

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 23, 2022

**NEW / RENEWAL ISSUE**

**BOND ANTICIPATION NOTES**

*In the opinion of Harris Beach PLLC, Bond Counsel to the Town, under existing statutes, regulations, administrative rulings, and court decisions, and assuming continuing compliance by the Town with its covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), and the accuracy of certain representations made by the Town, interest on the Notes is excluded from gross income of the owners thereof for Federal income tax purposes, and is not an "item of tax preference" for purposes of the Federal alternative minimum tax imposed on individuals. For tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. Bond Counsel is also of the opinion that under existing statutes interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). No opinion is expressed regarding other Federal or State tax consequences arising with respect to the Notes. See "TAX MATTERS" herein.*

*The Notes will NOT be designated or deemed designated as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.*



**\$15,463,000**  
**TOWN OF IRONDEQUOIT**  
**MONROE COUNTY, NEW YORK**  
**GENERAL OBLIGATIONS**

**\$15,463,000 Bond Anticipation Notes, 2022 Series B**  
**(Referred to herein as the "Notes")**

**Dated: December 15, 2022**

**Due: December 15, 2023**

The Notes are general obligations of the Town of Irondequoit, Monroe County, New York, (the "Town") all the taxable real property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011. See "NATURE OF OBLIGATION" and "TAX LEVY LIMITATION LAW" herein.

The Notes will not be subject to redemption prior to maturity.

At the option of the purchaser(s), the Notes will be issued in (i) registered form registered in the name of the successful bidder(s) or (ii) registered book-entry-only form registered to Cede & Co., as nominee for the Depository Trust Company ("DTC"), New York, New York.

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes bearing the same rate of interest in the aggregate principal amount awarded to such purchaser at such interest rate. Principal of and interest on such Notes will be payable in Federal Funds by the Town.

If the Notes are issued in book-entry-only form, such notes will be delivered to DTC, which will act as securities depository for the Notes. Beneficial owners will not receive certificates representing their interest in the Notes. Individual purchases may be made in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$8,000. A single note certificate will be issued for those Notes bearing the same rate of interest and CUSIP number in the aggregate principal amount awarded to such purchaser(s) at such interest rate. Principal of and interest on said Notes will be paid in Federal Funds by the Town to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to its participants for subsequent distribution to the beneficial owners of the Notes as described herein. Transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Town will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. (See "BOOK-ENTRY-ONLY SYSTEM" herein).

The Notes are offered when, as and if issued and received by the Purchaser(s) and subject to the receipt of the approving legal opinion as to the validity of such Notes of Harris Beach PLLC, Pittsford, New York, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC located in Jersey City, New Jersey, or as may be agreed upon, on or about December 15, 2022.

**ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via [www.FiscalAdvisorsAuction.com](http://www.FiscalAdvisorsAuction.com) on December 1, 2022 by no later than 11:00 A.M., Eastern Time, pursuant to the Notice of Sale. Bids may also be submitted by facsimile at (315) 930-2354. No other form of electronic bidding services will be accepted. Once the bids are communicated electronically via Fiscal Advisors Auction or via facsimile to the Town, each bid will constitute an irrevocable offer to purchase the Notes pursuant to the terms provided in the Notice of Sale.**

December \_\_, 2022

THE TOWN DEEMS THIS OFFICIAL STATEMENT TO BE FINAL FOR PURPOSES OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 ("THE RULE"), EXCEPT FOR CERTAIN INFORMATION THAT HAS BEEN OMITTED HEREFROM IN ACCORDANCE WITH SAID RULE AND THAT WILL BE SUPPLIED WHEN THIS OFFICIAL STATEMENT IS UPDATED FOLLOWING THE SALE OF THE OBLIGATIONS HEREIN DESCRIBED. THIS OFFICIAL STATEMENT WILL BE SO UPDATED UPON REQUEST OF THE SUCCESSFUL BIDDER(S), AS MORE FULLY DESCRIBED IN THE NOTICE OF SALE WITH RESPECT TO THE OBLIGATIONS HEREIN DESCRIBED. THE TOWN WILL COVENANT IN AN UNDERTAKING TO PROVIDE NOTICES OF EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE "APPENDIX-C, FORM UNDERTAKING TO PROVIDE NOTICES OF EVENTS" HEREIN.

# TOWN OF IRONDEQUOIT MONROE COUNTY, NEW YORK

## TOWN OFFICIALS



RORY FITZPATRICK

Town Supervisor

### TOWN BOARD

PATRINA FREEMAN

JOHN PERTICONE

KIMIE ROMEO

PETER WEHNER

DIANA E. MARSH

Comptroller

BARBARA GENIER

Town Clerk

HARTER SECREST & EMERY LLP

Attorneys to the Town



FISCAL ADVISORS & MARKETING, INC.

Municipal Advisor



**HARRIS BEACH** PLLC  
ATTORNEYS AT LAW

Bond Counsel  
Pittsford, New York

No person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy any of the Notes in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town.

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PREPARED WITH THE ASSISTANCE OF



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**OFFICIAL STATEMENT**  
**OF THE**  
**TOWN OF IRONDEQUOIT**  
**MONROE COUNTY, NEW YORK**  
**RELATING TO**

**\$15,463,000 Bond Anticipation Notes, 2022 Series B**

This Official Statement, which includes the cover page, has been prepared by the Town of Irondequoit, Monroe County, New York (the “Town,” “County,” and “State,” respectively) in connection with the sale by the Town of \$15,463,000 Bond Anticipation Notes, 2022 Series B (the “Notes”).

The factors affecting the Town’s financial condition and the Notes are described throughout this Official Statement. Inasmuch as many of these factors, including economic and demographic factors, are complex and may influence the Town’s tax base, revenues, and expenditures, this Official Statement should be read in its entirety.

All quotations from and summaries and explanations of provisions of the Constitution and laws of the State and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the official compilations thereof, and all references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive forms of the Notes and such proceedings.

**THE NOTES**

**Description of the Notes**

The Notes are general obligations of the Town, and will contain a pledge of its faith and credit for the payment of the principal thereof and interest thereon as required by the laws of the State of New York. All the taxable real property within the Town is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended. See “NATURE OF OBLIGATION” and “TAX LEVY LIMITATION LAW” herein.

Under Article VIII of the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and the State is specifically precluded from restricting the power of the Town to levy taxes on real property for the payment of such indebtedness.

The Notes are dated December 15, 2022 and mature, without the option of prior redemption, on December 15, 2023. Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

The Notes will be issued in either (i) at the option of the purchaser(s), as registered notes, and, if so issued, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as the securities depository for the Notes. Under this option, payment of the principal of and interest on the Notes to the beneficial owner(s) of the Notes will be made by DTC Participants and Indirect Participants in accordance with standing instructions and customary practices. Payment will be the responsibility of the DTC, subject to any statutory and regulatory requirements as may be in effect from time to time. See “BOOK-ENTRY-ONLY SYSTEM” herein; or (ii) registered in the name of the purchaser(s) with principal and interest payable in Federal Funds at the office of the Town Clerk, in Irondequoit, New York.

**No Optional Redemption**

The Notes will NOT be subject to redemption prior to maturity.

## Purpose of Issue

The Notes are issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and a various bond resolutions duly adopted by the Town Board for various projects, vehicles and equipment as outlined below:

<u>Purpose</u>	<u>Authorization Date</u>	<u>Bond Anticipation Notes Outstanding</u>	<u>Principal Paydown</u>	<u>Amount of the Notes</u>
Public Safety Building	1/5/2017	\$ 22,000	\$ 4,000	\$ 18,000
Reconstruction of Roads	1/5/2017	313,000	25,000	288,000
Parks, Playground and Rec. Areas	1/5/2017	475,000	35,000	440,000
Parks, Playground and Rec. Areas	1/5/2017	47,000	4,000	43,000
Town Hall Improvements - HVAC	1/5/2017	41,000	3,000	38,000
Public Safety Building - Cooling Tower	1/5/2017	30,000	6,000	24,000
Public Safety Building - Energy	1/5/2017	23,000	4,000	19,000
Boiler and Heating at Public Safety	12/19/2017	50,000	5,000	45,000
Cooling Tower at Town Hall	12/19/2017	57,500	2,500	55,000
Resurfacing of Parking Lots	12/19/2017	70,000	10,000	60,000
Improvements To Parks and Playgrounds	12/19/2017	52,500	2,500	50,000
HVAC Public Safety	12/19/2017	40,000	5,000	35,000
Security Upgrades Public Safety	12/19/2017	7,500	2,500	5,000
Reconstruction of Sidewalks	12/19/2017	180,000	26,000	154,000
HVAC Town Hall	12/19/2017	60,000	9,000	51,000
Consolidated Sewer District	1/15/2019	870,000	15,000	855,000
Newport Road	1/15/2019	240,000	15,000	225,000
Community Center	5/21/2019	7,105,000	220,000	6,885,000
Road Paving and Improvements	10/15/2019	380,000	20,000	360,000
Pinegrove Ave. Stabilization	10/15/2019	166,000	9,000	157,000
Vehicles	10/15/2019	910,000	95,000	815,000
2020 Sidewalk Improvements	10/15/2019	230,000	20,000	210,000
2020 Sewer Lateral & Mains	10/15/2019	246,000	4,000	242,000
2020 Drainage Improvements	10/15/2019	492,000	8,000	484,000
2021 Consolidated Sewer	10/20/2020	500,000	15,000	485,000
Seneca Road Water Main	10/20/2020	500,000	22,500	477,500
2021 Townwide Drainage District	10/20/2020	500,000	10,000	490,000
Pump Station Improvements	10/20/2020	350,000	7,500	342,500
Seneca & Edgewater Roads	10/19/2021	600,000	-	600,000
Sidewalk Improvements	10/19/2021	250,000	-	250,000
2023 Town Hall HVAC	10/18/2022	-	-	60,000
2023 Huntington Hills DPS Slope	10/18/2022	-	-	300,000
2023 Sewer Lateral & Mains	10/18/2022	-	-	400,000
2023 Pump Station Upgrades	10/18/2022	-	-	500,000
<b>Total:</b>		<b>\$ 14,807,500</b>	<b>\$ 604,500</b>	<b>\$ 15,463,000</b>

The proceeds of the Notes, together with \$604,500 available funds of the Town, will redeem \$14,807,500 bond anticipation notes maturing on December 16, 2022 and will also provide \$1,260,000 in new money for the projects as outlined above.

## NATURE OF OBLIGATION

Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof.

Holders of any series of notes or bonds of the Town may bring an action or commence a proceeding in accordance with the civil practice law and rules to enforce the rights of the holders of such series of notes or bonds.

The Notes will be general obligations of the Town and will contain a pledge of the faith and credit of the Town for the payment of the principal thereof and the interest thereon as required by the Constitution and laws of the State. For the payment of such principal and interest, the Town has power and statutory authorization to levy ad valorem taxes on all real property within the Town subject to such taxation by the Town, subject to certain applicable statutory limitations imposed by Chapter 97 of the New York Laws of 2011, as amended.

Although the State Legislature is restricted by Article VIII, Section 12 of the State Constitution from imposing limitations on the power to raise taxes to pay “interest on or principal of indebtedness theretofore contracted” prior to the effective date of any such legislation, the New York State Legislature may from time to time impose additional limitations or requirements on the ability to increase a real property tax levy or on the methodology, exclusions or other restrictions of various aspects of real property taxation (as well as on the ability to issue new indebtedness). On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor (the “Tax Levy Limitation Law”). The Tax Levy Limitation Law applies to local governments and school districts in the State (with certain exceptions) and imposes additional procedural requirements on the ability of municipalities and school districts to levy certain year-to-year increases in real property taxes.

Under the Constitution of the State, the Town is required to pledge its faith and credit for the payment of the principal of and interest on the Notes and is required to raise real estate taxes, and without specification, other revenues, if such levy is necessary to repay such indebtedness. While the Tax Levy Limitation Law imposes a statutory limitation on the Town’s power to increase its annual tax levy with the amount of such increase limited by the formulas set forth in the Tax Levy Limitation Law, it also provides the procedural method to surmount that limitation. See “TAX LEVY LIMITATION LAW” herein.

The Constitutionally-mandated general obligation pledge of municipalities and school districts in New York State has been interpreted by the Court of Appeals, the State’s highest court, in Flushing National Bank v. Municipal Assistance Corporation for the City of New York, 40 N.Y.2d 731 (1976), as follows:

“A pledge of the City’s faith and credit is both a commitment to pay and a commitment of the City’s revenue generating powers to produce the funds to pay. Hence, an obligation containing a pledge of the City’s “faith and credit” is secured by a promise both to pay and to use in good faith the city’s general revenue powers to produce sufficient funds to pay the principal and interest of the obligation as it becomes due. That is why both words, “faith” and “credit”, are used and they are not tautological. That is what the words say and this is what the courts have held they mean.... So, too, although the Legislature is given the duty to restrict municipalities in order to prevent abuses in taxation, assessment, and in contracting of indebtedness, it may not constrict the City’s power to levy taxes on real estate for the payment of interest on or principal of indebtedness previously contracted.... While phrased in permissive language, these provisions, when read together with the requirement of the pledge and faith and credit, express a constitutional imperative: debt obligations must be paid, even if tax limits be exceeded”.

In addition, the Court of Appeals in the Flushing National Bank (1976) case has held that the payment of debt service on outstanding general obligation bonds and notes takes precedence over fiscal emergencies and the police power of political subdivisions in New York State.

The pledge has generally been understood as a promise to levy property taxes without limitation as to rate or amount to the extent necessary to cover debt service due to language in Article VIII Section 10 of the Constitution which provides an exclusion for debt service from Constitutional limitations on the amount of a real property tax levy, insuring the availability of the levy of property tax revenues to pay debt service. As the Flushing National Bank (1976) Court noted, the term “faith and credit” in its context is “not qualified in any way”. Indeed, in Flushing National Bank v. Municipal Assistance Corp., 40 N.Y.2d 1088 (1977) the Court of Appeals described the pledge as a direct constitutional mandate. In Quirk v. Municipal Assistance Corp., 41 N.Y.2d 644 (1977), the Court of Appeals stated that, while holders of general obligation debt did not have a right to particular revenues such as sales tax, “with respect to traditional real estate tax levies, the bondholders are constitutionally protected against an attempt by the State to deprive the city of those revenues to meet its obligations.” According to the Court in Quirk, the State Constitution “requires the city to raise real estate taxes, and without specification other revenues, if such a levy be necessary to repay indebtedness.”

In addition, the Constitution of the State requires that every county, city, town, village, and school district in the State provide annually by appropriation for the payment of all interest and principal on its serial bonds and certain other obligations, and that, if at any time the respective appropriating authorities shall fail to make such appropriation, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. In the event that an appropriating authority were to make an appropriation for debt service and then decline to expend it for that purpose, this provision would not apply. However, the Constitution of the State does also provide that the fiscal officer of any county, city, town, village, or school district may be required to set apart and apply such first revenues at the suit of any holder of any such obligations.

In Quirk v. Municipal Assistance Corp., the Court of Appeals described this as a “first lien” on revenues, but one that does not give holders a right to any particular revenues. It should thus be noted that the pledge of the faith and credit of a political subdivision in New York State is a pledge of an issuer of a general obligation bond or note to use its general revenue powers, including, but not limited to, its property tax levy to pay debt service on such obligations, but that such pledge may not be interpreted by a court of competent jurisdiction to include a constitutional or statutory lien upon any particular revenues.

While the courts in New York State have historically been protective of the rights of holders of general obligation debt of political subdivisions, it is not possible to predict what a future court might hold.

### **BOOK-ENTRY-ONLY SYSTEM**

If the Notes are issued in book-entry form, the Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Note certificate will be issued for Notes bearing the same rate of interest and CUSIP number, and will be deposited with DTC.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Principal and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Town, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town. Under such circumstances, in the event that a successor depository is not obtained, note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, note certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company.

THE TOWN CANNOT AND DOES NOT GIVE ANY ASSURANCES THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE NOTES (1) PAYMENTS OF PRINCIPAL OF OR INTEREST ON THE NOTES, (2) CONFIRMATIONS OF THEIR OWNERSHIP INTERESTS IN THE NOTES, OR (3) OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS PARTNERSHIP NOMINEE, AS THE REGISTERED OWNER OF THE NOTES, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT.

THE TOWN WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OF DTC OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC; (2) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST THE NOTES; (3) THE DELIVERY BY DTC OR ANY DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OF DTC OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO OWNERS; OR (4) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE REGISTERED HOLDER OF THE NOTES.

THE INFORMATION CONTAINED HEREIN CONCERNING DTC AND ITS BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM DTC AND THE TOWN MAKES NO REPRESENTATION AS TO THE COMPLETENESS OR THE ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

#### **Certificated Notes under Certain Circumstances**

DTC may discontinue providing its services with respect to the Notes at any time by giving notice to the Town and discharging its responsibilities with respect thereto under applicable law, or the Town may terminate its participation in the system of book-entry-only system transfers through DTC at any time. In the event that such book-entry-only system is initially utilized and then discontinued, the following provisions will apply:

The Notes will be issued in bearer form in denominations of \$5,000 or integral multiples thereof, except for a necessary odd denomination which is or includes \$8,000. Principal of and interest on the Notes will be payable at a principal corporate trust office of a bank or trust company located and authorized to do business in the State to be named by the Town as fiscal agent for the Notes. The Notes will remain not subject to redemption prior to maturity.

### **THE TOWN**

#### **General Information**

The Town is located in upstate New York, in the northeast sector of Monroe County. It is bound on the south and west by the City of Rochester; on the north by Lake Ontario and Durand Eastman Park (a part of the City of Rochester) and on the east by Irondequoit Bay. The Town has a land area of 16.8 square miles and has a 2021 U.S. Census bureau estimated population of 50,548.

The Town is residential in character and has available all the usual commercial services through various shopping centers. Police protection is furnished by Town, County and State agencies. Fire protection is supplied by various volunteer companies.

In December 2016, a fire damaged much of the Town's DPW garage and vehicles. A new Department of Public Works garage has been constructed at an approximate cost of \$17,250,000; roughly \$6,000,000 was financed with insurance claim proceeds, grants and local fund balance appropriations. Currently, \$10,680,000 bond anticipation notes are outstanding for this purpose.

The Town is pursuing the sale of the previous library site on East Ridge Road.

Source: Town officials.



## Population Trends

	<u>Town of Irondequoit</u>	<u>Monroe County</u>	<u>New York State</u>
1960	55,337	586,387	16,842,100
1970	64,879	711,917	18,236,882
1980	57,648	702,238	17,558,072
1990	52,377	713,968	17,990,455
2000	52,354	735,343	18,976,457
2010	51,692	744,344	19,378,104
2020	51,043	759,443	20,201,249
2021 (estimate)	50,548	755,160	19,835,913

Source: U. S. Census.

## Larger Employers

The larger employers located in the Town include the following:

<u>Name</u>	<u>Type of Product or Service</u>	<u>Approximate Number of Employees</u>
Rochester Regional Health	Healthcare	2,166
St. Ann's Community	Assisted Living and Skilled Nursing Facility	827
Seabreeze Amusement Park	Amusement Park	800 <sup>(1)</sup>
East Irondequoit Central School District	Public Education	768
Wegmans Food Markets, Inc.	Supermarket	681
West Irondequoit Central School District	Public Education	818
Home Depot	Retail	200 <sup>(1)</sup>
Target	Retail	165
Tops Food Market	Supermarket	115

<sup>(1)</sup> Includes seasonal employees.

Source: Town officials and data gathered from major employers.

## Local Economy

The Town's \$3.6 billion full valuation tax base benefits from its close proximity to the City of Rochester. The City of Rochester is home to a number of diverse businesses—the Top 5 employers in the Greater Rochester area are the University of Rochester, Rochester Regional Health, Wegmans Food Markets, Inc., Paychex, Inc. and Rochester Institute of Technology. A great majority of the employee population of St. Ann's Community—ranked #28 by the Rochester Business Journal—is within the Town of Irondequoit.

Rochester General Hospital of Rochester Regional Health (RRH) is near the Town boundary and there are multiple Rochester Regional Health facilities in the Town. The in-Town facilities are tax exempt, however, they currently provide 2,166 jobs, showing steady increase since 2013, have spurred additional property tax paying development, and are expected to continue doing so in the future.

Certain indicators provide a positive economic outlook for the Town, one of them being a rise in home values. According to data provided by the Greater Rochester Association of Realtors, as of January 2022, the median sale price of a single-family home in Irondequoit was \$170,000. At the same point in time in 2021, the median sale price was \$150,000; and \$133,000 in 2020. This represents an almost 28% increase in the median home value over a two-year span.

Recent and anticipated developments in the Town include:

- The redevelopment of 1233 and 1267 E Ridge Road is underway. The project includes renovation of the former RiteAid building (now vacant) to create three new retail and/or restaurant spaces and it will include the demolition of an existing retail building to allow for the construction of a new freestanding 2500 square foot fast casual restaurant. Construction began in spring 2021, Verizon opened for business in February 2022, and Moe's opened in January 2022 at the 1233 E Ridge location. Rachel's Mediterranean remains under construction at 1267 E Ridge Rd. and Jersey Mikes Subs is open for business effective November 2022.
- Construction of a proposed 80-unit senior housing residential development project was approved on a property located on subdivided portion of 2590 Culver Road and was completed in April 2022. The updated address for the property is 100 Hulda Park.
- The proposed development of a Quicklee's gas station with a convenience store and self-serve car wash facility has received all required Town approvals needed to advance to construction. Quicklee's is opening November 2022.
- A 96-unit multi-family development located on remaining developable land at 2590 Culver Road has received the requested re-zoning approval needed from the Town Board to allow the proposed development to move ahead for other required reviews and approval. No Planning Board application has been received as of November 2022.
- A proposed 74-unit senior housing development at 2732 Culver Road received the requested re-zoning, site plan approval and zoning variances needed to allow the development to move forward. The building permit application has not yet been received as ownership has changed. No building permit application has been received as of November 2022.
- Renovation of a tenant space at 2255 Culver Road (Culver Ridge Plaza) to allow for the relocation of the Marshall's store is completed and now occupied. The store is relocated from a plaza that is owned by Rochester Regional Health. It is the Town's understanding that the plaza will continue to be redeveloped for medical services needs. No new permit applications have been received to date.
- Planning and zoning approvals were granted to allow for the conversion of a former convent building located at 2763 and 2771 Culver Road into nine (9) market rate apartment units. Plans were received in March 2020 but no application has not yet been filed.
- Various redevelopment projects are underway at the remaining portion of the former Irondequoit Mall complex, now known as Skyview on the Ridge. The site's new name was unveiled along with a preliminary redevelopment concept to transform the 1,000,000 square-foot facility into flex office space. At present, this is the largest vacant facility in Monroe County. Initial investment in the redevelopment of the property will amass \$12 million. This project was listed as a top priority project by the Finger Lakes Regional Economic Development Council. In December 2017, the project received a \$2 million grant from the State of New York. In March 2018, the Town successfully secured a \$1 million grant through the RESTORE NY program to be applied to Phase II of the redevelopment. Construction is underway for Pathstone Inc.'s 170-unit senior housing project, \$43M development, which will involve the redevelopment of the existing Sears building and the construction of a new free-standing four-story structure on the same parcel. The Town of Irondequoit's Community Center, which is comprised of a 40,000 square feet build out, is completed. There is no additional projects as of November 2022.
- St. Ann's Community recently initiated a \$20 million renovation project of their main senior living facility towers. The 8<sup>th</sup> floor renovation is complete, and demolition and renovation of the 6<sup>th</sup> and 7<sup>th</sup> floors are underway. The project includes interior demolition and reconstruction of living quarters, common spaces and "back of house" areas on six floors. The project also includes building systems upgrades. All floors with the exception of the Leo Center have been issued Certificate of Occupancy.
- The I-Square project located in the Cooper-Hudson-Titus Mixed-Use Commercial Business District is a 2.2-acre project which will include seven mixed use buildings totaling over 92,000 sq. ft. The project is an estimated \$12,000,000 investment over the next 15 years. Cooper Road was extended south from Titus Avenue creating a new four corner commercial area and a new road— Bakers Park. Phase one, completed early in 2015, was the construction of I-Square Building 1: a two-story 15,000 sq. ft. brick building housing a food market & wine bar on the first floor, a mix of office space and conference/ party rooms on the second, and to top off the building—a roof-top eating, drinking, and viewing area with solar technology and green gardens. Early 2016 marked the completion of a support building to house maintenance operations. The Imaginarium, a two-story 9,000 square foot net-zero building, was completed in 2017. Irondequoit Brewing, which involved the renovation and addition of an existing barn, is now complete. All approved senior housing units in Buildings 1 through 8 are open and have been issued Certificates of Occupancy.

- Brusters Ice Cream Shop, at 1930 E. Ridge Road, opened in November 2022
- Octapharma Plasma remains under construction located at 689 E Ridge Rd and is a plasma collection site; no opening date is set at this time.
- Byrne Dairy, located at 2180 E Ridge Rd, had its grand opening in September 2022.
- Tropical Smoothie Café, located at 1381 E Ridge Rd, opened its doors for business July 2022.
- R.T. Masters, located at 975 Empire Blvd, has submitted plans to demolish the existing building and construct a new 6,000 SF building on existing premises and is awaiting a DEC permit, however, no demolition permit has been issued as of November 2022.
- The former Cam's Pizzeria located at 717 Titus Avenue has submitted renovation plans to remodel the existing building into a Monte Alban Mexican dine in restaurant. No building permits have been issued as of November 2022.
- The former Keenan's located at 1000 E Ridge has been partially renovated to The Nail Galleria Salon and Retail Supplies. The final inspection has not been completed as of November 2022.

Source: Town officials and Rochester Business Journal: May 6, 2022 Edition, "RBJ75: The Region's Top Employers."

### Selected Wealth and Income Indicators

Per capita income statistics are available for the Town, County and State. Listed below are select figures from the 2000, 2006-2010 and 2016-2020 Census reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>	<u>2000</u>	<u>2006-2010</u>	<u>2016-2020</u>
Town of:						
Irondequoit	\$ 23,638	\$ 27,341	\$ 36,809	\$ 55,493	\$ 62,869	\$ 83,709
County of:						
Monroe	22,821	26,999	35,339	55,900	65,240	82,439
State of:						
New York	23,389	30,948	40,898	51,691	67,405	87,270

Note: 2017-2021 American Community Survey estimates are not available as of the date of this Official Statement.

Source: U.S. Census Bureau, 2000 census, 2006-2010 and 2016-2020 American Community Survey data.

### Unemployment Rate Statistics

Unemployment statistics are available for the Town. The information set forth below with respect to the County is included for informational purposes only. It should not be implied from the inclusion of such data in this Official Statement that the County is necessarily representative of the Town, or vice versa.

	<u>Annual Averages</u>								
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Irondequoit Town	6.9%	5.8%	4.9%	4.5%	4.8%	4.0%	3.9%	7.9%	4.8%
Monroe County	7.2%	5.8%	5.1%	4.8%	4.9%	4.2%	4.0%	8.2%	5.2%
New York State	7.8%	6.3%	5.2%	4.9%	4.6%	4.1%	3.8%	9.9%	6.9%

	<u>2022 Monthly Figures</u>										
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>
Irondequoit Town	3.6%	3.9%	3.6%	2.8%	2.9%	3.2%	3.6%	3.7%	3.0%	2.4%	N/A
Monroe County	3.9%	4.1%	3.9%	3.3%	3.3%	3.5%	3.9%	4.0%	3.2%	2.6%	N/A
New York State	5.3%	5.1%	4.7%	4.2%	4.1%	4.3%	4.8%	4.9%	3.9%	3.6%	N/A

Note: Unemployment rates for November 2022 are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. (Note: Figures not seasonally adjusted).

## **Form of Town Government**

The Town is governed by the provisions of the General Municipal Law and the Town Law.

The chief executive officer of the Town is the Supervisor who is elected for a term of two years and is eligible to succeed himself. He is also a member of the Town Board. In addition to the Supervisor, there are four members of the Town Board who are elected for four-year terms. Each term is staggered so that every two years the Supervisor and two members run. There is no limitation as to the number of terms which may be served by members of the Town Board. Both the Supervisor and board members are elected at large.

The Town Board appoints all department heads and non-elected officials.

## **Financial Organization**

Pursuant to the Local Finance Law and the Town Law, the Supervisor is the chief fiscal officer and the budget officer of the Town. The Supervisor's duties include administration, direction and control of the following divisions: Accounting, Accounts Payable, Accounts Receivable, Audit and Control, and Budgeting.

## **Budgetary Procedures**

The Supervisor prepares a preliminary budget each year, pursuant to the laws of the State of New York, and holds a public hearing thereon. Subsequent to the public hearing, revisions, if any, are made and the budget is then adopted by the Town Board as its final budget for the coming fiscal year. The budget is not subject to referendum. The budget for the 2022 fiscal year was approved on November 16, 2021. The budget for the 2023 fiscal year was approved on November 15, 2022.

The Town's 2022 budget was below the tax cap by \$558,383 or 2.36%. The tax levy increase for 2022 was a 0.31% increase from 2021.

The Town's 2023 budget is below the tax cap by \$921,926 or 3.81%. The tax levy increase for 2023 is a 0.61% increase from 2022.

## **Investment Policy**

Pursuant to the statutes of the State of New York, the Town is permitted to invest only in the following investments: (1) special time deposits or certificates of deposits in a bank or trust company located and authorized to do business in the State of New York; (2) obligations of the United States of America; (3) obligations guaranteed by agencies of the United States of America where the payment of principal and interest is guaranteed by the United States of America; (4) obligations of the State of New York; (5) with the approval of the New York State Comptroller, tax anticipation notes and revenue anticipation notes issued by any New York municipality or district corporation, other than the Town; (6) obligations of a New York public corporation which are made lawful investments by the Town pursuant to another provision of law; (7) certain certificates of participation issued on behalf of political subdivisions of the State of New York; and, (8) in the case of Town moneys held in certain reserve funds established pursuant to law, obligations issued by the Town. These statutes further require that all bank deposits, in excess of the amount insured under the Federal Deposit Insurance Act, be secured by either a pledge of eligible securities, an eligible surety bond or an eligible letter of credit, as those terms are defined in the law.

The Town at present has only invested in items (1) and (2) above, and does not contemplate any other investments.

## **State Aid**

The Town receives financial assistance from the State. In its General Fund proposed budget for the 2022 fiscal year, approximately 4.7% of the operating revenues of the Town is expected to be received from the State as State aid. In its General Fund proposed budget for the 2023 fiscal year, approximately 4.4% of the operating revenues of the Town is expected to be received from the State as State aid. If the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay in the receipt of State aid until sufficient State taxes have been received by the State to make State aid payments. Additionally, if the State should not adopt its budget in a timely manner, municipalities and school districts in the State, including the Town, may be affected by a delay in the payment of State aid.

The State is not constitutionally obligated to maintain or continue State aid to the Town. No assurance can be given that present State aid levels will be maintained this year or in the future. State budgetary restrictions which eliminate or substantially reduce State aid could have a material adverse effect upon the Town requiring either a counterbalancing increase in revenues from other sources to the extent available, or a curtailment of expenditures. (See also "MARKET AND RISK FACTORS").

## **Town Employees**

The Town currently employs approximately 206 full-time and 116 part-time employees. The number of Town employees represented by collective bargaining agents, and the dates of expiration of their agreements are as follows:

<u>Unit</u>	<u>Number Represented</u>	<u>Date of Contract Expiration</u>
Physical Services	60	December 31, 2022 <sup>(1)</sup>
Night Stick Club	50	December 31, 2025
Clerical Association	18	December 31, 2024
Supervisor/Foremen	6	December 31, 2025
Library Employees	12	December 31, 2023

<sup>(1)</sup> Currently under negotiation.

Source: Town officials.

## **Status and Financing of Employee Pension Benefits**

Substantially all employees of the Town are members of the New York State and Local Employees' Retirement System ("ERS") or the New York State and Local Police and Fire Retirement System ("PFRS"; with ERS, the "Retirement Systems"). The ERS is generally also known as the "Common Retirement Fund". The Retirement Systems are cost-sharing multiple public employer retirement systems. The obligation of employers and employees to contribute and the benefit to employees are governed by the New York State Retirement System and Social Security Law (the "Retirement System Law"). The Retirement Systems offered a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability benefits and optional methods of benefit payments. All benefits generally had vested after ten years of credited service; however, this was changed to five years as of April 9, 2022. The Retirement System Law generally provides that all participating employers in each retirement system are jointly and severally liable for any unfunded amounts. Such amounts are collected through annual billings to all participating employers. Generally, all employees, except certain part-time employees, participate in the Retirement Systems.

The ERS is non-contributory with respect to members hired prior to July 27, 1976 (Tier 1 & 2); members hired from July 27, 1976 through December 31, 2009 (Tier 3 & 4) contribute 3% for the first 10 years of service and then become non-contributory; members hired from January 1, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

The PFRS is non-contributory with respect to members hired prior to January 8, 2010 (Tier 1, 2 & 3); members hired from January 9, 2010 through March 31, 2012 (Tier 5) must contribute 3% for their entire careers; members hired April 1, 2012 (Tier 6) or after will contribute between 3 and 6 percent for their entire careers based on their annual wage.

For both ERS & PFRS, Tier 5 provides for:

- Raising the minimum age at which most civilians can retire without penalty from 55 to 62 and imposing a penalty of up to 38% for any civilian who retires prior to age 62
- Requiring employees to continue contributing 3% of their salaries toward pension costs so long as they accumulate additional pension credits.
- Increasing the minimum years of service required to draw a pension from 5 years to 10 years, which has since been changed to 5 years as of April 9, 2022.
- Capping the amount of overtime that can be considered in the calculation of pension benefits for civilians at \$15,000 per year, and for police & firefighters at 15% of non-overtime wages.

For both ERS & PFRS, Tier 6 provides for:

- Increase contribution rates of between 3% and 6% base on annual wage
- Increase in the retirement age from 62 years to 63 years
- A readjustment of the pension multiplier
- A change in the period for final average salary calculation from 3 years to 5 years

The Town's contributions to ERS and PFRS together for the years 2017 through 2021 and the budgeted contributions for 2022 and 2023 are as follows:

<u>Year</u>	<u>Amount</u>
2017	\$ 2,270,003
2018	2,216,948
2019	2,157,205
2020	2,261,440
2021	2,515,064
2022 (Budgeted)	2,465,035
2023 (Budgeted)	2,647,973

Note: The contributions listed above are based on the accrual basis method of accounting.

Source: Town officials.

Pursuant to various laws enacted between 1991 and 2002, the State Legislature authorized local governments to make available certain early retirement incentive programs to its employees. The Town does not have any early retirement incentives outstanding.

Historical Trends and Contribution Rates: Historically there has been a State mandate requiring full (100%) funding of the annual actuarially required local governmental contribution out of current budgetary appropriations. With the strong performance of the Retirement System in the 1990s, the locally required annual contribution declined to zero. However, with the subsequent decline in the equity markets, the pension system became underfunded. As a result, required contributions increased substantially to 15% to 20% of payroll for the employees' and the police and fire retirement systems, respectively. Wide swings in the contribution rate resulted in budgetary planning problems for many participating local governments.

A chart of average ERS and PFRS rates (2017 to 2023) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2017	15.5%	24.3%
2018	15.3	24.4
2019	14.9	23.5
2020	14.6	23.5
2021	14.6	24.4
2022	16.2	28.3
2023	11.6	27.0
2024	13.1	27.8

Chapter 49 of the Laws of 2003 amended the Retirement and Social Security Law and Local Finance Law. The amendments empowered the State Comptroller to implement a comprehensive structural reform program that establishes a minimum contribution for any employer equal to 4.5% of pensionable salaries for required contributions due December 15, 2003 and for all years thereafter where the actual rate would otherwise be 4.5% or less. In addition, it instituted a billing system that will advise employers over one year in advance concerning actual pension contribution rates.

Chapter 57 of the Laws of 2010 (Part TT) amended the Retirement and Social Security Law to authorize participating local government employers, if they so elect, to amortize an eligible portion of their annual required contributions to both ERS and PFRS, when employer contribution rates rise above certain levels. The option to amortize the eligible portion began with the annual contribution due February 1, 2011. The amortizable portion of an annual required contribution is based on a "graded" rate by the State Comptroller in accordance with formulas provided in Chapter 57. Amortized contributions are to be paid in equal annual installments over a ten-year period, but may be prepaid at any time. Interest is to be charged on the unpaid amortized portion at a rate to be determined by State Comptroller, which approximates a market rate of return on taxable fixed rate securities of a comparable duration issued by comparable issuers. The interest rate is established annually for that year's amortized amount and then applies to the entire ten years of the amortization cycle of that amount. When, in any fiscal year, the participating employer's graded payment eliminates all balances owed on prior amortized amounts, any remaining graded

payments are to be paid into an employer contribution reserve fund established by the State Comptroller for the employer, to the extent that amortizing employer has no currently unpaid prior amortized amounts, for future such use.

**Stable Rate Pension Contribution Option:** The 2013-14 Adopted State Budget included a provision that authorized local governments, including the Town, with the option to “lock-in” long-term, stable rate pension contributions for a period of years determined by the State Comptroller and ERS and PFRS. For 2014 and 2015 the rate was 12.0% for ERS and 20.0% for PFRS; the rates applicable to 2016 and thereafter are subject to adjustment. The pension contribution rates under this program would reduce near-term payments for employers, but require higher than normal contributions in later years.

The Town is not amortizing or smoothing any pension payments nor does it intend to do so in the foreseeable future.

The investment of monies and assumptions underlying same, of the Retirement Systems covering the Town’s employees is not subject to the direction of the Town. Thus, it is not possible to predict, control or prepare for future unfunded accrued actuarial liabilities of the Retirement Systems (“UAALs”). The UAAL is the difference between total actuarially accrued liabilities and actuarially calculated assets available for the payment of such benefits. The UAAL is based on assumptions as to retirement age, mortality, projected salary increases attributed to inflation, across-the-board raises and merit raises, increases in retirement benefits, cost-of-living adjustments, valuation of current assets, investment return and other matters. Such UAALs could be substantial in the future, requiring significantly increased contributions from the Town which could affect other budgetary matters. Concerned investors should contact the Retirement Systems administrative staff for further information on the latest actuarial valuations of the Retirement Systems.

### Other Post-Employment Benefits

**Healthcare Benefits.** School districts and boards of cooperative educational services, unlike other municipal units of government in the State, have been prohibited from reducing retiree health benefits or increasing health care contributions received or paid by retirees below the level of benefits or contributions afforded to or required from active employees since the implementation of Chapter 729 of the Laws of 1994. Legislative attempts to provide similar protection to retirees of other local units of government in the State have not succeeded as of this date. Nevertheless, many such retirees of all varieties of municipal units in the State do presently receive such benefits.

**OPEB.** Other Post-Employment Benefits (“OPEB”) refers to "other post-employment benefits," meaning other than pension benefits provided to retired employees. OPEB primarily consists of health care benefits and may include other benefits such as disability benefits and life insurance. These benefits had generally been administered on a pay-as-you-go basis and have not been reported as a liability on governmental financial statements.

**GASB 75.** GASB issued Statement No. 75 (“GASB 75”), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the year ending December 31, 2018. GASB 75 replaced the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, established new accounting and financial reporting requirements for OPEB plans. The Town adopted the provisions of GASB 75 for the year ending December 31, 2018.

The Town contracted with an actuarial firm to calculate its actuarial valuation under GASB 75. The following outlines the changes to the Total OPEB Liability during the 2020 and 2021 fiscal years, by source.

Balance beginning at January 1:	2020	2021
	\$ 63,738,767	\$ 69,158,129
<b>Changes for the year:</b>		
Service cost	1,579,292	1,653,497
Interest	1,284,399	1,394,712
Changes in Benefit Terms	(528,128)	-
Differences between expected and actual experience	(1,727,253)	(15,226,239)
Changes in assumptions or other inputs	6,937,118	179,028
Benefit payments	(2,126,066)	(2,191,385)
Net Changes	\$ 5,419,362	\$ (14,190,387)
Balance ending at December 31:	2020	2021
	\$ 69,158,129	\$ 54,967,742

Source: Audited financial statements of the Town. The above table is not audited. For additional information regarding the Town’s OPEB liability, see “APPENDIX - D” attached hereto.

The aforementioned liability is recognized and disclosed in accordance with GASB 75 standards in the Town's audited financial statements for the fiscal years ending December 31, 2020 and December 31, 2021.

Under GASB 75, an actuarial valuation is required every 2 years for all plans, however, the Alternative Measurement Method continues to be available for plans with less than 100 members.

There is no authority in current State law to establish a trust account or reserve fund for this liability. The Town has reserved \$0 towards its OPEB liability. The Town funds this liability on a pay-as-you-go basis.

The Town's unfunded actuarial accrued OPEB liability could have a material adverse impact upon the Town's finances and could force the Town to reduce services, raise taxes or both.

## Financial Statements

The Town retains an independent certified public accountant firm for an annual independent audit of financial transactions of the Town. The financial affairs of the Town are also subject to annual audits by the State Comptroller. The last independent audit covers the fiscal year ending December 31, 2021 and is attached hereto as "APPENDIX – D".

### *Summary of Unaudited Projected Results for the Fiscal Year Ending December 31, 2022:*

The Town is estimating a decrease in general fund balance for the year ending December 31, 2022 of approximately \$630,000. The anticipated decrease in fund balance results primarily due to a budgeted use of fund balance in the 2022 budget. The 2022 budget included a fund balance draw of \$842,280. Offsetting the budgeted use of fund balance is higher than expected sales tax and mortgage tax receipts.

Summary unaudited information for the General Fund for the period ending December 31, 2022 is as follows:

Revenues:	\$ 25,207,500
Expenditures (includes transfers):	<u>25,836,060</u>
Excess (Deficit) Revenues Over Expenditures:	<u>\$ (628,560)</u>
 Total General Fund Balance at December 31, 2021:	 \$ 10,562,246
Total Projected General Fund Balance at December 31, 2022:	\$ 9,933,686

Note: These projections are based upon certain current assumptions and estimates, and the final audited results may vary therefrom.

## The State Comptroller's Fiscal Stress Monitoring System

The New York State Comptroller has reported that New York State's school districts and municipalities are facing significant fiscal challenges. As a result, the Office of the State Comptroller has developed a Fiscal Stress Monitoring System ("FSMS") to provide independent, objectively measured and quantifiable information to school district and municipal officials, taxpayers and policy makers regarding the various levels of fiscal stress under which the State's school districts and municipalities are operating.

The fiscal stress scores are based on financial information submitted as part of each school district's ST-3 report filed with the State Education Department annually, and each municipality's annual update document filed with the State Comptroller. Using financial indicators that include year-end fund balance, cash position and patterns of operating deficits, the system creates an overall fiscal stress score which classifies whether a school district or municipality is in "significant fiscal stress", in "moderate fiscal stress," as "susceptible to fiscal stress" or "no designation". Entities that do not accumulate the number of points that would place them in a stress category will receive a financial score but will be classified in a category of "no designation." This classification should not be interpreted to imply that the entity is completely free of fiscal stress conditions. Rather, the entity's financial information, when objectively scored according to the FSMS criteria, did not generate sufficient points to place them in one of the three established stress categories.



The reports of the State Comptroller for the 2017 through 2021 fiscal years for the Town are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2021	No Designation	6.7
2020	No Designation	3.3
2019	No Designation	0.0
2018	No Designation	3.3
2017	No Designation	6.7

For additional details regarding the Fiscal Stress Monitoring System visit the State Comptroller's official website.

Source: Website of the Office of the New York State Comptroller. References to website addresses presented herein are for informational purposes only. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

### **New York State Comptroller Reports of Examination**

The State Comptroller's office, i.e., the Department of Audit and Control, periodically performs a compliance review to ascertain whether the Town has complied with the requirements of various State and Federal statutes. These audits can be found by visiting the Audits of Local Governments section of the Office of the State Comptroller website.

The Town has not been audited by the State Comptroller's office in the past five years and there are no State Comptroller audits of the Town that are currently in progress or pending release.

Note: Reference to website implies no warranty of accuracy of information therein.

### **Other Information**

The statutory authority for the power to spend money for the object or purpose, or to accomplish the object or purpose for which the Notes are to be issued, is the Town Law and the Local Finance Law.

No principal or interest upon any obligation of this Town is past due.

The fiscal year of the Town is January 1 through December 31.

Except for as shown under "STATUS OF INDEBTEDNESS – Estimated Overlapping Indebtedness", the Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

## **TAX INFORMATION**

### **Valuations**

Fiscal Years Ending <u>December 31:</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Assessed Valuation	\$ 2,831,000,693	\$ 2,834,655,837	\$ 2,821,466,387	\$ 2,833,048,865	\$ 2,837,202,489
New York State Equalization Rate	100.00%	97.00%	91.00%	88.00%	78.00%
Full Valuation	\$ 2,831,000,693	\$ 2,922,325,605	\$ 3,100,512,513	\$ 3,219,373,710	\$ 3,637,439,088

Source: Town officials.

### Tax Rate Per \$1,000 (Assessed)

Fiscal Years Ending December 31:	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	\$ 6.04	\$ 6.17	\$ 6.42	\$ 6.41	\$ 6.41

Source: Town officials.

### Tax Levy and Tax Collection Record

Fiscal Years Ending December 31:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Tax Levy	\$ 59,892,095	\$ 60,889,389	\$ 63,022,190	\$ 64,022,995	\$ 66,363,403
Uncollected <sup>(1)(2)</sup>	3,025,827	3,112,748	3,159,144	2,319,825	2,520,845
% Uncollected	5.0%	5.1%	5.0%	3.6%	3.8%

<sup>(1)</sup> Includes County, Town, Fire, Lighting, Water and Sewer District taxes.

<sup>(2)</sup> See "Tax Collection Procedure".

Source: Town officials.

### Tax Collection Procedure

Taxes and assessments are payable during January without penalty. Beginning February 11, an additional fee of one and one half per centum is added; beginning March 1, three per centum is added; beginning April 1, four and one half per centum is added; beginning May 1, six per centum is added; and from June 1 thereafter an additional fee of one and one half per centum is added plus interest from February 10.

Taxpayers may elect to pay the bill in installments. Should the taxpayer elect this method of payment, the first installment (25% of the total tax due), is payable from January 1 to February 10. The second installment (25% of the total tax due), plus 1.5% interest, is payable from February 11 to February 28. The third installment (25% of the total tax due), plus 3.0% interest, is payable by March 31. The fourth installment (25% of the total tax due), plus 4.5% interest, is payable by April 30.

The Town Receiver of Taxes and Assessments collects all real estate taxes for Town and County purposes. The Town Receiver distributes the collected tax money to the Town prior to distributing the balance collected to the County in June. To the extent insufficient taxes are received to cover taxes for Town purposes, the County is required to make the Town whole thereby assuring the Town of 100% tax collections. Responsibility for collecting unpaid taxes rests with the County.

## Larger Taxpayers - 2022 Assessment Roll for 2023 Town Tax Roll

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Rochester Gas & Electric	Utilities/Franchise	\$ 72,700,278
Irondequoit TK Owner LLC	Shopping Center	15,497,600
Wegmans Food Markets	Supermarket	12,287,500
Woodridge Apartments Inc	Apartment Complex	10,616,800
Target Corporation T-2211	Retail	8,741,400 <sup>(2)</sup>
Hidden Creek Associates LP	Apartment Complex	8,283,800
Morgan Kings Realty LLC	Apartment Complex	7,914,400
Hill Court Associates, LLC	Apartment Complex	7,713,400
Newport Highlands Associates	Apartment Complex	7,615,500
Irondequoit Plaza	Shopping Center	7,405,900
Eastridge Manor, LLC	Apartment Complex	6,814,800
HD Dev of Maryland Inc.	Retail/Discount	6,200,000
GRHS Foundation, Inc.	Retail/Fast Food	5,985,900
Fig IV	Apartment Complex	4,836,100
Cirrus Realty Holdings, LLC	Aged Home/Apartment Complex	4,836,000
Ivy Ridge Associates LLC	Apartment Complex	4,739,700
Morgan Parkway LLC	Apartment Complex	4,712,100
Sea Breeze Coaster Corp	Entertainment	4,422,800 <sup>(1)(2)</sup>
One medley Center, LLC	Retail/Office	4,097,000
LaCroix Properties LLC	Apartment Complex	3,700,000

The larger taxpayers listed above have a total assessed valuation of \$209,120,978, which represents approximately 7.4% of the 2023 tax base of the Town.

(1) Indicates that an Article 7 Tax certiorari is in process. The Town is subject to tax certioraris in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect on the financial condition of the Town.

(2) Indicates properties new to the list for Assessment Roll Year 2022.

Source: Town officials.

### Additional Tax Information

Real property in the Town is assessed by the Town.

Veterans' and senior citizens' exemptions are offered to those who qualify.

Based on assessed valuation, the assessment roll of the Town is constituted approximately as follows: 91% Residential and 9% Commercial and other categories.

The average total property tax bill of a residential property assessed for \$140,000 located in the Town is approximately \$6,930 including County, Town, Fire District and School District taxes. Tax rates for County, Town & Fire District are from 2022 Town & County Tax Bills. School rates are from 2022-2023 School Tax Bills. Special District charges not included.

Pursuant to Local Law 3 of 2015, the Town increased the Business Investment Exemption to the maximum allowable exemption under Real Property Tax Law § 485-b(2).

### TAX LEVY LIMITATION LAW

On June 24, 2011, Chapter 97 of the Laws of 2011 was signed into law by the Governor . The Tax Levy Limitation Law applies to virtually all local governments, including school districts (with the exception of New York City, Yonkers, Syracuse, Rochester and Buffalo, the latter four of which are indirectly affected by applicability to their respective city). It also applies to independent special districts and to town and county improvement districts as part of their parent municipalities tax levies.

The Tax Levy Limitation Law restricts, among other things, the amount of real property taxes (including assessments of certain special improvement districts) that may be levied by or on behalf of a municipality in a particular year, beginning with fiscal years commencing on or after January 1, 2012. Recent legislation has made the Tax Levy Limitation Law permanent. Pursuant to the Tax Levy Limitation Law, the tax levy of a municipality cannot increase by more than the lesser of (i) two percent (2%) or (ii) the annual increase in the consumer price index ("CPI"), over the amount of the prior year's tax levy. Certain adjustments would be permitted for taxable real property full valuation increases due to changes in physical or quantity growth in the real property base as defined in Section 1220 of the Real Property Tax Law. A municipality may exceed the tax levy limitation for the coming fiscal year only if the governing body of such municipality first enacts, by at least a sixty percent vote of the total voting strength of the board, a local law (resolution in the case of fire districts and certain special districts) to override such limitation for such coming fiscal year only. There are exceptions to the tax levy limitation provided in the Tax Levy Limitation Law, including expenditures made on account of certain tort settlements and certain increases in the average actuarial contribution rates of the New York State and Local Employees' Retirement System, the Police and Fire Retirement System, and the Teachers' Retirement System. Municipalities are also permitted to carry forward a certain portion of their unused levy limitation from a prior year. Each municipality prior to adoption of each fiscal year budget must submit for review to the State Comptroller any information that is necessary in the calculation of its tax levy for each fiscal year.

The Tax Levy Limitation Law does not contain an exception from the levy limitation for the payment of debt service on either outstanding general obligation debt of municipalities or such debt incurred after the effective date of the Tax Levy Limitation Law (June 24, 2011).

While the Tax Levy Limitation Law may constrict an issuer's power to levy real property taxes for the payment of debt service on debt contracted after the effective date of said Tax Levy Limitation Law, it is clear that no statute is able (1) to limit an issuer's pledge of its faith and credit to the payment of any of its general obligation indebtedness or (2) to limit an issuer's levy of real property taxes to pay debt service on general obligation debt contracted prior to the effective date of the Tax Levy Limitation Law. Whether the Constitution grants a municipality authority to treat debt service payments as a constitutional exception to such statutory tax levy limitation outside of any statutorily determined tax levy amount is not clear.

## **STATUS OF INDEBTEDNESS**

### **Constitutional Requirements**

The New York State Constitution limits the power of the Town (and other municipalities and certain school districts of the State) to issue obligations and to otherwise contract indebtedness. Such constitutional limitations in summary form, and as generally applicable to the Town and the Notes include the following:

**Purpose and Pledge.** Subject to certain enumerated exceptions, the Town shall not give or loan any money or property to or in aid of any individual or private corporation or private undertaking or give or loan its credit to or in aid of any of the foregoing or any public corporation.

The Town may contract indebtedness only for a Town purpose and shall pledge its faith and credit for the payment of principal of and interest thereon.

**Payment and Maturity.** Except for certain short-term indebtedness contracted in anticipation of taxes or to be paid within three fiscal year periods, indebtedness shall be paid in annual installments commencing no later than two years after the date such indebtedness shall have been contracted and ending no later than the expiration of the period of probable usefulness of the object or purpose as determined by statute; no installment may be more than fifty per centum in excess of the smallest prior installment, unless the Town Board authorizes the issuance of bonds with substantially level or declining annual debt service. The Town is required to provide an annual appropriation for the payment of interest due during the year on its indebtedness and for the amounts required in such year for amortization and redemption of its serial bonds and such required annual installments on its notes.

**Debt Limit.** The Town has the power to contract indebtedness for any Town purpose so long as the principal amount thereof, subject to certain limited exceptions, shall not exceed seven per centum of the average full valuation of taxable real estate of the Town and subject to certain enumerated exclusions and deductions such as water and certain sewer facilities and cash or appropriations for current debt service. The constitutional method for determining full valuation is by taking the assessed valuation of taxable real estate as shown upon the latest completed assessment roll and dividing the same by the equalization rate as determined by the State Office of Real Property Services. The State Legislature is required to prescribe the manner by which such ratio shall be determined. Average full valuation is determined by taking the sum of the full valuation of the last completed assessment roll and the four preceding assessment rolls and dividing such sum by five.

## Statutory Procedure

In general, the State Legislature has authorized the power and procedure for the Town to borrow and incur indebtedness by the enactment of the Local Finance Law, subject to the constitutional provisions set forth above. The power to spend money, however, generally derives from other law, including specifically the Town Law and the General Municipal Law.

Pursuant to the Local Finance Law, the Town authorizes the issuance of bonds by the adoption of a bond resolution approved by at least two-thirds of the members of the Town Board, the finance board of the Town. Customarily, the Town Board has delegated to the Town Supervisor, as chief fiscal officer of the Town, the power to authorize and sell bond anticipation notes in anticipation of authorized bonds.

The Local Finance Law also provides that where a bond resolution is published with a statutory form of notice, the validity of the bonds authorized thereby, including bond anticipation notes issued in anticipation of the sale thereof, may be contested only if:

- (1) Such obligations are authorized for a purpose for which the Town is not authorized to expend money, or
- (2) There has not been substantial compliance with the provisions of law which should have been complied within the authorization of such obligations and an action contesting such validity, is commenced within twenty days after the date of such publication or,
- (3) Such obligations are authorized in violation of the provisions of the Constitution.

Except on rare occasions the Town complies with this estoppel procedure. It is a procedure that is recommended by Bond Counsel, but it is not an absolute legal requirement.

Each bond resolution usually authorizes the construction, acquisition or installation of the object or purpose to be financed, sets forth the plan of financing and specifies the maximum maturity of the bonds subject to the legal (Constitution, Local Finance Law and case law) restrictions relating to the period of probable usefulness with respect thereto.

The Town Board, as the governing body of the Town, has the power to enact bond resolutions. In addition, the Town Board has the power to authorize the sale and issuance of obligations. However, such Town Board may, and generally does, delegate the power to sell the obligations to the Town Supervisor, the chief fiscal officer of the Town, pursuant to the Local Finance Law.

Statutory law in New York permits bond anticipation notes to be renewed each year provided annual principal installments are made in reduction of the total amount of such notes outstanding, commencing no later than two years from the date of the first of such notes and provided that such renewals do not exceed five years (with certain exceptions) beyond the original date of borrowing. (See "Payment and Maturity" under "Constitutional Requirements" herein, and "Details of Outstanding Indebtedness" herein).

In general, the Local Finance Law contains provisions providing the Town with power to issue certain other short-term general obligation indebtedness including revenue and tax anticipation notes and budget notes (see "Details of Outstanding Indebtedness" herein).

## Debt Outstanding End of Fiscal Year

<u>Fiscal Years Ending December 31<sup>st</sup>:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bonds	\$ 10,999,981	\$ 9,154,981	\$ 18,854,981	\$ 17,599,981	\$ 16,289,981
Bond Anticipation Notes	<u>12,652,000</u>	<u>24,331,500</u>	<u>24,011,500</u>	<u>25,506,500</u>	<u>25,687,500</u>
Total Debt Outstanding	<u>\$ 23,651,981</u>	<u>\$ 33,486,481</u>	<u>\$ 42,866,481</u>	<u>\$ 43,106,481</u>	<u>\$ 41,977,481</u>

Source: Audited financial statements of the Town.

## Details of Outstanding Indebtedness

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of November 23, 2022:

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
<u>Bonds</u>	2022-2044	\$ 15,834,981
<u>Bond Anticipation Notes:</u>		
Construction of Highway Garage	April 14, 2023	10,680,000 <sup>(1)</sup>
Various Projects	December 16, 2022	<u>14,807,500</u> <sup>(2)</sup>
	Total	<u>\$ 41,322,481</u>

(1) To be redeemed at maturity with bond anticipation notes and/or serial bonds and available funds of the Town.

(2) To be renewed at maturity with the proceeds of the Notes and \$604,500 available funds of the Town.

## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of November 23, 2022:

Average Full Valuation of Taxable Real Property .....	\$ 3,142,130,322
Debt Limit 7% thereof.....	\$ 219,949,123

### Inclusions:

Bonds.....	\$ 15,834,981	
Bond Anticipation Notes.....	<u>25,487,500</u>	
Total Inclusions.....		\$ 41,322,481

### Exclusions:

Sewer Indebtedness <sup>(1)</sup> .....	\$ 636,249	
Appropriations – Notes .....	604,500	
Appropriations - Bonds .....	<u>655,685</u>	
Total Exclusions.....		\$ <u>1,896,434</u>

Total Net Indebtedness Subject to Debt Limit.....	<u>\$ 39,426,047</u>
Net Debt-Contracting Margin.....	<u>\$ 180,523,076</u>
The percent of debt contracting power exhausted is.....	17.93%

(1) Sewer Debt is excluded pursuant to Section 124.10 of the Local Finance Law. The Town has been granted a sewer exclusion by the New York State Office of the State Comptroller.

(2) Appropriations are excluded pursuant to Section 136.00 of the Local Finance Law.

## Bonded Debt Service

A schedule of bonded debt service may be found in “APPENDIX – B” to this Official Statement.

## Cash Flow Borrowing

The Town has not found it necessary to issue revenue anticipation notes or tax anticipation notes in the past and does not plan on issuing either in the future.

## Authorized But Unissued Debt

The Town’s most recent Capital Improvement Plan is on file and can be produced upon request. See “Capital Improvement Program Summary” herein for the Capital Improvement Program for fiscal years ending 2023-2028.

Other than in connection with the current issuance of the Notes, the Town has no other capital project plans authorized nor are any additional capital projects contemplated at this time.

## Capital Improvement Program Summary

The Town has a Capital Improvement Program which covers six years. It is an internal working document to be used by the Town Board and administrators as well as the Town's financial advisors and bond counsel. It provides a financial plan through which borrowing can be organized and scheduled and debt service impacts on future annual operating budgets can be predicted. Below is the 2022-2027 Capital Improvement Program which was approved on October 18, 2022 by the Town Board.

### PROPOSED SIX-YEAR CAPITAL PROJECTS 2023 - 2028

PROJECTS:	2023	2024	2025	2026	2027	2028	Six Year Totals
Town Hall Improvements	\$ 60,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ 95,000
Public Safety Building Improvements	-	-	-	-	35,000	-	35,000
Parks Upgrades and Improvements	-	-	50,000	-	50,000	-	100,000
Sidewalk Improvements	-	250,000	-	250,000	-	250,000	750,000
DPW - Roads	300,000	-	-	250,000	-	-	550,000
Sewer Laterals & Mains	400,000	-	500,000	-	500,000	-	1,400,000
Pump Station Upgrades	500,000	-	350,000	-	350,000	-	1,200,000
Drainage Improvements	-	500,000	-	500,000	-	500,000	1,500,000
<b>TOTALS:</b>	<b>\$ 1,260,000</b>	<b>\$ 750,000</b>	<b>\$ 900,000</b>	<b>\$ 1,000,000</b>	<b>\$ 970,000</b>	<b>\$ 750,000</b>	<b>\$ 5,630,000</b>

## Other Obligations

The Town has entered into non-cancellable lease agreements for certain vehicles and equipment, which have been capitalized for financial reporting purposes.

Future minimum lease payments remaining under these capital leases as of December 31, 2021 are as follows:

<u>Fiscal Year Ending</u>	<u>Total Payments</u>
2022	\$ 570,508
2023	351,015
2024	175,883
2025	<u>20,618</u>
Less Interest	<u>(54,297)</u>
Total Payments:	<u>\$ 1,063,727</u>

Source: Audited financial statements of the Town. Table itself is not audited.

During the 2022 fiscal year, the Town entered into non-cancellable lease agreements to finance two (2) dump/plow trucks for the Department of Public Works.

Future minimum lease payments remaining under these capital leases as of November 23, 2022 are as follows:

<u>Fiscal Year Ending</u>	<u>Total Payments</u>
2023	\$ 86,091
2024	86,091
2025	86,091
2026	86,090
2027	<u>86,090</u>
Less Interest	<u>(40,071)</u>
Total Payments:	<u>\$ 390,382</u>

Source: Town officials and lease purchase agreements. Table itself is not audited.

## Estimated Overlapping Indebtedness

In addition to the Town, the following political subdivisions have the power to issue bonds and to levy taxes or cause taxes to be levied on taxable real property in the Town. Bonded indebtedness, including bond anticipation notes, is estimated of the respective governmental units not adjusted to include subsequent bond issues, if any.

<u>Municipality</u>	<u>Status of Debt as of</u>	<u>Gross Indebtedness</u> <sup>(1)</sup>	<u>Estimated Exclusions</u>	<u>Net Indebtedness</u>	<u>Estimated Town Share</u>	<u>Applicable Indebtedness</u>
County of:						
Monroe	12/31/2020	\$ 732,037,873	\$ 59,293,370 <sup>(2)</sup>	\$ 672,744,503	6.36%	\$ 42,786,550
School District:						
East Irondequoit	6/30/2021	47,591,632	40,214,929 <sup>(3)</sup>	7,376,703	100.00%	7,376,703
West Irondequoit	6/30/2021	12,825,382	11,491,542 <sup>(3)</sup>	1,333,840	100.00%	1,333,840
Total:						<u>\$ 51,497,093</u>

(1) Outstanding bonds and bond anticipation notes are as of the close of the respective fiscal years and are not adjusted to include subsequent bond or note sales, if any.

(2) Water and sewer debt and appropriations. Pursuant to the Local Finance Law, this indebtedness is excluded from the constitutional debt limit.

(3) Estimated State building aid.

Source: Most recent available State Comptroller's Special Report on Municipal Affairs for Local Finance for fiscal years ended 2020 for counties and fire district's and 2021 for village and school districts.

## Debt Ratios

The following table sets forth certain ratios relating to the Town's net indebtedness as of November 23, 2022:

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 39,426,047	\$ 779.97	1.08%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	90,923,140	1,798.75	2.50%

(a) The 2021 estimated population of the Town is 50,548. (See "Population Trends" herein.)

(b) The Town's full value of taxable real estate for the 2022 assessment roll is \$3,637,439,088. (See "Taxable Assessed Valuations" herein.)

(c) See "Debt Statement Summary" herein for the calculation of Net Indebtedness.

(d) The Town's applicable share of Net Overlapping Indebtedness is estimated to be \$51,497,093. (See "Estimated Overlapping Indebtedness" herein.)

## SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT

**General Municipal Law Contract Creditors' Provision.** Each Note when duly issued and paid for will constitute a contract between the Town and the holder thereof. Under current law, provision is made for contract creditors of the Town to enforce payments upon such contracts, if necessary, through court action. Section 3-a of the General Municipal Law provides, subject to exceptions not pertinent, that the rate of interest to be paid by the Town upon any judgment or accrued claim against it on an amount adjudged due to a creditor shall not exceed nine per centum per annum from the date due to the date of payment. This provision might be construed to have application to the holders of the Notes in the event of a default in the payment of the principal of and interest on the Notes.

**Execution/Attachment of Municipal Property.** As a general rule, property and funds of a municipal corporation serving the public welfare and interest have not been judicially subjected to execution or attachment to satisfy a judgment, although judicial mandates have been issued to officials to appropriate and pay judgments out of certain funds or the proceeds of a tax levy. In accordance with the general rule with respect to municipalities, judgments against the Town may not be enforced by levy and execution against property owned by the Town.



**Authority to File for Municipal Bankruptcy.** The Federal Bankruptcy Code allows public bodies, such as the Town, recourse to the protection of a Federal Court for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State or its emergency control board to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

The State has consented that any municipality in the State may file a petition with the United States District Court or court of bankruptcy under any provision of the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness. Subject to such State consent, under the United States Constitution, Congress has jurisdiction over such matters and has enacted amendments to the existing federal bankruptcy statute, being Chapter 9 thereof, generally to the effect and with the purpose of affording municipal corporations, under certain circumstances, with easier access to judicially approved adjustment of debt including judicial control over identifiable and unidentifiable creditors.

No current state law purports to create any priority for holders of the Notes should the Town be under the jurisdiction of any court, pursuant to the laws of the United States, now or hereafter in effect, for the composition or adjustment of municipal indebtedness.

The rights of the owners of the Notes to receive interest and principal from the Town could be adversely affected by the restructuring of the Town's debt under Chapter 9 of the Federal Bankruptcy Code. No assurance can be given that any priority of holders of debt obligations issued by the Town (including the Notes) to payment from monies retained in any debt service fund or from other cash resources would be recognized if a petition were filed by or on behalf of the Town under the Federal Bankruptcy Code or pursuant to other subsequently enacted laws relating to creditors' rights; such monies might, under such circumstances, be paid to satisfy the claims of all creditors generally.

Under the Federal Bankruptcy Code, a petition may be filed in the Federal Bankruptcy court by a municipality which is insolvent or unable to meet its debts as they mature. Generally, the filing of such a petition operates as a stay of any proceeding to enforce a claim against the municipality. The Federal Bankruptcy Code also requires that a plan be filed for the adjustment of the municipality's debt, which may modify or alter the rights of creditors and which could be secured. Any plan of adjustment confirmed by the court must be approved by the requisite number of creditors. If confirmed by the bankruptcy court, the plan would be binding upon all creditors affected by it.

**State Debt Moratorium Law.** There are separate State law provisions regarding debt service moratoriums enacted into law in 1975.

At the Extraordinary Session of the State Legislature held in November 1975, legislation was enacted which purported to suspend the right to commence or continue an action in any court to collect or enforce certain short-term obligations of The City of New York. The effect of such act was to create a three-year moratorium on actions to enforce the payment of such obligations. On November 19, 1976, the Court of Appeals, the State's highest court, declared such act to be invalid on the ground that it violates the provisions of the State Constitution requiring a pledge by such City of its faith and credit for the payment of obligations.

As a result of the Court of Appeals decision in *Flushing National Bank v. Municipal Assistance Corporation for the City of New York*, 40 N.Y.2d 731 (1976), the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law described below enacted at the 1975 Extraordinary Session of the State legislature authorizing any county, city, town or village with respect to which the State has declared a financial emergency to petition the State Supreme Court to stay the enforcement against such municipality of any claim for payment relating to any contract, debt or obligation of the municipality during the emergency period, is subject to doubt. In any event, no such emergency has been declared with respect to the Town.

*Right of Municipality or State to Declare a Municipal Financial Emergency and Stay Claims Under State Debt Moratorium Law.* The State Legislature is authorized to declare by special act that a state of financial emergency exists in any county, city, town or village. (The provision does not by its terms apply to school districts or fire districts.) In addition, the State Legislature may authorize by special act establishment of an "emergency financial control board" for any county, city, town or village upon determination that such a state of financial emergency exists. Thereafter, unless such special act provides otherwise, a voluntary petition to stay claims may be filed by any such municipality (or by its emergency financial control board in the event said board requests the municipality to petition and the municipality fails to do so within five days thereafter). A petition filed in supreme court in county in which the municipality is located in accordance with the requirements of Title 6-A of the Local Finance Law ("Title 6-A") effectively prohibits the doing of any act for ninety days in the payment of claims, against the municipality including payment of debt service on outstanding indebtedness.

This includes staying the commencement or continuation of any court proceedings seeking payment of debt service due, the assessment, levy or collection of taxes by or for the municipality or the application of any funds, property, receivables or revenues of the municipality to the payment of debt service. The stay can be vacated under certain circumstances with provisions for the payment of amounts due or overdue upon a demand for payment in accordance with the statutory provisions

set forth therein. The filing of a petition may be accompanied with a proposed repayment plan which upon court order approving the plan, may extend any stay in the payment of claims against the municipality for such “additional period of time as is required to carry out fully all the terms and provisions of the plan with respect to those creditors who accept the plan or any benefits thereunder.” Court approval is conditioned, after a hearing, upon certain findings as provided in Title 6-A.

A proposed plan can be modified prior to court approval or disapproval. After approval, modification is not permissible without court order after a hearing. If not approved, the proposed plan must be amended within ten days or else the stay is vacated and claims including debt service due or overdue must be paid. It is at the discretion of the court to permit additional filings of amended plans and continuation of any stay during such time. A stay may be vacated or modified by the court upon motion of any creditor if the court finds after a hearing, that the municipality has failed to comply with a material provision of an accepted repayment plan or that due to a “material change in circumstances” the repayment plan is no longer in compliance with statutory requirements.

Once an approved repayment plan has been completed, the court, after a hearing upon motion of any creditor, or a motion of the municipality or its emergency financial control board, will enter an order vacating any stay then in effect and enjoining of creditors who accepted the plan or any benefits thereunder from commencing or continuing any court action, proceeding or other act described in Title 6-A relating to any debt included in the plan.

Title 6-A requires notice to all creditors of each material step in the proceedings. Court determinations adverse to the municipality or its financial emergency control board are appealable as of right to the appellate division in the judicial department in which the court is located and thereafter, if necessary, to the Court of Appeals. Such appeals stay the judgment or appealed from and all other actions, special proceedings or acts within the scope of Section 85.30 of Title 6-A pending the hearing and determination of the appeals.

Whether Title 6-A is valid under the Constitutional provisions regarding the payment of debt service is not known. However, based upon the decision in the *Flushing National Bank* case described above, its validity is subject to doubt.

While the State Legislature has from time to time adopted legislation in response to a municipal fiscal emergency and established public benefit corporations with a broad range of financial control and oversight powers to oversee such municipalities, generally such legislation has provided that the provisions of Title 6-A are not applicable during any period of time that such a public benefit corporation has outstanding indebtedness issued on behalf of such municipality.

*Fiscal Stress and State Emergency Financial Control Boards.* Pursuant to Article IX Section 2(b)(2) of the State Constitution, any local government in the State may request the intervention of the State in its “property, affairs and government” by a two-thirds vote of the total membership of its legislative body or on request of its chief executive officer concurred in by a majority of such membership. This has resulted in the adoption of special acts for the establishment of public benefit corporations with varying degrees of authority to control the finances (including debt issuance) of the cities of Buffalo, Troy and Yonkers and the County of Nassau. The specific authority, powers and composition of the financial control boards established by these acts varies based upon circumstances and needs. Generally, the State legislature has granted such boards the power to approve or disapprove budget and financial plans and to issue debt on behalf of the municipality, as well as to impose wage and/or hiring freezes and approve collective bargaining agreements in certain cases. Implementation is left to the discretion of the board of the public benefit corporation. Such a State financial control board was first established for New York City in 1975. In addition, on a certificate of necessity of the governor reciting facts which in the judgment of governor constitute an emergency requiring enactment of such laws, with the concurrences of two-thirds of the members elected in each house of the State legislature the State is authorized to intervene in the “property, affairs and governments” of local government units. This occurred in the case of the County of Erie in 2005. The authority of the State to intervene in the financial affairs of local government is further supported by Article VIII, Section 12 of the Constitution which declares it to be the duty of the State legislature to restrict, subject to other provisions of the Constitution, the power of taxation, assessment, borrowing money and contracting indebtedness and loaning the credit of counties, cities, towns and villages so as to prevent abuses in taxation and assessment and in contracting indebtedness by them.

In 2013, the State established a new state advisory board to assist counties, cities, towns and villages in financial distress. The Financial Restructuring Board for Local Governments (the “FRB”), is authorized to conduct a comprehensive review of the finances and operations of any such municipality deemed by the FRB to be fiscally eligible for its services upon request by resolution of the municipal legislative body and concurrence of its chief executive. The FRB is authorized to make recommendations for, but cannot compel improvement of fiscal stability, management and delivery of municipal services, including shared services opportunities and is authorized to offer grants and/or loans of up to \$5,000,000 through a Local Government Performance and Efficiency Program to undertake certain recommendations. If a municipality agrees to undertake the FRB recommendations, it will be automatically bound to fulfill the terms in order to receive the aid.

The FRB is also authorized to serve as an alternative arbitration panel for binding arbitration.

Although from time to time, there have been proposals for the creation of a statewide financial control board with broad authority over local governments in the State, the FRB does not have emergency financial control board powers to intervene such as the public benefit corporations established by special acts as described above.

Several municipalities in the State are presently working with the FRB. The Town has not requested FRB assistance, nor does it reasonably expect to do so in the foreseeable future. School districts and fire districts are not eligible for FRB assistance.

**Constitutional Non-Appropriation Provision.** There is in the Constitution of the State, Article VIII, Section 2, the following provision relating to the annual appropriation of monies for the payment of due principal of and interest on indebtedness of every county, city, town, village and school district in the State: "If at any time the respective appropriating authorities shall fail to make such appropriations, a sufficient sum shall be set apart from the first revenues thereafter received and shall be applied to such purposes. The fiscal officer of any county, city, town, village or school district may be required to set aside and apply such revenues as aforesaid at the suit of any holder of obligations issued for any such indebtedness." This constitutes a specific non-exclusive constitutional remedy against a defaulting municipality or school district; however, it does not apply in a context in which monies have been appropriated for debt service, but the appropriating authorities decline to use such monies to pay debt service. However, Article VIII, Section 2 of the Constitution of the State also provides that the fiscal officer of any county, city, town, village or school district may be required to set apart and apply such revenues at the suit of any holder of any obligations of indebtedness issued with the pledge of the faith of the credit of such political subdivision. See "General Municipal Law Contract Creditors' Provision" herein.

The Constitutional provision providing for first revenue set asides does not apply to tax anticipation notes, revenue anticipation notes or bond anticipation notes.

**Default Litigation.** In prior years, certain events and legislation affecting a holder's remedies upon default have resulted in litigation. While courts of final jurisdiction have upheld and sustained the rights of bondholders, such courts might hold that future events including financial crises as they may occur in the State and in political subdivisions of the State require the exercise by the State or its political subdivisions of emergency and police powers to assure the continuation of essential public services prior to the payment of debt service. See "NATURE OF OBLIGATION" herein.

**No Past Due Debt.** No principal of or interest on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of and interest on any indebtedness.

## **MARKET AND RISK FACTORS**

The financial condition of the Town as well as the market for the Notes, could be affected by a variety of factors, some of which are beyond the Town's control. There can be no assurance that adverse events in the State, including, for example, the seeking by a municipality or large taxable property owner of remedies pursuant to the Federal Bankruptcy Code or otherwise, will not occur which might affect the market price of and the market for the Notes. If a significant default or other financial crisis should occur in the affairs of the State or any of its agencies or political subdivisions thereby further impairing the acceptability of obligations issued by borrowers within the State, both the ability of the Town to arrange for additional borrowings, and the market for and market value of outstanding debt obligations, including the Notes, could be adversely affected.

The Town is dependent in part on financial assistance from the State. However, if the State should experience difficulty in borrowing funds in anticipation of the receipt of State taxes and revenues in order to pay State aid to municipalities and school districts in the State, including the Town, in any year, the Town may be affected by a delay, until sufficient taxes have been received by the State to make State aid payments to the Town. In several recent years, the Town has received delayed payments of State aid which resulted from the State's delay in adopting its budget and appropriating State aid to municipalities and school districts, and consequent delay in State borrowing to finance such appropriations. (See also "State Aid").

The enactment of the Tax Levy Limitation Law, which imposes a tax levy limitation upon municipalities, school districts and fire districts in the State, including the Town, could have an impact upon the market price of the Notes. See "TAX LEVY LIMITATION LAW" herein.

## **Cybersecurity**

The Town, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the Town will be completely successful to guard against and prevent cyber threats and attacks. The result of any such attacks could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant.

## **COVID-19**

An outbreak of disease or similar public health threat, such as the COVID-19 outbreak, or fear of such an event, could have an adverse impact on the Town's financial condition and operating results by potentially delaying the receipt of real property taxes or resulting in a delay or reduction by the State in the payment of State aid. Currently, the spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, has spread globally, including to the United States, and has been declared a pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. The COVID-19 pandemic could have a material adverse effect on the State and municipalities and school districts located in the State, including the Town. The Town is monitoring the situation and will take such proactive measures as may be required and lawfully undertaken to maintain its operations and meet its obligations.

In 2021, the Town was awarded an estimated \$22.45 million in ARPA funding. Approximately \$11.227 million has been received to date. The remainder is anticipated to be received in 2022. The Town Board adopted a plan for \$6 million of the ARPA funds to be used for a variety of projects, including park upgrades, sewer replacements, IT upgrades and assistance to the Irondequoit Ambulance and the Sunset House, a nonprofit organization.

## **CONTINUING DISCLOSURE**

In order to assist the purchasers in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Town will enter into an Undertaking to Provide Notices of Events, a description of which is attached hereto as "APPENDIX – C."

## **Historical Continuing Disclosure Compliance**

The Town had failed to file notice of the incurrence of certain financial obligations in a timely manner. On April 29, 2022, the Town had entered into a lease purchase agreement in the principal amount of \$231,297 to finance the purchase of a dump/plow truck and on May 27, 2022, the Town had entered into a lease purchase agreement in the principal amount of \$245,175 to finance the purchase of an additional dump/plow truck. The Town filed event notices on November 23, 2022 providing details of these lease purchase agreements, together with a notice of its failure to file.

## **TAX MATTERS**

In the opinion of Bond Counsel, based on existing statutes, regulations, administrative rulings and court decisions and assuming compliance by the Town with certain covenants and the accuracy of certain representations, interest on the Notes is excluded from gross income for federal income tax purposes and is not an "item of tax preference" for purposes of the federal alternative minimum tax on individuals. However, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of "adjusted financial statement income" for purposes of the Federal alternative minimum tax imposed on such corporations. (See below).

The Internal Revenue Code of 1986, as amended (the "Code"), imposes various limitations, conditions and other requirements which must be met at and subsequent to the date of issue of the Notes in order that interest on the Notes will be and remain excluded from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Notes and in certain circumstances, payment of amounts in respect of such proceeds to the federal government. Failure to comply with the requirement of the Code may cause interest on the Notes to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the Notes. In the arbitrage and use of proceeds certificate to be executed by the Town in connection with the issuance of the Notes, the Town will covenant to comply with certain procedures and it will make certain representations and certifications, designed to assure satisfaction of the requirements of the Code in respect to each of the Notes. The opinion of Bond Counsel assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certificates.

Prospective purchasers of the Notes should be aware that ownership of the Notes, and the accrual or receipt of interest thereon, may have collateral federal income tax consequences for certain taxpayers, including financial institutions, property and casualty insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or Railroad benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of the Notes and their accrual or receipt of interest thereon. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

The Inflation Reduction Act of 2022, for tax years beginning after December 31, 2022, imposes a Federal corporate alternative minimum tax equal to 15 percent of the “adjusted financial statement income” of corporations (other than S corporations, regulated investment companies and real estate investment trusts) having an average annual “adjusted financial statement income” for the 3-taxable-year period ending with the tax year that exceeds \$1,000,000,000. Interest on tax-exempt bonds, such as the Notes, is included in the computation of a corporation’s “adjusted financial statement income”. Prospective Bondholders that may be subject to the corporate alternative minimum tax should consult with their own tax advisors regarding the potential consequences of owning the Notes.

The Notes will not be designated, nor deemed as designated “qualified tax-exempt obligations” within the meaning of, and pursuant to Section 265(b)(3) of the Code.

In the opinion of Bond Counsel, interest on the Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York).

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance and delivery of the Notes may affect the tax status of interest on the Notes.

No assurance can be given that any future legislation or governmental actions, including amendments to the Code or State income tax laws, regulations, administrative rulings, or court decisions, will not, directly or indirectly, cause interest on the Notes to be subject to federal, State or local income taxation, or otherwise prevent Noteholders from realizing the full current benefit of the tax status of such interest. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any judicial decision or action of the Internal Revenue Service or any State taxing authority, including, but not limited to, the promulgation of a regulation or ruling, or the selection of the Notes for audit examination or the course or result of an audit examination of the Notes or of obligations which present similar tax issues, will not affect the market price, value or marketability of the Notes. Prospective purchasers of the Notes should consult their own tax advisors regarding the foregoing matters.

All summaries and explanations of provisions of law do not purport to be complete and reference is made to such laws for full and complete statements of their provisions.

**ALL PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE AS TO THE TAX CONSEQUENCES OF PURCHASING OR HOLDING THE NOTES.**

## **LEGAL MATTERS**

The legality of the authorization and issuance of the Notes will be covered by the approving legal opinion of Harris Beach PLLC, Pittsford, New York, Bond Counsel. Such legal opinion will state that in the opinion of Bond Counsel (i) the Notes have been authorized and issued in accordance with the Constitution and statutes of the State of New York and constitute valid and legally binding general obligations of the Town, all the taxable property within which is subject to the levy of ad valorem taxes to pay the Notes and interest thereon, subject to certain applicable statutory limitations imposed by Chapter 97 of the Laws of 2011, as amended (See “TAX LEVY LIMITATION LAW” herein), provided, that the enforceability (but not the validity) of the Notes may be limited by any applicable existing or future bankruptcy, insolvency or other law (State or Federal) affecting the enforcement of creditors' rights, (ii) under existing statutes, regulations, administrative rulings and court decisions, interest on the Notes is excluded from the gross income of the owners thereof for Federal income tax purposes, is not an "item of tax preference" for purposes of the Federal alternative minimum taxes imposed on individuals, however, for tax years beginning after December 31, 2022, interest on the Notes held by certain corporations that are subject to the Federal corporate alternative minimum tax is included in the computation of “adjusted financial statement income” for purposes of the Federal alternative minimum tax imposed on such corporations; (iii) interest on the Notes is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York); and (iv) based upon Bond Counsel’s examination of law and review of the respective arbitrage certificate executed by the Town Supervisor of the Town pursuant to Section 148 of the Code and the regulations thereunder, the facts, estimates and circumstances as set forth in

said arbitrage certificate are sufficient to satisfy the criteria which are necessary under Section 148 of the Code to support the conclusion that the Notes will not be an “arbitrage bonds” within the meaning of said section, and no matters have come to Bond Counsel’s attention which makes unreasonable or incorrect the representations made in said arbitrage certificates.

Such legal opinion also will state that (i) in rendering the opinion expressed therein, Bond Counsel has assumed the accuracy and truthfulness of all public records, documents and proceedings examined by Bond Counsel which have been executed or certified by public officials acting within the scope of their official capacities, and has not verified the accuracy or truthfulness thereof, and Bond Counsel also has assumed the accuracy of the signatures appearing upon such public records, documents and proceedings and such certifications; (ii) the scope of Bond Counsel's engagement in relation to the issuance of the Notes has extended solely to the examination of the facts and law incident to rendering the opinions expressed therein; (iii) the opinions expressed therein are not intended and should not be construed to express or imply any conclusion that the amount of real property subject to taxation within the boundaries of the Town together with other legally available sources of revenue, if any, will be sufficient to enable the Town to pay the principal of and interest on the Notes as the same respectively become due and payable; (iv) reference should be made to the Official Statement for factual information which, in the judgment of the Town, would materially affect the ability of the Town to pay such principal and interest; and (v) while Bond Counsel has participated in the preparation of the Official Statement, Bond Counsel has not verified the accuracy, completeness or fairness of the factual information contained therein and, accordingly, no opinion is expressed by Bond Counsel as to whether the Town, in connection with the sale of the Notes has made any untrue statement of a material fact, or omitted to state a material fact necessary in order to make any statements made, in the light of the circumstances under which they were made, not misleading.

## **LITIGATION**

The Town is subject to lawsuits in the ordinary conduct of its affairs. The Town does not believe, however, that such suits, individually or in the aggregate, are likely to have a material adverse effect upon the financial condition of the Town.

There is no action, suit, proceedings or investigation, at law or in equity, before or by any court, public board or body pending or, to the best knowledge of the Town threatened against or affecting the Town to restrain or enjoin the issuance, sale or delivery of bonds, notes, or the levy and collection of taxes or assessments to pay same, or in any way contesting or affecting the validity of bonds, notes, or any proceedings or authority of the Town taken with respect to the authorization, issuance or sale of bonds, notes, or contesting the corporate existence or boundaries of the Town.

## **RATINGS**

The Notes are NOT rated. The purchaser(s) of the Notes may choose to have a rating completed after the sale at the expense of the purchaser(s), including any fees to be incurred by the Town, as such rating action will result in a material event notification to be posted to EMMA which is required by the Town.

Moody’s Investors Service (“Moody’s”) has assigned their underlying rating of “Aa3” to the Town’s outstanding bonds. This rating reflects only the view of Moody’s and an explanation of the significance of such rating may be obtained from Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street- 23rd Floor, New York, New York 10007, Phone: (212) 553-1653.

Generally, rating agencies base their ratings on the information and materials furnished to it and on investigations, studies and assumptions by the respective rating agency. There is no assurance that a particular rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any downward revision or withdrawal of the rating of the outstanding bonds may have an adverse effect on the market price of the outstanding bonds and the Notes.

## **MUNICIPAL ADVISOR**

Fiscal Advisors & Marketing, Inc. (the "Municipal Advisor") is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Municipal Advisor serves as independent financial advisor to the Town on matters relating to debt management. The Municipal Advisor is a financial advisory and consulting organization and is not engaged in the business of underwriting, marketing, or trading municipal securities or any other negotiated instruments. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Notes. The advice on the plan of financing and the structuring of the Notes was based on materials provided by the Town and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated, or otherwise verified the information provided by the Town or the information set forth in this Official Statement or any other information available to the Town with respect to the appropriateness, accuracy, or completeness of disclosure of such information and no guarantee, warranty, or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information and this Official Statement. The fees to be paid by the Town to Fiscal Advisors are partially contingent on the successful closing of the Notes.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes will be paid for by the Town provided, however; the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **MISCELLANEOUS**

So far as any statements made in this Official Statement involve matters of opinion or estimates whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holders of the Notes.

Statements in this official statement, and the documents included by specific reference, that are not historical facts are forward-looking statements, which are based on the Town management's beliefs as well as assumptions made by, and information currently available to, the Town's management and staff. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. Important factors that could cause future results to differ include legislative and regulatory changes, changes in the economy, and other factors discussed in this and other documents that the Town's files with the repositories. When used in Town documents or oral presentation, the words "anticipate", "estimate", "expect", "objective", "projection", "forecast", "goal", or similar words are intended to identify forward-looking statements.

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the holder of the Notes.

Harris Beach PLLC, Pittsford, New York, Bond Counsel to the Town, expressed no opinion as to the accuracy or completeness of information in any documents prepared by or on behalf of the Town for use in connection with the offer and sale of the Notes, including but not limited to, the financial or statistical information in this Official Statement.

References herein to the Constitution of the State and various State and federal laws are only brief outlines of certain provisions thereof and do not purport to summarize or describe all of such provisions.

Concurrently with the delivery of the Notes, the Town will furnish a certificate to the effect that as of the date of the Official Statement, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading, subject to a limitation as to information in the Official Statement obtained from sources other than the Town.

The Official Statement is submitted only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

The Municipal Advisor may place a copy of this Official Statement on its website at [www.fiscaladvisors.com](http://www.fiscaladvisors.com). Unless this Official Statement specifically indicates otherwise, no statement on such website is included by specific reference or constitutes a part of this Official Statement. The Municipal Advisor has prepared such website information for convenience, but no decisions should be made in reliance upon that information. Typographical or other errors may have occurred in converting original source documents to digital format, and neither the Town nor the Municipal Advisor assumes any liability or responsibility for errors or omissions on such website. Further, the Municipal Advisor and the Town disclaim any duty or obligation either to update or to maintain that information or any responsibility or liability for any damages caused by viruses in the electronic files on the website. The Municipal Advisor and the Town also assumes no liability or responsibility for any errors or omissions or for any updates to dated website information.

The Town will act as Paying Agent for the Notes.

The Town contact information is as follows: Ms. Diana Marsh, Town Comptroller, 1280 Titus Avenue, Rochester, New York 14617 telephone (585) 336-6010, fax (585) 336-7282, email [dmarsh@irondequoit.org](mailto:dmarsh@irondequoit.org).

This Official Statement has been duly executed and delivered by the Town Supervisor of the Town of Irondequoit.

Additional information and copies of the Notice of Sale and the Official Statement may be obtained upon request from the offices of Fiscal Advisors & Marketing, Inc., telephone number (315) 752-0051, or at [www.fiscaladvisors.com](http://www.fiscaladvisors.com)

**TOWN OF IRONDEQUOIT**

**Dated: November 23, 2022**

**RORY FITZPATRICK**  
**TOWN SUPERVISOR**



**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending December 31:

	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 3,881,239	\$ 4,748,470	\$ 6,813,419	\$ 6,947,262	\$ 17,219,758
Cash and cash equivalents-restricted	55,521	61,644	59,601	-	-
Accounts receivable	508,300	540,849	497,710	528,931	472,026
Due from other funds	1,545,179	706,320	632,785	1,728,590	1,556,990
State and federal receivable	2,772,410	3,521,105	2,790,850	2,380,337	2,835,947
Due from other governments	359,057	284,754	198,242	81,447	59,762
Prepaid expenditures	66,651	70,200	47,516	472,647	586,066
<b>TOTAL ASSETS</b>	<u><b>\$ 9,188,357</b></u>	<u><b>\$ 9,933,342</b></u>	<u><b>\$ 11,040,123</b></u>	<u><b>\$ 12,139,214</b></u>	<u><b>\$ 22,730,549</b></u>
<b><u>LIABILITIES</u></b>					
Due to other funds	\$ -	\$ 56,281	\$ 110,433	\$ 151,652	\$ 9,955
Due to state retirement systems	1,275,014	1,231,176	1,183,322	-	-
Due to other governments	-	-	-	3,345	-
Accrued liabilities	60,596	85,857	114,759	291,972	99,926
Accounts payable	1,063,084	513,620	610,489	678,687	841,891
Unearned revenues	28,547	35,851	25,641	19,897	11,216,531
<b>TOTAL LIABILITIES</b>	<u><b>\$ 2,427,241</b></u>	<u><b>\$ 1,922,785</b></u>	<u><b>\$ 2,044,644</b></u>	<u><b>\$ 1,145,553</b></u>	<u><b>\$ 12,168,303</b></u>
<b><u>FUND BALANCE</u></b>					
Nonspendable	\$ 66,651	\$ 70,200	\$ 47,516	\$ 472,647	\$ 586,066
Restricted	55,521	61,644	59,601	91,007	55,427
Assigned	1,290,786	857,537	1,029,409	1,549,460	2,146,878
Unassigned	5,348,158	7,021,176	7,858,953	8,880,547	7,773,875
<b>TOTAL FUND BALANCE</b>	<u><b>\$ 6,761,116</b></u>	<u><b>\$ 8,010,557</b></u>	<u><b>\$ 8,995,479</b></u>	<u><b>\$ 10,993,661</b></u>	<u><b>\$ 10,562,246</b></u>
<b>TOTAL LIABILITIES and FUND BALANCE</b>	<u><b>\$ 9,188,357</b></u>	<u><b>\$ 9,933,342</b></u>	<u><b>\$ 11,040,123</b></u>	<u><b>\$ 12,139,214</b></u>	<u><b>\$ 22,730,549</b></u>

Source: Audited financial reports of the Town. This Appendix is not itself audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance**

Fiscal Years Ending December 31:	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 10,564,377	\$ 10,803,467	\$ 11,090,150	\$ 11,185,756	\$ 11,799,864
Real Property Tax Items	413,753	380,878	449,258	460,185	499,923
Non-Property Tax Items	5,232,501	5,585,246	5,855,292	5,556,258	7,390,706
Departmental Income	1,196,997	1,118,804	1,032,889	1,337,479	1,397,252
Intergovernmental Charges	118,454	102,242	71,851	72,083	38,445
Use of Money & Property	138,861	159,133	243,714	153,112	125,094
Licenses and Permits	54,880	54,240	54,906	48,152	56,120
Fines and Forfeitures	195,326	212,891	211,391	151,778	104,553
Sale of Property and Compensation for Loss	1,919,994	1,796,821	123,388	126,310	656,294
Miscellaneous	182,507	919,605	211,627	748,275	958,354
Interfund Revenues	439,423	410,427	388,543	371,252	389,799
Revenues from State Sources	2,046,241	1,666,213	1,653,287	1,268,518	1,510,973
Revenues from Federal Sources	111,100	192,263	129,298	1,281,148	134,864
Total Revenues	<u>\$ 22,614,414</u>	<u>\$ 23,402,230</u>	<u>\$ 21,515,594</u>	<u>\$ 22,760,306</u>	<u>\$ 25,062,241</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 5,522,349	\$ 4,475,062	\$ 4,360,342	\$ 4,642,297	\$ 5,376,096
Public Safety	11,155,495	11,037,511	11,357,187	11,444,964	12,372,740
Transportation	467,863	409,821	420,275	509,791	366,485
Economic Assistance and Opportunity	285,017	285,328	287,024	170,489	279,193
Culture and Recreation	2,054,628	1,960,908	1,931,284	1,705,534	2,155,783
Home and Community Services	1,304,315	1,200,416	1,105,872	1,157,430	1,083,236
Debt Service	983,384	991,736	1,105,415	1,187,529	1,180,676
Total Expenditures	<u>\$ 21,773,051</u>	<u>\$ 20,360,782</u>	<u>\$ 20,567,399</u>	<u>\$ 20,818,034</u>	<u>\$ 22,814,209</u>
Excess of Revenues Over (Under) Expenditures	<u>841,363</u>	<u>3,041,448</u>	<u>948,195</u>	<u>1,942,272</u>	<u>2,248,032</u>
Other Financing Sources (Uses):					
Operating Transfers In	9,500	184,000	147,160	126,025	70,553
Operating Transfers Out	(63,140)	(1,976,007)	(110,433)	(93,896)	(2,750,000)
Total Other Financing Sources (Uses)	<u>\$ (53,640)</u>	<u>\$ (1,792,007)</u>	<u>\$ 36,727</u>	<u>\$ 32,129</u>	<u>\$ (2,679,447)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>787,723</u>	<u>1,249,441</u>	<u>984,922</u>	<u>1,974,401</u>	<u>(431,415)</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	5,973,393	6,761,116	8,010,557	8,995,479	10,993,661
Prior period adjustments - net	-	-	-	23,781	-
Fund Balance - End of Year	<u>\$ 6,761,116</u>	<u>\$ 8,010,557</u>	<u>\$ 8,995,479</u>	<u>\$ 10,993,661</u>	<u>\$ 10,562,246</u>

Source: Audited financial reports of the Town. This Appendix is not itself audited.

**GENERAL FUND**

**Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**

Fiscal Years Ending December 31:	<b>2021</b>			<b>2022</b>	<b>2023</b>
	Original Budget	Final Budget	Audited Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 11,799,864	\$ 11,799,864	\$ 11,799,864	\$ 11,797,475	\$ 12,007,112
Real Property Tax Items	476,347	476,347	499,923	503,471	472,392
Non-Property Tax Items	5,457,262	5,457,262	7,390,706	6,383,500	6,366,000
Departmental Income	1,346,623	1,361,292	1,397,252	1,632,532	1,374,875
Intergovernmental Charges	91,000	91,000	38,445	91,000	18,000
Use of Money & Property	143,221	143,221	125,094	123,812	141,652
Licenses and Permits	50,150	50,150	56,120	51,700	48,480
Fines and Permits	230,000	220,400	104,553	230,000	153,000
Sale of Property and Compensation for Loss	16,000	16,000	656,294	96,000	174,500
Miscellaneous	626,333	636,333	958,354	654,711	644,003
Interfund Revenues	413,766	430,866	389,799	430,968	477,504
Revenues from State Sources	1,050,754	1,050,754	1,510,973	1,099,754	1,001,000
Revenues from Federal Sources	87,600	112,600	134,864	80,500	110,200
Total Revenues	<u>\$ 21,788,920</u>	<u>\$ 21,846,089</u>	<u>\$ 25,062,241</u>	<u>\$ 23,175,423</u>	<u>\$ 22,988,718</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 4,851,091	\$ 5,802,096	\$ 5,376,096	\$ 5,304,436	\$ 5,742,385
Public Safety	12,128,171	12,620,744	12,372,740	12,852,238	13,823,806
Transportation	388,333	399,014	366,485	384,944	477,959
Economic Assistance and Opportunity	283,868	279,271	279,193	301,456	301,160
Culture and Recreation	2,410,176	2,398,393	2,155,783	2,704,161	2,701,759
Home and Community Services	1,095,218	1,203,117	1,083,236	1,181,048	1,201,288
Debt Service	1,267,718	1,220,834	1,180,676	1,453,951	1,649,996
Total Expenditures	<u>\$ 22,424,575</u>	<u>\$ 23,923,469</u>	<u>\$ 22,814,209</u>	<u>\$ 24,182,234</u>	<u>\$ 25,898,353</u>
Excess of Revenues Over (Under) Expenditures	<u>(635,655)</u>	<u>(2,077,380)</u>	<u>2,248,032</u>	<u>(1,006,811)</u>	<u>(2,909,635)</u>
Other Financing Sources (Uses):					
Operating Transfers In	35,655	18,555	70,553	164,531	61,195
Operating Transfers Out	-	(2,796,750)	(2,750,000)	-	-
Total Other Financing Sources (Uses)	<u>\$ 35,655</u>	<u>\$ (2,778,195)</u>	<u>\$ (2,679,447)</u>	<u>\$ 164,531</u>	<u>\$ 61,195</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(600,000) <sup>(1)</sup></u>	<u>(4,855,575)</u>	<u>(431,415)</u>	<u>(842,280)</u>	<u>(2,848,440)</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	600,000	4,855,575	10,993,661	8,205,479	7,363,199
Prior period adjustments - net	-	-	-	-	-
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,562,246</u>	<u>\$ 7,363,199</u>	<u>\$ 4,514,759</u>

Source: 2021 audited financial reports of the Town. 2022 adopted budgets of the Town. This Appendix is not itself audited.

**Changes In Fund Balance**

Fiscal Years Ending December 31:

	<u><b>2017</b></u>	<u><b>2018</b></u>	<u><b>2019</b></u>	<u><b>2020</b></u>	<u><b>2021</b></u>
<u><b>HIGHWAY FUND</b></u>					
Fund Balance - Beginning of Year	\$ 888,797	\$ 1,201,095	\$ 1,385,614	\$ 1,173,411	\$ 1,787,100
Revenues & Other Sources	7,519,255	5,565,592	5,263,321	5,537,357	6,271,598
Expenditures & Other Uses	7,206,957	5,381,073	5,475,524	4,923,668	6,223,380
Fund Balance - End of Year	\$ 1,201,095	\$ 1,385,614	\$ 1,173,411	\$ 1,787,100	\$ 1,835,318
<u><b>PUBLIC LIBRARY FUND</b></u>					
Fund Balance - Beginning of Year	\$ 171,281	\$ 161,511	\$ 155,817	\$ 246,677	\$ 379,225
Revenues & Other Sources	2,343,350	2,321,084	2,576,001	2,655,615	2,660,498
Expenditures & Other Uses	2,353,120	2,326,778	2,485,141	2,523,067	2,635,125
Fund Balance - End of Year	\$ 161,511	\$ 155,817	\$ 246,677	\$ 379,225	\$ 404,598

Source: Audited financial reports of the Town. This Appendix is not itself audited.

**APPENDIX - B**  
**Town of Irondequoit**

**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Principal	Interest	Total
2022	\$ 1,170,000	\$ 432,323	\$ 1,602,323
2023	1,115,000	406,204	1,521,204
2024	1,060,000	381,857	1,441,857
2025	995,000	359,475	1,354,475
2026	945,000	338,175	1,283,175
2027	950,000	317,030	1,267,030
2028	795,000	292,900	1,087,900
2029	805,000	269,889	1,074,889
2030	814,981	246,076	1,061,057
2031	645,000	221,738	866,738
2032	660,000	202,823	862,823
2033	445,000	183,375	628,375
2034	460,000	169,800	629,800
2035	475,000	155,775	630,775
2036	485,000	141,375	626,375
2037	500,000	126,600	626,600
2038	515,000	111,375	626,375
2039	535,000	95,625	630,625
2040	550,000	79,350	629,350
2041	565,000	62,625	627,625
2042	585,000	45,375	630,375
2043	600,000	27,600	627,600
2044	620,000	9,300	629,300
<b>TOTALS</b>	<b>\$ 16,289,981</b>	<b>\$ 4,676,664</b>	<b>\$ 20,966,645</b>

**APPENDIX - B1**  
**Town of Irondequoit**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending Dec 31st	2003			2004		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 30,000	\$ 2,018	\$ 32,018	\$ 15,000	\$ 2,217	\$ 17,217
2023	30,000	675	30,675	15,000	1,486	16,486
2024	-	-	\$ -	15,000	745	15,745
TOTALS	\$ 60,000	\$ 2,693	\$ 62,693	\$ 45,000	\$ 4,448	\$ 49,448

Fiscal Year Ending Dec 31st	2012		
	Refunding of 1994, 2001, 2004 & 2005 Serial Bonds		
	Principal	Interest	Total
2022	\$ 75,000	\$ 5,588	\$ 80,588
2023	70,000	3,369	73,369
2024	70,000	1,138	71,138
TOTALS	\$ 215,000	\$ 10,094	\$ 225,094

Fiscal Year Ending Dec 31st	2012			2016		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 240,000	\$ 48,600	\$ 288,600	\$ 45,000	\$ 7,500	\$ 52,500
2023	240,000	43,800	283,800	45,000	6,375	51,375
2024	240,000	39,000	279,000	25,000	5,250	30,250
2025	240,000	34,200	274,200	25,000	4,625	29,625
2026	185,000	29,400	214,400	25,000	3,938	28,938
2027	185,000	25,330	210,330	25,000	3,188	28,188
2028	170,000	21,075	191,075	25,000	2,438	27,438
2029	165,000	16,995	181,995	25,000	1,656	26,656
2030	165,000	12,870	177,870	25,000	844	25,844
2031	165,000	8,663	173,663	-	-	-
2032	165,000	4,373	169,373	-	-	-
TOTALS	\$ 2,160,000	\$ 284,305	\$ 2,444,305	\$ 265,000	\$ 35,813	\$ 300,813

**APPENDIX - B2**  
**Town of Irondequoit**

**CURRENT BONDS OUTSTANDING**

Fiscal Year Ending Dec 31st	2017			2017		
	Refunding of 2007 & 2010 Bonds			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 320,000	\$ 52,925	\$ 372,925	\$ 110,000	\$ 24,075	\$ 134,075
2023	290,000	46,525	336,525	85,000	21,325	106,325
2024	280,000	40,725	320,725	85,000	19,200	104,200
2025	285,000	34,775	319,775	90,000	17,075	107,075
2026	280,000	28,363	308,363	95,000	14,825	109,825
2027	275,000	21,713	296,713	95,000	12,450	107,450
2028	160,000	14,838	174,838	60,000	9,600	69,600
2029	160,000	10,038	170,038	65,000	7,800	72,800
2030	154,981	5,038	160,019	65,000	5,850	70,850
2031	-	-	-	65,000	3,900	68,900
2032	-	-	-	65,000	1,950	66,950
<b>TOTALS</b>	<b>\$ 2,204,981</b>	<b>254,938</b>	<b>2,459,919</b>	<b>\$ 880,000</b>	<b>\$ 138,050</b>	<b>\$ 1,018,050</b>

Fiscal Year Ending Dec 31st	2019		
	Public Improvements		
	Principal	Interest	Total
2022	\$ 335,000	\$ 289,400	\$ 624,400
2023	340,000	282,650	622,650
2024	345,000	275,800	620,800
2025	355,000	268,800	623,800
2026	360,000	261,650	621,650
2027	370,000	254,350	624,350
2028	380,000	244,950	624,950
2029	390,000	233,400	623,400
2030	405,000	221,475	626,475
2031	415,000	209,175	624,175
2032	430,000	196,500	626,500
2033	445,000	183,375	628,375
2034	460,000	169,800	629,800
2035	475,000	155,775	630,775
2036	485,000	141,375	626,375
2037	500,000	126,600	626,600
2038	515,000	111,375	626,375
2039	535,000	95,625	630,625
2040	550,000	79,350	629,350
2041	565,000	62,625	627,625
2042	585,000	45,375	630,375
2043	600,000	27,600	627,600
2044	620,000	9,300	629,300
<b>TOTALS</b>	<b>\$ 10,460,000</b>	<b>\$ 3,946,325</b>	<b>\$ 14,406,325</b>

## FORM UNDERTAKING TO PROVIDE NOTICES OF EVENTS

This undertaking to provide notice of certain designated events (the “Disclosure Undertaking”) is executed and delivered by the Town of Irondequoit, Monroe County, a municipal corporation of the State of New York (the “Issuer”) in connection with the issuance of its \$15,463,000 Bond Anticipation Notes, 2022 Series B (the “Security”). The Security has a stated maturity of 18 months or less. The Issuer hereby covenants and agrees as follows:

### Section 1. Obligation to Provide Notices of Events.

(a) The Issuer hereby undertakes (for the benefit of Security Holders) to provide (or cause to be provided either directly or through a dissemination agent) to EMMA (or any successor thereto) in an electronic format (as prescribed by the MSRB) in a timely manner (not in excess of ten business days after the occurrence of any such event) notice of any of the following events with respect to the Security:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701—TEB) or other material notices or determinations with respect to the tax status of the Security, or other material events affecting the tax status of the Security;
- (7) Modifications to rights of Security Holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Security, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;

Note to subsection (12): For the purposes of the event identified in paragraph (12) of this section, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect Security Holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) The Issuer may choose to disseminate other information in addition to the information required as part of this Disclosure Undertaking. Such other information may be disseminated in any manner chosen by the Issuer. If the Issuer disseminates any such additional information, the Issuer shall have no obligation to update such information or include it in any future materials disseminated pursuant to this Disclosure Undertaking.



(c) The Issuer may choose to provide notice of the occurrence of certain other events, in addition to those listed in Section 1(a) above, if the Issuer determines that any such other event is material with respect to the Security; but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

## Section 2. Definitions

“EMMA” shall mean Electronic Municipal Market Access System implemented by the MSRB.

“Financial Obligation” shall mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of (A) or (B). Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

“MSRB” shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Purchaser” shall mean the financial institution referred to in a certain Certificate of Determination that is being delivered by the Issuer in connection with the issuance of the Security.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended through the date of this Disclosure Undertaking, including any official interpretations thereof.

“Security Holder” shall mean any registered owner of the Security and any beneficial owner of the Security within the meaning of Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

Section 3. Remedies. If the Issuer fails to comply with any provision of this Disclosure Undertaking, then any Security Holder may enforce, for the equal benefit and protection of all Security Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Disclosure Undertaking against the Issuer and any of the officers, agents and employees of the Issuer, and may compel the Issuer or any such officers, agents or employees to perform and carry out their duties under this Disclosure Undertaking; provided that the sole and exclusive remedy for breach of this Disclosure Undertaking shall be an action to compel specific performance of the obligations of the Issuer hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances. Failure to comply with any provision of this Disclosure Undertaking shall not constitute an event of default on the Security.

Section 4. Parties in Interest. This Disclosure Undertaking is executed to assist the Purchaser to comply with paragraph (b)(5) of Rule 15c2-12 and is delivered for the benefit of the Security Holders. No other person has any right to enforce the provisions hereof or any other rights hereunder.

Section 5. Amendments. Without the consent of any Security Holders, at any time while this Disclosure Undertaking is outstanding, the Issuer may enter into any amendments or changes to this Disclosure Undertaking for any of the following purposes:

- (a) to comply with or conform to any changes to Rule 15c2-12 (whether required or optional);
- (b) to add a dissemination agent for the information required to be provided as part of this Disclosure Undertaking and to make any necessary or desirable provisions with respect thereto;
- (c) to evidence the succession of another person to the Issuer and the assumption of any such successor of the duties of the Issuer hereunder;
- (d) to add to the duties of the Issuer for the benefit of the Security Holders, or to surrender any right or power herein conferred upon the Issuer;
- (e) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to make any other provisions with respect to matters or questions arising under this Disclosure Undertaking which, in each case, comply with Rule 15c2-12 or Rule 15c2-12 as in effect at the time of such amendment or change; provided that no such action pursuant to this Section 5 shall adversely affect the interests of the Security Holders in any material respect. In making such determination, the Issuer shall rely upon an opinion of nationally recognized bond counsel.

Section 6. Termination. This Disclosure Undertaking shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Security shall have been paid in full or the Security shall have otherwise been paid or legally defeased in accordance with their terms. Upon any such legal defeasance, the Issuer shall provide notice of such defeasance to EMMA. Such notice shall state whether the Security has been defeased to maturity or to redemption and the timing of such maturity or redemption.

Section 7. Undertaking to Constitute Written Agreement or Contract. This Disclosure Undertaking shall constitute the written agreement or contract for the benefit of Security Holders, as contemplated under Rule 15c2-12.

Section 8. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

IN WITNESS WHEREOF, the undersigned has duly authorized, executed and delivered this Disclosure Undertaking as of December 15, 2022.

TOWN OF IRONDEQUOIT, MONROE  
COUNTY, NEW YORK

By: SPECIMEN  
Town Supervisor

(SEAL)

ATTEST:

SPECIMEN  
Town Clerk

**TOWN OF IRONDEQUOIT  
MONROE COUNTY, NEW YORK**

**AUDITED FINANCIAL STATEMENT**

**Fiscal Year Ended December 31, 2021**

Such Audited Financial Statement and opinion were prepared as of date thereof and have not been reviewed and/or updated in connection with the preparation and dissemination of this Official Statement.

The Town's independent auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Town's independent auditor also has not performed any procedures relating to this Official Statement.

**TOWN OF IRONDEQUOIT, NEW YORK**

**Basic Financial Statements For the Year Ended  
December 31, 2021  
Together With Independent  
Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

# TOWN OF IRONDEQUOIT, NEW YORK

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## **SECTION A**

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### **BASIC FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

June 15, 2022

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

### Report on Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Irondequoit, New York (the Town), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis For Opinions***

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

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

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

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

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### ***Auditor's Responsibilities For the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining non-major fund financial statements, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of state transportation assistance expended, as required by Part 43 of the New York State Codes, Rules, and Regulations, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and schedule of state transportation assistance expended are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

## TOWN OF IRONDEQUOIT, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2021

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The management's discussion and analysis of the Town of Irondequoit, New York's (the Town's) financial performance provides an overview of the Town's financial activities for the year ended December 31, 2021. Please read it in conjunction with the Town's basic financial statements.

#### FINANCIAL HIGHLIGHTS

- On the government-wide financial statements, the liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources by \$7,228,386. However, the net position increased from the prior year as a result of a reduction in Other Post Employment Obligations and the Net Pension liability in the current year.
- General revenues, which include real property taxes, non-property taxes, use of money and property, sale of property and miscellaneous income, are \$29,837,951, or 71% of all revenues. Program specific revenues in the form of charges for services, operating grants, and capital grants accounted for \$12,378,146, or 29%, of total revenues.
- During 2021, the Town issued Bond Anticipation Notes in the amount of \$25,687,500 to finance ongoing projects including building improvements, road repair projects, parks and recreation improvements and sewer improvements.
- The Town's governmental fund financial statements report a combined ending fund deficit of \$11,361,103. The deficit is the result of the use of bond anticipation notes (BANs) financing for capital improvements. Proceeds of BANs are not recognized as revenue.
- At the end of the current year, the unassigned fund balance of the General Fund was \$7,773,875.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

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

##### Government-Wide Financial Statements

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

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Management's Discussion and Analysis (Unaudited)

December 31, 2021

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- The *statement of activities* presents information showing how the Town's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
- The *governmental* activities of the Town include police, public works, parks departments, general administration, and interest on long-term debt.

#### Fund Financial Statements

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

- *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains four major individual governmental funds; General Fund, Highway Fund, Sewer Fund, and Capital Projects Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each fund.

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

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

# TOWN OF IRONDEQUOIT, NEW YORK

## Management's Discussion and Analysis (Unaudited) December 31, 2021

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### Major Features of the Town-Wide and Fund Financial Statements

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

### Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

# TOWN OF IRONDEQUOIT, NEW YORK

## Management's Discussion and Analysis (Unaudited) December 31, 2021

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets and deferred inflows of the Town's governmental activities exceeded liabilities and deferred inflows by \$7,228,386 at the close of 2021. The Town's assets, deferred outflows, liabilities, deferred inflows, and net position are summarized in Table 1 and the changes in net position are summarized in Table 2.

**Table 1**

#### Net Position For the Years Ended December 31, 2021 and 2020 (In thousands)

	<u>2021</u>	<u>2020</u>
ASSETS:		
Current assets	\$ 27,827	\$ 22,726
Capital assets	<u>88,131</u>	<u>79,458</u>
Total assets	<u>115,958</u>	<u>102,184</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>28,978</u>	<u>29,408</u>
LIABILITIES:		
Current liabilities	39,397	28,073
Due within one year	2,362	2,486
Due in more than one year	<u>75,589</u>	<u>104,888</u>
Total liabilities	<u>117,348</u>	<u>135,447</u>
DEFERRED INFLOWS OF RESOURCES	<u>34,816</u>	<u>4,928</u>
NET POSITION:		
Net investment in capital assets	46,828	40,873
Restricted	5,403	10,888
Unrestricted	<u>(59,459)</u>	<u>(60,544)</u>
Total net position	<u>\$ (7,228)</u>	<u>\$ (8,783)</u>
	<u>2021</u>	<u>2020</u>
Current Assets	<u>\$ 27,827</u>	<u>\$ 22,726</u>
Current Liabilities	<u>\$ 39,397</u>	<u>\$ 28,073</u>
Ratio of Current Assets to Current Liabilities	0.71	0.81

Total assets increased by approximately \$13,774,000 due primarily to an increase in capital assets of nearly \$8,673,000. The decrease in total liabilities of approximately \$18,099,000 results from the decrease in Other Post Employment Obligations and Net Pension Liabilities in the current year.

## TOWN OF IRONDEQUOIT, NEW YORK

### Management's Discussion and Analysis (Unaudited) December 31, 2021

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Table 2

**Changes in Net Position For the Years Ended  
December 31, 2021 and 2020  
(In thousands)**

	<u>2021</u>	<u>2020</u>
REVENUES:		
Program revenues -		
Charges for services	\$ 8,644	\$ 8,654
Operating grants and contributions	1,325	1,469
Capital grants and contributions	2,409	3,539
General revenues -		
Real property taxes and tax items	18,646	17,977
Nonproperty tax items	7,391	5,556
State and federal aid not restricted for a specific purpose	1,469	2,419
Investment earnings	255	309
Other revenues	1,372	986
Sale of property and compensation for loss	<u>705</u>	<u>309</u>
Total revenues	<u>42,216</u>	<u>41,218</u>
EXPENSES:		
Program expenses -		
General government support	5,759	5,679
Public safety	13,581	13,707
Transportation	6,174	6,055
Economic assistance	406	285
Culture and recreation	5,302	4,443
Home and community services	8,642	10,019
Interest expense	<u>798</u>	<u>1,195</u>
Total expenses	<u>40,662</u>	<u>41,383</u>
Increase (Decrease) in net position	<u>\$ 1,554</u>	<u>\$ (165)</u>

In 2021, the expenses of all governmental activities were approximately \$40,662,000. The amount that taxpayers ultimately financed for these activities through Town real property taxes and real property tax items was essentially \$18,646,000 or 44% of total revenues.

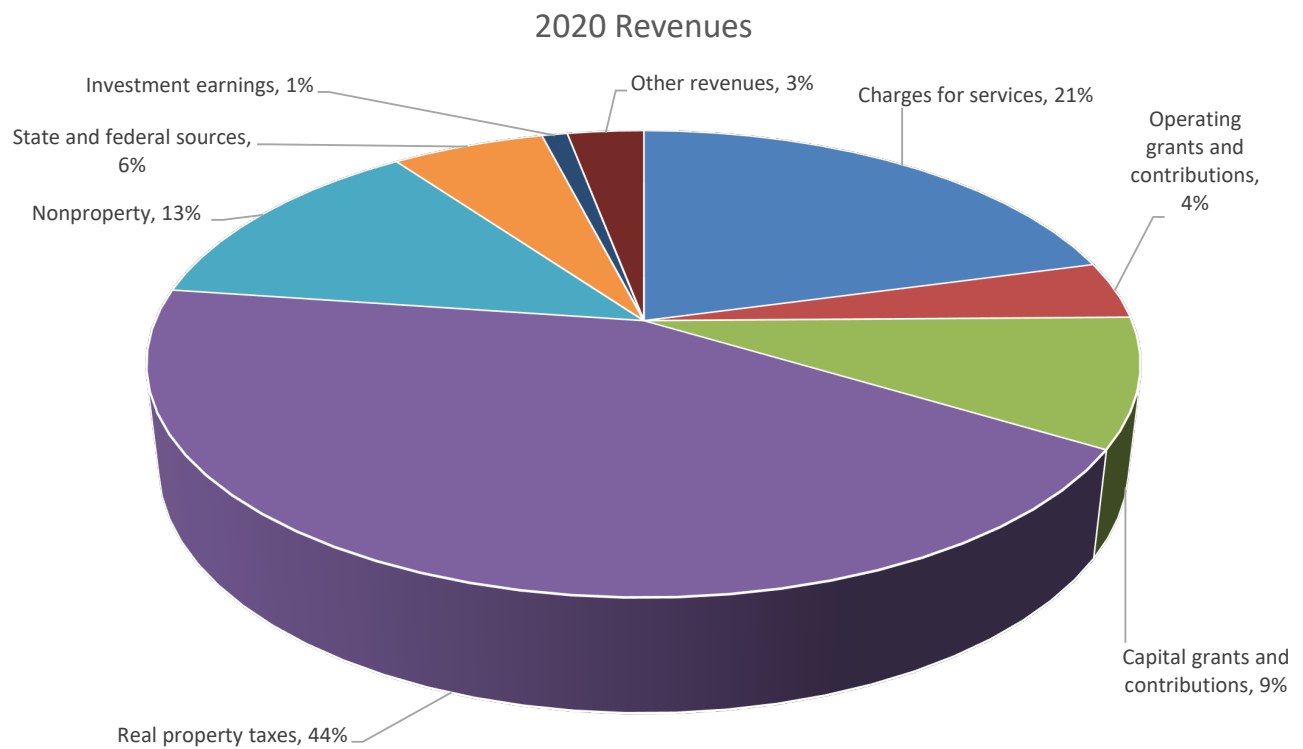
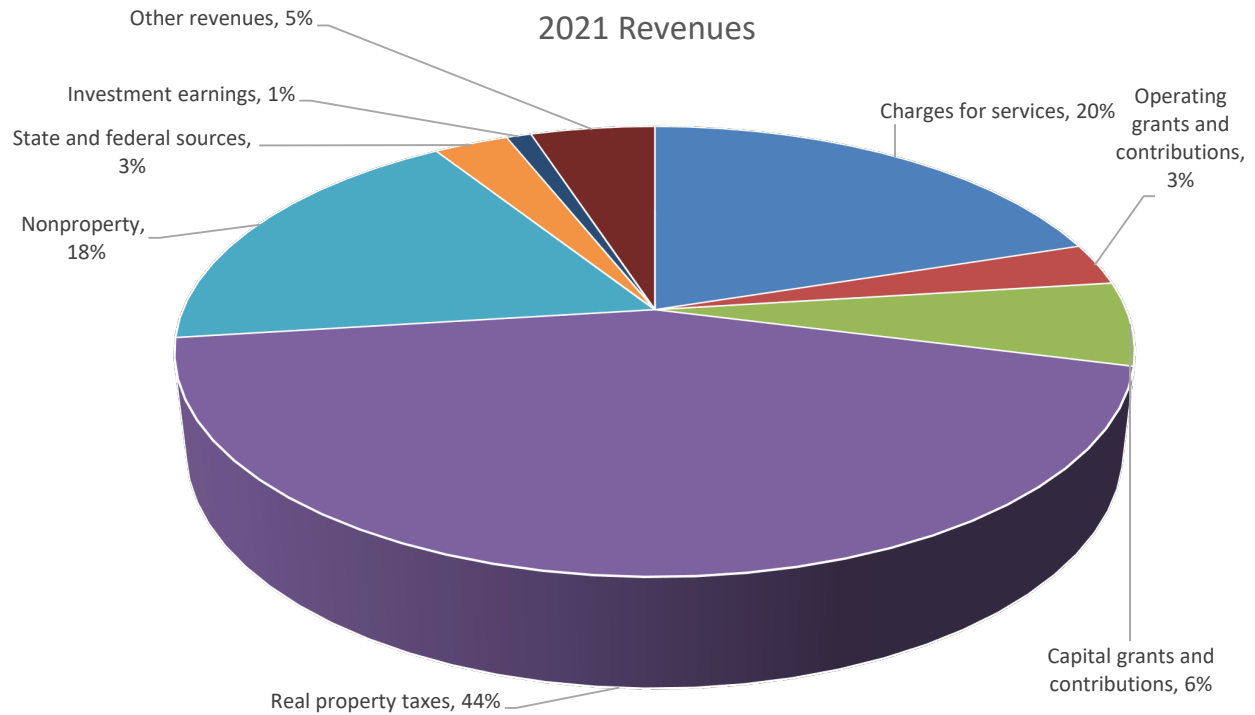
Revenues of the Town's primary government increased 2% from approximately \$41,218,000 to \$42,216,000, primarily due to an increase in sales tax revenue.

## TOWN OF IRONDEQUOIT, NEW YORK

### Management's Discussion and Analysis (Unaudited)

December 31, 2021

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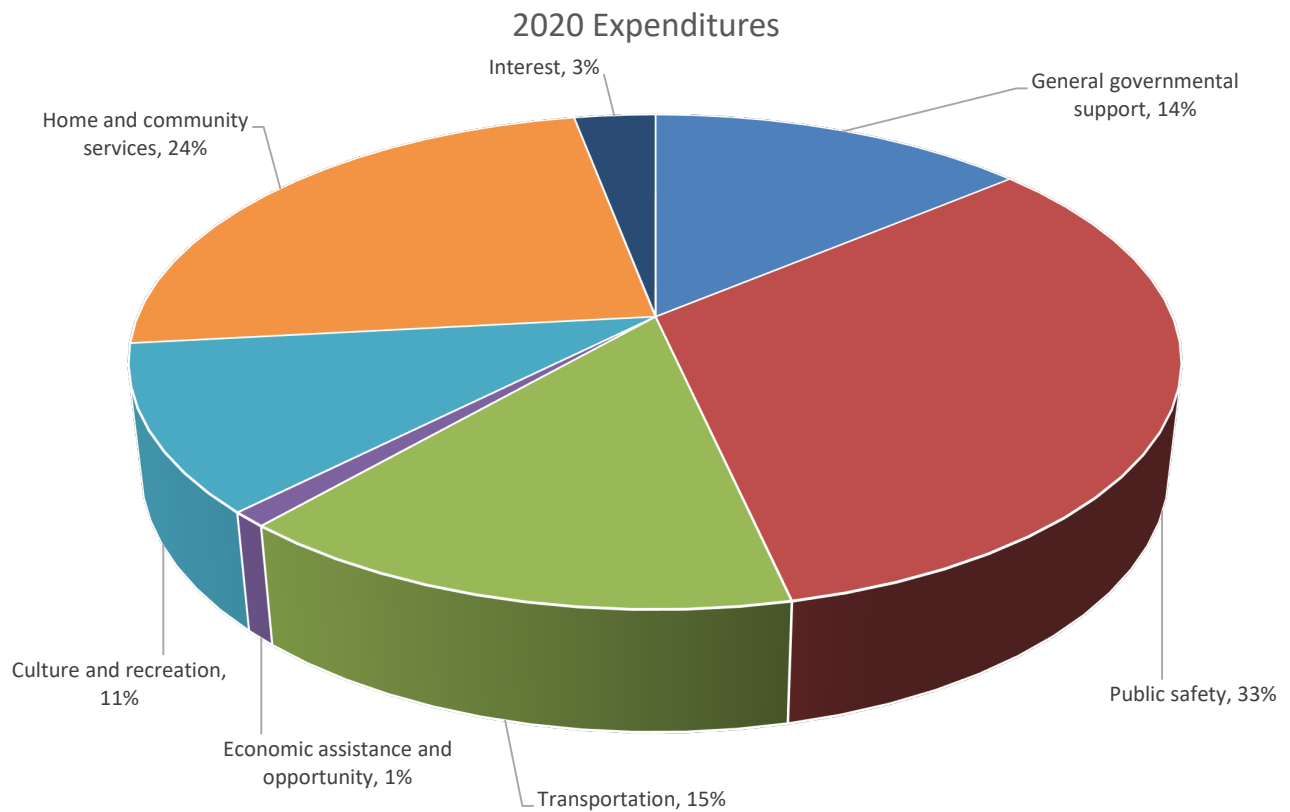
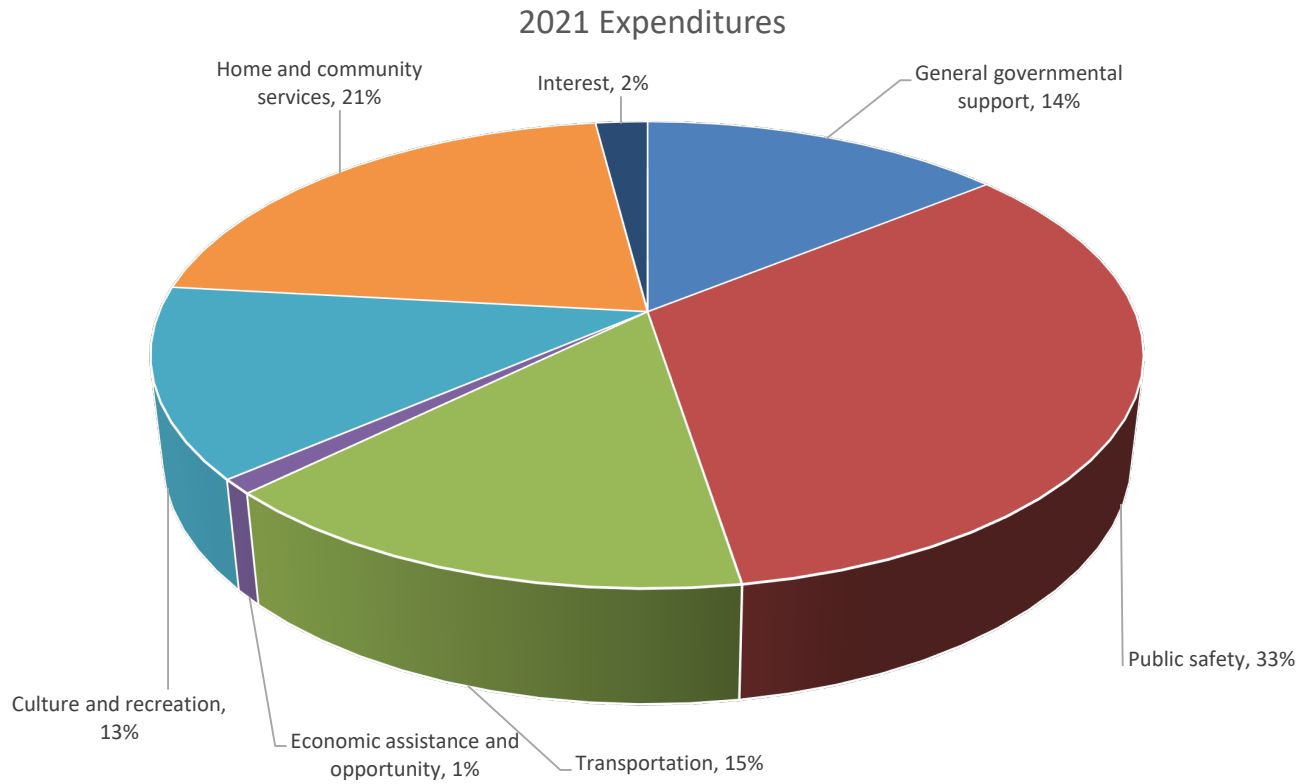


## TOWN OF IRONDEQUOIT, NEW YORK

### Management's Discussion and Analysis (Unaudited)

December 31, 2021

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## **TOWN OF IRONDEQUOIT, NEW YORK**

### **Management's Discussion and Analysis (Unaudited)** **December 31, 2021**

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#### **Capital Assets**

At the end of 2021, the governmental activities of the Town held \$88,131,463 in capital assets. This amount represents an increase (including additions, net of disposals and depreciation) of \$8,672,692, or 11%, over last year. Depreciation expense of \$4,847,350 has been recorded in the current year. Additional information on the Town's capital assets can be found in the notes to the financial statements.

2021 significant capital asset activity included the following:

- \$9,589,986 in construction for the completion of the new recreation center
- \$1,461,323 in infrastructure improvements, including roads, sidewalks, and sewers
- \$248,554 in building improvements
- \$412,615 in machinery and equipment
- \$253,781 in capital asset disposals
- \$4,594,483 represents change in accumulated depreciation value

#### **Long-Term Liabilities**

At December 31, 2021, the Town had general obligation debt totaling \$16,441,885 inclusive of a premium of \$151,904. General obligation debt decreased by \$1,342,677 due to scheduled principal payments and the amortization of the bond premium.

At December 31, 2021, the Town had capital lease obligations totaling \$1,063,727. Total capital lease obligations decreased by \$545,732 due to scheduled lease payments.

At December 31, 2021, the Town's compensated absences balances totaled \$2,116,549. This represents a net increase of \$52,019 from the prior year due to accrued vacation and sick time of \$1,207,755 offset by the use of accrued vacation, sick and compensatory time of \$1,155,736.

At December 31, 2021, the Town's other postemployment benefits balances equated to \$54,967,742. This represents a net decrease of \$14,190,387 from the prior year. See the postemployment healthcare benefits footnote for more information.

At December 31, 2021, the Town's workers' compensation liability amounted to \$969,985. This represents a net decrease of \$330,913 from the prior year. See the self- insurance footnote for more information.

At December 31, 2021, the Town's net pension liability totaled \$2,392,902. This represents a net decrease of \$13,063,459 from the prior year. See the pension plans footnote for more information.

The Town's constitutional debt limit is \$207,278,331 and, as calculated in the most recent debt statement on April 14, 2022, the Town is using 19.31% of the limit.

The Town's credit rating is done by Moody's Investors Service. Moody's has rated the Town Aa3 since March 4, 2015.

## **TOWN OF IRONDEQUOIT, NEW YORK**

### **Management's Discussion and Analysis (Unaudited) December 31, 2021**

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

### **FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

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

#### **General Fund**

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

The General Fund experienced a decrease in fund balance of \$431,415 for 2021. Primary sources for the \$25,062,241 General Fund revenue include: property tax and property tax items of approximately \$12,299,000, non-property tax items of approximately \$7,390,000 and state aid of approximately \$1,511,000. Overall total revenues increased \$2,301,935. The main contribution to the increase was approximate \$1,834,000 sales tax receipts included in non-property tax item revenue and the sale of real property of \$656,000.

The major components of the General Fund total expenditures of \$22,814,209 include public safety of approximately \$12,372,000, and general government support of approximately \$5,376,000. Total expenditures increased roughly \$1,996,000 in 2021 compared to 2020. Increased expenses result from salary and benefit increases of approximately \$1,253,000. Upgrades to the Town's IT (information technology) and ICAT equipment of approximately \$240,000 also contribute to the increase.

#### **Highway Fund**

The Highway Fund is a special revenue fund where the activity for the Town's Department of Public Works is recorded. The Highway Fund had an increase in fund balance of approximately \$48,000 for 2021. The Highway Fund had revenues of approximately \$6,259,000, which is comprised essentially of the fund's share of property taxes (approximately \$3,839,000), state aid (approximately \$1,409,000) and intergovernmental charges (approximately \$805,000).

The Highway Fund's expenditures were approximately \$6,185,000, of which approximately \$5,604,000 was for current year transportation related costs, and approximately \$504,000 for debt service. Overall, total expenditures increased \$1,306,000 year over year. The increased expenses can be primarily attributed to additional paving work completed in 2021.

#### **Sewer Fund**

The Sewer Fund is a special revenue fund used to account for all transactions to provide sewer services throughout the Town. The Sewer Fund had an increase in fund balance of approximately \$55,000 for 2021. The Sewer Fund had revenues of approximately \$3,987,000 is comprised primarily of the fund's share of property taxes (basically \$3,955,000). The sewer fund revenues decreased slightly (\$132,000) from 2020.

## TOWN OF IRONDEQUOIT, NEW YORK

### Management's Discussion and Analysis (Unaudited)

December 31, 2021

The Sewer Fund's expenditures were approximately \$3,978,000 of which essentially \$3,101,000 and \$822,000 were for current year home and community services costs and debt service costs respectively. The excess revenue over expenditures of \$9,500 and \$45,600 other financing sources (transfers) resulted in the increased fund balance.

#### Capital Projects Fund

The Capital Projects fund is used to account for the acquisition or construction of major capital facilities or improvements. The Capital Projects Fund is funded mainly by Bond Anticipation Notes (BANs) and grants awarded from other governmental units. The Capital Projects fund had revenue of approximately \$1,280,000 and expenditures of approximately \$10,982,000. The revenue was primarily made up of State grants of \$1,000,000 for work done at the new Department of Public Works building. The Town issued BANs in the amount of \$25,687,500 in 2021 to finance the operations of the Capital Projects fund, such as the new Recreation Center, the DPW building, building improvements, road repair projects, and athletic fields and improvements. The largest components of expenditures were culture and recreation and home and community related costs of approximately \$6,600,000 and \$3,976,000 respectively. The deficiency of revenues over expenses is due to the fund using proceeds of short term debt to fund current year expenditures. Proceeds of BANs are not recognized as revenue.

#### Other Governmental Funds

Non-major funds include the Special Grant Fund, Miscellaneous Special Revenue Fund, Library Fund, Drainage District, Lighting Districts, and Water district. The non-major funds had a increase in fund balance of \$197,584 in 2021.

Revenues, Expenditures and Fund Balances-  
Major Governmental Operating Funds  
(Includes other financing sources and uses)  
(in thousands)

2021						
	Annual		Cumulative Fund Balance	Residual Fund Balance	% Of Original Budget	
	Revenues	Expenditures				
General Fund	\$ 25,062	\$ 22,814	\$ 10,562	\$ 7,774	34.67%	
Highway Fund	\$ 6,259	\$ 6,185	\$ 1,835	\$ 1,776	31.87%	
Sewer Fund	\$ 3,988	\$ 3,978	\$ 947	\$ 889	21.66%	
2020						
	Annual		Cumulative Fund Balance	Residual Fund Balance	% Of Original Budget	
	Revenues	Expenditures				
General Fund	\$ 22,760	\$ 20,818	\$ 10,994	\$ 8,881	40.89%	
Highway Fund	\$ 5,484	\$ 4,879	\$ 1,787	\$ 1,732	31.87%	
Sewer Fund	\$ 4,119	\$ 4,059	\$ 892	\$ 840	20.21%	

## **TOWN OF IRONDEQUOIT, NEW YORK**

### **Management's Discussion and Analysis (Unaudited) December 31, 2021**

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

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

- The Town's General Fund's total expenditures came in at budget.
- The Town's General Fund's total revenues came within 15% of budget.

#### **HIGHWAY FUND BUDGETARY HIGHLIGHTS**

- The Town's Highway Fund's total expenditures came within 4% of budget.
- The Town's Highway Fund's total revenues came in at budget.

#### **SEWER FUND BUDGETARY HIGHLIGHTS**

- The Town's Sewer Fund's total expenditures came within 2% of budget.
- The Town's Sewer Fund's total revenues came in at budget.

#### **ECONOMIC FACTORS**

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

Other major revenues are sales tax and mortgage tax received from Monroe County and the franchise (cable TV) fee. In 2021, sales tax increased 38% from 2020. The 2020 sales tax revenue decreased 5.9% from 2019 as a result of COVID-19. Prior to 2020, sales tax was steadily increasing as 2019 sales tax was up: 7% from 2018, 14% from 2017 and 29% from 2016 revealing steady growth. 2021 mortgage tax showed a 21% increase from 2020. Mortgage tax fluctuates with trends in the local real estate market; over the 5-year period from 2017-2021, receipts increased by \$614,000 or 72%. The 2021 franchise Cable TV revenue of \$661,894 is down 3% from 2020. The Town continues to monitor these economically sensitive revenue sources in order to forecast appropriately.

Irondequoit's tax base benefits from its close proximity to the City of Rochester. The City of Rochester is home to a number of diverse businesses—the Top 5 employers in the Greater Rochester area are University of Rochester, Rochester Regional Health, Wegmans Food Markets, Inc., Paychex, Inc., and Rochester Institute of Technology. Although Eastman Kodak is no longer in the Top 5—now ranked as #13—it continues to be recognized in the area. A great majority of the employee population of St. Ann's Community—ranked #20 by the Rochester Business Journal—is within the Town of Irondequoit.

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

## **TOWN OF IRONDEQUOIT, NEW YORK**

### **Management's Discussion and Analysis (Unaudited) December 31, 2021**

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#### **CONTACTING THE TOWN'S FINANCE DEPARTMENT**

This financial report is designed to provide citizens, taxpayers, creditors, and investors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Diana Marsh, Comptroller, Irondequoit Town Hall, 1280 Titus Ave., Rochester, New York, 14617. Telephone (585) 336-6010. You can access this report on the internet at [www.irondequoit.org](http://www.irondequoit.org). Click on "Town Departments", then "Comptroller" and scroll to "2021 Financial Statement."

**TOWN OF IRONDEQUOIT, NEW YORK****Statement of Net Position****December 31, 2021**

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**ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents	\$ 22,003,576
Receivables	900,868
State and federal aid receivables	3,892,847
Due from other governments	268,473
Prepaid expenses	<u>761,616</u>
Total current assets	<u>27,827,380</u>

## NON-CURRENT ASSETS:

Capital assets, net	<u>88,131,463</u>
Total assets	<u>115,958,843</u>

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related	14,310,070
OPEB related	14,606,054
Deferred amount on refunding	<u>62,206</u>
Total deferred outflows of resources	<u>28,978,330</u>

**LIABILITIES**

## CURRENT LIABILITIES:

Accounts payable	2,097,354
Accrued liabilities	184,948
Bond anticipation notes payable	25,687,500
Due to other governments	900
Accrued interest	208,460
Unearned revenue	<u>11,217,781</u>
Total current liabilities	<u>39,396,943</u>

## LONG-TERM LIABILITIES:

Due within one year -	2,362,405
Due in more than one year -	<u>75,590,385</u>
Total long-term liabilities	<u>77,952,790</u>

Total liabilities	<u>117,349,733</u>
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**DEFERRED INFLOWS OF RESOURCES**

Pension related	16,321,535
OPEB related	<u>18,494,291</u>
Total deferred inflows of resources	<u>34,815,826</u>

**NET POSITION**

Net investment in capital assets	46,827,733
Restricted	5,402,930
Unrestricted	<u>(59,459,049)</u>
Total net position	<u>\$ (7,228,386)</u>

The accompanying notes are an integral part of these statements.

# TOWN OF IRONDEQUOIT, NEW YORK

## Statement of Activities

For the Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>PRIMARY GOVERNMENT:</b>					
Governmental activities -					
General governmental support	\$ 5,758,968	\$ 368,443	\$ 133,754	\$ 1,000,000	\$ (4,256,771)
Public safety	13,581,223	508,544	12,423	-	(13,060,256)
Transportation	6,173,742	1,100,065	-	1,409,490	(3,664,187)
Economic assistance and opportunity	406,277	58,275	-	-	(348,002)
Culture and recreation	5,301,566	466,177	65,975	-	(4,769,414)
Home and community services	8,642,171	6,142,402	1,112,598	-	(1,387,171)
Interest on long-term debt	797,695	-	-	-	(797,695)
Total governmental activities	<u>\$ 40,661,642</u>	<u>\$ 8,643,906</u>	<u>\$ 1,324,750</u>	<u>\$ 2,409,490</u>	<u>(28,283,496)</u>
<b>GENERAL REVENUE:</b>					
Taxes -					
Real property taxes					18,135,130
Other real property tax items					510,844
Nonproperty tax items					7,390,706
State and federal aid not restricted for a specified purpose					1,469,442
Use of money and property					254,952
Miscellaneous					1,372,074
Sale of property and compensation for loss					704,803
Total general revenues					<u>29,837,951</u>
Change in net position					1,554,455
Net position - beginning of year					<u>(8,782,841)</u>
Net position - end of year					\$ (7,228,386)

The accompanying notes are an integral part of these statements.



**TOWN OF IRONDEQUOIT, NEW YORK**

**Balance Sheet - Governmental Funds  
December 31, 2021**

	General Fund	Highway Fund	Sewer Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 17,219,758	\$ 1,469,018	\$ 986,285	\$ 983,952	\$ 1,344,563	\$ 22,003,576
Accounts receivable	472,026	114,542	492	-	313,808	900,868
Due from other funds	1,556,990	8,155	1,800	-	-	1,566,945
State and federal receivable	2,835,947	431,484	2,199	575,334	47,883	3,892,847
Due from other governments	59,762	41,333	-	-	167,378	268,473
Prepaid expenditures	586,066	59,768	57,554	-	58,228	761,616
Total assets	<u>\$ 22,730,549</u>	<u>\$ 2,124,300</u>	<u>\$ 1,048,330</u>	<u>\$ 1,559,286</u>	<u>\$ 1,931,860</u>	<u>\$ 29,394,325</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 841,891	\$ 225,038	\$ 51,317	\$ 757,103	\$ 222,005	\$ 2,097,354
Accrued liabilities	99,926	24,694	36,359	8,941	15,028	184,948
Due to other governments	-	-	-	-	900	900
Due to other funds	9,955	38,000	14,000	1,504,990	-	1,566,945
Unearned revenues	11,216,531	1,250	-	-	-	11,217,781
Bond anticipation notes	-	-	-	25,687,500	-	25,687,500
Total liabilities	<u>12,168,303</u>	<u>288,982</u>	<u>101,676</u>	<u>27,958,534</u>	<u>237,933</u>	<u>40,755,428</u>
<b>FUND BALANCES:</b>						
Nonspendable	586,066	59,768	57,554	-	58,228	761,616
Restricted	55,427	1,775,550	889,100	1,047,154	1,635,699	5,402,930
Assigned	2,146,878	-	-	-	-	2,146,878
Unassigned	7,773,875	-	-	(27,446,402)	-	(19,672,527)
Total fund balances	<u>10,562,246</u>	<u>1,835,318</u>	<u>946,654</u>	<u>(26,399,248)</u>	<u>1,693,927</u>	<u>(11,361,103)</u>
Total liabilities and fund balances	<u>\$ 22,730,549</u>	<u>\$ 2,124,300</u>	<u>\$ 1,048,330</u>	<u>\$ 1,559,286</u>	<u>\$ 1,931,860</u>	<u>\$ 29,394,325</u>

The accompanying notes are an integral part of these statements.

## TOWN OF IRONDEQUOIT, NEW YORK

### Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position December 31, 2021

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Total fund balance - governmental funds \$ (11,361,103)

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

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

Cost of capital assets	163,847,208	
Accumulated depreciation	<u>(75,715,745)</u>	88,131,463

Deferred amounts on refunding are recorded under full accrual accounting, but are not recorded in the funds. 62,206

Accrued interest on long-term liabilities is not reported as an obligation under fund accounting, but is an expense in the statement of net position. (208,460)

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

Deferred outflow - pension related	14,310,070
Deferred outflow - OPEB related	14,606,054
Deferred inflow - pension related	(16,321,535)
Deferred inflow - OPEB related	(18,494,291)

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

Compensated absences	(2,116,549)
General obligation debt	(16,441,885)
Capital leases	(1,063,727)
Workers' compensation obligations	(969,985)
Total other post-employment benefit obligations	(54,967,742)
Net pension obligations	<u>(2,392,902)</u>

Total net position of governmental activities \$ (7,228,386)

The accompanying notes are an integral part of these statements.

# TOWN OF IRONDEQUOIT, NEW YORK

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds For the Year Ended December 31, 2021

	General Fund	Highway Fund	Sewer Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total
REVENUES:						
Real property taxes	\$ 11,799,864	\$ 3,839,758	\$ 3,955,216	\$ -	\$ 3,469,352	\$ 23,064,190
Real property tax items	499,923	-	10,921	-	-	510,844
Nonproperty tax items	7,390,706	-	-	-	-	7,390,706
Departmental income	1,397,252	-	5,975	-	1,158,886	2,562,113
Intergovernmental charges	38,445	805,785	-	-	-	844,230
Use of money and property	125,094	1,335	9,772	1	118,750	254,952
Licenses and permits	56,120	147,830	-	-	-	203,950
Fines and forfeitures	104,553	-	-	-	-	104,553
Sale of property and compensation for loss	656,294	38,258	2,634	-	7,617	704,803
Miscellaneous	958,354	16,642	3,105	279,665	81,631	1,339,397
Interfund revenues	389,799	-	-	-	-	389,799
State aid	1,510,973	1,409,490	-	1,000,000	60,860	3,981,323
Federal aid	134,864	-	-	-	1,087,495	1,222,359
Total revenues	<u>25,062,241</u>	<u>6,259,098</u>	<u>3,987,623</u>	<u>1,279,666</u>	<u>5,984,591</u>	<u>42,573,219</u>
EXPENDITURES:						
General governmental support	5,376,096	76,118	54,350	258,039	18,494	5,783,097
Public safety	12,372,740	-	-	-	-	12,372,740
Transportation	366,485	5,604,760	-	148,235	169,338	6,288,818
Economic assistance and opportunity	279,193	-	-	-	-	279,193
Culture and recreation	2,155,783	-	-	6,600,828	2,028,416	10,785,027
Home and community services	1,083,236	-	3,101,334	3,975,725	2,670,785	10,831,080
Debt service -						
Principal	791,921	444,264	713,133	-	577,291	2,526,609
Interest	388,755	60,238	109,294	-	362,684	920,971
Total expenditures	<u>22,814,209</u>	<u>6,185,380</u>	<u>3,978,111</u>	<u>10,982,827</u>	<u>5,827,008</u>	<u>49,787,535</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,248,032</u>	<u>73,718</u>	<u>9,512</u>	<u>(9,703,161)</u>	<u>157,583</u>	<u>(7,214,316)</u>
OTHER FINANCING SOURCES:						
BANs redeemed from appropriations	-	-	-	669,000	-	669,000
Operating transfers - in	70,553	12,500	59,625	2,750,000	40,001	2,932,679
Operating transfers - out	(2,750,000)	(38,000)	(14,000)	(130,679)	-	(2,932,679)
Total other financing sources and uses	<u>(2,679,447)</u>	<u>(25,500)</u>	<u>45,625</u>	<u>3,288,321</u>	<u>40,001</u>	<u>669,000</u>
CHANGE IN FUND BALANCE	(431,415)	48,218	55,137	(6,414,840)	197,584	(6,545,316)
FUND BALANCE - beginning of year	<u>10,993,661</u>	<u>1,787,100</u>	<u>891,517</u>	<u>(19,984,408)</u>	<u>1,496,343</u>	<u>(4,815,787)</u>
FUND BALANCE - end of year	<u>\$ 10,562,246</u>	<u>\$ 1,835,318</u>	<u>\$ 946,654</u>	<u>\$ (26,399,248)</u>	<u>\$ 1,693,927</u>	<u>\$ (11,361,103)</u>

The accompanying notes are an integral part of these statements.

## TOWN OF IRONDEQUOIT, NEW YORK

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities For the Year Ended December 31, 2021

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Net change in fund balances - governmental funds \$ (6,545,316)

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

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

Capital additions	13,540,064	
Depreciation	<u>(4,847,350)</u>	8,692,714

Losses on the disposal of capital assets are recorded in the statement of activities, but not in the governmental funds. (20,022)

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

General obligation debt principal	1,310,000
Capital lease obligation	545,732

Amortization of the deferred amount on refunding is not recorded as an expenditure in the governmental funds, but is recorded in the statement of activities. (16,197)

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

Accrued interest is an expenditure in the statement of activities, but is not reported as an expenditure in the governmental funds. 123,276

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

(Increase) Decrease in compensated absences	(52,019)
(Increase) Decrease in workers' compensation liability	330,913
(Increase) Decrease in other postemployment benefit obligation	(3,537,913)

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

Pension contributions	2,290,366
Cost of benefits earned, net of employee contributions	(1,799,743)

An expenditure paid with current financial resources, which was accrued at the government-wide level as accounts payable in the prior year and therefore is not reported in the statement of activities in the current year. 199,987

Change in net position of governmental activities \$ 1,554,455

The accompanying notes are an integral part of these statements.

# TOWN OF IRONDEQUOIT, NEW YORK

## Statement of Fiduciary Net Position December 31, 2021

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	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash	\$ <u>490,410</u>
Total assets	<u>490,410</u>
<b>LIABILITIES</b>	
Other liabilities	<u>5,103</u>
Total liabilities	<u>5,103</u>
<b>NET POSITION</b>	
Restricted for individuals, organizations and other governments	<u><u>\$ 485,307</u></u>

The accompanying notes are an integral part of these statements.

## TOWN OF IRONDEQUOIT, NEW YORK

### Statement of Changes in Fiduciary Net Position For the Year Ended December 31, 2021

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	<u>Custodial Funds</u>
<b>ADDITIONS:</b>	
Taxes collected for other governments	\$ 104,905,526
Bail deposits	<u>31,300</u>
Total additions	<u>104,936,826</u>
<b>DEDUCTIONS:</b>	
Payment of taxes to other governments	104,905,526
Bail remitted	<u>77,249</u>
Total deductions	<u>104,982,775</u>
Change in fiduciary net position	(45,949)
NET POSITION - beginning of year	<u>531,256</u>
NET POSITION - end of year	<u>\$ 485,307</u>

The accompanying notes are an integral part of these statements.

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### **Financial Reporting Entity**

The Town is governed by its charter, Town Law, other general laws of the State of New York and various local laws. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the Supervisor and four Councilpersons. The Supervisor serves as Chief Executive Officer and Chief Fiscal Officer of the Town. The Comptroller is responsible for daily financial management and oversight.

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

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

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

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

##### **Basis of Presentation**

#### **1. Government-Wide Statements**

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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

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

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

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

## 2. Fund Financial Statements

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

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

### Major Governmental Funds:

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



## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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- **Highway Fund** - established pursuant to Highway Law Section 141 to account for revenues and expenditures for highway purposes.
- **Sewer Fund** - a special revenue fund used to account for taxes, user fees, or other revenues which are raised or received to provide sewer services throughout the Town.
- **Capital Projects Fund** - used to account for financial resources to be used for the acquisition, construction or renovation of capital facilities; or the acquisition of equipment.

#### Non-Major Governmental Funds:

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

- **Special Revenue Funds** - used to account for taxes, user fees, or other revenues which are raised or received to provide special services to areas that may or may not encompass the whole Town. The following are non-major special revenue funds utilized by the Town:
  - Lighting Districts
  - Drainage District
  - Library Fund
  - Water District
  - Special Grant Fund
  - Miscellaneous Special Revenue Fund
- b. **Fiduciary Funds** - Fiduciary funds are used to report assets held by the Town in a trustee or custodial capacity. These activities are not included in the government-wide financial statement because their resources do not belong to the Town and are not available for use. The following is the Town's fiduciary fund:
  - **Custodial Fund** - used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

#### Basis of Accounting/Measurement Focus

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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

#### 1. Accrual

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

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

#### 2. Modified Accrual

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

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

Expenditures are recorded when incurred except that:

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

## **TOWN OF IRONDEQUOIT, NEW YORK**

### **Notes to Basic Financial Statements**

**December 31, 2021**

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#### **Real Property Taxes**

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

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

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

#### **Cash and Cash Equivalents**

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

#### **Accounts Receivable**

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

#### **Prepaid Items**

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

#### **Due To/From Other Funds**

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

#### **Capital Assets - Property, Plant and Equipment**

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements December 31, 2021

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

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

#### Compensated Absences

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

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

#### Postemployment Benefits

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

#### Unearned Revenue

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

#### Short-Term Debt

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### Long-Term Obligations

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

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

#### Interfund Transactions

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

#### Insurance

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not yet exceeded commercial insurance coverage in recent fiscal years. The Town is self-insured for workers' compensation and has purchased reinsurance agreements to reduce exposure to large losses. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

#### Deferred Outflows/Inflows of Resources

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

#### Labor Relations

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

#### Estimates

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### **Net Position - Government-Wide Financial Statements**

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

- **Net Investment in Capital Assets**

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

- **Restricted Net Position**

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

- **Unrestricted Net Position**

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

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

#### **Fund Balances - Fund Financial Statements**

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

- **Nonspendable Fund Balances**

These are amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balance was \$761,616 at December 31, 2021.

- **Restricted Fund Balances**

These are amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. Restricted fund balance was \$5,402,930 at December 31, 2021.

- **Committed Fund Balances**

These are amounts that can be used only for specific purposes determined by a formal action of the Town Board. The Town Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Town Board, prior to the end of the year. Committed fund balance was \$0 at December 31, 2021.

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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- **Assigned Fund Balances**

These are amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Town does not have a formal policy regarding the assignment of fund balances, it is at the discretion of the Town's Finance Committee to make assignments as they see fit. Assigned fund balance was \$2,146,878 at December 31, 2021.

- **Unassigned Fund Balances**

These are all other spendable amounts.

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

The Town has a fund balance policy in which the Town is to maintain in unrestricted fund balance a range of percentages from a minimum of 5% to a maximum of 20% of the annual operating budget of a particular operating fund. During 2021, the unrestricted fund balance exceeded the maximum percentage.

## 2. STEWARDSHIP

### Budgetary

#### A. Budget Policies

- a. Prior to October 30<sup>th</sup>, the Town Supervisor files a tentative budget to the Town Clerk for submission to the Town Board for the year commencing the following January 1<sup>st</sup>. The tentative budget, which includes proposed expenditures and the proposed means of financing them, is then presented to the Town Board by November 10<sup>th</sup>.
- b. The full Town Board reviews the tentative budget and may make some revisions before approving a preliminary budget and calling for a public hearing which is generally held in November.
- c. Following the public hearing, revisions may again be made by the Town Board before adopting the budget by November 20<sup>th</sup>.
- d. Formal annual budgetary accounts are employed as a management control device for the General Fund and each Individual Special Revenue Fund Type.
- e. During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for departmental budgetary control. Budget amendments and budget transfers require Town Board approval.

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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- f. Annual budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. All unencumbered appropriations, except for Special Grant-related appropriations, lapse at the end of the fiscal year.
- g. Capital Project Fund appropriations are not included in the Town's annual budget. Instead appropriations are approved through a Town Board resolution at the project's inception, and lapse upon termination of the project.
- h. Total expenditures for each object classification within a department may not legally exceed the total appropriation for that object classification.

#### B. Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Budgetary comparison schedules are presented as required supplementary information in the basic financial statements.

#### Budget/GAAP Reconciliation

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

	General Fund	Highway Fund	Sewer Fund
GAAP basis fund balance at December 31, 2021	\$10,562,246	\$ 1,835,318	\$ 946,654
Less: Outstanding encumbrances	<u>(639,376)</u>	<u>(13,896)</u>	<u>(83,793)</u>
Budgetary basis fund balance at December 31, 2021	<u>\$ 9,922,870</u>	<u>\$ 1,821,422</u>	<u>\$ 862,861</u>

#### C. Revenue Restrictions

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



## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### 3. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

##### **Cash and Cash Equivalents and Investments**

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

Demand deposits and certificates of deposit at year-end were entirely covered by FDIC insurance and collateral held by financial institutions. At December 31, 2021, cash and cash equivalents are composed entirely of demand deposit accounts, money market accounts and savings accounts. All deposits are carried at cost.

##### **Investment and Deposit Policy**

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

##### **Interest Rate Risk**

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

##### **Credit Risk**

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

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### Custodial Credit Risk

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

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

#### Custodial Credit Risk - Deposits

As of December 31, 2021, the bank balance of the Town's cash and cash equivalents of its primary government, including fiduciary funds, was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Fund:		
Primary government	\$22,588,727	\$22,003,576
Fiduciary funds	<u>493,389</u>	<u>490,410</u>
Cash and cash equivalents	<u>\$23,082,116</u>	<u>\$22,493,986</u>
 Category 1: Covered by FDIC insurance	 \$ 930,015	
 Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name	 <u>22,885,245</u>	
 Total	 <u>\$23,815,260</u>	

# TOWN OF IRONDEQUOIT, NEW YORK

## Notes to Basic Financial Statements

December 31, 2021

### 4. RECEIVABLES

#### Receivables

Receivables at December 31, 2021 for individual major and non-major funds consisted of the following which are stated at net realizable value. Town management has deemed the amounts to be fully collectible:

Description	General	Highway	Sewer	Capital Projects	Non-major	Total
Accounts receivable:						
Franchise fees	\$ 339,600	\$ -	\$ -	\$ -	\$ -	\$ 339,600
Water rents receivable	-	-	-	-	306,489	306,489
Miscellaneous receivables	<u>132,426</u>	<u>114,542</u>	<u>492</u>	<u>-</u>	<u>7,319</u>	<u>254,779</u>
Total accounts receivable	<u>\$ 472,026</u>	<u>\$ 114,542</u>	<u>\$ 492</u>	<u>\$ -</u>	<u>\$ 313,808</u>	<u>\$ 900,868</u>
State and federal receivable:						
Sales tax	\$2,310,507	\$ -	\$ -	\$ -	\$ -	\$2,310,507
Mortgage tax	402,122	-	-	-	-	402,122
NYS equipment grant	87,000	38,000	-	-	-	125,000
NYS CHIPS receivable	-	393,484	-	-	-	393,484
Miscellaneous grants receivable	<u>36,318</u>	<u>-</u>	<u>2,199</u>	<u>575,334</u>	<u>47,883</u>	<u>661,734</u>
Total state and federal receivable	<u>\$2,835,947</u>	<u>\$ 431,484</u>	<u>\$ 2,199</u>	<u>\$ 575,334</u>	<u>\$ 47,883</u>	<u>\$3,892,847</u>
Due from other governments:						
Stop DWI grant	\$ 176	\$ -	\$ -	\$ -	\$ -	\$ 176
Miscellaneous	-	40,883	-	-	-	40,883
Property maintenance from County	59,586	450	-	-	-	60,036
Delinquent water rents	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,378</u>	<u>167,378</u>
Total due from other governments	<u>\$ 59,762</u>	<u>\$ 41,333</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,378</u>	<u>\$ 268,473</u>

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### 5. INTERFUND ACTIVITY

##### Interfund Receivables, Payables, Revenues and Expenditures

Interfund receivables, payables, revenues and expenditures at December 31, 2021 were as follows:

	Interfund		Transfers	
	Receivable	Payable	In	Out
General Fund	\$1,556,990	\$ 9,955	\$ 70,553	\$2,750,000
Highway Fund	8,155	38,000	12,500	38,000
Sewer Fund	1,800	14,000	59,625	14,000
Capital Projects Fund	-	1,504,990	2,750,000	130,679
Non-major Funds	-	-	40,001	-
Total	<u>\$1,566,945</u>	<u>\$1,566,945</u>	<u>\$2,932,679</u>	<u>\$2,932,679</u>

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

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

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

# TOWN OF IRONDEQUOIT, NEW YORK

## Notes to Basic Financial Statements December 31, 2021

### 6. CAPITAL ASSETS

A summary of changes in capital assets follows:

Type	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets not being depreciated:				
Land	\$10,277,878	\$ 214,466	\$ (27,956)	\$10,464,388
Construction in progress	<u>10,504,740</u>	<u>12,889,759</u>	<u>(13,816,868)</u>	<u>9,577,631</u>
Total capital assets not being depreciated	<u>20,782,618</u>	<u>13,104,225</u>	<u>(13,844,824)</u>	<u>20,042,019</u>
Other capital assets:				
Buildings	35,993,528	-	(109,062)	35,884,466
Improvements	8,859,572	10,277,370	-	19,136,942
Machinery, equipment and vehicles	15,521,575	412,615	(144,719)	15,789,471
Infrastructure	<u>69,403,632</u>	<u>3,590,678</u>	<u>-</u>	<u>72,994,310</u>
Total other capital assets	<u>129,778,307</u>	<u>14,280,663</u>	<u>(253,781)</u>	<u>143,805,189</u>
Less: Accumulated depreciation for:				
Buildings	(6,218,543)	(797,283)	103,608	(6,912,218)
Improvements	(5,562,720)	(486,792)	-	(6,049,512)
Machinery, equipment and vehicles	(8,122,054)	(1,025,733)	130,151	(9,017,636)
Infrastructure	<u>(51,198,837)</u>	<u>(2,537,542)</u>	<u>-</u>	<u>(53,736,379)</u>
Total accumulated depreciation	<u>(71,102,154)</u>	<u>(4,847,350)</u>	<u>233,759</u>	<u>(75,715,745)</u>
Other capital assets, net	<u>58,676,153</u>	<u>9,433,313</u>	<u>(20,022)</u>	<u>68,089,444</u>
Governmental activities capital assets, net	<u>\$79,458,771</u>	<u>\$22,537,538</u>	<u>\$ (13,864,846)</u>	<u>\$88,131,463</u>

Depreciation expense for the year ended December 31, 2021 was charged to functions/programs of the primary government as follows:

General government	\$ 658,722
Public safety	107,975
Transportation	1,696,426
Economic assistance and opportunity	114,161
Culture and recreation	921,101
Home and community service	<u>1,348,965</u>
Total depreciation	<u>\$ 4,847,350</u>

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### 7. PENSION PLANS

##### Plan Description

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

##### Funding Policies

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

##### ERS

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

##### PFRS

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### Contributions

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

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

	<u>ERS</u>	<u>PFRS</u>
2021	\$1,130,832	\$1,159,534
2020	\$1,106,538	\$1,046,068
2019	\$1,097,781	\$1,117,840

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

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

At December 31, 2021, the Town reported a net pension liability of:

	<u>ERS</u>	<u>ERS - SBW</u>	<u>PFRS</u>	<u>Total</u>
Net pension liability	<u>\$ 29,681</u>	<u>\$ 627</u>	<u>\$2,362,594</u>	<u>\$2,392,902</u>

The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2020. 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, 2021, The Town's proportionate share was:

	<u>ERS</u>	<u>ERS - SBW</u>	<u>PFRS</u>
Proportionate share	<u>0.0298077%</u>	<u>0.0006299%</u>	<u>0.1360725%</u>
Change from prior year	<u>0.0003505%</u>	<u>-0.0000101%</u>	<u>-0.0039934%</u>

# TOWN OF IRONDEQUOIT, NEW YORK

## Notes to Basic Financial Statements

December 31, 2021

For the year ended December 31, 2021, the Town recognized pension expense of \$1,896,561. At December 31, 2021, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>ERS</b>		
Differences between expected and actual experience	\$ 362,482	\$ -
Changes in assumptions	5,457,326	102,927
Net difference between projected and actual earnings on pension plan investments	-	8,526,049
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	46,228	209,290
Contributions subsequent to the measurement date	922,620	-
Total	<u>\$6,788,656</u>	<u>\$8,838,266</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>ERS - Sea Breeze Water District (SBW)</b>		
Differences between expected and actual experience	\$ 7,660	\$ -
Changes in assumptions	115,325	2,175
Net difference between projected and actual earnings on pension plan investments	-	180,174
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	5,720	2,830
Contributions subsequent to the measurement date	22,318	-
Total	<u>\$ 151,023</u>	<u>\$ 185,179</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PFRS</b>		
Differences between expected and actual experience	\$ 524,247	\$ -
Changes in assumptions	5,804,638	-
Net difference between projected and actual earnings on pension plan investments	-	6,947,070
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	171,855	351,020
Contributions subsequent to the measurement date	869,651	-
Total	<u>\$7,370,391</u>	<u>\$7,298,090</u>



## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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

Plan's Year Ended March 31:	ERS	ERS - SBW	PFRS
2022	\$ (577,565)	\$ (10,280)	\$ (311,093)
2023	(231,666)	(3,004)	(64,892)
2024	(503,477)	(9,024)	(269,750)
2025	(1,659,522)	(34,166)	(1,269,765)
2026	-	-	1,118,150
	<u>\$ (2,972,230)</u>	<u>\$ (56,474)</u>	<u>\$ (797,350)</u>

The Town recognized \$922,620, \$22,318, and \$869,651, as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2021, related to ERS, ERS-SBW, and PFRS, respectively. These amounts will be recognized as a reduction of the net pension liabilities in the year ended December 31, 2021.

#### Actuarial Assumptions

The total pension liability at March 31, 2021 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 for both the ERS and PFRS:

Inflation	2.7%
Salary scale	4.4% in ERS, 6.2% in PFRS, indexed by service
Investment Rate of Return	5.9% compounded annually, net of investment expenses, including inflation
Cost of living adjustments	1.4% compounded annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2015 through March 31, 2020
Mortality improvement	Society of Actuaries Scale MP-2020

#### Long-Term Rate of Return

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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

<u>Asset Type</u>	Target Allocations in %	Long-Term Expected Real Rate of Return in %
Domestic Equity	32	4.05
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	4.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Asset	3	5.95
Fixed Income	23	0.00
Cash	1	0.50
	<u>100</u>	

#### Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 4.9%	Current Discount 5.9%	1% Increase 6.9%
ERS Proportionate Share of net pension liability (asset)	<u>\$ 8,238,218</u>	<u>\$ 29,681</u>	<u>\$ (7,540,512)</u>
ERS - SBW Proportionate Share of net pension liability (asset)	<u>\$ 174,091</u>	<u>\$ 627</u>	<u>\$ (159,347)</u>
PFRS Proportionate Share of net pension liability (asset)	<u>\$10,047,081</u>	<u>\$ 2,362,594</u>	<u>\$ (3,998,176)</u>

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### Pension Plan Fiduciary Net Position (000's)

The components of the current-year net pension liability of the employers as of March 31, 2021 for ERS and PFRS respectively follow:

##### ERS and ERS - SBW

Total pension liability	\$	220,680,157
Net position		(220,580,583)
Net pension liability (asset)	\$	99,574
ERS net position as a percentage of total pension liability		99.95%

##### PFRS

Total pension liability	\$	41,236,775
Net position		(39,500,500)
Net pension liability (asset)	\$	1,736,275
PFRS net position as a percentage of total pension liability		95.79%

## 8. POSTEMPLOYMENT HEALTHCARE BENEFITS

#### Plan Description

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

In general, the Plan provides for continuation of medical insurance benefits and dental insurance for certain retirees and their spouses and can be amended by action of the Town subject to applicable collective bargaining and employment agreements. There were 293 retired employees and their spouses receiving benefits as of the valuation date at December 31, 2020. The Plan does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan in a trust that meet all of the criteria in GASB statement No. 75, paragraph 4.

#### Benefits Provided

The obligations of the Plan are established and amended by action of the Town pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and members varies depending on the applicable agreement. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the Town. The accrual basis of accounting is used. The amount paid during 2021 was \$2,191,385.

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### Employees Covered by Benefit Terms

At the December 31, 2020 valuation date, the following employees were covered by the benefit terms:

Inactive employees and spouses or beneficiaries currently receiving benefits	293
Active employees	<u>170</u>
Total participants	<u><u>463</u></u>

#### Total OPEB Liability

The Town's total OPEB liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2020.

#### Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

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

Mortality rates are projected using Scale MP-2021.

#### Changes in the Total OPEB Liability

Balance at January 1, 2021	<u>\$69,158,129</u>
Changes for the year-	
Service cost	1,653,497
Interest	1,394,712
Differences between expected and actual experience	(15,226,239)
Change in assumptions	179,028
Benefit payments	<u>(2,191,385)</u>
Net changes	<u><u>(14,190,387)</u></u>
Balance at December 31, 2021	<u><u>\$54,967,742</u></u>

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using the discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (1.00%)	Current Discount (2.00%)	1% Increase (3.00%)
Total OPEB Liability	<u>\$63,843,415</u>	<u>\$54,967,742</u>	<u>\$47,949,878</u>

#### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rate:

	1% Decrease (0.20%)	Current Discount (1.20%)	1% Increase (2.20%)
Total OPEB Liability	<u>\$ 46,936,566</u>	<u>\$ 54,967,742</u>	<u>\$ 65,461,462</u>

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Town recognized OPEB expense of \$5,729,298. At December 31, 2021, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 524,705	\$18,494,291
Change of assumptions	<u>14,081,349</u>	<u>-</u>
Total	<u>\$14,606,054</u>	<u>\$18,494,291</u>

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

Fiscal Year Ending December 31	Amount
2022	\$ 104,511
2023	104,511
2024	427,648
2025	(615,838)
2026	(1,744,748)
Thereafter	<u>(2,164,321)</u>
	<u>\$ (3,888,237)</u>

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements December 31, 2021

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#### 9. BOND ANTICIPATION NOTES

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

The following is a summary of changes in short-term debt for the year ended December 31, 2021:

January 1, 2021	\$	25,506,500
Borrowings		25,687,500
Repayments		<u>(25,506,500)</u>
December 31, 2021	\$	<u>25,687,500</u>

Below is a summary of BANs outstanding as of December 31, 2021:

Date Issued	Maturity Date	Interest Rate	12/31/2021
4/15/2021	4/15/2022	1.500%	\$ 10,880,000
12/16/2021	12/16/2022	1.250%	<u>14,807,500</u>
			<u>\$ 25,687,500</u>

#### 10. LONG-TERM OBLIGATIONS

##### Serial Bonds

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

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

		Amount of	Year of Final	Interest	Amount
		Original	Maturity	Rate	Outstanding
Year of Issue		Issue			12/31/2021
Notes from Direct Borrowings					
District Improvements	2003	\$ 577,648	2023	0.721-4.50%	\$ 60,000
Public Improvements	2004	<u>300,000</u>	2024	4.75%	<u>45,000</u>
		<u>\$ 877,648</u>			<u>\$ 105,000</u>

# TOWN OF IRONDEQUOIT, NEW YORK

## Notes to Basic Financial Statements

December 31, 2021

	Year of Issue	Amount of Original Issue	Year of Final Maturity	Interest Rate	Amount Outstanding 12/31/2021
Serial Bonds					
Public Improvements	2012	4,490,000	2024	2.50%	215,000
Public Improvements	2012	4,485,000	2032	2.00%	2,160,000
Public Improvements	2016	627,150	2030	2.38%	265,000
Public Improvements	2017	3,475,000	2030	3.00%	2,204,981
Public Improvements	2017	1,300,000	2032	3.00%	880,000
Public Improvements	2019	<u>10,960,000</u>	2044	2.00%	<u>10,460,000</u>
		<u>25,337,150</u>			<u>16,184,981</u>
Total		<u>\$26,214,798</u>			<u>\$16,289,981</u>

### Other Long-Term Debt

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

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

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

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Due Within One Year
General obligation debt:					
Serial bonds	\$ 17,319,981	\$ -	\$ (1,135,000)	\$ 16,184,981	\$ 1,125,000
Notes from direct borrowings	280,000	-	(175,000)	105,000	45,000
Premium	<u>184,581</u>	-	<u>(32,677)</u>	<u>151,904</u>	-
	<u>\$ 17,784,562</u>	<u>\$ -</u>	<u>\$ (1,342,677)</u>	<u>\$ 16,441,885</u>	<u>\$ 1,170,000</u>
Other liabilities:					
Compensated absences	\$ 2,064,530	\$ 1,207,755	\$ (1,155,736)	\$ 2,116,549	\$ 211,655
Workers' compensation	1,300,898	723,561	(1,054,474)	969,985	441,504
Capital leases	1,609,459	-	(545,732)	1,063,727	539,246
Net pension liability	15,456,361	-	(13,063,459)	2,392,902	-
Postemployment benefits	<u>69,158,129</u>	<u>3,227,237</u>	<u>(17,417,624)</u>	<u>54,967,742</u>	-
	<u>\$ 89,589,377</u>	<u>\$ 5,158,553</u>	<u>\$ (33,237,025)</u>	<u>\$ 61,510,905</u>	<u>\$ 1,192,405</u>
Total long-term obligations	<u>\$ 107,373,939</u>	<u>\$ 5,158,553</u>	<u>\$ (34,579,702)</u>	<u>\$ 77,952,790</u>	<u>\$ 2,362,405</u>

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

Interest on long-term debt for the year was composed of:

Interest paid	\$ 920,971
Plus: Interest accrued in the current year	208,460
Less: Interest accrued in the prior year	<u>(331,736)</u>
Total interest expense	<u>\$ 797,695</u>

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

	Notes from Direct Borrowings		Serial Bonds		
	Principal	Interest	Principal	Interest	Total
2022	\$ 45,000	\$ 4,235	\$ 1,125,000	\$ 428,088	\$ 1,602,323
2023	45,000	2,161	1,070,000	404,044	1,521,205
2024	15,000	745	1,045,000	381,113	1,441,858
2025	-	-	995,000	359,475	1,354,475
2026	-	-	945,000	338,176	1,283,176
2027-2031	-	-	4,009,981	1,347,636	5,357,617
2032-2036	-	-	2,525,000	853,148	3,378,148
2037-2041	-	-	2,665,000	475,575	3,140,575
2042-2046	-	-	1,805,000	82,275	1,887,275
Totals	<u>\$ 105,000</u>	<u>\$ 7,141</u>	<u>\$ 16,184,981</u>	<u>\$ 4,669,530</u>	<u>\$ 20,966,652</u>

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

	Total
2022	\$ 570,508
2023	351,015
2024	175,883
2025	<u>20,618</u>
	1,118,024
Less: Interest	<u>(54,297)</u>
	<u>\$ 1,063,727</u>

In 2012, the Town defeased certain obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2021, \$4,360,000 of bonds outstanding were considered defeased. The bond refunding resulted in an economic gain on refunding of \$150,262. The excess of the reacquisition price over the net carrying amount of the refunded bonds in the amount of \$108,705 has been deferred and is being amortized using the straight-line method through 2024. This amount is reflected as a deferred outflow of resources on the financial statements. For the year ended December 31, 2021, the Town recognized \$10,357 in amortization expense reducing the deferred amount on refunding to a balance of \$15,492 at December 31, 2021.



## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

In 2017, the Town defeased certain obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At December 31, 2021, \$3,465,000 of bonds outstanding were considered defeased. The bond refunding resulted in an economic gain on refunding of \$318,907. The excess of the reacquisition price over the net carrying amount of the refunded bonds in the amount of \$75,914 has been deferred and is being amortized using the straight-line method through 2030. This amount is reflected as a deferred outflow of resources on the financial statements. For the year ended December 31, 2021, the Town recognized \$5,840 in amortization expense reducing the deferred amount on refunding to a balance of \$46,714 at December 31, 2021.

### 11. FUND BALANCES

As of December 31, 2021, fund balances are composed of the following:

	General Fund	Highway Fund	Sewer Fund	Capital Projects	Non-major Funds
Nonspendable:					
Prepaid expenditures	\$ 586,066	\$ 59,768	\$ 57,554	\$ -	\$ 58,228
Restricted:					
Future appropriations	-	225,000	-	-	-
General government support	-	8,000	17,500	590	31,303
Transportation	-	5,896	-	12,648	-
Economic assistance	-	-	-	-	9,500
Culture and recreation	-	-	-	299,471	27
Home and community	-	-	66,293	734,445	172,113
Other spendable amounts	-	1,536,654	805,307	-	1,422,756
Asset forfeiture fund	55,427	-	-	-	-
Total Restricted	55,427	1,775,550	889,100	1,047,154	1,635,699
Assigned:					
Future appropriations	842,280	-	-	-	-
General government	242,600	-	-	-	-
Public safety	233,854	-	-	-	-
Transportation	5,000	-	-	-	-
Economic assistance	62	-	-	-	-
Culture and recreation	50,470	-	-	-	-
Home and community	107,390	-	-	-	-
Self insurance fund	665,222	-	-	-	-
Total Assigned	2,146,878	-	-	-	-
Unassigned	7,773,875	-	-	(27,446,402)	-
Total	\$ 10,562,246	\$ 1,835,318	\$ 946,654	\$ (26,399,248)	\$ 1,693,927

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### 12. DEFERRED COMPENSATION PLAN

Employees of the Town may elect to participate in the Public Employees Benefits Services Corporation Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement. As of December 31, 2021, the market value of the assets of the Plan totaled \$20,881,170.

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

#### 13. TAX ABATEMENT

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

##### **JobsPlus Program**

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

##### **Enhanced JobsPlus Program**

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### **Shelter Rent**

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

#### **Green JobsPlus**

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

#### **LeasePlus Program**

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

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

See table on subsequent page

# TOWN OF IRONDEQUOIT, NEW YORK

## Notes to Basic Financial Statements

December 31, 2021

Year		Total Assessed			Regular		
Began	Agreement / Property	Value	Tax Rate	Tax Value	Amount Due	Pilot Received	Taxes Abated
2013	1612 E. Ridge Road/L A Fitness Health Club	\$ 3,214,300	\$ 6.42	\$ 2,491,200	\$ 15,994	\$ 17,437	\$ (1,443)
2013	723 Washington Avenue/A. I. Armitage LLC	195,000	6.42	154,000	989	1,054	(65)
2015	999 East Ridge Road/Morgan Depot Plaza LLC (a)	2,900,500	6.42	1,780,000	11,428	14,050	(2,622)
2015	1055 East Ridge Road/Tops Building B	1,806,900	6.42	1,452,900	9,328	7,869	1,459
2015	1025 East Ridge Road/Gas Station Building C	321,300	6.42	152,700	980	1,671	(691)
* 1995	1500 & 1550 Portland Ave./St. Ann's (b)	26,985,600	6.42	26,985,600	173,248	50,000	123,248
* 2009	2150 Portland Ave. /Heritage Christian (b)	515,000	6.42	515,000	3,306	1,661	1,645
* 2008	St. Salomes - Culver Rd./Providence Housing (b)	1,140,000	6.42	1,140,000	7,319	27,391	(20,072)
* 2004	Brower Rd. Housing/ Devel. Fund Corp. (b)	2,778,600	6.42	2,778,600	17,839	16,000	1,839
* 2007	Sycamore Green Apts./Iroind. Housing Dev. Fund (b)	5,958,600	6.42	5,958,600	38,254	38,076	178
* 2015	Bakers Park, Stranahan, 651 Titus Ave/I-Square	2,863,800	6.42	2,863,800	18,386	17,338	1,048
2019	500 Medley Center Pkwy/Target	13,040,000	6.42	13,040,000	83,717	41,890	41,827
2019	2200 N. Goodman St./Holiday Inn	3,504,300	6.42	3,504,300	22,498	1,475	21,023
2020	Skyview on the Ridge/Medley Centre	9,554,100	6.42	5,200,000	61,337	33,885	27,452

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

a In the case of Morgan Depot Plaza, the PILOT received was greater than the Regular Tax Due as the assessed value was below market.

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to Basic Financial Statements

December 31, 2021

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#### 14. SELF INSURANCE

##### Risk Retention

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has elected to be self-insured for workers' compensation claims. Claim expenses and liabilities are reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

At December 31, 2021, the amount of these liabilities were \$969,985. The liability is the Town's best estimate based on available information provided by the third-party administrators, PMA Management Corp.

Changes in the Town's claims liability amount in fiscal year 2020 and 2021 were:

Fiscal Year	Beginning Balance	Current Year Claims and		Balance at Year End
		Changes in Estimates	Claim Payments	
2020	\$ 1,432,725	\$ 297,409	\$ (429,236)	\$ 1,300,898
2021	\$ 1,300,898	\$ 723,561	\$ (1,054,474)	\$ 969,985

#### 15. COVID-19

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID – 19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Town and its future results and financial position is not presently determinable.

#### 16. AMERICAN RESCUE PLAN ACT

The American Rescue Plan Act is projected to provide the Town with \$22,454,916 in total. The funds are to be used for costs associated with responding to COVID-19, to support workers performing essential work, to cover revenue losses caused by the pandemic, or to make necessary investments in water, sewer or broadband infrastructure. Fifty percent of this total award was received in 2021, with the remaining fund to be received in 2022.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# TOWN OF IRONDEQUOIT, NEW YORK

## Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund - (Unaudited) For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Real property taxes	\$ 11,799,864	\$ 11,799,864	\$ 11,799,864	\$ -
Real property tax items	476,347	476,347	499,923	23,576
Nonproperty tax items	5,457,262	5,457,262	7,390,706	1,933,444
Departmental income	1,346,223	1,361,292	1,397,252	35,960
Intergovernmental charges	91,000	91,000	38,445	(52,555)
Use of money and property	143,221	143,221	125,094	(18,127)
Licenses and permits	50,150	50,150	56,120	5,970
Fines and forfeitures	220,400	220,400	104,553	(115,847)
Sale of property and compensation for loss	16,000	16,000	656,294	640,294
Miscellaneous	636,333	636,333	958,354	322,021
Interfund revenues	430,866	430,866	389,799	(41,067)
State aid	1,050,754	1,050,754	1,510,973	460,219
Federal aid	87,600	112,600	134,864	22,264
Total revenues	<u>21,806,020</u>	<u>21,846,089</u>	<u>25,062,241</u>	<u>3,216,152</u>
EXPENDITURES:				
General governmental support	4,851,091	5,802,096	5,618,696	183,400
Public safety	12,128,171	12,620,744	12,606,594	14,150
Transportation	388,333	399,014	371,485	27,529
Economic assistance and opportunity	283,868	279,271	279,255	16
Culture and recreation	2,410,176	2,398,393	2,206,253	192,140
Home and community services	1,095,218	1,203,117	1,190,626	12,491
Debt service	1,267,718	1,220,834	1,180,676	40,158
Total expenditures	<u>22,424,575</u>	<u>23,923,469</u>	<u>23,453,585</u>	<u>469,884</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(618,555)</u>	<u>(2,077,380)</u>	<u>1,608,656</u>	<u>3,686,036</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	18,555	18,555	70,553	51,998
Operating transfers - out	-	(2,796,750)	(2,750,000)	46,750
Total other financing sources (uses)	<u>18,555</u>	<u>(2,778,195)</u>	<u>(2,679,447)</u>	<u>98,748</u>
CHANGE IN FUND BALANCE	<u>\$ (600,000)</u>	<u>\$ (4,855,575)</u>	<u>(1,070,791)</u>	<u>\$ 3,784,784</u>
FUND BALANCE - beginning of year			<u>10,993,661</u>	
FUND BALANCE - end of year			<u>\$ 9,922,870</u>	

# TOWN OF IRONDEQUOIT, NEW YORK

## Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Highway Fund - (Unaudited) For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Real property taxes	\$ 3,839,758	\$ 3,839,758	\$ 3,839,758	\$ -
Intergovernmental charges	837,190	837,190	805,785	(31,405)
Use of money and property	7,100	7,100	1,335	(5,765)
Licenses and permits	100,000	100,000	147,830	47,830
Sale of property and compensation for loss	64,500	64,500	38,258	(26,242)
Miscellaneous	-	-	16,642	16,642
State aid	<u>511,652</u>	<u>1,367,572</u>	<u>1,409,490</u>	<u>41,918</u>
Total revenues	<u>5,360,200</u>	<u>6,216,120</u>	<u>6,259,098</u>	<u>42,978</u>
EXPENDITURES:				
General governmental support	77,326	84,621	84,118	503
Transportation	4,884,497	5,814,092	5,610,656	203,436
Debt service	<u>610,877</u>	<u>575,607</u>	<u>504,502</u>	<u>71,105</u>
Total expenditures	<u>5,572,700</u>	<u>6,474,320</u>	<u>6,199,276</u>	<u>275,044</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(212,500)</u>	<u>(258,200)</u>	<u>59,822</u>	<u>318,022</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	12,500	12,500	12,500	-
Operating transfers - out	<u>-</u>	<u>(38,000)</u>	<u>(38,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>12,500</u>	<u>(25,500)</u>	<u>(25,500)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (200,000)</u>	<u>\$ (283,700)</u>	<u>34,322</u>	<u>\$ 318,022</u>
FUND BALANCE - beginning of year			<u>1,787,100</u>	
FUND BALANCE - end of year			<u>\$ 1,821,422</u>	



# TOWN OF IRONDEQUOIT, NEW YORK

## Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Sewer Fund - (Unaudited) For the Year Ended December 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Real property taxes	\$ 3,955,216	\$ 3,955,216	\$ 3,955,216	\$ -
Real property tax items	10,921	10,921	10,921	-
Departmental income	2,000	2,000	5,975	3,975
Use of money and property	7,940	7,940	9,772	1,832
Sale of property and compensation for loss	18,000	18,000	2,634	(15,366)
Miscellaneous	-	-	3,105	3,105
	<u>3,994,077</u>	<u>3,994,077</u>	<u>3,987,623</u>	<u>(6,454)</u>
EXPENDITURES:				
General governmental support	59,771	71,856	71,850	6
Home and community services	3,200,940	3,244,855	3,167,627	77,228
Debt service	842,991	842,991	822,427	20,564
	<u>4,103,702</u>	<u>4,159,702</u>	<u>4,061,904</u>	<u>97,798</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(109,625)</u>	<u>(165,625)</u>	<u>(74,281)</u>	<u>91,344</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers - in	59,625	59,625	59,625	-
Operating transfers - out	-	(14,000)	(14,000)	-
	<u>59,625</u>	<u>45,625</u>	<u>45,625</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>\$ (50,000)</u>	<u>\$ (120,000)</u>	<u>(28,656)</u>	<u>\$ 91,344</u>
FUND BALANCE - beginning of year			<u>891,517</u>	
FUND BALANCE - end of year			<u>\$ 862,861</u>	

# TOWN OF IRONDEQUOIT, NEW YORK

## Required Supplementary Information

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

For the Years Ended December 31:

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Total OPEB Liability</b>										
Service cost	\$ 1,653	\$ 1,579	\$ 1,246	\$ 873						
Interest	1,395	1,284	1,367	2,108						
Change in benefit terms	-	(528)	-	-						
Differences between expected and actual experience	(15,226)	(1,727)	831	(3,985)						
Changes in assumptions	179	6,937	12,872	-						
Benefit payments	(2,191)	(2,126)	(2,176)	(2,397)						
<b>Total change in total OPEB liability</b>	<b>(14,190)</b>	<b>5,419</b>	<b>14,140</b>	<b>(3,401)</b>						
<b>Total OPEB liability - beginning</b>	<b>69,158</b>	<b>63,739</b>	<b>49,599</b>	<b>53,000</b>						
<b>Total OPEB liability - ending</b>	<b>\$ 54,968</b>	<b>\$ 69,158</b>	<b>\$ 63,739</b>	<b>\$ 49,599</b>						
<b>Covered-employee payroll</b>	<b>\$ 10,882</b>	<b>\$ 10,565</b>	<b>\$ 9,548</b>	<b>\$ 12,139</b>						
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	<b>505.1%</b>	<b>654.6%</b>	<b>667.6%</b>	<b>408.6%</b>						

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

#### Notes to schedule:

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

Discount rate	2.00%	2.00%	2.75%	4.00%
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Information for the periods prior to implementation of GASB 75 is unavailable and will be completed for each year going forward as they become available.

The healthcare cost were updated to reflect 2022 premium rates. The mortality improvement assumption was updated from Scale MP-2020 to Scale MP-2021.

The healthcare trend cost rates have been reset to an initial rate of 7.50% decreasing annually to an ultimate rate of 4.30% in 2062.

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

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

**TOWN OF IRONDEQUOIT, NEW YORK**

**Required Supplementary Information**

**Schedule of Proportionate Share of Net Pension Liability (Asset) (Unaudited)**

**For the Years Ended December 31:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability (asset)	0.0298%	0.029%	0.030%	0.029%	0.030%	0.027%	0.027%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.		
Proportionate share of the net pension liability (asset)	\$ 29	\$ 7,800	2,119	\$ 943	\$ 2,777	\$ 4,409	\$ 913			
Covered-employee payroll	\$ 7,967	\$ 7,701	\$ 7,568	\$ 7,288	\$ 7,507	\$ 6,593	\$ 6,816			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.36%	101.29%	28.00%	12.94%	36.99%	66.87%	13.39%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%			
	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS SEA BREEZE WATER DISTRICT	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability (asset)	0.001%	0.001%	0.001%	0.001%	0.001%	0.001%	0.065%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.		
Proportionate share of the net pension liability (asset)	\$ 1	\$ 169	\$ 47	\$ 22	\$ 67	\$ 114	\$ 23			
Covered-employee payroll	\$ 218	\$ 209	\$ 203	\$ 197	\$ 195	\$ 168	\$ 169			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.46%	80.86%	23.15%	11.17%	34.36%	67.86%	13.61%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%			
	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - PFRS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion of the net pension liability (asset)	0.136%	0.140%	0.125%	0.129%	0.136%	0.134%	0.135%	Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.		
Proportionate share of the net pension liability (asset)	\$ 2,364	\$ 7,486	\$ 2,093	\$ 1,300	\$ 2,813	\$ 3,969	\$ 371			
Covered-employee payroll	\$ 5,330	\$ 4,921	\$ 5,103	\$ 5,112	\$ 5,143	\$ 4,501	\$ 4,588			
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	44.35%	152.12%	41.02%	25.43%	54.70%	88.18%	8.09%			
Plan fiduciary net position as a percentage of the total pension liability (asset)	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%			

**TOWN OF IRONDEQUOIT, NEW YORK**

**Required Supplementary Information  
Schedule of Contributions - Pension plans (Unaudited)  
For the Years Ended December 31:**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,101	\$ 1,078	\$ 1,070	\$ 1,061	\$ 1,181	\$ 1,143	\$ 1,329			
Contributions in relation to the contractually required contribution	<u>1,101</u>	<u>1,078</u>	<u>1,070</u>	<u>1,061</u>	<u>1,181</u>	<u>1,143</u>	<u>1,329</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
Covered-employee payroll	\$ 7,967	\$ 7,701	\$ 7,568	\$ 7,288	\$ 7,507	\$ 6,593	\$ 6,816			
Contributions as a percentage of covered-employee payroll	13.82%	14.00%	14.14%	14.56%	15.73%	17.34%	19.50%			

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS SEA BREEZE WATER DISTRICT	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 30	\$ 28	\$ 27	\$ 27	\$ 27	\$ 24	\$ 34			
Contributions in relation to the contractually required contribution	<u>30</u>	<u>28</u>	<u>27</u>	<u>27</u>	<u>27</u>	<u>24</u>	<u>34</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
Covered-employee payroll	\$ 218	\$ 209	\$ 203	\$ 197	\$ 195	\$ 168	\$ 169			
Contributions as a percentage of covered-employee payroll	13.76%	13.40%	13.30%	13.71%	13.85%	14.29%	20.12%			

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

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - PFRS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 1,160	\$ 1,046	\$ 1,118	\$ 1,176	\$ 1,136	\$ 1,030	\$ 1,108			
Contributions in relation to the contractually required contribution	<u>1,160</u>	<u>1,046</u>	<u>1,118</u>	<u>1,176</u>	<u>1,136</u>	<u>1,030</u>	<u>1,108</u>			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
Covered-employee payroll	\$ 5,330	\$ 4,921	\$ 5,103	\$ 5,112	\$ 5,143	\$ 4,501	\$ 4,588			
Contributions as a percentage of covered-employee payroll	21.76%	21.26%	21.91%	23.00%	22.09%	22.88%	24.15%			

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

## **SUPPLEMENTARY INFORMATION**

**TOWN OF IRONDEQUOIT, NEW YORK**

**Combining Balance Sheet - Non-Major Governmental Funds**

**December 31, 2021**

	Special Grant	Miscellaneous Special Revenue	Library Fund	Drainage District	Lighting Districts	Water District	Total Nonmajor Governmental Funds
	Fund	Fund					
<b>ASSETS</b>							
Cash and cash equivalents	\$ 29,434	\$ 184,523	\$ 473,067	\$ 95,257	\$ 191,856	\$ 370,426	\$ 1,344,563
Accounts receivable	-	-	7,225	94	-	306,489	313,808
State and federal receivable	17,883	-	30,000	-	-	-	47,883
Due from other governments	-	-	-	-	-	167,378	167,378
Prepaid expenditures	-	-	35,823	11,332	-	11,073	58,228
	<u>-</u>	<u>-</u>	<u>35,823</u>	<u>11,332</u>	<u>-</u>	<u>11,073</u>	<u>58,228</u>
Total assets	<u>\$ 47,317</u>	<u>\$ 184,523</u>	<u>\$ 546,115</u>	<u>\$ 106,683</u>	<u>\$ 191,856</u>	<u>\$ 855,366</u>	<u>\$ 1,931,860</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 45,899	\$ -	\$ 78,277	\$ 15,707	\$ 15,042	\$ 67,080	\$ 222,005
Accrued liabilities	518	-	6,182	4,546	-	3,782	15,028
Due to other government	900	-	-	-	-	-	900
	<u>900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900</u>
Total liabilities	<u>47,317</u>	<u>-</u>	<u>84,459</u>	<u>20,253</u>	<u>15,042</u>	<u>70,862</u>	<u>237,933</u>
<b>FUND BALANCES:</b>							
Nonspendable	-	-	35,823	11,332	-	11,073	58,228
Restricted	-	184,523	425,833	75,098	176,814	773,431	1,635,699
	<u>-</u>	<u>184,523</u>	<u>425,833</u>	<u>75,098</u>	<u>176,814</u>	<u>773,431</u>	<u>1,635,699</u>
Total fund balances	<u>-</u>	<u>184,523</u>	<u>461,656</u>	<u>86,430</u>	<u>176,814</u>	<u>784,504</u>	<u>1,693,927</u>
Total liabilities and fund balances	<u>\$ 47,317</u>	<u>\$ 184,523</u>	<u>\$ 546,115</u>	<u>\$ 106,683</u>	<u>\$ 191,856</u>	<u>\$ 855,366</u>	<u>\$ 1,931,860</u>

**TOWN OF IRONDEQUOIT, NEW YORK**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds  
For the Year Ended December 31, 2021**

	Special Grant	Miscellaneous Special Revenue					Total Nonmajor Governmental
	Fund	Fund	Library Fund	Drainage District	Lighting Districts	Water District	Funds
REVENUES:							
Real property taxes	\$ -	\$ -	\$ 2,495,508	\$ 817,394	\$ 146,450	\$ 10,000	\$ 3,469,352
Departmental income	-	-	90,461	-	-	1,068,425	1,158,886
Use of money and property	-	64	12	225	101	118,348	118,750
Sale of property and compensation for loss	-	-	3,205	390	-	4,022	7,617
Miscellaneous	12,481	12,511	41,801	578	-	14,260	81,631
State aid	-	-	60,860	-	-	-	60,860
Federal aid	1,087,495	-	-	-	-	-	1,087,495
Total revenues	1,099,976	12,575	2,691,847	818,587	146,551	1,215,055	5,984,591
EXPENDITURES:							
General governmental support	-	3,581	-	-	-	14,913	18,494
Transportation	-	-	-	-	169,338	-	169,338
Culture and recreation	-	-	2,028,416	-	-	-	2,028,416
Home and community services	1,099,976	-	-	554,862	-	1,015,947	2,670,785
Debt service -							
Principal	-	-	325,000	252,291	-	-	577,291
Interest	-	-	296,000	61,684	-	5,000	362,684
Total expenditures	1,099,976	3,581	2,649,416	868,837	169,338	1,035,860	5,827,008
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	8,994	42,431	(50,250)	(22,787)	179,195	157,583
OTHER FINANCING SOURCES:							
Operating transfers - in	-	-	40,000	1	-	-	40,001
Total other financing sources	-	-	40,000	1	-	-	40,001
CHANGE IN FUND BALANCE	-	8,994	82,431	(50,249)	(22,787)	179,195	197,584
FUND BALANCE - beginning of year	-	175,529	379,225	136,679	199,601	605,309	1,496,343
FUND BALANCE - end of year	\$ -	\$ 184,523	\$ 461,656	\$ 86,430	\$ 176,814	\$ 784,504	\$ 1,693,927

## **SECTION B**

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### **UNIFORM GUIDANCE**



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

June 15, 2022

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Irondequoit, New York (the Town) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated June 15, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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

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

June 15, 2022

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

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the Town of Irondequoit, New York's (the Town's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the Town's major federal program for the year ended December 31, 2021. The Town's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

***Basis For Opinion on the Major Federal Program***

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

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

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### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

# TOWN OF IRONDEQUOIT, NEW YORK

## Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2021

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Assistance Listings	Pass Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Housing and Urban Development: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	\$ 1,070,828	\$ 124,793
COVID-19 - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	N/A	16,667	-
Total Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii			1,087,495	124,793
Total U.S. Department of Housing and Urban Development			1,087,495	124,793
U.S. Department of the Treasury: State and Local Fiscal Recovery Fund	21.027	N/A	32,758	-
Total U.S. Department of the Treasury			32,758	-
U.S. Department of Justice: Bulletproof Vest Partnership Program	16.607	N/A	4,932	-
Total U.S. Department of Justice			4,932	-
U.S. Department of Health and Human Services: Passed through Monroe County Office for the Aging -				
Special Programs for the Aging-Title III, Part C- Nutrition Services	93.045	4300002492	91,560	-
Total U.S. Department of Health and Human Services			91,560	-
U.S. Department of Homeland Security: Homeland Security Grant Program	97.067	N/A	5,614	-
Total U.S. Department of Homeland Security			5,614	-
Total Expenditures of Federal Awards			\$ 1,222,359	\$ 124,793

The accompanying notes are an integral part of this schedule.

## TOWN OF IRONDEQUOIT, NEW YORK

### Notes to the Schedule of Expenditures of Federal Awards December 31, 2021

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#### 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Irondequoit, New York (the Town) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Since the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position or the respective changes in financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 3. PASS-THROUGH PROGRAMS

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

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

#### 4. INDIRECT COSTS

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

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

#### 5. MATCHING COSTS

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Schedule of Findings and Questioned Costs For the Year Ended December 31, 2021

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#### A. SUMMARY OF AUDITOR'S RESULTS

##### Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_ Yes X None noted

Noncompliance material to financial statements noted?

\_\_\_ Yes X No

##### Federal Awards

Internal control over major program:

Material weakness(es) identified?

\_\_\_ Yes X No

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_ Yes X None noted

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

Unmodified

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

\_\_\_ Yes X No

Identification of major programs:

Assistance Listing

Number

Name of Federal Program

14.228

Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

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

Auditee qualified as low-risk auditee?

X Yes \_\_\_ No

#### B. FINDINGS - FINANCIAL STATEMENT AUDIT

None.

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

None.

#### D. SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

None.



**SECTION C**

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**NEW YORK STATE SINGLE AUDIT**

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

June 15, 2022

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

**Report on Compliance of the State Transportation Assistance Program**

***Opinion on State Transportation Assistance Program***

We have audited the Town of Irondequoit, New York's (the Town's) compliance with the types of compliance requirements identified in Part 43 of the New York Codes, Rules and Regulations (NYCRR) that could have a direct and material effect on the Town's state transportation assistance program tested for the year ended December 31, 2021. The Town's state transportation assistance program tested is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its state transportation assistance program for the year ended December 31, 2021.

***Basis For Opinion on State Transportation Assistance Program***

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

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the state transportation assistance program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

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***Responsibilities of Management For Compliance***

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

***Auditor's Responsibilities For the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Schedule of State Transportation Assistance Expended For the Year Ended December 31, 2021

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Program Title	NYSDOT	
	Contract/Ref. Number	Expenditures
Consolidated Local Street and Highway Improvement Program (CHIPS)	N/A	\$ 715,644
Extreme Winter Recovery (EWR)	N/A	119,985
PAVE-NY	N/A	139,874
State Touring Route (STR)	N/A	<u>433,986</u>
		<u>\$ 1,409,490</u>

The accompanying notes are an integral part of this schedule.

## **TOWN OF IRONDEQUOIT, NEW YORK**

### **Notes to the Schedule of State Transportation Assistance Expended December 31, 2021**

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#### **1. GENERAL**

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

#### **2. BASIS OF ACCOUNTING**

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

#### **3. INDIRECT COSTS**

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

## TOWN OF IRONDEQUOIT, NEW YORK

### Schedule of Findings and Questioned Costs For State Transportation Assistance Expended For the Year Ended December 31, 2021

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#### A. SUMMARY OF AUDIT RESULTS

1. Internal control over state transportation assistance expended:
  - No significant deficiencies or material weaknesses were reported.
2. The independent auditor's report on compliance with requirements of the state transportation assistance program and on internal control over compliance required by Part 43 of the New York Codes, Rules and Regulations expressed an unmodified opinion and did not disclose any material noncompliance with the state transportation program tested.
3. The program tested was:
  - Consolidated Local Street and Highway Improvement Program (CHIPS)

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

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

#### C. COMPLIANCE FINDINGS AND QUESTIONED COSTS

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