,797</u>	<u>(1,610,743)</u>
		General revenue:			
					1,484,592
					82,109
					79,030
					521,341
					2,461
					920
					<u>45,792</u>
		Total general revenue			<u>2,216,245</u>
		Change in net position			605,502
		Net position, beginning			<u>4,864,734</u>
		Net position, ending			<u>\$ 5,470,236</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General Townwide Fund	General Outside Village Fund	Highway Townwide Fund	Highway Outside Village Fund	Capital Projects	Non-major Governmental Funds	Total All Governmental Funds
<u>Assets</u>							
Cash, including time deposits	\$ 1,692,897	\$ 1,343,957	\$ 364,736	\$ 69,183	\$ 313,821	\$ 263,420	\$ 4,048,014
Due from other funds	616,345	-	-	-	-	-	616,345
Due from other governments	358	217,172	125,742	-	-	-	343,272
Other receivables	75,260	48,497	-	-	-	-	123,757
Prepaid expenses	27,593	1,679	36,664	1,019	-	-	66,955
	<u>2,412,453</u>	<u>1,611,305</u>	<u>527,142</u>	<u>70,202</u>	<u>313,821</u>	<u>263,420</u>	<u>5,198,343</u>
Total Assets	<u>\$ 2,412,453</u>	<u>\$ 1,611,305</u>	<u>\$ 527,142</u>	<u>\$ 70,202</u>	<u>\$ 313,821</u>	<u>\$ 263,420</u>	<u>\$ 5,198,343</u>
<u>Liabilities and Fund Balances</u>							
<u>Liabilities</u>							
Accounts payable	\$ 21,104	\$ 6,810	\$ 17,951	\$ 1,625	\$ 26,733	\$ 4,103	\$ 78,326
Accrued liabilities	5,455	5,981	26,721	319	-	-	38,476
Due to other funds	-	-	-	-	532,503	83,842	616,345
Due to other governments	35,110	8,196	37,500	12,375	-	-	93,181
Deferred income	115,192	-	-	-	-	-	115,192
Other liabilities	37,602	-	-	-	-	-	37,602
	<u>214,463</u>	<u>20,987</u>	<u>82,172</u>	<u>14,319</u>	<u>559,236</u>	<u>87,945</u>	<u>979,122</u>
Total Liabilities	<u>214,463</u>	<u>20,987</u>	<u>82,172</u>	<u>14,319</u>	<u>559,236</u>	<u>87,945</u>	<u>979,122</u>
<u>Fund Balances</u>							
Nonspendable	27,593	1,679	36,664	1,019	-	-	66,955
Assigned appropriated	95,533	251,811	-	25,000	-	-	372,344
Assigned unappropriated	-	1,336,828	408,306	29,864	-	222,505	1,997,503
Unassigned	2,074,864	-	-	-	(245,415)	(47,030)	1,782,419
	<u>2,197,990</u>	<u>1,590,318</u>	<u>444,970</u>	<u>55,883</u>	<u>(245,415)</u>	<u>175,475</u>	<u>4,219,221</u>
Total Fund Balances	<u>2,197,990</u>	<u>1,590,318</u>	<u>444,970</u>	<u>55,883</u>	<u>(245,415)</u>	<u>175,475</u>	<u>4,219,221</u>
Total Liabilities and Fund Balances	<u>\$ 2,412,453</u>	<u>\$ 1,611,305</u>	<u>\$ 527,142</u>	<u>\$ 70,202</u>	<u>\$ 313,821</u>	<u>\$ 263,420</u>	<u>\$ 5,198,343</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
YEAR ENDED DECEMBER 31, 2023

Total fund balances - governmental funds	\$	4,219,221
Total net position reported for governmental activities in the statement of net position is difference because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds, net of accumulated depreciation.		2,447,835
Long-term debt is not due and payable in the current period and therefore, are not reported as fund liabilities but rather, recognized as liabilities in the statement of net position.		(856,735)
Net pension liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(872,362)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflow of resources		778,853
Deferred inflow of resources		(102,010)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(144,567)</u>
Net position of governmental activities	\$	<u><u>5,470,235</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Major Funds				Non-Major		Total All Governmental Funds
	General Townwide Fund	General Outside Village Fund	Highway Townwide Fund	Highway Outside Village Fund	Capital Projects	Governmental Funds	
REVENUE							
Property taxes	\$ 876,886	\$ -	\$ 510,900	\$ -	\$ -	\$ 96,806	\$ 1,484,592
Other property tax items	48,600	-	-	-	-	-	48,600
Interest and penalties	33,509	-	-	-	-	-	33,509
Sales tax and franchises	79,030	933,425	-	-	-	-	1,012,455
Charges for services	55,926	34,900	-	-	-	-	90,826
Intergovernmental charges	-	-	239,801	-	-	34,233	274,034
Use of money and property	359,695	25,157	105,105	4,427	26,957	-	521,341
Licenses and permits	5,998	130,130	-	-	-	-	136,128
Fines and forfeitures	8,850	-	-	-	-	-	8,850
Refund of prior year expenditures	2,461	-	-	-	-	-	2,461
Miscellaneous	920	-	-	-	-	-	920
Sale of property and compensation for loss	-	1,231	44,561	-	-	-	45,792
State aid	133,140	-	242,628	49,987	-	-	425,755
Federal aid	423,182	-	-	-	-	-	423,182
TOTAL REVENUE	<u>2,028,197</u>	<u>1,124,843</u>	<u>1,142,995</u>	<u>54,414</u>	<u>26,957</u>	<u>131,039</u>	<u>4,508,445</u>
EXPENDITURES							
General governmental support	680,821	-	-	-	-	-	680,821
Public safety	22,760	101,596	-	-	-	-	124,356
Health	2,323	-	-	-	-	-	2,323
Transportation	181,431	-	1,077,468	408,618	-	49,021	1,716,538
Culture and recreation	112,983	339,668	-	-	-	-	452,651
Home and community service	32,567	123,058	33,320	-	-	16,403	205,348
Employee benefits	163,932	38,294	168,775	39,362	-	495	410,858
Debt service principal	2,704	-	35,000	-	-	15,000	52,704
Debt service interest	-	-	1,488	-	-	35,397	36,885
Debt service - other governments	-	-	-	-	-	7,803	7,803
Capital outlays	-	-	-	-	543,119	-	543,119
TOTAL EXPENDITURES	<u>1,199,521</u>	<u>602,616</u>	<u>1,316,051</u>	<u>447,980</u>	<u>543,119</u>	<u>124,119</u>	<u>4,233,406</u>
Excess (deficiency) of revenue over expenditures	828,676	522,227	(173,056)	(393,566)	(516,162)	6,920	275,039
OTHER SOURCES AND USES							
Transfers in	-	-	244,295	408,677	24,972	-	677,944
Transfers out	(422,972)	(230,000)	(24,972)	-	-	-	(677,944)
TOTAL OTHER SOURCES AND USES	<u>(422,972)</u>	<u>(230,000)</u>	<u>219,323</u>	<u>408,677</u>	<u>24,972</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	405,704	292,227	46,267	15,111	(491,190)	6,920	275,039
Fund balance - beginning of year	1,792,286	1,298,091	398,703	40,772	245,775	168,555	3,944,182
FUND BALANCE - END OF YEAR	<u>\$ 2,197,990</u>	<u>\$ 1,590,318</u>	<u>\$ 444,970</u>	<u>\$ 55,883</u>	<u>\$ (245,415)</u>	<u>\$ 175,475</u>	<u>\$ 4,219,221</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2023

Net change in fund balances - total governmental funds	\$	275,039
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>		
Capital asset purchases capitalized, net of disposals		658,175
Depreciation expense is recorded in the statement of activities, but not recorded as a change in fund balance of the governmental funds, net of disposals		(186,643)
Repayment of long term notes is recorded as expense in the governmental fund, but is not in the statement of net position		
Principal repayment		52,705
Proceeds of long-term debt recorded as income in the governmental fund, but is not included in the statement of net position		
Principal borrowing		(77,922)
<p>Changes in the Town's proportionate share of the net pension liability have no effect on current financial resources and, therefore, are not reported in the governmental funds. In addition, changes in the Town's deferred outflows of resources and deferred inflows of resources related to pension do not effect current financial resources and are, also, not reported in the governmental funds:</p>		
Employees' retirement system		(86,490)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures or accrued as liabilities in the governmental funds.</p>		
Changes in compensated absences accrual		(29,363)
		(29,363)
Change in net position of government-wide financial statements	\$	605,501

The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
DECEMBER 31, 2023

	<u>Fund</u>
<u>Assets</u>	
Cash, including time deposits	\$ <u>2,068</u>
Total Assets	\$ <u>2,068</u>
 <u>Liabilities</u>	
Agency liabilities	\$ <u>2,068</u>
Total Liabilities	\$ <u>2,068</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2023

		<u>Fund</u>
<u>Additions</u>		
Contributions		\$ <u>-</u>
	Total Additions	<u>-</u>
 <u>Deductions</u>		
Contributions returned		<u>-</u>
	Total Deductions	<u>-</u>
 Change in net position		-
 Net position - beginning		<u>-</u>
 Net position - ending		<u>\$ -</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Town of Clarkson, New York (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. The more significant of the Town's accounting policies are described below.

Financial Reporting Entity

The Town of Clarkson (which was established in 1819), is located in the county of Monroe, New York. The Town is governed by Town Law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations, the Town Supervisor serves as chief executive officer and its chief fiscal officer. The following basic services are provided: transportation, public safety, home and community services and culture and recreation. All governmental activities and functions performed for the Town are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effects of interfund activity within governmental has been eliminated from these statements. However, balances due and resource flows between governmental activities have not been eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions or programs. Program revenues include: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Categories

Governmental Funds

The fund statements provide information about the Town's funds. The emphasis of fund financial statements is on major governmental funds, All remaining governmental funds are aggregated and reported as nonmajor funds. Major Individual governmental funds are reported as separate columns in the fund financials statements.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Summary of Significant Accounting Policies, Continued

The Town reports the following major governmental funds:

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

Highway Fund - This fund is used to record all revenues and expenditures related to maintenance of bridges, highway machinery, brush and weeds, snow removal and services to other governments.

Capital Projects Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Non-Major Governmental Funds

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

Nonmajor Special Districts Funds – These funds are 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:

- Lighting Fund
- Sewer Fund
- Miscellaneous
- Water Fund

Government-wide financial statements apply all applicable Governmental Accounting Standards Board (“GASB”) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict subsequent GASB pronouncements, Statements and Interpretations of the Financial Accounting Standards Board (“FASB”), Accounting Principles Board (“APB”) Opinions, and Accounting Research Bulletins (“ARBs”) of the Committee on Accounting Procedure.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues are those that cannot be associated directly with program activities.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year in which they are earned. Grants, entitlements and donations are recognized as revenues as soon as all eligibility requirements have been met.

Accrual Basis

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Summary of Significant Accounting Policies, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Modified Accrual Basis

All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

- a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b) Principal and interest on long-term debt are not recognized as expenditure until due.
- c) Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

Property Tax Revenue Recognition

Real property taxes are levied annually no later than December 15th and become a lien on January 1st. Taxes are collected during the period January 1st to March 31st. Any unpaid taxes as of March 31st are placed as liens against the property and the tax sale certificates are filed.

Budgets and Budgetary Data

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. No later than September 30th the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January 1st. The tentative budget includes proposed expenditures and the proposed means of financing for all funds except the Capital Projects Fund.
- b. After public hearings are conducted to obtain taxpayer comments, no later than November 20th, the Town Board adopts the budget.
- c. All modifications of the budget must be approved by the Town Board.
- d. Budgetary controls are established for the Capital Projects Fund through Town Board resolutions authorizing individual projects that remain in effect for the life of the projects.

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all Town funds. Outstanding encumbrances at year end, exclusive of grant-related commitments, are presented for GAAP reporting purposes as reservations of fund balances, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Summary of Significant Accounting Policies, Continued

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

Prepaid Expenses

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

Due To and Due From Other Funds

In the fund financial statements, non-current portions of long-term interfund loans receivable are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. A detailed description of the individual fund balances at year end is provided subsequently in the notes.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, water lines, and sewer lines), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives as follows:

Land improvements	25 years
Buildings	40 years
Building improvements	20 years
Machinery and equipment	5 – 10 years
Infrastructure	10 – 50 years

When capital assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period in the government-wide statements.

Accrued Liabilities and Long-Term Obligation

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full, from current financial resources. 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.

Compensated Absences

Compensated absences consist of unpaid accumulated vacation time. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated vacation leave. The Town allows a rollover of up to 80 hours per year, on an employees anniversary date. These payments are budgeted annually. The liability for such leave is reported in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignation or retirements. The Town also pays out overtime compensation hours, up to 55 hours, annually, if not used by December 31.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Summary of Significant Accounting Policies, Continued

Insurance

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three fiscal years.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualifies for reporting in this category. It is deferred amounts related to the pension reported in the government-wide Statement of Net Position. The deferred amounts related to pensions relate to differences between estimated and actual investing earnings, changes in assumptions, and other pension related changes.

In addition to liabilities, the Statement of Net Position includes 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. In the government-wide financial statements the Town reports deferred amounts related to pensions.

Federal Grants

Federal grants in the Capital Projects Fund are recorded as grants receivable and deferred revenue when the entitlement period occurs. Revenues are recognized as the Town incurs expenditures and meets the performance requirements of the grants.

Pensions

Nearly all Town employees are members of the New York State Employees' Retirement System. The Town is invoiced annually by the systems for its share of the cost.

Net Position Flow Assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the governmental-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy that the Town Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

Interfund Transactions

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

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Summary of Significant Accounting Policies, Continued

Order of Use of Fund Balance

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balance. In the General Fund, committed fund balance is determine next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

Net Position Classifications:

Government-Wide Statements

In the district-wide statements there are three classes of net position:

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

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents net position of the Town not restricted for any project or other purpose.

The following departures from accounting principles generally accepted in the United States of America impact the Town's governmental activities financial statements:

- Other post-employment benefits current and future costs and obligations have not been estimated and reported.

Governmental Funds Statements

The fund balance financial statements have five classifications of fund balance.

Non-spendable - Includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable fund balance includes prepaid expenditures.

Restricted - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions on enabling legislation.

Committed - Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision making authorities. i.e., The Town Board.

Assigned - Includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balance includes amounts designated for subsequent years' expenditures.

Unassigned - Includes all other net assets that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 – Summary of Significant Accounting Policies, Continued

Use of Estimates

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

Subsequent Events

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 10, 2025, which is the date the financial statements were available to be issued.

Note 2 – Explanation of Certain Differences Between Governmental Fund Statements and Town- Wide Statements

Due to the differences in the measurement focus and the basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the statement of activities, compared with the current financial resources focus of the governmental funds.

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the Town's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheets.

Statement of Revenue, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds statement of revenue, expenditures, and changes in fund balance and the statement of activities fall into one of three broad categories.

Long-Term Revenue and Expense Differences

Long-term revenue differences arise because governmental funds report revenue only when it is considered "available", whereas the statement of activities reports revenue when earned.

Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.

Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.

Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the statement of activities as incurred, and principal payments are recorded as a reduction of liabilities in the statement of net position.

Note 3 – Cash and Investments

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

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 3 – Cash and Investments, Continued

Collateral is required for demand deposits and certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the federal government. Underlying securities must have a market value of at least a percentage provided for by law of the cost of the repurchase agreement.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

Deposits and investments at year end were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name.

The Town's restricted cash, cash equivalents, and investments represents funds where use is limited by legal requirements. These assets are required by statute to be reserved for various purposes, such as the Town's reserve funds and the purpose of the Town's various special revenue funds.

The remaining cash, cash equivalents, and investments in the special revenue funds, debt service fund, and capital projects fund not included in the totals for reserves above are also considered restricted for the purpose of each fund. The entire balance of cash and cash equivalents in the fiduciary funds is also restricted for the purpose of each fund.

(a) Interest Rate Risk

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

(b) Credit Risk

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

- Savings accounts
- Certificates of deposit
- Other investments approved by Office of the State Comptroller.

(c) Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Town's investment and deposit policy, all deposits of the Town including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the FDIC shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

Deposits and investments at year end were entirely collateralized.

The Town's collateral includes amounts held by the pledging financial institution related to cash held by the Town Tax Collector, which is not reported as cash of the Town. Such funds are under the Town's tax identification number but are the responsibility of the elected officials until remitted to the Town Supervisor.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 4 – Capital Assets

Capital asset activity for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Additions	Deletions	Balance 12/31/2023
Capital assets not being depreciated:				
Land	\$ 737,682	\$ -	\$ -	\$ 737,682
Construction in process	<u>-</u>	<u>543,119</u>	<u>-</u>	<u>543,119</u>
 Total capital assets not being depreciated	 <u>737,682</u>	 <u>543,119</u>	 <u>-</u>	 <u>1,280,801</u>
 Capital assets being depreciated:				
Building and improvements	1,055,790	-	-	1,055,790
Machinery and equipment	2,309,800	115,057	(257,211)	2,167,646
Furniture and fixtures	195,935	-	-	195,935
Right-of-use assets	<u>13,523</u>	<u>-</u>	<u>-</u>	<u>13,523</u>
 Total capital assets being depreciated	 <u>3,575,048</u>	 <u>115,057</u>	 <u>(257,211)</u>	 <u>3,432,894</u>
 Less: accumulated depreciation	 <u>(2,250,911)</u>	 <u>(222,186)</u>	 <u>216,948</u>	 <u>(2,256,149)</u>
 Less: accumulated amortization of right-of-use assets	 <u>(7,006)</u>	 <u>(2,705)</u>	 <u>-</u>	 <u>(9,711)</u>
 Total capital assets, net	 <u>\$ 2,054,813</u>	 <u>\$ 433,285</u>	 <u>\$ (40,263)</u>	 <u>\$ 2,447,835</u>

Depreciation and amortization expenses were charged to functions as follows:

Depreciation:	
General government	\$ 19,475
Transportation	174,706
Culture and recreation	23,173
Home and community	4,832
Total depreciation	<u>\$ 222,186</u>
Amortization:	
General government	\$ 1,302
Transportation	1,403
Total amortization	<u>\$ 2,705</u>

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 – Pension Plans

Plan Description

The Town of Clarkson participates in the New York State and Local Employees' Retirement System (ERS) (the System). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which has 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. 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 of Clarkson, New York 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, NY 12244.

Benefits Provided

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

Tiers 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.

Tiers 3, 4 and 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.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 – Pension Plans, continued

Benefits Provided (cont'd)

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 the 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 for Tier 6 is 63 for 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 age 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.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 – Pension Plans, continued

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.

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 NYSRSSL, the Comptroller annually certifies that actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal 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:

Year 2023	\$ 118,944
Year 2022	\$ 106,201
Year 2021	\$ 132,936

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

At December 31, 2023, the Town reported a liability of \$872,362 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2023, the Town's proportionate share was .0040681 percent, which was an decrease of 1.6 percent over the previous year.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 – Pension Plans, continued

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions (cont'd)

For the year ended December 31, 2023, the Town recognized pension expense of \$118,944. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 92,913	\$ 24,499
Change of assumptions	423,675	4,682
Net difference between projected and actual investment earning on pension plan investments	-	5,125
Changes in proportion and differences between employer contribution and proportionate share of contributions	53,774	67,704
Contributions subsequent to the measurement date	208,491	-
	<u>\$ 778,853</u>	<u>\$ 102,010</u>

\$676,843 reported as net deferred outflow of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2024	\$	104,725
2025		(50,344)
2026		180,793
2027		233,178
2028		-
Thereafter		-

Actuarial Assumptions

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions.

	<u>ERS</u>
Inflation	2.9%
Salary	4.4%
Investment rate of return (net of investment expense, including inflation)	5.9%
Cost of living adjustments	1.5%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 – Pension Plans, continued

Actuarial Assumptions (cont'd)

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	32%	4.30%
International equity	15	6.85
Private equity	10	7.50
Real estate	9	4.60
Opportunistic/ARS portfolio	3	5.38
Credit	4	5.43
Real assets	3	5.84
Fixed income	23	1.50
Cash	1	0.00
	<u>100%</u>	

The real rate of return is net of the long-term inflation assumption of 2.50%.

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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.90%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.9%) or 1-percentagepoint higher (6.90%) than the current rate:

	1% Decrease <u>(4.90%)</u>	Current Assumption <u>(5.90%)</u>	1% Increase <u>(6.90%)</u>
Town's proportionate share of the net pension liability (asset)	\$ 2,108,124	\$ 872,362	\$ (160,262)

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 5 – Pension Plans, continued

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2023 were as follows:

	<u>Employees'</u> <u>Retirement System</u> (Dollars in thousands)
Employers' total pension liability	\$ 232,672,259
Fiduciary net position	<u>211,183,223</u>
Employers' net pension liability	<u>\$ 21,489,036</u>
Ratio of fiduciary net position to the Employers' total pension liability	90.78%

Note 6 – Short-Term Debt

Short-Term Debt

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects funds and the enterprise fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

At December 31, 2023 the Town did not have any bond anticipations notes outstanding.

Note 7 – Long-Term Debt

Serial Bonds

The Town borrows money in order to acquire land or 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, which are full faith and credit debt of the local government, are recorded in the detail of Non-Current Governmental Liabilities. 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.

Other Long-Term Liabilities

In addition to the above long-term debt the Town had the following noncurrent liabilities:

Leases Payable – represents a liability for leased buildings and equipment that the Town uses for various purposes.

Compensated Absences - represents the value of earned and unused portion of the liability for compensated absences.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 7 – Long-Term Debt, Continued

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

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/2023</u>
Serial bonds	\$ 825,000	\$ -	\$ (50,000)	\$ 775,000
Lease liability	6,517	-	(2,704)	3,813
Due to other governments	82,329	-	(4,407)	77,922
Compensated absences	<u>115,204</u>	<u>29,363</u>	<u>-</u>	<u>144,567</u>
 Total long-term debt	 <u>\$ 1,029,050</u>	 <u>\$ 29,363</u>	 <u>\$ (57,111)</u>	 <u>\$ 1,001,302</u>

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

<u>Purpose</u>	<u>Year</u> <u>Issued</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Balance</u>	<u>Year of</u> <u>Maturity</u>
Public improvement	2018	4.25%	351,000	2047
Public improvement	2019	3.00%	350,000	2049
Public improvement	2018	4.25%	74,000	2047
Public improvement	2018	4.25%	<u>-</u>	2023
			 <u>\$ 775,000</u>	

Maturity of serial bonds is as follows, for years ended December 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 15,000	\$ 30,194	\$ 45,194
2025	15,000	29,619	44,619
2026	15,000	29,044	44,044
2027	20,000	28,469	48,469
2028	20,000	27,744	47,744
2029 - 2033	115,000	127,207	242,207
2034 - 2038	145,000	104,044	249,044
2039 - 2043	195,000	72,656	267,656
2044 - 2048	210,000	28,413	238,413
2049 - 2053	<u>25,000</u>	<u>875</u>	<u>25,875</u>
	 <u>\$ 775,000</u>	 <u>\$ 478,265</u>	 <u>\$ 1,253,265</u>

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 7 – Long-Term Debt, Continued

Maturity of lease liability principal is as follows, for the years ended December 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,705	\$ 114	\$ 2,819
2025	1,108	33	1,141
Thereafter	-	-	-
	<u>\$ 3,813</u>	<u>\$ 147</u>	<u>\$ 3,960</u>

The Town of Hamlin, New York issued serial bonds for several water districts in 2004 and 2006. A portion of these liabilities is being paid by the Town of Clarkson and is reported as a long-term liability in the Statement of Net Position.

Repayment of due to other governments consists of the following as of December 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 4,583	\$ 4,075	\$ 8,658
2025	5,212	3,836	9,048
2026	5,212	3,563	8,775
2027	5,212	3,290	8,502
2028	5,212	3,017	8,229
2029 - 2033	32,446	10,462	42,908
2034 - 2038	20,045	2,113	22,158
	<u>\$ 77,922</u>	<u>\$ 30,356</u>	<u>\$ 108,278</u>

Note 8 – Interfund Activity

Interfund activity for the year ended December 31, 2023 is as follows:

	<u>Transfers in</u>	<u>Transfers out</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General townwide	\$ -	\$ 422,972	\$ 616,345	\$ -
General outside village	-	230,000	-	-
Highway townwide	244,295	24,972	-	-
Highway outside village	408,677	-	-	-
Capital projects	24,972	-	-	532,503
Sewer	-	-	-	4,600
Water	-	-	-	79,242
	<u>\$ 677,944</u>	<u>\$ 677,944</u>	<u>\$ 616,345</u>	<u>\$ 616,345</u>
Total long-term debt	<u>\$ 677,944</u>	<u>\$ 677,944</u>	<u>\$ 616,345</u>	<u>\$ 616,345</u>

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

Note 9 – Fund Balances

Fund balances of individual governmental fund types are summarized by category as of December 31, 2023:

Non-spendable fund balances are as follows:

General townwide	\$	27,593
General outside village		1,679
Highway townwide		36,664
Highway outside village		1,019
Total non-spendable fund balance	\$	66,955

Assigned fund balances are as follows:

General townwide - appropriated	\$	95,533
General outside village - appropriated		251,811
General outside village - unappropriated		1,336,828
Highway townwide - unappropriated		408,306
Highway outside village - appropriated		25,000
Highway outside village - unappropriated		29,864
Lighting - unappropriated		4,611
Miscellaneous - unappropriated		6,200
Sewer - unappropriated		211,694
Total assigned fund balance	\$	2,369,847

Unassigned fund balances are as follows:

General townwide	\$	2,074,864
Capital projects		(245,415)
Water		(47,030)
Total unassigned fund balance	\$	1,782,419

Note 10 - Contingencies

The Town receives financial assistance from federal and state government agencies in the form of grants and loans. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and is subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although the Town expects such amounts to be immaterial to the Town's financial statements.

TOWN OF CLARKSON, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 11 – Risk Management

The Town is a participant in the Upstate New York Municipal Workers’ Compensation Program (the Program). The Program was established under the provisions of Workers’ Compensation Law of the State of New York and provides the Town the opportunity to participate in a group self-insurance program for providing workers’ compensation benefits to its employees. Through effective risk management techniques, promotion of safety and proactive claims administration, the Program intends to provide the benefits substantially at cost. Premiums, which are based upon members’ payroll and experience factors and administrative costs, are subject to prospective adjustments. The Town records the expense for workers’ compensation in the period the payments to the Program are due. On an annual basis, participant premiums are evaluated and compared to claim liabilities on a participant-by-participant basis. If it is determined that a participant’s premiums over that period were not sufficient to fund their specific liabilities, the participant is charged an additional assessment to fund this deficit. There were no estimated unfunded workers’ compensation liability due by the Town as of December 31, 2023.

NOTE 12 - TAX ABATEMENT DISCLOSURE

As of December 31, 2023, Town participated in the following tax abatement agreements:

	<u>Current Assessed Value</u>	<u>Property Tax Income Received with Tax abatements</u>	<u>Actual Tax based on Assessed Value</u>
Wellington North LLC	\$ 2,612,500	\$ 48,600	\$ 54,283

Wellington North LLC – PILOT began in May 2020 for a 20 year term.

TOWN OF CLARKSON, NEW YORK
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	<u>Lighting Fund</u>	<u>Miscellaneous Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>					
Cash, including time deposits	\$ 8,591	\$ 6,200	\$ 216,417	\$ 32,212	\$ 263,420
TOTAL ASSETS	<u>\$ 8,591</u>	<u>\$ 6,200</u>	<u>\$ 216,417</u>	<u>\$ 32,212</u>	<u>\$ 263,420</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 3,980	\$ -	\$ 123	\$ -	\$ 4,103
Due to other funds	<u>-</u>	<u>-</u>	<u>4,600</u>	<u>79,242</u>	<u>83,842</u>
TOTAL LIABILITIES	<u>3,980</u>	<u>-</u>	<u>4,723</u>	<u>79,242</u>	<u>87,945</u>
<u>FUND BALANCES</u>					
Assigned unappropriated	4,611	6,200	211,694	-	222,505
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,030)</u>	<u>(47,030)</u>
TOTAL FUND BALANCES	<u>4,611</u>	<u>6,200</u>	<u>211,694</u>	<u>(47,030)</u>	<u>175,475</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,591</u>	<u>\$ 6,200</u>	<u>\$ 216,417</u>	<u>\$ 32,212</u>	<u>\$ 263,420</u>

See independent auditor's report

TOWN OF CLARKSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

	Lighting Fund	Miscellaneous Fund	Sewer Fund	Water Fund	Total Non-Major Governmental Funds
REVENUE					
Property taxes	\$ 43,250	\$ 1,550	\$ 12,928	\$ 39,078	\$ 96,806
Intergovernmental charges	-	-	-	34,233	34,233
TOTAL REVENUE	\$ 43,250	\$ 1,550	\$ 12,928	\$ 73,311	\$ 131,039
EXPENDITURES					
Transportation	49,021	-	-	-	49,021
Home and community	-	-	16,403	-	16,403
Employee benefits	-	-	495	-	495
Debt service principal	-	-	2,000	13,000	15,000
Debt service interest	-	-	245	35,152	35,397
Debt service - other governments	-	-	3,350	4,453	7,803
TOTAL EXPENDITURES	49,021	-	22,493	52,605	124,119
Excess (deficiency) of revenue and other sources over expenditures and other uses	(5,771)	1,550	(9,565)	20,706	6,920
Fund balance - beginning of year	10,382	4,650	221,259	(67,736)	168,555
FUND BALANCE, END OF YEAR	\$ 4,611	\$ 6,200	\$ 211,694	\$ (47,030)	\$ 175,475

See independent auditor's report

TOWN OF CLARKSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL TOWNWIDE FUND
YEAR ENDED DECEMBER 31, 2023

	Budget as Adopted	Budget as Modified	Actual	Variance
<u>REVENUES</u>				
Property taxes	\$ 876,886	\$ 876,886	\$ 876,886	\$ -
Payment in lieu of taxes	46,000	46,000	48,600	2,600
Interest and penalties	12,000	12,000	33,509	21,509
Sales tax and franchises	72,000	72,470	79,030	6,560
Charges for services	8,000	21,080	55,926	34,846
Intergovernmental charges	13,080		-	-
Use of money and property	329,000	329,000	359,695	30,695
Licenses and permits	6,010	6,010	5,998	(12)
Fines and forfeitures	8,000	8,000	8,850	850
Refund of prior year expenditures	-	-	2,461	2,461
Miscellaneous	2,000	2,000	920	(1,080)
State aid	100,000	100,000	133,140	33,140
Federal aid	-	422,973	423,182	209
	<u>-</u>	<u>422,973</u>	<u>423,182</u>	<u>209</u>
TOTAL REVENUES	<u>1,472,976</u>	<u>1,896,419</u>	<u>2,028,197</u>	<u>131,778</u>
<u>EXPENDITURES</u>				
General governmental support	692,549	689,542	680,821	8,721
Public safety	16,210	18,554	22,760	(4,206)
Health	1,500	1,500	2,323	(823)
Transportation	207,823	207,823	181,431	26,392
Culture and recreation	102,824	102,824	112,983	(10,159)
Home and community service	58,409	58,409	32,567	25,842
Employee benefits	158,255	158,225	163,932	(5,707)
Debt service principal	1,900	2,953	2,704	249
	<u>1,900</u>	<u>2,953</u>	<u>2,704</u>	<u>249</u>
TOTAL EXPENDITURES	<u>1,239,470</u>	<u>1,239,830</u>	<u>1,199,521</u>	<u>40,309</u>
Excess (deficiency) of revenue over expenditures	233,506	656,589	828,676	91,469
<u>OTHER FINANCING SOURCES</u>				
Transfers out	(325,000)	(747,973)	(422,972)	325,001
Appropriated fund balance	91,494	91,384	-	(91,384)
	<u>91,494</u>	<u>91,384</u>	<u>-</u>	<u>(91,384)</u>
TOTAL OTHER FINANCING SOURCES	<u>(233,506)</u>	<u>(656,589)</u>	<u>(422,972)</u>	<u>233,617</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	405,704	<u>\$ 325,086</u>
Fund balance - beginning			<u>1,792,286</u>	
Fund balance - ending			<u>\$ 2,197,990</u>	

See independent auditor's report

TOWN OF CLARKSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - GENERAL OUTSIDE VILLAGE FUND
YEAR ENDED DECEMBER 31, 2023

	Budget as Adopted	Budget as Modified	Actual	Variance
<u>REVENUES</u>				
Sales tax and franchises	\$ 550,000	\$ 550,000	\$ 933,425	\$ 383,425
Charges for services	3,000	3,000	34,900	31,900
Intergovernmental charges	2,000	2,000	-	(2,000)
Use of money and property	-	17,818	25,157	25,157
Licenses and permits	110,000	110,000	130,130	20,130
Miscellaneous	13,000	13,000	-	(13,000)
Sale of property and compensation for loss	1,500	1,500	1,231	(269)
TOTAL REVENUES	<u>679,500</u>	<u>697,318</u>	<u>1,124,843</u>	<u>445,343</u>
<u>EXPENDITURES</u>				
General governmental support	5,000	2,500	-	2,500
Public safety	111,740	111,740	101,596	10,144
Culture and recreation	336,422	356,740	339,668	17,072
Home and community service	143,702	143,702	123,058	20,644
Employee benefits	36,715	36,715	38,294	(1,579)
TOTAL EXPENDITURES	<u>633,579</u>	<u>651,397</u>	<u>602,616</u>	<u>48,781</u>
Excess (deficiency) of revenue over expenditures	45,921	45,921	522,227	396,562
<u>OTHER FINANCING SOURCES</u>				
Transfers out	(250,000)	(250,000)	(230,000)	20,000
Appropriated fund balance	204,079	204,079	-	(204,079)
TOTAL OTHER FINANCING SOURCES	<u>(45,921)</u>	<u>(45,921)</u>	<u>(230,000)</u>	<u>(184,079)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	292,227	<u>\$ 212,483</u>
Fund balance - beginning			<u>1,298,091</u>	
Fund balance - ending			<u>\$ 1,590,318</u>	

See independent auditor's report

TOWN OF CLARKSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - HIGHWAY TOWNWIDE FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Budget as</u> <u>Adopted</u>	<u>Budget as</u> <u>Modified</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>				
Property taxes	\$ 510,900	\$ 510,900	\$ 510,900	\$ -
Intergovernmental charges	350,000	350,000	239,801	(110,199)
Use of money and property	15,000	15,000	105,105	90,105
Sale of property and compensation for loss	-	-	44,561	44,561
State aid	<u>-</u>	<u>58,228</u>	<u>242,628</u>	<u>184,400</u>
TOTAL REVENUES	<u>875,900</u>	<u>934,128</u>	<u>1,142,995</u>	<u>208,867</u>
<u>EXPENDITURES</u>				
Transportation	735,000	1,037,523	1,077,468	(39,945)
Home and community service	41,200	41,200	33,320	7,880
Employee benefits	231,136	231,136	168,775	62,361
Debt service principal	35,000	35,000	35,000	-
Debt service interest	<u>1,488</u>	<u>1,488</u>	<u>1,488</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,043,824</u>	<u>1,346,347</u>	<u>1,316,051</u>	<u>30,296</u>
Excess (deficiency) of revenue over expenditures	(167,924)	(412,219)	(173,056)	178,571
<u>OTHER FINANCING SOURCES</u>				
Transfers in	-	244,295	244,295	-
Transfers out	-	-	(24,972)	(24,972)
Appropriated fund balance	<u>167,924</u>	<u>167,924</u>	<u>-</u>	<u>(167,924)</u>
TOTAL OTHER FINANCING SOURCES	<u>167,924</u>	<u>412,219</u>	<u>219,323</u>	<u>(192,896)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	46,267	<u>\$ (14,325)</u>
Fund balance - beginning			<u>398,703</u>	
Fund balance - ending			<u>\$ 444,970</u>	

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TOWN OF CLARKSON, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - HIGHWAY OUTSIDE VILLAGE FUND
YEAR ENDED DECEMBER 31, 2023

	<u>Budget as Adopted</u>	<u>Budget as Modified</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES</u>				
Use of money and property	\$ -	\$ -	\$ 4,427	\$ 4,427
State aid	<u>51,896</u>	<u>51,896</u>	<u>49,987</u>	<u>(1,909)</u>
TOTAL REVENUES	<u>51,896</u>	<u>51,896</u>	<u>54,414</u>	<u>2,518</u>
<u>EXPENDITURES</u>				
Transportation	322,267	331,496	408,618	(77,122)
Employee benefits	<u>24,616</u>	<u>33,987</u>	<u>39,362</u>	<u>(5,375)</u>
TOTAL EXPENDITURES	<u>346,883</u>	<u>365,483</u>	<u>447,980</u>	<u>(82,497)</u>
Excess (deficiency) of revenue over expenditures	(294,987)	(313,587)	(393,566)	85,015
<u>OTHER FINANCING SOURCES</u>				
Transfers in	230,000	248,600	408,677	160,077
Appropriated fund balance	<u>64,987</u>	<u>64,987</u>	<u>-</u>	<u>(64,987)</u>
TOTAL OTHER FINANCING SOURCES	<u>294,987</u>	<u>313,587</u>	<u>408,677</u>	<u>95,090</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	15,111	<u>\$ 180,105</u>
Fund balance - beginning			<u>40,772</u>	
Fund balance - ending (See Note 14)			<u>\$ 55,883</u>	

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TOWN OF CLARKSON, NEW YORK
SCHEDULE OF THE TOWNS PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEARS ENDED DECEMBER 31.

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN

Measurement Date March 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset)	.0040681%	.0039122%	.0030883%	.0033607%	.0037183%	.0035259%	.0036802%	.0044609%	.0040046%
Town's proportionate share of the net pension liability (asset)	\$ 872,362	\$ (319,804)	\$ 3,075	\$ 889,929	\$ 263,455	\$ 113,798	\$ 345,798	\$ 715,993	\$ 135,284
Town's covered-employee payroll	\$ 1,034,042	\$ 1,042,527	\$ 952,345	\$ 947,209	\$ 952,880	\$ 934,338	\$ 942,605	\$ 985,519	\$ 965,499
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	84.36%	-30.68%	0.32%	93.95%	19.75%	12.18%	36.69%	72.65%	14.01%
Plan fiduciary net position as a percentage of the total pension liability	90.8%	103.7%	100.0%	96.3%	96.3%	98.2%	94.7%	90.7%	97.9%

See independent auditor's report

TOWN OF CLARKSON, NEW YORK
SCHEDULE OF TOWN PENSION CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31.

EMPLOYEES' RETIREMENT SYSTEM

Measurement Date March 31,	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 118,944	\$ 106,201	\$ 132,936	\$ 122,318	\$ 125,166	\$ 123,306	\$ 129,980	\$ 152,521	\$ 165,329	\$ 196,115
Contribution in relation to the contractually required contribution	<u>118,944</u>	<u>106,201</u>	<u>132,936</u>	<u>122,318</u>	<u>125,166</u>	<u>123,306</u>	<u>129,980</u>	<u>152,521</u>	<u>165,329</u>	<u>196,115</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered employee payroll	<u>\$ 1,034,042</u>	<u>\$ 1,042,527</u>	<u>\$ 952,345</u>	<u>\$ 947,209</u>	<u>\$ 952,880</u>	<u>\$ 934,338</u>	<u>\$ 942,605</u>	<u>\$ 985,519</u>	<u>\$ 965,499</u>	<u>\$ 968,386</u>
Contribution as a percentage of Town's covered employee payroll	12%	10%	14%	13%	13%	13%	14%	15%	17%	20%

See independent auditor's report



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

To the Honorable Town Board
Town of Clarkson, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Clarkson, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town of Clarkson, New York's basic financial statements, and have issued our report thereon dated February 10, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Clarkson, New York's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Clarkson, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Clarkson, New York'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 the Town of Clarkson, 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 determination of financial statement amounts. 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*.

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Purpose of this Report

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

Allied CPAs, P.C.

Rochester, New York
February 10, 2025