

PRELIMINARY OFFICIAL STATEMENT

RENEWAL ISSUE

BOND ANTICIPATION NOTES

In the opinion of Bond Counsel, 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. 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.

\$11,070,000

TOWN OF IRONDEQUOIT
MONROE COUNTY, NEW YORK
GENERAL OBLIGATIONS



\$11,070,000 Bond Anticipation Notes, 2020 Series A

Dated: April 16, 2020

Due: April 16, 2021

(referred to herein as the "Notes")

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 applicable statutory limitations. See "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. 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, Bond Counsel, Pittsford, New York. 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 April 16, 2020.

ELECTRONIC BIDS for the Notes must be submitted via Fiscal Advisors Auction website ("Fiscal Advisors Auction") accessible via www.FiscalAdvisorsAuction.com on April 2, 2020 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.

March 25, 2020

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 NOTICE OF CERTAIN EVENTS AS DEFINED IN THE RULE WITH RESPECT TO THE NOTES. SEE "APPENDIX-C, UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS" HEREIN.

# TOWN OF IRONDEQUOIT MONROE COUNTY, NEW YORK

## TOWN OFFICIALS



DAVID SEELEY  
Supervisor

### TOWN BOARD

KIMIE ROMEO  
JOHN PERTICONE

PETER WEHNER  
PATRINA FREEMAN

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

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**  
**\$11,070,000 Bond Anticipation Notes, 2020 Series A**

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 \$11,070,000 Bond Anticipation Notes, 2020 Series A (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 applicable statutory limitations. See "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 April 16, 2020 and mature, without option of prior redemption, on April 16, 2021.

Interest will be calculated on a 30-day month and 360-day year basis, payable at maturity.

At the option of the purchaser(s), the Notes will be issued as either (i) in registered book-entry-only form, 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 or (ii) in registered, certificated form, registered in the name of the purchaser(s) with principal and interest payable in Federal Funds by the Town.

If the Notes are issued registered in the name of the purchaser, a single note certificate will be issued for those Notes of an issue 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. 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).

## **No Optional Redemption**

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

## **Purpose of Issue**

The Notes are also issued pursuant to the Constitution and statutes of the State of New York, including among others, the Local Finance Law and a bond resolution duly adopted by the Town Board of the Town on December 19, 2017, authorizing the issuance of up to \$11,250,000 serial bonds to pay costs of the construction and equipping of a new Department of Public Works Highway Garage.

The proceeds of the Notes, along with \$180,000 available funds of the Town, will renew \$11,250,000 bond anticipation notes maturing on April 17, 2020 for the above referenced projects.

## **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**

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. 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 2018 U.S. Census bureau estimated population of 49,927.

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. The Town's current cost estimate of the Department of Public Works garage—under construction—is approximately \$17,250,000; roughly \$6,000,000 will be financed with insurance claim proceeds, grants and local fund balance appropriations. The proceeds of the Notes less \$180,000 available funds of the Town will renew \$11,250,000 bond anticipation notes maturing on April 17, 2020 for the aforementioned 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
2018 (estimate)	49,927	742,474	19,453,561

Source: U. S. Census.

## Major Employers

The larger employers located in the Town include the following:

<u>Name</u>	<u>Type of Product or Service</u>	<u>Number of Employees</u>
Rochester Regional Health	Healthcare	2,166
St. Ann's Community	Assisted Living and Skilled Nursing Facility	1,000
Seabreeze Amusement Park	Amusement Park	842 <sup>(1)</sup>
East Irondequoit Central School District	Public Education	702
Wegmans Food Markets, Inc.	Supermarket	681
West Irondequoit Central School District	Public Education	620
Home Depot	Retail	165
Target	Retail	150
Tops Food Market	Supermarket	130

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

Source: Town officials and data gathered from major employers.

## Economy

The Town's \$2.8 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 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 #16—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 2,166 jobs. The sharp increase in employment—1,316 since 2013—at Rochester Regional Health in the Town has spurred additional property tax paying development and is expected to continue doing so. Rochester Regional Health's employment base expanded by an additional 153 in 2018 when it opened a new outpatient center in a former grocery store, moving jobs from its main campus in the City of Rochester to Irondequoit.

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 December 2019, the median 2019 sale price of a single-family home in Irondequoit was \$132,000. At that point in time in 2018, the median sale value was \$129,650; and \$118,000 in 2017. This represents a 10% increase in the median home value over a two-year span. That upward trend has continued into 2020.

Recent and anticipated developments in the Town of Irondequoit include:

- A proposed 80-unit senior housing residential development project is proposed at a site on Culver Road. The application has received all of the required zoning and planning approvals and is projected to initiate construction in the fall 2020.
- Construction of a new ESL Federal Credit Union branch located at 2256 Hudson Avenue was recently completed. The approximately 5,000 square-foot bank with drive through facilities is now open.
- Demolition and reconstruction of a vacant 50,000 square foot structure to create an indoor and outdoor storage facility at 2111 Hudson Avenue is now complete.
- Durand Senior Apartments, a 70-unit senior housing complex by Providence Housing, in partnership with St. Ann's Community, has completed construction and is now occupied. The project includes a 3,000 square-foot community space for various programs and activities.
- The Refiners Gas Station, located at 2417 Culver Road, is being reconstructed. The project included the demolition of the previous canopy and small cashier kiosk and the construction of a new 1,500 square-foot brick convenience store and matching canopy. The project is slated to be complete in summer 2020.
- Interior demolition and reconstruction are currently underway at 1265 N. Winton Road to convert a former educational building into nine (9) market rate apartment units with detached garages and the construction of site improvements. The project is slated to be complete in summer 2020.
- 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
- The transformation of a former Macy's department store, attached to the former Irondequoit Mall, is complete. The \$4.3 million redevelopment of the property allowed Conduent, Inc. to move back-office operations to Irondequoit. This has brought with it several hundred jobs, some formerly sited in Webster, NY, others represent new FTE positions for the area. Additionally, the lower level of the building has been renovated to house the storage facility and sale location for the Ronald McDonald House fundraisers.
- 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. Pathstone Inc. received the building permit required for the creation of a 170 unit, \$43M senior apartment 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.
- Construction of a new Jiffy Lube auto service facility is just currently underway. Located at 1268 E. Ridge Road, the project involved the demolition of one existing structure. Construction is expected to be complete in spring 2020.
- St. Ann's Community recently initiated a \$20 million renovation project in their main senior living facility towers. The 8<sup>th</sup> floor renovation is currently underway. The project will include interior demolition and reconstruction of living quarters, common spaces and "back of house" areas on six floors. The project also includes building systems upgrades.
- Redevelopment of 1238 and 1258 East Ridge Road to create a WellNow Urgent Care and Aspen Dental (shared building) is now complete and the businesses are open, with the property address of 1238 E Ridge Road.
- 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 recently completed in 2017. Irondequoit Brewing, which involved the renovation and addition of an existing barn, is the most current I-Square Development LLC received approval to expand the boundary of its development area, receiving approval for rezoning of parcels to be included in the expanded footprint and Planning Board approval of the expanded site plan, which will include the Town's first micro-brewery.
- Royal Carwash, a locally owned and operated carwash chain that utilizes sustainable technology to reduce energy and water consumption, opened its doors in November 2017. The development site was a long vacant parcel located in the heart of the Town's commercial corridor (1635 E Ridge Road).
- Rochester Regional Health completed its renovation and addition project at 1455 E. Ridge Road that will convert the former Tops Friendly Market building into a state-of-the-art, LEED certified medical facility. The \$20 million-dollar renovation included a variety of outpatient services. RRH also purchased an adjacent rear lot (1371 E Ridge Road) to expand parking associated with the plaza at 1381 E Ridge Road.



- Aldi Grocery Store recently completed their construction project to expand their interior build-out within the existing footprint of the mixed-use building located at 2194 Hudson Avenue. The Town continues to engage with developers interested in the adjacent vacant multi-residential parcel located next to Aldi's.
- North America Stone Company, located at 1358 E. Ridge Road, constructed a 4,900 square-foot addition to their existing facility to allow for additional storage of hard surface materials (e.g. countertops).
- McDonald's Restaurant located at 657 E Ridge Road, recently received Planning Board approval associated with a building upgrade that will involve reconstruction of exterior walls and roof and other aesthetic enhancements to bring this location into line with the current corporate architecture and branding.
- Panera Bread opened the highly anticipated Irondequoit store in February 2017. Located at 1015 East Ridge Road, the eatery completes a significant transformation of the Morgan Depot Plaza, a once defunct strip commercial plaza in the heart of Irondequoit's commercial corridor.
- Morgan Depot Plaza, located at 999 E. Ridge Road, is now fully occupied with the completion of the newly built out M&T bank in August 2016 and Seaway Dialysis Center in December 2016.
- As of December 2016, the proposed Lighthouse Pointe Development received all necessary Town approvals to move forward with a multi-building, mixed-use development that will feature 125 residential units, a clubhouse and pool for residents and 8,000 square-feet of commercial space. The developers and project owners have secured a COMIDA PILOT and are working through NYSDEC approvals before a construction start date can be identified.
- A former multi-residential building located at 1280 Winton Road South was renovated for use as a professional office building. The building will house a chiropractic office and include the creation of up to five office suites.
- Rochester Regional Health completed an interior renovation of 1285 East Ridge Road, converting a vacant building (the former Everest Institute) into an educational space that houses the hospital's healthcare education programs (e.g. nursing).
- In August 2016, Bishop Kearney completed its \$1.6 million renovation to provide on-campus housing facilities for a new elite women's hockey program. The building's third floor had been previously occupied by nuns and brothers who worked at the school and has been vacant for over a decade.
- U-Haul's renovation of a 42,000 square-foot, two-story commercial building located at 1106 East Ridge Road is nearing full completion. This project included exterior and interior improvements to the building.
- Seabreeze Amusement Park, 4600 Culver Road, in 2016 constructed a Victorian-style customer service building and gateway. The structure can be seen from Culver Road adding charm and beauty to the 135-year-old Amusement Park. In 2017, the park added a new ride and installed a decorative façade structure

Source: Town officials and Rochester Business Journal: May 3, 2019 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 2014-2018 Census reports.

	<u>Per Capita Income</u>			<u>Median Family Income</u>		
	<u>2000</u>	<u>2010</u>	<u>2014-2018</u>	<u>2000</u>	<u>2010</u>	<u>2014-2018</u>
Town of:						
Irondequoit	\$ 23,638	\$ 27,341	\$ 33,253	\$ 55,493	\$ 62,869	\$ 75,005
County of:						
Monroe	22,821	26,999	32,502	55,900	65,240	76,185
State of:						
New York	23,389	30,948	37,470	51,691	67,405	80,419

Note: 2015-2019 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 2014-2018 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.

### Year Average

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Irondequoit Town	7.2%	7.5%	6.8%	5.8%	4.9%	4.5%	4.8%	4.1%	4.0%
Monroe County	7.7	7.9	7.0	5.8	5.1	4.7	4.9	4.3	4.2
New York State	8.3	8.5	7.7	6.3	5.3	4.9	4.7	4.1	4.0

### Monthly Figures

	<u>2019</u>											<u>2020</u>	
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>
Irondequoit Town	4.6%	4.5%	4.1%	3.6%	3.7%	3.8%	4.4%	4.3%	3.7%	3.8%	3.9%	4.1%	4.4%
Monroe County	4.6	4.5	4.2	3.7	3.7	4.0	4.4	4.4	4.0	4.0	4.0	4.3	4.6%
New York State	4.8	4.5	4.2	3.6	3.6	3.8	4.2	4.1	3.6	3.7	3.6	3.7	4.1%

Note: February and March 2020 unemployment rates are not available as of the date of this Official Statement.

Source: Department of Labor, State of New York. 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 councilpersons 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 councilpersons 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 2019 fiscal year was approved on November 13, 2018. The budget for the 2020 fiscal year was approved on November 19, 2019.

The Town stayed within the tax cap for the 2018 budget. The Town was below the tax cap by \$701,083 (3.1%). The actual increase in the tax levy was \$80,991 or 0.37%. The Town stayed within the tax cap for the 2019 budget by approximately \$385,000 or 1.7%. The Town's 2020 budget is \$287,628 or 1.25% below the tax cap. The tax levy increase for 2020 is 2.04%. See "TAX LEVY LIMITATION LAW" herein.

## 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 budget for the 2020 fiscal year, approximately 7.2 % 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").

## Employees

The Town currently employs approximately 200 full-time and 122 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	59	December 31, 2022
Night Stick Club	50	December 31, 2022
Clerical Association	15	December 31, 2020
Supervisor/Foremen	5	December 31, 2021
Library Employees	9	December 31, 2022

Source: Town officials.

## Pension Payments

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 offers 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 vest after five years of credited service. 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 pension from 5 years to 10 years.
- 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 the ERS and PFRS together for the years 2013 through 2019 and the budgeted contributions for 2020 are as follows:

<u>Year</u>	<u>Amount</u>
2013	\$ 2,653,630
2014	2,561,617
2015	2,260,830
2016	2,297,290
2017	2,270,003
2018	2,216,948
2019 (Unaudited)	2,157,205
2020 (Budgeted)	2,306,126

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 (2016 to 2020) is shown below:

<u>Year</u>	<u>ERS</u>	<u>PFRS</u>
2016	18.2%	24.7%
2017	15.5	24.3
2018	15.3	24.4
2019	14.9	23.5
2020	14.6	23.5

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 is 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, disability benefits and OPEB consist primarily of health care benefits, and may include other benefits such as disability benefits and life insurance. Until now, these benefits have 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 replaces 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*, establishes new accounting and financial reporting requirements for OPEB plans. The Town was required to adopt the provisions of GASB 75 for the year ending December 31, 2018.

Summary of Changes from the Last Valuation. The Town contracted with an actuarial firm, to calculate its first actuarial valuation under GASB 75 for the fiscal year ending December 31, 2018. Prior valuations performed under GASB 45 guidelines have not been restated and are not reflected in historic exhibits.

The following outlines the changes to the Total OPEB Liability during the fiscal year, by source.

	<u>2018</u>	<u>2019</u>
Balance at Beginning of Fiscal Year:	\$ 52,999,687	\$ 49,599,051
<u>Changes for the year:</u>		
Service cost	873,026	1,245,810
Interest	2,108,241	1,366,839
Change in Assumptions	0	12,872,273
Actuarial demographic gain	(3,985,325)	830,655
Benefit payments	<u>(2,396,578)</u>	<u>(2,175,861)</u>
Net Changes	<u>(3,400,636)</u>	<u>14,139,716</u>
Balance at End of Fiscal Year:	<u>\$ 49,599,051</u>	<u>\$ 63,738,767</u>

Note: The above table is not audited. For additional information see "APPENDIX - C" 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 year ending December 31, 2018 and will be disclosed in the Town's audited financial statements for the fiscal year ending December 31, 2019.

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

*GASB 45.* Prior to GASB 75, GASB Statement No. 45 ("GASB 45") required municipalities and school districts to account for OPEB liabilities much like they already accounted for pension liabilities, generally adopting the actuarial methodologies used for pensions, with adjustments for the different characteristics of OPEB and the fact that most municipalities and school districts have not set aside any funds against this liability. Unlike GASB 27, which covered accounting for pensions, GASB 45 did not require municipalities or school districts to report a net OPEB obligation at the start.

Under GASB 45, based on actuarial valuation, an annual required contribution ("ARC") was determined for each municipality or school district. The ARC is the sum of (a) the normal cost for the year (the present value of future benefits being earned by current employees) plus (b) amortization of the unfunded accrued liability (benefits already earned by current and former employees but not yet provided for), using an amortization period of not more than 30 years. If a municipality or school district contributes an amount less than the ARC, a net OPEB obligation will result, which is required to be recorded as a liability on its financial statements.

GASB 45 did not require that the unfunded liability actually be amortized nor that it be advance funded, only that the municipality or school district account for its unfunded accrued liability and compliance in meeting its ARC.

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.

In April 2015 and again in 2016, the State Comptroller announced legislation to create an optional investment pool to help the State and local governments fund retiree health insurance and other post-employment benefits. The proposed legislation would allow the following:

- Authorize the creation of irrevocable OPEB trusts, not part of the New York State Common Retirement Fund, so that New York state and its local governments can, at their option, help fund their OPEB liabilities;
- Establish an OPEB investment fund in the sole custody of the State Comptroller for the investment of OPEB assets of the state and participating eligible local governments;
- Designate the president of the Civil Service Commission as the trustee of the state's OPEB trust and the governing boards as trustee for local governments; and
- Allow school districts to transfer certain excess reserve balances to an OPEB trust once it is established.

Under the State Comptroller's proposal, there are no restrictions on the amount a government can deposit into the trust. The proposed legislation was not enacted into law in the last two legislative sessions. It is not possible to predict whether the Comptroller's proposed legislation will be reintroduced.

## 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.

This Official Statement does not include the financial data of any political subdivision having power to levy taxes within the Town.

## 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, 2018, and is attached hereto as "APPENDIX – D". The Town's 2019 unaudited annual update document as filed with the State Comptroller's Office is expected to be completed on or about May 1, 2020.

The Town complies with the Uniform System of Accounts as prescribed for towns in New York State by the State Comptroller. This System differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

### *Fund Balance Expectations for Fiscal Year Ending 2019*

For fiscal year ending December 31, 2019, the Town expects an increase in the general fund balance of approximately \$870,000. Driving the fund balance increase is sales tax revenue exceeding budget by roughly \$445,000 and lower than budgeted health insurance expenses of approximately \$402,000.

The Town expects to end the fiscal year ending December 31, 2019 with an unassigned fund balance of \$760,000.

Summary unaudited information for the General Fund for the period ending December 31, 2019 is as follows:

Revenues:	\$	21,530,102
Expenditures:		<u>(20,658,016)</u>
Excess (Deficit) Revenues Over Expenditures:	\$	<u>872,086</u>
Total General Fund Balance at December 31, 2018:	\$	8,010,557
Total Estimated General Fund Balance at December 31, 2019:	\$	8,882,643

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

## New York State Comptroller Report 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.

## 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 past five years for the Town are as follows:

<u>Fiscal Year Ending In</u>	<u>Stress Designation</u>	<u>Fiscal Score</u>
2018	No Designation	3.3
2017	No Designation	6.7
2016	No Designation	6.7
2015	No Designation	5.0
2014	No Designation	1.7

Source: Website of the Office of the New York State Comptroller. 2019 data is not available as of the date of this Official Statement.

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

## TAX INFORMATION

### Valuations

<u>Fiscal Years Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuation	\$ 2,542,237,817	\$ 2,565,981,303	\$ 2,568,439,569	\$ 2,831,000,693	\$ 2,834,655,837
New York State Equalization Rate	100.00%	100.00%	94.00%	100.00%	97.00%
Full Valuation	\$ 2,542,237,817	\$ 2,565,981,303	\$ 2,732,382,520	\$ 2,831,000,693	\$ 2,922,325,605

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

<u>Fiscal Years Ending December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	\$ 6.51	\$ 6.51	\$ 6.51	\$ 6.04	\$ 6.17

### 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; 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.



## Tax Levy and Tax Collection Record

Fiscal Years Ending

<u>December 31:</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Total Tax Levy	\$ 57,104,267	\$ 57,952,341	\$ 59,892,095	\$ 60,889,389	\$ 63,022,190
Uncollected <sup>(1)(2)</sup>	2,545,886	2,882,297	3,025,827	3,112,748	7,603,527
% Uncollected	4.5%	5.0%	5.0%	5.11%	12.06% <sup>(3)</sup>

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

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

<sup>(3)</sup> Tax collection not completed. Collection will continue through May 2020.

## Largest Taxpayers - 2019 Assessment Roll for 2020

<u>Name</u>	<u>Type</u>	<u>Assessed Valuation</u>
Rochester Gas & Electric	Utilities/Franchise	\$ 81,118,903
Irondequoit TK Owner LLC	Shopping Center	15,497,600
Wegmans Food Markets	Supermarket	12,287,500
Woodridge Apartments Inc	Apartment Complex	10,616,800
Hidden Creek Associates LP	Apartment Complex	8,283,800
Kings Realty LLC, Morgan	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
Cranberry Landing	Aged Senior Home	7,212,200 <sup>(1)</sup>
Eastridge Manor, LLC	Apartment Complex	6,814,800
HD Dev of Maryland Inc.	Retail/Discount	6,533,800 <sup>(1)</sup>
GRHS Foundation, Inc.	Professional Offices	5,985,900
Estate Company, Amerco Real	Retail	5,744,700
Sea Breeze Coaster Corp	Amusement Park	5,617,800 <sup>(1)</sup>
Fig IV	Apartment Complex	4,836,100
Ivy Ridge Associates LLC	Apartment Complex	4,739,700
Morgan Parkway LLC	Apartment Complex	4,712,100
Shire at Culverton Realty LLC	Aged Senior Home	4,500,000
Ridge Road FS LLC, 720 E	Retail	3,800,000

The larger taxpayers listed above have a total assessed valuation of \$218,950,903 which represents approximately 7.7% of the 2020 tax base of the Town.

<sup>(1)</sup> Article 7 Tax certiorari 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.

Source: Town tax rolls.

## 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 total property tax bill of a residential property assessed for \$110,000 located in the Town is approximately \$5,057 including County, Town, Fire District and School District taxes.

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 (as amended from time to time, the “Tax Levy Limitation Law”). 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.

**Real Property Tax Rebate.** Chapter 59 of the Laws of 2014 (“Chapter 59”) includes provisions which provide a refundable personal income tax credit to real property taxpayers in school districts and certain municipal units of government. Real property owners in school districts are eligible for this credit in the 2014 and 2015 taxable years of those property owners. Real property taxpayers in certain other municipal units of government are eligible for this credit in the 2015 and 2016 taxable years of those real property taxpayers. The eligibility of real property taxpayers for the tax credit in each year depends on such jurisdiction’s compliance with the provisions of the Tax Levy Limitation Law. School districts budgets must comply in their 2014-2015 and 2015-2016 fiscal years. Other municipal units of government must have their budgets in compliance for their 2015 and 2016 fiscal years. Such budgets must be within the tax cap limits set by the Tax Levy Limitation Law for the real property taxpayers to be eligible for this personal income tax credit. The affected jurisdictions include counties, cities (other than any city with a population of one million or more and its counties), towns, villages, school districts (other than the dependent school districts of New York City, Buffalo, Rochester, Syracuse and Yonkers, the latter four of which are indirectly affected by applicability to their respective city) and independent special districts.

Certain additional restrictions on the amount of the personal income tax credit are set forth in Chapter 59 in order for the tax cap to qualify as one which will provide the tax credit benefit to such real property taxpayers. The refundable personal income tax credit amount is increased in the second year if compliance occurs in both taxable years.

For the second taxable year of the program, the refundable personal income tax credit for real property taxpayers is additionally contingent upon adoption by the school district or municipal unit of a state approved “government efficiency plan” which demonstrates “three year savings and efficiencies of at least one per cent per year from shared services, cooperation agreements and/or mergers or efficiencies”.

Municipalities, school districts and independent special districts must provide certification of compliance with the requirements of the new provisions to certain state officials in order to render their real property taxpayers eligible for the personal income tax credit.

While the provisions of Chapter 59 do not directly further restrict the taxing power of the affected municipalities, school districts and special districts, they do provide an incentive for such tax levies to remain within the tax cap limits established by the Tax Levy Limitation Law. The implications of this for future tax levies and for operations and services of the Town are uncertain at this time.

## 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 Board of Legislators 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 Board of Legislators, the finance board of the Town. Customarily, the Board of Legislators has delegated to the Town Comptroller, 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 with in 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 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Bonds	\$ 12,815,000	\$ 11,597,150	\$ 10,999,981	\$ 9,154,981	\$ 18,854,981
Bond Anticipation Notes	<u>15,963,650</u>	<u>13,350,000</u>	<u>12,652,000</u>	<u>24,331,500</u>	<u>24,011,500</u>
Total Debt Outstanding	<u>\$ 28,778,650</u>	<u>\$ 24,947,150</u>	<u>\$ 23,651,981</u>	<u>\$ 33,486,481</u>	<u>\$ 42,866,481</u>

Source: 2015-2018 audited financial statements and 2019 unaudited estimates.

**Details of Outstanding Indebtedness**

The following table sets forth the indebtedness of the Town evidenced by bonds and notes as of March 25, 2020.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Amount</u>
Bonds	2020-2044	\$ 18,819,981
Bond Anticipation Notes		
Construction of Highway Garage	April 17, 2020	\$ 11,250,000 <sup>(1)</sup>
Various Projects	December 18, 2020	<u>12,761,500</u> <sup>(2)</sup>
	Total	<u>\$ 42,831,481</u>

<sup>(1)</sup> To be redeemed at maturity with proceeds of the Notes and \$180,000 available funds of the Town.

<sup>(2)</sup> To be renewed at maturity with bond anticipation notes and/or serial bonds and available funds of the Town.

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## Debt Statement Summary

Summary of Indebtedness, Debt Limit and Net Debt-Contracting Margin as of March 25, 2020:

Average Full Valuation of Taxable Real Property .....	\$ 2,718,785,588
Debt Limit 7% thereof .....	\$ 190,314,991

### Inclusions:

Bonds .....	\$ 18,819,981	
Bond Anticipation Notes .....	24,011,500	
Total Inclusions .....		\$ 42,831,481

### Exclusions:

Sewer Indebtedness <sup>(1)</sup> .....	\$ 1,314,559	
Appropriations – Bonds <sup>(2)</sup> .....	906,940	
Appropriations – Notes <sup>(2)</sup> .....	<u>180,000</u>	
Total Exclusions .....		<u>\$ 2,401,499</u>

Total Net Indebtedness Subject to Debt Limit .....	<u>\$ 40,429,982</u>
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Net Debt-Contracting Margin .....	<u>\$ 149,885,009</u>
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The percent of debt contracting power exhausted is .....	21.24%
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<sup>(1)</sup> 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.

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

Note: The proceeds of the Notes will not increase the net indebtedness of the Town.

## 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 2020 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 2020-2025.

The Town has no other capital project plans authorized nor are any additional capital projects contemplated at this time.

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## 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 2020-2025 Capital Improvement Program which was approved on September 17, 2019 by the Town Board.

		YEAR:						Total Program
		2020	2021	2022	2023	2024	2025	
Town Hall Improvements:	General Fund							
a) HVAC - Green/Renewable Energy Updates		\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
PSB Improvements:	General Fund							
a) HVAC - Green/Renewable Energy Updates		-	-	35,000	-	-	-	35,000
Parks & Recreation:	General Fund							
Upgrades to Playgrounds & Town Parks		-	-	50,000	-	50,000	-	100,000
DPW - Roads	Highway Fund							
a) Road Paving & Improvements		400,000	-	400,000	-	400,000	-	1,200,000
b) Pinegrove Ave Stabilization		175,000	-	-	-	-	-	175,000
c) Vehicles		1,000,000	-	-	-	-	-	1,000,000
Sidewalk Improvements	General Fund	250,000	-	250,000	-	250,000	-	750,000
Camp Eastman	General Fund	-	181,000	-	181,000	-	-	362,000
Construct New Lodges	(grant funding)	-	250,000	-	250,000	-	-	500,000
	Net Project Total							862,000
Sewer Laterals & Mains	San. Sewer	250,000	500,000	-	500,000	-	500,000	1,750,000
Drainage Improvements	Storm Drainage Fund	500,000	-	500,000	-	500,000	-	1,500,000
Pump Station Upgrades	San. Sewer Fund	-	-	-	400,000	-	-	400,000
<b>Total by Year</b>		<b>\$ 2,575,000</b>	<b>\$ 931,000</b>	<b>\$ 1,270,000</b>	<b>\$ 1,331,000</b>	<b>\$ 1,200,000</b>	<b>\$ 500,000</b>	<b>\$ 7,807,000</b>

## Capital Leases

The Town has entered into non-cancellable lease agreements for certain vehicles and equipment with original obligation totaling \$5,536,966 which have been capitalized for financial reporting purposes.

Future minimum lease payments remaining under these capital leases as of December 31, 2018 are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 617,575
2020	520,640
2021	417,926
2022	394,624
2023	<u>175,119</u>
Less: Interest	<u>(136,339)</u>
<b>Total</b>	<b>\$ <u>1,989,545</u></b>

Source: 2018 audited financial statements and schedules of the Town.

## Operating Leases

The Town has entered into non-cancellable lease agreements for rental of automobiles and equipment. Future minimum lease payments remaining under these operating leases as of December 31, 2018 are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 96,928
2021	53,736
2022	26,630
2023	10,908
Total	<u>\$ 188,202</u>

Source: Town 2019 schedule – unaudited.

## 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	12/31/2017	\$ 821,265,419	\$ 81,033,972 <sup>(2)</sup>	\$ 740,231,447	6.26%	\$ 46,338,489
School District:						
East Irondequoit	6/30/2018	65,210,527	54,516,001 <sup>(3)</sup>	10,694,526	100.00%	10,694,526
West Irondequoit	6/30/2018	15,600,000	13,632,419 <sup>(3)</sup>	1,967,581	100.00%	1,967,581
					Total:	<u>\$ 59,000,596</u>

Notes:

<sup>(1)</sup> Outstanding bonds and bond anticipation notes. Not adjusted to include subsequent bond or note sales, if any

<sup>(2)</sup> Water and sewer debt and appropriations.

<sup>(3)</sup> Estimated State building aid.

Note: The 2018 Comptroller's Special Report for the County is currently unavailable as of the date of this Official Statement.

Source: Comptroller's Special Report on Municipal Affairs for Local Finance.

## Debt Ratios

The following table sets forth certain ratios relating to the Town's net indebtedness as of March 25, 2020.

	<u>Amount</u>	<u>Per Capita</u> <sup>(a)</sup>	<u>Percentage of Full Value</u> <sup>(b)</sup>
Net Indebtedness <sup>(c)</sup> .....	\$ 40,429,982	\$ 809.78	1.38%
Net Indebtedness Plus Net Overlapping Indebtedness <sup>(d)</sup> .....	99,430,578	1,991.52	3.40%

<sup>(a)</sup> The 2018 estimated population of the Town is 49,927 (See "THE TOWN - Population" herein.)

<sup>(b)</sup> The Town 2020 full value of taxable real estate is \$2,922,325,605. (See "TAX INFORMATION" herein.)

<sup>(c)</sup> See "Debt Statement Summary" herein.

<sup>(d)</sup> Estimated net overlapping indebtedness is \$59,000,596. (See "Estimated Overlapping Indebtedness" herein.)

## **SPECIAL PROVISIONS AFFECTING REMEDIES UPON DEFAULT**

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 shall not exceed nine per centum per annum. 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 or interest on the Notes.

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.

The Federal Bankruptcy Code allows public bodies 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 to file a petition under any provision of Federal bankruptcy law for the composition or adjustment of municipal indebtedness.

There are separate State 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 such obligations.

As a result of the Court of Appeals decision, the constitutionality of that portion of Title 6-A of Article 2 of the Local Finance Law enacted at the 1975 Extraordinary Session of the State legislature authorizing any Town, 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.

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 Town, 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 Town, 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."

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

No principal of or interest payment on Town indebtedness is past due. The Town has never defaulted in the payment of the principal of or 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.



COVID 19. The spread of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread globally, including the United States, and to New York State, 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 outbreak of COVID-19 across the United States has caused the federal government to declare a national state of emergency. The State of New York has likewise declared a state of emergency and the Legislature has added “disease outbreak” to the definition of “disaster” (which already includes “epidemic”) in the relevant Executive Law provision by adoption of Senate Bill S7919, signed by the Governor into law on March 3, 2020.

Executive Law Section 24 contains procedures for local governments to declare local states of emergency and issue orders to implement same.

While the virus might affect revenue streams supporting revenue bond debt of some public authorities, as compared to general obligation debt, it is not possible to determine or reasonably predict at this time whether there could also be a material impact on local municipal and school district budgets, or state and local resources to meet their obligations supporting same.

The degree of any such impact to the Town’s operations and finances, is extremely difficult to predict due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Town and its economy. The Town is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

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.

## **HISTORICAL CONTINUING DISCLOSURE COMPLIANCE**

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 Notice of Certain Events, descriptions of which is attached hereto as “APPENDIX – C.”

Except as noted below, the Town has been in compliance in all material respects within the last five years with all previous undertakings made pursuant to the Rule 15c2-12.

The Town, on occasion, did not file material event notices for the credit rating changes of the bond insurer of the Town’s serial bonds as required by the Town’s existing continuing disclosure agreements.

## **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 federal alternative minimum tax on individuals.

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 United States. 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 Notes will not be designated as nor deemed 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, Bond Counsel, Pittsford, New York. 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 statutory limitations (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 and corporations by the Code; (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.

In December 2016, Monroe County notified area municipalities that it would no longer guarantee demolition and property maintenance fees assessed against real property. The Town contends that when these charges are not paid, such costs are properly assessed and levied against the real property on which the Town performs the services, i.e., a property tax. The Town commenced an Article 78 proceeding in May 2017 to compel Monroe County to guarantee, and credit, the Town for unpaid delinquent Town taxes incurred for property maintenance and demolition charges. The New York Supreme Court, Monroe County granted the Town's Article 78 petition in November 2017 and held that the County is legally obligated to guaranty and credit the maintenance, repair, and demolition charges. However, The Appellate Division, Fourth Department reversed the lower court's decision. The Town has appealed to the New York State Court of Appeals. Oral arguments will not be scheduled until mid-2020. The amount of such charges in dispute, however, is not material enough to affect the Town's ability to levy and collect taxes to pay debt service on its outstanding bonds and notes.

## RATING

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. A rating reflects only the view of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Any desired explanation of the significance of such rating should 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.

## 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 the Municipal Advisor 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.

Fiscal Advisors & Marketing, Inc. 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. Fiscal Advisors & Marketing, Inc. 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 Fiscal Advisors & Marketing, Inc. assumes any liability or responsibility for errors or omissions on such website. Further, Fiscal Advisors & Marketing, Inc. 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. Fiscal Advisors & Marketing, Inc. and the Town also assume no liability or responsibility for any errors or omissions or for any updates to dated website information.

Harris Beach PLLC, Rochester, 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 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) 336-6008, 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 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: March 25, 2020**

**DAVID SEELEY**  
**TOWN SUPERVISOR**

**GENERAL FUND**

**Balance Sheets**

Fiscal Years Ending December 31:	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b><u>ASSETS</u></b>					
Cash and cash equivalents	\$ 5,025,195	\$ 4,717,277	\$ 3,655,720	\$ 3,881,239	\$ 4,748,470
Cash and cash equivalents-restricted	57,159	71,755	57,487	55,521	61,644
Accounts receivable	868,758	866,116	633,544	508,300	540,849
Due from other funds	580,000	529,500	1,300,483	1,545,179	706,320
State and federal receivable	1,639,904	1,726,039	2,187,040	2,772,410	3,521,105
Due from other governments	232,786	60,413	260,298	359,057	284,754
Prepaid expenditures	<u>110,001</u>	<u>64,268</u>	<u>68,537</u>	<u>66,651</u>	<u>70,200</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 8,513,803</u></b>	<b><u>\$ 8,035,368</u></b>	<b><u>\$ 8,163,109</u></b>	<b><u>\$ 9,188,357</u></b>	<b><u>\$ 9,933,342</u></b>
<b><u>LIABILITIES</u></b>					
Due to other funds	\$ 281,979	\$ 200,652	\$ 142,675	\$ -	\$ 56,281
Due to state retirement systems	1,324,272	1,249,625	1,300,460	1,275,014	1,231,176
Accrued liabilities	58,769	48,044	55,125	60,596	85,857
Accounts payable	449,440	534,771	662,490	1,063,084	513,620
Unearned revenues	<u>54,472</u>	<u>32,750</u>	<u>28,966</u>	<u>28,547</u>	<u>35,851</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 2,168,932</u></b>	<b><u>\$ 2,065,842</u></b>	<b><u>\$ 2,189,716</u></b>	<b><u>\$ 2,427,241</u></b>	<b><u>\$ 1,922,785</u></b>
<b><u>FUND BALANCE</u></b>					
Nonspendable	\$ 110,001	\$ 64,268	\$ 68,537	\$ 66,651	\$ 70,200
Restricted	57,159	71,755	57,487	55,521	61,644
Assigned	1,438,606	1,717,979	1,208,383	1,290,786	857,537
Unassigned	<u>4,739,105</u>	<u>4,115,524</u>	<u>4,638,986</u>	<u>5,348,158</u>	<u>7,021,176</u>
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 6,344,871</u></b>	<b><u>\$ 5,969,526</u></b>	<b><u>\$ 5,973,393</u></b>	<b><u>\$ 6,761,116</u></b>	<b><u>\$ 8,010,557</u></b>
<b>TOTAL LIABILITIES and FUND BALANCE</b>	<b><u>\$ 8,513,803</u></b>	<b><u>\$ 8,035,368</u></b>	<b><u>\$ 8,163,109</u></b>	<b><u>\$ 9,188,357</u></b>	<b><u>\$ 9,933,342</u></b>

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>REVENUES</b>					
Real Property Taxes	\$ 10,311,864	\$ 10,591,729	\$ 10,566,780	\$ 10,564,377	\$ 10,803,467
Real Property Tax Items	438,043	387,416	423,289	413,753	380,878
Non-Property Tax Items	4,380,502	4,331,752	4,737,091	5,232,501	5,585,246
Departmental Income	1,067,489	1,112,503	1,106,132	1,196,997	1,118,804
Intergovernmental Charges	95,983	93,776	119,462	118,454	102,242
Use of Money & Property	197,621	159,428	167,387	138,861	159,133
Licenses and Permits	55,814	55,180	53,426	54,880	54,240
Fines and Forfeitures	341,523	204,370	223,549	195,326	212,891
Sale of Property and Compensation for Loss	58,103	65,769	96,636	1,919,994	1,796,821
Miscellaneous	117,977	162,222	125,838	182,507	919,605
Interfund Revenues	253,530	274,888	354,186	439,423	410,427
Revenues from State Sources	1,334,777	1,367,989	1,720,384	2,046,241	1,666,213
Revenues from Federal Sources	168,697	104,014	130,271	111,100	192,263
Total Revenues	<u>\$ 18,821,923</u>	<u>\$ 18,911,036</u>	<u>\$ 19,824,431</u>	<u>\$ 22,614,414</u>	<u>\$ 23,402,230</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 3,571,691	\$ 3,890,534	\$ 4,177,241	\$ 5,522,349	\$ 4,475,062
Public Safety	10,098,851	10,339,012	11,078,259	11,155,495	11,037,511
Transportation	375,106	324,517	350,711	467,863	409,821
Economic Assistance and Opportunity	265,773	275,305	261,920	285,017	285,328
Culture and Recreation	1,804,889	1,813,824	1,969,908	2,054,628	1,960,908
Home and Community Services	1,208,371	1,113,006	1,074,630	1,304,315	1,200,416
Debt Service	873,846	895,582	871,049	983,384	991,736
Total Expenditures	<u>\$ 18,198,527</u>	<u>\$ 18,651,780</u>	<u>\$ 19,783,718</u>	<u>\$ 21,773,051</u>	<u>\$ 20,360,782</u>
Excess of Revenues Over (Under) Expenditures	<u>623,396</u>	<u>259,256</u>	<u>40,713</u>	<u>841,363</u>	<u>3,041,448</u>
Other Financing Sources (Uses):					
Operating Transfers In	90,000	39,000	88,400	9,500	184,000
Operating Transfers Out	(54,431)	(673,601)	(125,246)	(63,140)	(1,976,007)
Total Other Financing Sources (Uses)	<u>\$ 35,569</u>	<u>\$ (634,601)</u>	<u>\$ (36,846)</u>	<u>\$ (53,640)</u>	<u>\$ (1,792,007)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>658,965</u>	<u>(375,345)</u>	<u>3,867</u>	<u>787,723</u>	<u>1,249,441</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	5,685,906	6,344,871	5,969,526	5,973,393	6,761,116
Fund Balance - End of Year	<u>\$ 6,344,871</u>	<u>\$ 5,969,526</u>	<u>\$ 5,973,393</u>	<u>\$ 6,761,116</u>	<u>\$ 8,010,557</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:	2018			2019	2020
	Original Budget	Final Budget	Actual	Adopted Budget	Adopted Budget
<b>REVENUES</b>					
Real Property Taxes	\$ 10,803,467	\$ 10,803,467	\$ 10,803,467	\$11,090,150	\$ 11,185,756
Real Property Tax Items	382,257	382,257	380,878	421,139	472,779
Non-Property Tax Items	5,075,000	5,075,000	5,585,246	5,484,000	5,930,640
Departmental Income	1,150,245	1,150,245	1,118,804	1,140,295	1,149,245
Intergovernmental Charges	113,900	113,900	102,242	97,355	99,000
Use of Money & Property	156,785	156,785	159,133	133,298	147,777
Licenses and Permits	48,200	48,200	54,240	50,650	48,250
Fines and Permits	247,500	247,500	212,891	242,500	251,000
Sale of Property and Compensation for Loss	38,800	1,519,888	1,796,821	113,500	63,000
Miscellaneous	70,375	170,589	919,605	98,400	100,007
Interfund Revenues	386,674	386,674	410,427	386,922	435,243
Revenues from State Sources	1,565,444	1,527,444	1,666,213	1,495,545	1,550,611
Revenues from Federal Sources	76,000	76,000	192,263	80,250	84,000
Total Revenues	<u>\$ 20,114,647</u>	<u>\$ 21,657,949</u>	<u>\$ 23,402,230</u>	<u>\$ 20,834,004</u>	<u>\$ 21,517,308</u>
<b>EXPENDITURES</b>					
General Government Support	\$ 4,192,241	\$ 4,576,425	\$ 4,475,062	\$4,461,826	\$4,579,167
Public Safety	11,495,745	11,428,360	11,037,511	11,489,917	11,815,695
Transportation	401,950	429,902	409,821	417,560	416,989
Economic Assistance and Opportunity	295,375	296,396	285,328	304,432	300,732
Culture and Recreation	1,889,832	2,077,861	1,960,908	2,052,166	2,143,543
Home and Community Services	1,081,865	1,268,667	1,200,416	1,127,751	1,218,716
Debt Service	975,139	991,749	991,736	1,061,012	1,243,930
Total Expenditures	<u>\$ 20,332,147</u>	<u>\$ 21,069,360</u>	<u>\$ 20,360,782</u>	<u>\$ 20,914,664</u>	<u>\$21,718,772</u>
Excess of Revenues Over (Under) Expenditures	<u>(217,500)</u>	<u>588,589</u>	<u>3,041,448</u>	<u>(80,660)</u>	<u>(201,464)</u>
Other Financing Sources (Uses):					
Operating Transfers In	34,600	356,224	184,000	30,660	11,464
Operating Transfers Out	-	(1,976,008)	(1,976,007)	-	-
Total Other Financing Sources (Uses)	<u>\$ 34,600</u>	<u>\$ (1,619,784)</u>	<u>\$ (1,792,007)</u>	<u>\$ 30,660</u>	<u>\$ 11,464</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(182,900)</u> <sup>(1)</sup>	<u>(1,031,195)</u>	<u>1,249,441</u>	<u>(50,000)</u> <sup>(3)</sup>	<u>(190,000)</u>
<b>FUND BALANCE</b>					
Fund Balance - Beginning of Year	5,969,526 <sup>(2)</sup>	1,031,195	6,761,116	7,827,388 <sup>(4)</sup>	7,777,388
Fund Balance - End of Year	<u>\$ 5,786,626</u>	<u>\$ -</u>	<u>\$ 8,010,557</u>	<u>\$ 7,777,388</u>	<u>\$ 7,587,388</u>

(1) The Town appropriated fund balance for the 2018 fiscal year.

(2) Estimated Fund Balance Beginning of Year.

(3) The Town appropriated fund balance for the 2019 fiscal year.

(4) Estimated Fund Balance Beginning of Year.

**Changes In Fund Balance**

Fiscal Years Ending December 31:	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>HIGHWAY FUND</b>					
Fund Balance - Beginning of Year	\$ 566,670	\$ 564,893	\$ 774,622	\$ 888,797	\$ 1,201,095
Revenues & Other Sources	5,800,938	5,648,145	5,346,674	7,519,255	5,565,592
Expenditures & Other Uses	5,802,715	5,438,416	5,232,499	7,206,957	5,381,073
Fund Balance - End of Year	\$ 564,893	\$ 774,622	\$ 888,797	\$ 1,201,095	\$ 1,385,614
<b>PUBLIC LIBRARY FUND</b>					
Fund Balance - Beginning of Year	\$ 215,173	\$ 268,681	\$ 221,051	\$ 171,281	\$ 161,511
Revenues & Other Sources	1,912,914	2,000,180	2,249,289	2,343,350	2,321,084
Expenditures & Other Uses	1,859,406	2,047,810	2,299,059	2,353,120	2,326,778
Fund Balance - End of Year	\$ 268,681	\$ 221,051	\$ 171,281	\$ 161,511	\$ 155,817

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



**BONDED DEBT SERVICE**

Fiscal Year Ending December 31st	Principal	Interest	Total
2020	\$ 1,255,000	\$ 648,503.49	\$ 1,903,503.49
2021	1,310,000	463,120.84	1,773,120.84
2022	1,170,000	432,322.93	1,602,322.93
2023	1,115,000	406,204.38	1,521,204.38
2024	1,060,000	381,857.13	1,441,857.13
2025	995,000	359,475.03	1,354,475.03
2026	945,000	338,175.02	1,283,175.02
2027	950,000	317,030.00	1,267,030.00
2028	795,000	292,900.00	1,087,900.00
2029	805,000	269,888.75	1,074,888.75
2030	814,981	246,076.25	1,061,057.25
2031	645,000	221,737.50	866,737.50
2032	660,000	202,822.50	862,822.50
2033	445,000	183,375.00	628,375.00
2034	460,000	169,800.00	629,800.00
2035	475,000	155,775.00	630,775.00
2036	485,000	141,375.00	626,375.00
2037	500,000	126,600.00	626,600.00
2038	515,000	111,375.00	626,375.00
2039	535,000	95,625.00	630,625.00
2040	550,000	79,350.00	629,350.00
2041	565,000	62,625.00	627,625.00
2042	585,000	45,375.00	630,375.00
2043	600,000	27,600.00	627,600.00
2044	620,000	9,300.00	629,300.00
<b>TOTALS</b>	<b>\$ 18,854,981</b>	<b>\$ 5,788,288.82</b>	<b>\$ 24,643,269.82</b>

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	1990			2001		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 35,000	\$ 1,190.00	\$ 36,190.00	35,000	670.08	35,670.08
TOTALS	\$ 35,000	\$ 1,190.00	\$ 36,190.00	\$ 35,000	\$ 670.08	\$ 35,670.08

Fiscal Year Ending Dec 31st	2002			2002		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 30,000	\$ 3,019.80	\$ 33,019.80	\$ 100,000	\$ 7,953.20	\$ 107,953.20
2021	30,000	1,518.90	31,518.90	100,000	2,989.20	102,989.20
TOTALS	\$ 60,000	\$ 4,538.70	\$ 64,538.70	\$ 200,000	\$ 10,942.40	\$ 210,942.40

Fiscal Year Ending Dec 31st	2003			2004		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 30,000	\$ 4,650.45	\$ 34,650.45	\$ 15,000	\$ 3,651.60	\$ 18,651.60
2021	30,000	3,344.70	33,344.70	15,000	2,939.26	17,939.26
2022	30,000	2,018.10	32,018.10	15,000	2,217.30	17,217.30
2023	30,000	675.00	30,675.00	15,000	1,485.60	16,485.60
2024				15,000	744.60	15,744.60
TOTALS	\$ 120,000	\$ 10,688.25	\$ 130,688.25	\$ 75,000	\$ 11,038.36	\$ 86,038.36

Fiscal Year Ending Dec 31st	2012		
	Refunding of 1994, 2001, 2004 & 2005 Serial Bonds		
	Principal	Interest	Total
2020	\$ 75,000	\$ 9,712.50	\$ 84,712.50
2021	75,000	7,743.75	82,743.75
2022	75,000	5,587.50	80,587.50
2023	70,000	3,368.75	73,368.75
2024	70,000	1,137.50	71,137.50
TOTALS	\$ 365,000	\$ 27,550.00	\$ 392,550.00

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2012			2016		
	Public Improvements			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 265,000	\$ 58,700.00	\$ 323,700.00	\$ 65,000	\$ 10,603.75	\$ 75,603.75
2021	240,000	53,400.00	293,400.00	65,000	9,060.00	74,060.00
2022	240,000	48,600.00	288,600.00	45,000	7,500.00	52,500.00
2023	240,000	43,800.00	283,800.00	45,000	6,375.00	51,375.00
2024	240,000	39,000.00	279,000.00	25,000	5,250.00	30,250.00
2025	240,000	34,200.00	274,200.00	25,000	4,625.00	29,625.00
2026	185,000	29,400.00	214,400.00	25,000	3,937.50	28,937.50
2027	185,000	25,330.00	210,330.00	25,000	3,187.50	28,187.50
2028	170,000	21,075.00	191,075.00	25,000	2,437.50	27,437.50
2029	165,000	16,995.00	181,995.00	25,000	1,656.25	26,656.25
2030	165,000	12,870.00	177,870.00	25,000	843.75	25,843.75
2031	165,000	8,662.50	173,662.50			
2032	165,000	4,372.50	169,372.50			
<b>TOTALS</b>	<b>\$ 2,665,000</b>	<b>\$ 396,405.00</b>	<b>\$ 3,061,405.00</b>	<b>\$ 395,000</b>	<b>\$ 55,476.25</b>	<b>\$ 450,476.25</b>

Fiscal Year Ending Dec 31st	2017			2017		
	Refunding of 2007 & 2010 Bonds			Public Improvements		
	Principal	Interest	Total	Principal	Interest	Total
2020	\$ 325,000	\$ 69,175.02	\$ 394,175.02	\$ 105,000	\$ 29,325.00	\$ 134,325.00
2021	325,000	59,425.02	384,425.02	105,000	26,700.00	131,700.00
2022	320,000	52,925.02	372,925.02	110,000	24,075.00	134,075.00
2023	290,000	46,525.02	336,525.02	85,000	21,325.00	106,325.00
2024	280,000	40,725.02	320,725.02	85,000	19,200.00	104,200.00
2025	285,000	34,775.02	319,775.02	90,000	17,075.00	107,075.00
2026	280,000	28,362.52	308,362.52	95,000	14,825.00	109,825.00
2027	275,000	21,712.50	296,712.50	95,000	12,450.00	107,450.00
2028	160,000	14,837.50	174,837.50	60,000	9,600.00	69,600.00
2029	160,000	10,037.50	170,037.50	65,000	7,800.00	72,800.00
2030	154,981	5,037.50	160,018.50	65,000	5,850.00	70,850.00
2031				65,000	3,900.00	68,900.00
2032				65,000	1,950.00	66,950.00
<b>TOTALS</b>	<b>\$ 2,854,981</b>	<b>\$ 383,537.64</b>	<b>\$ 3,238,518.64</b>	<b>\$ 1,090,000</b>	<b>\$ 194,075.00</b>	<b>\$ 1,284,075.00</b>

CURRENT BONDS OUTSTANDING

Fiscal Year Ending Dec 31st	2019		
	Public Improvements		
	Principal	Interest	Total
2020	\$ 175,000	\$ 449,852.08	\$ 624,852.08
2021	325,000	296,000.00	621,000.00
2022	335,000	289,400.00	624,400.00
2023	340,000	282,650.00	622,650.00
2024	345,000	275,800.00	620,800.00
2025	355,000	268,800.00	623,800.00
2026	360,000	261,650.00	621,650.00
2027	370,000	254,350.00	624,350.00
2028	380,000	244,950.00	624,950.00
2029	390,000	233,400.00	623,400.00
2030	405,000	221,475.00	626,475.00
2031	415,000	209,175.00	624,175.00
2032	430,000	196,500.00	626,500.00
2033	445,000	183,375.00	628,375.00
2034	460,000	169,800.00	629,800.00
2035	475,000	155,775.00	630,775.00
2036	485,000	141,375.00	626,375.00
2037	500,000	126,600.00	626,600.00
2038	515,000	111,375.00	626,375.00
2039	535,000	95,625.00	630,625.00
2040	550,000	79,350.00	629,350.00
2041	565,000	62,625.00	627,625.00
2042	585,000	45,375.00	630,375.00
2043	600,000	27,600.00	627,600.00
2044	620,000	9,300.00	629,300.00
<b>TOTALS</b>	<b>\$ 10,960,000</b>	<b>\$ 4,692,177.08</b>	<b>\$ 15,652,177.08</b>

**UNDERTAKING TO PROVIDE NOTICES OF CERTAIN EVENTS**

At the time of delivery of the Notes, the Town will deliver to the purchasers an executed Undertaking to Provide Notices of Certain Events, which will provide as follows:

In accordance with the provisions of Rule 15c2-12, as the same may be amended or officially interpreted from time to time (the "Rule"), promulgated by the Commission pursuant to the Securities Exchange Act of 1934, the Town has agreed to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, during the period in which the Notes are outstanding, to the EMMA system of the Municipal Securities Rulemaking Board ("MSRB") or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies
- (b) non-payment related defaults, if material
- (c) unscheduled draws on debt service reserves reflecting financial difficulties
- (d) in the case of credit enhancement, if any, provided in connection with the issuance of the Notes, unscheduled draws on credit enhancements reflecting financial difficulties
- (e) substitution of credit or liquidity providers, or their failure to perform
- (f) 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 Note, or other material events affecting the tax status of the Notes
- (g) modifications to rights of Note holders, if material
- (h) note calls, if material and tender offers
- (i) defeasances
- (j) release, substitution, or sale of property securing repayment of the Note
- (k) rating changes
- (l) bankruptcy, insolvency, receivership or similar event of the Town
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, 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
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material
- (o) incurrence of a financial obligation of the Town, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect Note holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

Event (c) is included pursuant to a letter from the SEC staff to the National Association of Bond Lawyers dated September 19, 1995. However, event (c) is not applicable, since no "debt service reserves" will be established for the Notes.

With respect to event (d) the Town does not undertake to provide any notice with respect to credit enhancement added after the primary offering of the Notes.

For the purposes of the event identified in paragraph (l) 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 the Town 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 Town, 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 Town.

With respect to events (o) and (p) listed above, the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

The Town may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the Town determines that any such other event is material with respect to the Notes; but the Town does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Town reserves the right to terminate its obligation to provide the aforescribed notices of material events, as set forth above, if and when the Town no longer remains an obligated person with respect to the Notes within the meaning of the Rule. The Town acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the holders of the Notes (including holders of beneficial interests in the Notes). The right of holders of the Notes to enforce the provisions of the undertaking will be limited to a right to obtain specific enforcement of the Town’s obligations under its material event notices undertaking and any failure by the Town to comply with the provisions of the undertaking will neither be a default with respect to the Notes nor entitle any holder of the Notes to recover monetary damages.

The Town reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

An "Undertaking to Provide Notice of Certain Events" to this effect shall be provided to the purchaser(s) at closing.

The Town may amend the Undertaking to Provide Notice of Certain Events upon a change in circumstances provided that (a) the Undertaking to Provide Notice of Certain Events, as amended, would have complied with the requirements of the Rule at the time of this offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (b) in the opinion of nationally recognized bond counsel selected by the Issuer, the amendment does not materially impair the interests of the beneficial owners of the Notes.

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

**FINANCIAL REPORT**

**For the Year Ended December 31, 2018**

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.

Bonadio & Co., LLP, 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. Bonadio & Co., LLP 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, 2018  
Together with  
Independent Auditor's Report**



# TOWN OF IRONDEQUOIT, NEW YORK

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**NEW YORK STATE SINGLE AUDIT**

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**SECTION A**

**BASIC FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT**

June 14, 2019

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

**Report on the Financial Statements**

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, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

***Management's Responsibility 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; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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(Continued)

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### ***Opinions***

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, 2018, 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.

### **Change in Accounting Principle**

As discussed in Note 2 to the financial statements, in 2018 the Town adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. Our opinions are not modified with respect to this matter.

### **Report on 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 funding progress, contributions-pension plans, and proportionate share of the net pension liability (asset) be presented to supplement the basic financial statements. Such information, 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purposes of additional analysis 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 is also not a required part of the basic financial statements. The schedule of state transportation assistance expended is presented for purposes of additional analysis as required by Draft Part 43 of the New York State Codes, Rules, and Regulations, and is not a required part of the basic financial statements.

The combining non-major fund financial statements, schedule of expenditures of federal awards and the schedule of state transportation assistance expended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining non-major fund financial statements, schedule of expenditures of federal awards and the schedule of state transportation assistance expended are fairly stated in all material respects in relation to the basic financial statements as a whole.

(Continued)

## INDEPENDENT AUDITOR'S REPORT

(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2019, 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.

*Bonadio & Co., LLP*

## TOWN OF IRONDEQUOIT, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED DECEMBER 31, 2018

---

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, 2018. 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 \$9,554,118. This negative net position for the year is due to the adoption of GASB 75 in the current year and the corresponding increase in the liability.
- General revenues, which include real property taxes, non-property taxes, use of money and property, sale of property and miscellaneous, are \$28,508,210, or 69%, of all revenues. Program specific revenues in the form of charges for services, operating grants, and capital grants accounted for \$12,947,909, or 31%, of total revenues.
- During 2018, the Town issued Bond Anticipation Notes in the amount of \$24,331,500 to finance a new public works facility and ongoing projects including building improvements, road repair projects, athletic fields and playground improvements, and library construction.
- The Town's governmental fund financial statements report a combined ending fund deficit of \$2,309,338.
- At the end of the current year, the unassigned fund balance of the General Fund was \$7,021,176.

#### 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.
- 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.

- The *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.



## 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.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Liabilities and deferred inflows of resources of the Town's governmental activities exceeded assets and deferred outflows of resources by \$9,554,118 at the close of 2018. The Town's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are summarized in Table 1 and the changes in net position are summarized in Table 2.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Table 1**

**Statement of Net Position  
For the Years Ended  
December 31, 2018 and 2017  
(In thousands)**

	<u>2018</u>	<u>2017</u>
<b>ASSETS:</b>		
Current assets	\$ 26,636	\$ 16,508
Capital assets	<u>63,320</u>	<u>56,257</u>
Total assets	<u>89,956</u>	<u>72,765</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>6,868</u>	<u>5,733</u>
<b>LIABILITIES:</b>		
Current liabilities	29,512	16,934
Due within one year	2,546	2,911
Due in more than one year	<u>64,583</u>	<u>33,030</u>
Total liabilities	<u>96,641</u>	<u>52,875</u>
DEFERRED INFLOWS OF RESOURCES	<u>9,739</u>	<u>1,057</u>
<b>NET POSITION:</b>		
Net investment in capital assets	13,299	18,197
Restricted	13,387	56
Unrestricted	<u>(36,241)</u>	<u>6,313</u>
Total net position	<u>\$ (9,555)</u>	<u>\$ 24,566</u>

	<u>2018</u>	<u>2017</u>
Current Assets	\$ 26,636	\$ 16,508
Current Liabilities	\$ 29,512	\$ 16,934
Ratio of Current Assets to Current Liabilities	0.90	0.97

Total assets increased by approximately \$17,191,000 due primarily to an increase in capital assets of nearly \$7,063,000 as well as an increase in cash and equivalents of \$9,011,000 offset by decreased accounts receivable of approximately \$1,195,000. The increase in capital assets was due to roughly \$11,219,000 in additions offset by \$4,086,000 in depreciation. 2017 accounts receivable were higher than average resulting from insurance monies due from the 2016 Christmas Eve fire. The 2018 accounts receivable are more representative of typical year end receivables.

The increase in total liabilities of \$43,766,000 is due mainly to the prior period adjustment for the adoption of GASB 75. The valuation of the Town's other post-employment benefits liability was increased based on the adoption of GASB 75. The entry was made in order to correct the valuation of the liability at January 1, 2018. This entry was \$39,093,000 and is the main reason behind the large increase in liabilities in the current year.

**Table 2**

**Changes in Net Position  
For The Years Ended  
December 31, 2018 and 2017  
(In thousands)**

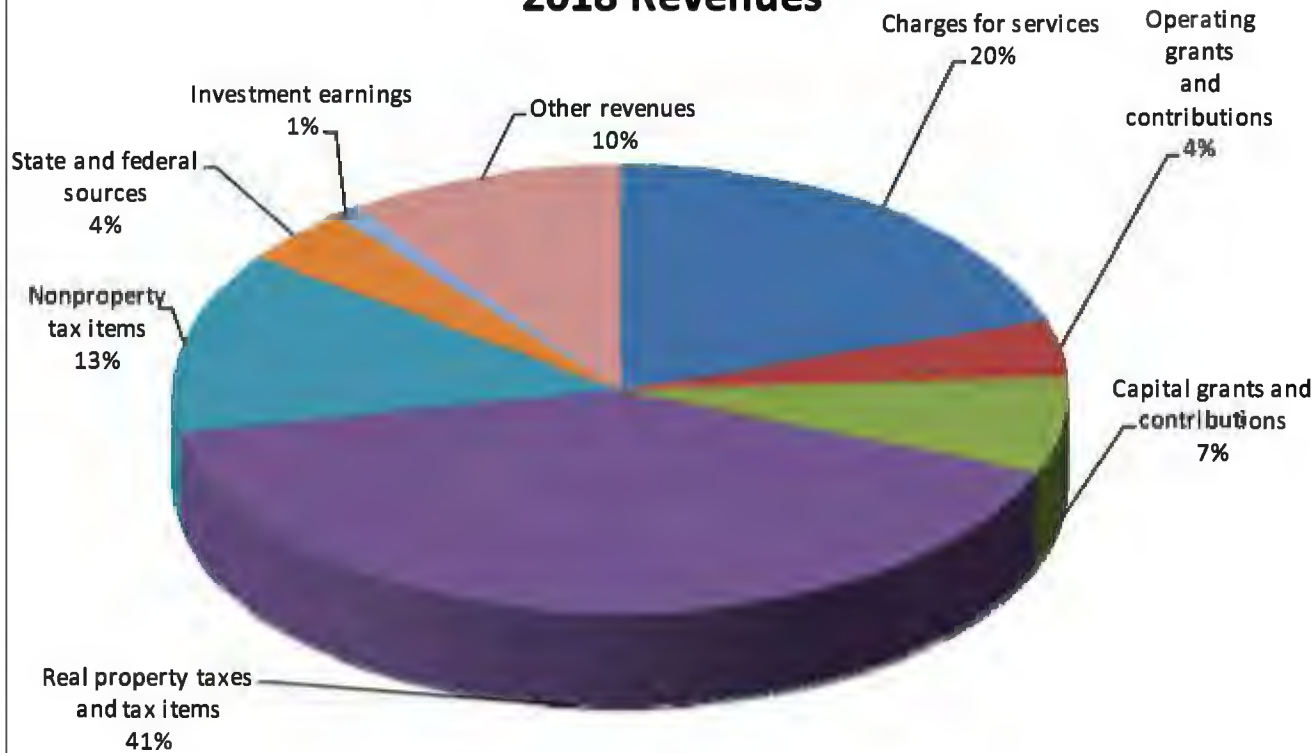
	<u>2018</u>	<u>2017</u>
<b>REVENUES:</b>		
Program revenues -		
Charges for services	\$ 8,464	\$ 8,436
Operating grants and contributions	1,540	1,667
Capital grants and contributions	2,944	535
General revenues -		
Real property taxes and tax items	17,149	17,137
Nonproperty tax items	5,585	5,233
State and federal aid not restricted for a specific purpose	1,488	1,468
Investment earnings	309	285
Other revenues	1,339	267
Gain (Loss) on sale of assets and compensation for loss	<u>2,638</u>	<u>4,790</u>
<b>Total revenues</b>	<u><b>41,456</b></u>	<u><b>39,818</b></u>
<b>EXPENSES:</b>		
Program expenses -		
General government support	4,677	5,871
Public safety	11,546	12,276
Transportation	6,068	6,727
Economic assistance	400	198
Culture and recreation	4,852	4,961
Home and community services	7,909	8,157
Interest expense	<u>1,032</u>	<u>605</u>
<b>Total expenses</b>	<u><b>36,484</b></u>	<u><b>38,795</b></u>
<b>Increase (Decrease) in net position</b>	<u><b>\$ 4,972</b></u>	<u><b>\$ 1,023</b></u>

In 2018, the expenses of all governmental activities were approximately \$36,484,000. The amount that taxpayers ultimately financed for these activities through Town real property taxes and real property tax items was essentially \$17,149,000 or 47.00%.

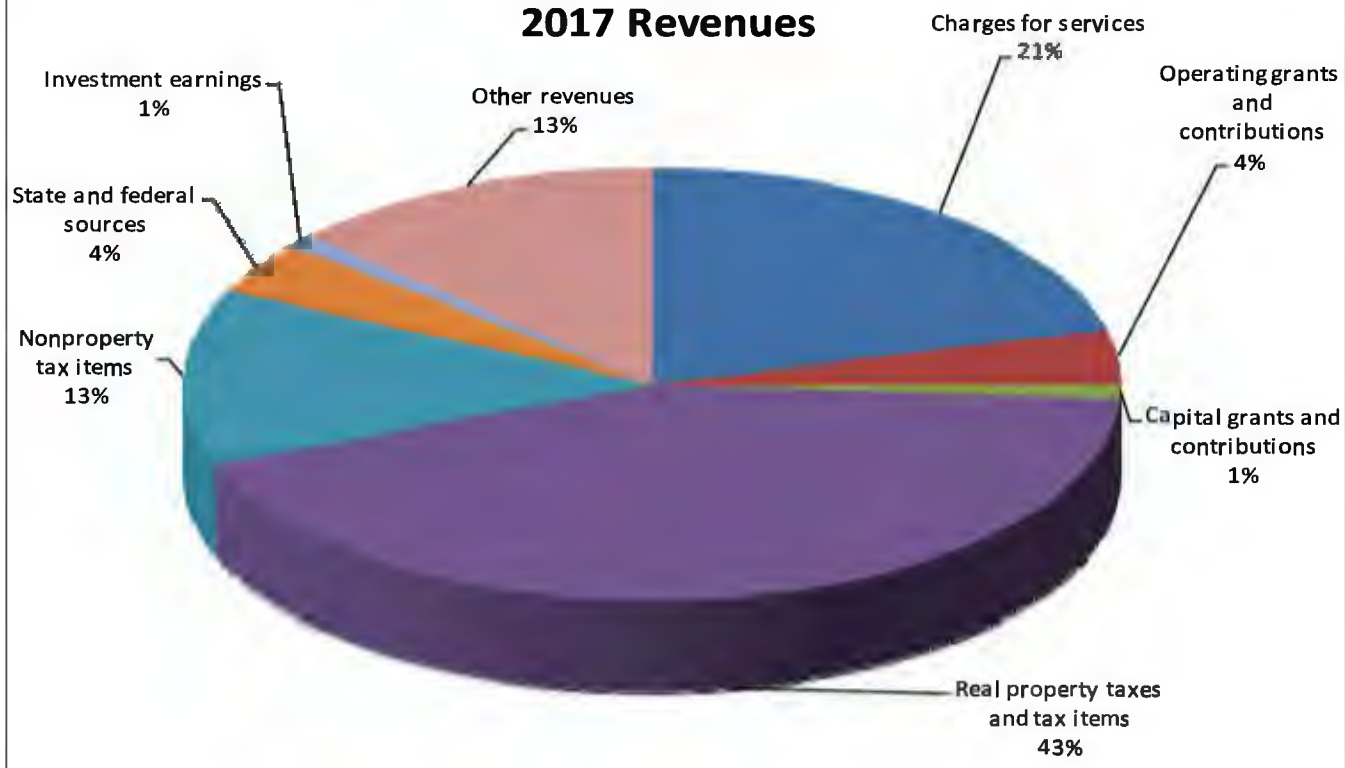
Revenues of the Town's primary government increased 4.11% from approximately \$39,818,000 to \$41,456,000, due to receipt of insurance proceeds from the December 24, 2016 Department of Public Works garage fire. Due to the timing of the fire, the majority of the insurance recoveries were received in 2017.

Expenses of the Town's primary government decreased 5.96%, from approximately \$38,795,000 to \$36,484,000 due to less expenditures being incurred related to the December 24, 2016 fire in 2018 compared to 2017.

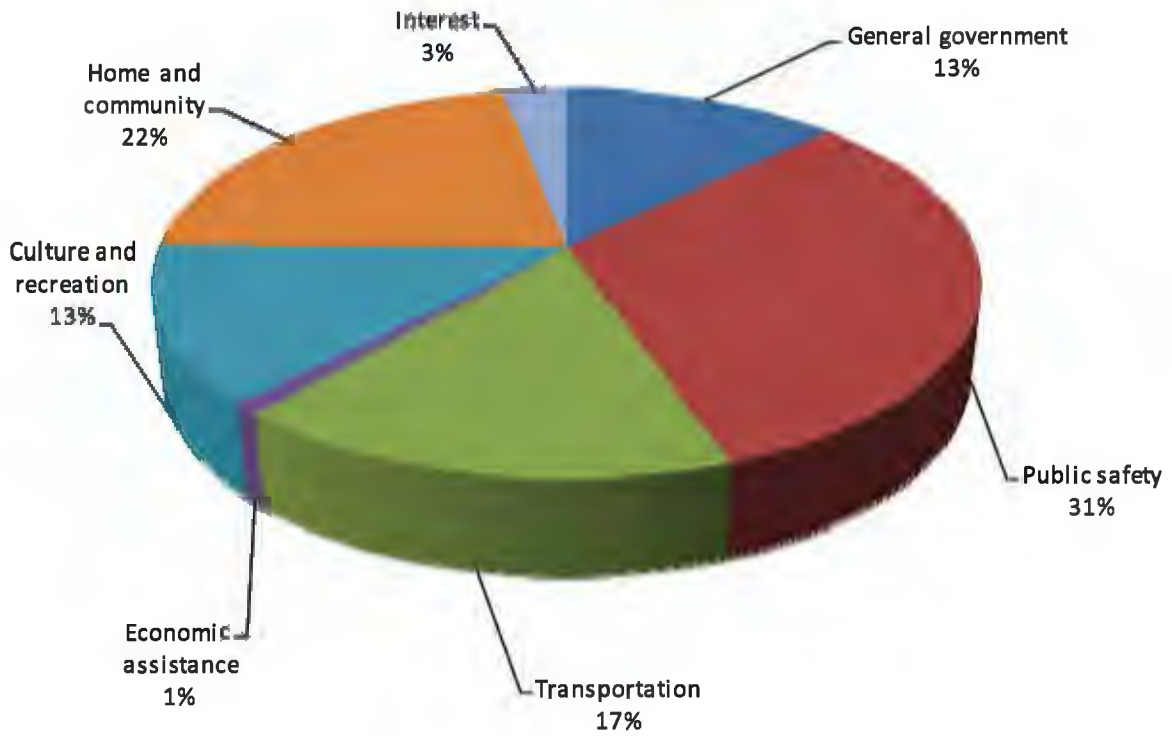
## 2018 Revenues



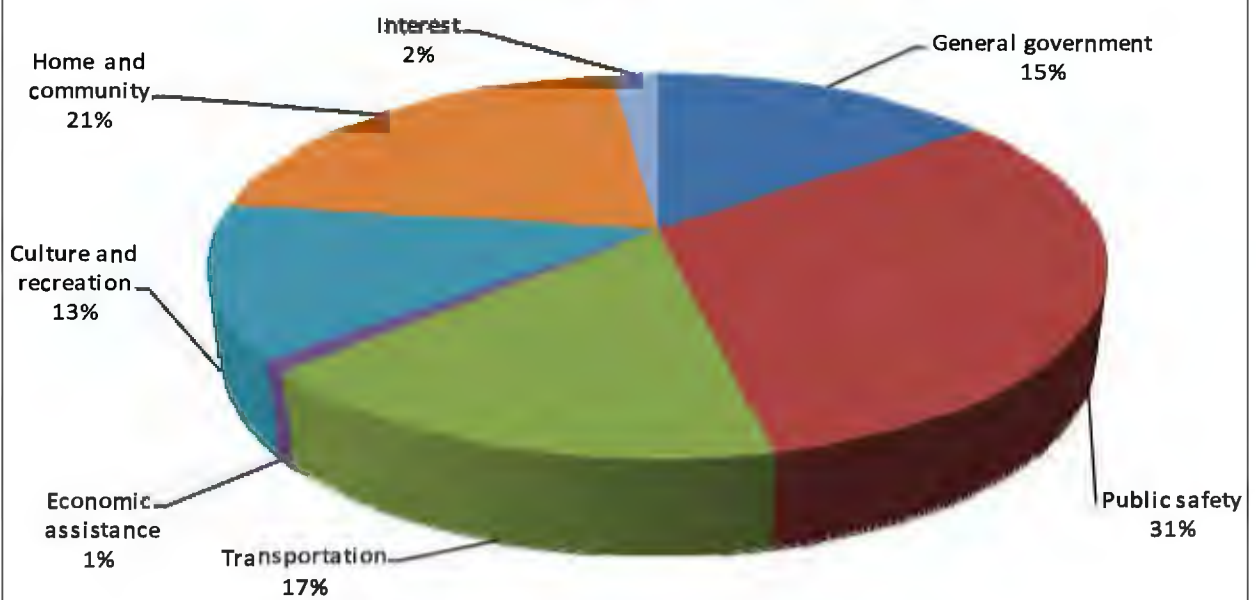
## 2017 Revenues



## 2018 Expenditures



## 2017 Expenditures



### **Capital Assets**

At the end of 2018, the governmental activities of the Town held approximately \$63,320,000 in capital assets. This amount represents an increase (including additions, net of disposals and depreciation) of nearly \$7,063,000, or 13%, over last year. Depreciation expense of \$4,086,000 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.

2018 significant capital asset activity included the following:

- \$266,052 worth of land was purchased
- \$582,157 in construction in progress
- \$7,381,606 in the construction of the new DPW building
- \$1,135,108 in infrastructure improvements, including roads, sidewalks, and sewers
- \$704,993 in building improvements
- \$1,149,161 in machinery and equipment
- \$528,117 in capital asset disposals
- \$3,628,447 represents change in accumulated depreciation value

### **Long-Term Liabilities**

At December 31, 2018, the Town had total long-term serial bonds payable totaling \$9,404,916 inclusive of a premium of \$249,935. Total serial bonds outstanding decreased by \$1,877,677 due to scheduled principal payments of \$1,845,000 and the amortization of the bond premium of \$32,677. There were no new serial bond issuances in 2018.

At December 31, 2018, the Town had capital lease obligations totaling \$1,989,545. Total capital lease obligations increased by \$389,540 due to scheduled lease payments of \$582,042 offset by the issuance of new capital leases totaling \$971,600 to finance the purchases of new brush trucks and sidewalk plows.

At December 31, 2018, the Town's compensated absences balances totaled \$2,145,879. This represents a net increase of \$122,520 from the prior year caused by accrued vacation and sick time of \$960,896 offset by the use of accrued vacation, sick and compensatory time of \$838,376.

At December 31, 2018, the Town's other postemployment benefits balances equated to \$49,599,051—a net increase of \$35,692,221 from the prior year. This is due to the new GASB 75 that was adopted in 2018 that caused a change in the valuation of the liability to increase at January 1, 2018 from \$13,906,830 to \$52,999,687. The remainder of the change is due to an annual other postemployment benefits costs of \$2,981,267, offset by current year contributions of \$2,396,578 and the recognition of an actuarial gain of \$3,985,325.

At December 31, 2018, the Town's workers' compensation liability amounted to \$1,723,884. This represents a net increase of \$252,092 from the prior year as a result of incurred claims of approximately \$890,027, offset by current year payments of claims of \$354,948, and closed claims of \$282,987.

At December 31, 2018, the Town's net pension liability totaled \$2,265,314. This represents a net decrease of \$3,391,436 from the prior year resulting from a current year cost of \$2,369,721 and increased deferred outflows of resources of \$1,150,806 offset by current year contributions of \$2,215,621 and an increase in deferred inflows of resources of \$4,696,342.

The Town's constitutional debt limit is \$184,765,560 and, as calculated in the most recent debt statement on March 19, 2019, the Town is using 16.48% 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.

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 tax payers 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 an increase in fund balance of \$1,249,441 for 2018. Primary sources for the \$23,402,230 General Fund revenue include property tax and property tax items, non-property tax items and state aid of approximately \$10,803,000, \$5,585,000 and \$1,666,000 respectively. Overall total revenues increased \$787,816. The main contribution to the favorable increase was an approximate increase in year-over-year miscellaneous revenue from legal settlements of \$737,000. The remainder of the increase was from various smaller shifts in the revenue accounts.

\$15,512,573 of the General Fund total expenditures (\$20,360,782) can be attributed to public safety (\$11,038,000) and general government support (\$4,475,000) expenses. Total expenditures decreased roughly \$1,412,000. The decrease is primarily due to a \$1,047,000 drop in general government support expenses incurred relating to the aforementioned December 24, 2016 Department of Public Works garage fire. Where the project continued into 2018 from 2017, there was far less expended from the General Fund in 2018 for the project than in 2017.

### **Highway Fund**

The Highway Fund is a special revenue fund where the activity for the Town's Department of Public Works is recorded. At year-end 2018, the Highway Fund balance increased by \$184,519. The Fund had revenues of \$5,503,000, which is comprised essentially of the following approximate amounts: the fund's share of property taxes (\$3,806,000), state aid (\$558,000) and intergovernmental charges (\$955,000). Overall the Highway Fund's total revenues decreased approximately \$1,954,000 from 2017. The decrease is primarily due to the Town receiving less insurance recoveries from the December 24, 2016 Department of Public Works garage fire in 2018 compared to 2017.

The Highway Fund's expenditures were approximately \$5,282,000, of which nearly \$4,577,000 was for current year transportation related costs, and roughly \$613,000 for debt service. Overall, total expenditures decreased approximately \$1,925,000 year over year due to decreases in the aforementioned fire-related expenditures. The excess of revenues over expenditures of \$220,559 were partially offset by net transfers of \$36,040.

### **Sewer Fund**

The Sewer Fund is a special revenue fund used to account for all transactions to provide sewer services throughout the Town. At year-end 2018, the Sewer Fund balance had decreased by \$927,052. Sewer Fund revenues of approximately \$4,065,000 is comprised primarily of the fund's share of property taxes (basically \$3,982,000). Overall the Sewer Fund's total revenues decreased approximately \$775,000 due to insurance recoveries—from the December 24, 2016 Department of Public Works garage fire—being received in 2017 but not in 2018.

The Sewer Fund's expenditures were approximately \$3,959,000 of which essentially \$2,944,000 and \$959,000 were for current year home and community services costs and debt service costs respectively. The expenditures decreased roughly \$906,000 year-over-year resulting from a large amount of expenditures relating to the Department of Public Works garage fire in 2017 but not in 2018. Additionally, \$1,093,000 was transferred from the sewer fund balance for Town Board approved capital expenditures, thereby causing a significant reduction of 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; and in some cases—transfers from operating fund balances. The Capital Projects fund had revenue of approximately \$3,819,000 and expenditures of approximately \$10,341,000. The revenue was predominately made up of state aid (\$2,428,000) and insurance recovery revenues (\$764,000). The Town issued \$25,041,500 of BANs in 2018 to finance the operations of the Capital projects funds related to the new DPW building, building improvements, road repair projects, and athletic fields and playground improvements. The largest components of expenditures were general government, transportation, and home and community services related costs of approximately \$7,989,000; \$1,186,000; and \$808,000, respectively. The deficiency of revenues over expenses is due to the fund using proceeds of short term debt to fund current year expenditures.



**Other Governmental Funds**

Non-major funds include the Special Grant, Miscellaneous Special Grant, Library, Drainage, Lighting, and Water funds. The non-major funds had a decrease in fund balance of approximately \$145,000 in 2018.

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

2018						
	Annual		Cumulative Fund Balance	Residual Fund Balance	% of Original Budget	
	Revenues	Expenditures				
General Fund	\$ 23,402	\$ 20,361	\$ 8,011	\$ 7,021	34.58%	
Highway Fund	\$ 5,503	\$ 5,282	\$ 1,386	\$ 1,372	25.09%	
Sewer Fund	\$ 4,065	\$ 3,959	\$ 750	\$ 740	18.09%	

2017						
	Annual		Cumulative Fund Balance	Residual Fund Balance	% of Original Budget	
	Revenues	Expenditures				
General Fund	\$ 22,624	\$ 21,836	\$ 6,761	\$ 5,348	27.11%	
Highway Fund	\$ 7,519	\$ 7,207	\$ 1,201	\$ 1,187	21.20%	
Sewer Fund	\$ 4,901	\$ 5,365	\$ 1,677	\$ 1,668	39.99%	

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 within 2% of budget.
- The Town's General Fund's total revenues came within 8% of budget.

**HIGHWAY FUND BUDGETARY HIGHLIGHTS**

- The Town's Highway Fund's total expenditures came within 2% of budget.
- The Town's Highway Fund's total revenues came within 1% of budget.

**SEWER FUND BUDGETARY HIGHLIGHTS**

- The Town's Sewer Fund's total expenditures came within 1% of budget.
- The Town's Sewer Fund's total revenues came within 1% of 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. For the third year, sales tax is up: 7% from 2017, 21% from 2016 and 34% from 2015 revealing steady growth. The \$4,805,000 received is also greater than the recent five-year average by 17%. There is no indication of a decline in this source of revenue. 2018 mortgage tax revenue showed a 2% increase over 2017; 5% increase over 2016; and a 9% increase compared to the 5-year average of \$806,000. Revenue from mortgage tax fluctuates with trends in the local real estate market; over the 5-year period from 2014 through 2018, receipts increased substantially—by \$200,000 or 30%. The 2018 franchise Cable TV revenue of \$781,000 includes an audit refund and is up 6% over 2017. As with each of these economically sensitive revenue sources, the Town continues to monitor the franchise cable TV revenue in order to forecast aptly.

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 #18—it continues to be recognized in the area. As evidenced in "RBJ 75: The Region's Top Employers" as reported by the Rochester Business Journal: December 21, 2018 Edition, two of the 30 top ranked businesses were spun off from Kodak. A great majority of the employee population of St. Ann's Community—ranked #21 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 2,073 jobs. The sharp increase in employment—1,223 since 2013— at Rochester Regional Health in the Town of Irondequoit has spurred additional taxable property development and is expected to continue doing so.

## **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 Annie Sealy, 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 "Open Government", scroll to "Important Town Documents / Information", and open "2018 Financial Statement."

**TOWN OF IRONDEQUOIT, NEW YORK**

**STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

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**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 19,720,983
Receivables	902,467
State and federal aid receivables	5,445,167
Due from other governments	458,961
Prepaid expenses	<u>109,645</u>

Total current assets 26,637,223

**NON-CURRENT ASSETS:**

Capital assets, net	<u>63,319,607</u>
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Total assets 89,956,830

**DEFERRED OUTFLOWS OF RESOURCES**

Pension related	6,757,550
Deferred amount on refunding	<u>110,797</u>

Total deferred outflows of resources 6,868,347

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable	2,672,541
Accrued liabilities	244,729
Bond anticipation notes payable	24,331,500
Due to state retirement systems	1,661,940
Accrued interest	565,050
Unearned revenue	<u>35,851</u>

Total current liabilities 29,511,611

**LONG-TERM LIABILITIES:**

Due within one year -	2,546,177
Due in more than one year -	<u>64,582,412</u>

Total long-term liabilities 67,128,589

Total liabilities 96,640,200

**DEFERRED INFLOWS OF RESOURCES**

Pension related	5,753,770
OPEB related	<u>3,985,325</u>

Total deferred inflows 9,739,095

**NET POSITION**

Net investment in capital assets	13,299,245
Restricted	13,387,476
Unrestricted	<u>(36,240,839)</u>

Total net position \$ (9,554,118)

The accompanying notes are an integral part of these statements.

**TOWN OF IRONDEQUOIT, NEW YORK**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>PRIMARY GOVERNMENT:</b>					
Governmental activities -					
General governmental support	\$ 4,676,808	\$ 594,735	\$ 176,340	\$ 2,428,232	\$ (1,477,501)
Public safety	11,546,038	336,004	557,133	-	(10,652,901)
Transportation	6,068,555	1,114,904	-	515,384	(4,438,267)
Economic assistance and opportunity	399,953	83,988	-	-	(315,965)
Culture and recreation	4,851,746	443,329	20,842	-	(4,387,575)
Home and community services	7,908,910	5,891,013	786,005	-	(1,231,892)
Interest on long-term debt	<u>1,031,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,031,628)</u>
Total governmental activities	<u>\$ 36,483,638</u>	<u>\$ 8,463,973</u>	<u>\$ 1,540,320</u>	<u>\$ 2,943,616</u>	<u>(23,535,729)</u>
<b>GENERAL REVENUES:</b>					
Taxes -					
Real property taxes					16,757,338
Other real property tax items					391,864
Nonproperty tax items					5,585,246
State and federal aid not restricted for a specified purpose					1,487,596
Use of money and property					308,967
Miscellaneous					1,339,396
Sale of property and compensation for loss					<u>2,637,803</u>
Total general revenues					<u>28,508,210</u>
Change in net position					<u>4,972,481</u>
Net position - beginning of year, as previously reported					24,566,258
Prior period adjustment (Note 2)					<u>(39,092,857)</u>
Net position - beginning of the year, as restated					<u>(14,526,599)</u>
Net position - end of year					<u>\$ (9,554,118)</u>

The accompanying notes are an integral part of these statements.

**TOWN OF IRONDEQUOIT, NEW YORK**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	General Fund	Highway Fund	Sewer Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,810,114	\$ 1,650,246	\$ 1,144,076	\$ 11,000,347	\$ 1,116,200	\$ 19,720,983
Accounts receivable	540,849	63,223	-	-	298,395	902,467
Due from other funds	706,320	-	-	39,008	17,273	762,601
State and federal receivable	3,521,105	45,996	2,199	1,831,276	44,591	5,445,167
Due from other governments	284,754	-	-	-	174,207	458,961
Prepaid expenses	70,200	13,589	9,870	-	15,986	109,645
<b>Total assets</b>	<b>\$ 9,933,342</b>	<b>\$ 1,773,054</b>	<b>\$ 1,156,145</b>	<b>\$ 12,870,631</b>	<b>\$ 1,666,652</b>	<b>\$ 27,399,824</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ 513,620	\$ 80,690	\$ 100,721	\$ 1,798,001	\$ 179,509	\$ 2,672,541
Accrued liabilities	85,857	56,888	61,256	-	40,728	244,729
Due to state retirement systems	1,231,176	150,862	149,506	-	130,396	1,661,940
Due to other funds	56,281	99,000	94,626	500,000	12,694	762,601
Unearned revenues	35,851	-	-	-	-	35,851
Bond anticipation notes payable	-	-	-	24,331,500	-	24,331,500
<b>Total liabilities</b>	<b>1,922,785</b>	<b>387,440</b>	<b>406,109</b>	<b>26,629,501</b>	<b>363,327</b>	<b>29,709,162</b>
<b>FUND BALANCES:</b>						
Nonspendable	70,200	13,589	9,870	-	15,986	109,645
Restricted	61,644	1,372,025	740,166	9,926,302	1,287,339	13,387,476
Assigned	857,537	-	-	-	-	857,537
Unassigned	7,021,176	-	-	(23,885,172)	-	(16,663,996)
<b>Total fund balances</b>	<b>8,010,557</b>	<b>1,385,614</b>	<b>750,036</b>	<b>(13,758,870)</b>	<b>1,303,325</b>	<b>(2,309,338)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,933,342</b>	<b>\$ 1,773,054</b>	<b>\$ 1,156,145</b>	<b>\$ 12,870,631</b>	<b>\$ 1,666,652</b>	<b>\$ 27,399,824</b>

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, 2018**

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Total fund balance - governmental funds:		\$ (2,309,338)
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	127,198,763	
Accumulated depreciation	<u>(63,879,156)</u>	63,319,607
Deferred amounts on refunding are recorded under full accrual accounting, but are not recorded in the funds.		110,797
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.		(565,050)
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		6,757,550
Deferred inflow - pension related		(5,753,770)
Deferred inflow - OPEB related		(3,985,325)
Long-term obligations are not due and payable in the current period and, therefore are not reported as fund liabilities:		
Compensated absences		(2,145,879)
Serial bonds		(9,404,916)
Capital leases		(1,989,545)
Workers' compensation obligations		(1,723,884)
Other post-employment benefit obligations		(49,599,051)
Net pension obligations		<u>(2,265,314)</u>
Total net position of governmental activities		<u>\$ (9,554,118)</u>

**TOWN OF IRONDEQUOIT, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	General Fund	Highway Fund	Sewer Fund	Capital Projects Fund	Total Nonmajor Governmental Funds	Total
<b>REVENUES:</b>						
Real property taxes	\$ 10,803,467	\$ 3,805,885	\$ 3,982,292	\$ -	\$ 3,048,178	\$ 21,639,822
Real property tax items	380,878	-	10,986	-	-	391,864
Nonproperty tax items	5,585,246	-	-	-	-	5,585,246
Departmental income	1,118,804	-	6,050	-	1,110,008	2,234,862
Intergovernmental charges	102,242	955,288	-	-	-	1,057,530
Use of money and property	159,133	7,596	35,607	341	106,290	308,967
Licenses and permits	54,240	21,966	-	-	-	76,206
Fines and forfeitures	212,891	-	-	-	-	212,891
Sale of property and compensation for loss	1,796,821	110,952	21,397	763,521	15,353	2,708,044
Miscellaneous	919,605	15,082	8,821	268,902	94,309	1,306,719
Interfund revenues	410,427	-	-	-	-	410,427
State aid	1,666,213	558,024	-	2,428,232	15,727	4,668,196
Federal aid	192,263	27,839	-	358,044	725,190	1,303,336
<b>Total revenues</b>	<b>23,402,230</b>	<b>5,502,632</b>	<b>4,065,153</b>	<b>3,819,040</b>	<b>5,115,055</b>	<b>41,904,110</b>
<b>EXPENDITURES:</b>						
General governmental support	4,475,062	91,528	56,263	7,988,928	25,784	12,637,565
Public safety	11,037,511	-	-	-	-	11,037,511
Transportation	409,821	4,577,482	-	1,186,379	176,346	6,350,028
Economic assistance and opportunity	285,328	-	-	-	-	285,328
Culture and recreation	1,960,908	-	-	357,770	1,979,354	4,298,032
Home and community services	1,200,416	-	2,943,551	808,161	2,305,001	7,257,129
Debt service -						
Principal	911,620	555,250	808,728	-	431,944	2,707,542
Interest	80,116	57,813	150,392	-	212,249	500,570
<b>Total expenditures</b>	<b>20,360,782</b>	<b>5,282,073</b>	<b>3,958,934</b>	<b>10,341,238</b>	<b>5,130,678</b>	<b>45,073,705</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3,041,448</b>	<b>220,559</b>	<b>106,219</b>	<b>(6,522,198)</b>	<b>(15,623)</b>	<b>(3,169,595)</b>
<b>OTHER FINANCING SOURCES:</b>						
Installment purchase debt	-	-	-	971,600	-	971,600
BANs redeemed from appropriations	-	-	-	280,500	-	280,500
Operating transfers - in	184,000	62,960	59,625	3,122,065	17,273	3,445,923
Operating transfers - out	(1,976,007)	(99,000)	(1,092,896)	(131,585)	(146,435)	(3,445,923)
<b>Total other financing sources and uses</b>	<b>(1,792,007)</b>	<b>(36,040)</b>	<b>(1,033,271)</b>	<b>4,242,580</b>	<b>(129,162)</b>	<b>1,252,100</b>
<b>CHANGE IN FUND BALANCE</b>	<b>1,249,441</b>	<b>184,519</b>	<b>(927,052)</b>	<b>(2,279,618)</b>	<b>(144,785)</b>	<b>(1,917,495)</b>
<b>FUND BALANCE - beginning of year</b>	<b>6,761,116</b>	<b>1,201,095</b>	<b>1,677,088</b>	<b>(11,479,252)</b>	<b>1,448,110</b>	<b>(391,843)</b>
<b>FUND BALANCE - end of year</b>	<b>\$ 8,010,557</b>	<b>\$ 1,385,614</b>	<b>\$ 750,036</b>	<b>\$ (13,758,870)</b>	<b>\$ 1,303,325</b>	<b>\$ (2,309,338)</b>

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, 2018**

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Net change in fund balances - governmental funds: \$ (1,917,495)

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 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	11,219,077	
Depreciation	<u>(4,086,323)</u>	7,132,754

Losses on the disposal of capital assets are recorded in the statement of activities, but not in the governmental funds	(70,241)
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Repayments of long-term liabilities are a reduction on the statement of net position, but are treated as an expenditure in the governmental funds:

Serial bonds principal	1,845,000
Capital lease obligation	582,042

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)
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Amortization of bond premiums is not recorded as revenue in the governmental funds, but is recorded in the statement of activities.	32,677
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Accrued interest on bonds is an expenditure in the statement of activities, but is not reported as an expenditure in the governmental funds.	7,569
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Accrued interest on bond anticipation notes are an expenditure in the statement of activities, but is not reported as an expenditure in the governmental funds.	(538,627)
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Proceeds from the issuance of long-term debt is considered revenue in the governmental funds, but increases long-term liabilities in the statement of net position:	(971,600)
Capital lease obligation	

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	(122,520)
(Increase) Decrease in workers' compensation liability	(252,092)
(Increase) Decrease in other postemployment benefit obligation	(584,689)

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	2,215,621
Cost of benefits earned, net of employee contributions	<u>(2,369,721)</u>

Change in net position of governmental activities \$ 4,972,481



**TOWN OF IRONDEQUOIT, NEW YORK**

**STATEMENT OF FIDUCIARY NET POSITION  
DECEMBER 31, 2018**

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	Private Purpose <u>Trusts</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash	\$ 43,412	\$ 262,903
Accounts receivable	<u>-</u>	<u>796</u>
Total assets	<u>43,412</u>	<u>263,699</u>
<b>LIABILITIES</b>		
Other liabilities	<u>6,198</u>	<u>263,699</u>
Total liabilities	<u>6,198</u>	<u>263,699</u>
<b>NET POSITION</b>	<u>\$ 37,214</u>	<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, 2018**

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	Private Purpose <u>Trusts</u>
ADDITIONS	
Contributions	\$ <u>236,373</u>
Total additions	<u>236,373</u>
DEDUCTIONS	
General government	<u>233,326</u>
Total deductions	<u>233,326</u>
CHANGE IN NET POSITION	3,047
NET POSITION - BEGINNING OF YEAR	<u>34,167</u>
NET POSITION - END OF YEAR	<u>\$ 37,214</u>

The accompanying notes are an integral part of these statements.

# TOWN OF IRONDEQUOIT, NEW YORK

## NOTES TO BASIC FINANCIAL STATEMENTS DECEMBER 31, 2018

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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 there are no other 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.

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 (restricted purposes and agency). 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:

**1. 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.
- **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.

**2. 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 Grant Fund

- b. **Fiduciary Funds** - Fiduciary funds are used to report assets held by the Town in a trustee or agent capacity for others and; therefore, are not available to support Town programs. 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 are the Town's fiduciary fund types:

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

- Private Purpose Trust Funds - are used to report certain trust arrangements under which principal and income benefit individuals, private organizations, or other governments, but not the Town itself.

### **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.

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 government 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.

**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 1<sup>st</sup> 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 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.

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

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

**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.

**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.

**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 \$109,645 at December 31, 2018.
- **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 \$13,387,476 at December 31, 2018.
- **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.
- **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 \$857,537 at December 31, 2018.
- **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.

**2. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE**

The Town adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflow of resources, deferred inflows of resources, and expense/expenditures related to certain postemployment benefits. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Accordingly, beginning net position and other postemployment benefits on the Statement of Net Position were adjusted as noted in the following table.

	<u>Town-Wide Statement of Net Position</u>	
	<u>Other Postemployment Benefits</u>	<u>Net Position</u>
Balance at December 31, 2017, as previously reported	\$ (13,906,830)	\$ 24,566,258
Restatement of beginning balance - Adoption of GASB Statement No. 75		
Increase to liability	<u>(39,092,857)</u>	<u>(39,092,857)</u>
Balance at December 31, 2017, as restated	<u>\$ (52,999,687)</u>	<u>\$ (14,526,599)</u>

**3. 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.

- 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:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>
GAAP basis fund balance at December 31, 2018	\$ 8,010,557	\$ 1,385,614	\$ 750,036
Less: Outstanding encumbrances	<u>(183,169)</u>	<u>(76,831)</u>	<u>(34,293)</u>
Budgetary basis fund balance at December 31, 2018	<u>\$ 7,827,388</u>	<u>\$ 1,308,783</u>	<u>\$ 715,743</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.

**4. 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, 2018, 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.

#### **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, 2018, 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>Description</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Cash and cash equivalents	<u>\$20,168,791</u>	<u>\$20,027,298</u>
Category 1: Covered by FDIC insurance	\$ 1,000,000	
Category 2: Uninsured and collateral held by pledging bank	<u>20,071,717</u>	
Total	<u>\$21,071,717</u>	

## 5. RECEIVABLES

### Receivables

Receivables at December 31, 2018 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:

<u>Description</u>	<u>General</u>	<u>Highway</u>	<u>Sewer</u>	<u>Capital Projects</u>	<u>Non-major</u>	<u>Total</u>
Accounts receivable:						
Court fines	\$ 46,769	\$ -	\$ -	\$ -	\$ -	\$ 46,769
Clerk fees	43,777	-	-	-	-	43,777
Franchise fees	367,752	-	-	-	-	367,752
Water rents receivable	-	-	-	-	297,229	297,229
Insurance recoveries	500	-	-	-	-	500
Miscellaneous receivables	<u>82,051</u>	<u>63,223</u>	<u>-</u>	<u>-</u>	<u>1,166</u>	<u>146,440</u>
Total Accounts receivable	<u>\$ 540,849</u>	<u>\$ 63,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,395</u>	<u>\$ 902,467</u>
State and federal receivable:						
Sales tax	\$2,237,664	\$ -	\$ -	\$ -	\$ -	\$2,237,664
Mortgage tax	234,011	-	-	-	-	234,011
Windstorm grant	425,000	-	-	-	-	425,000
NYS equipment grant	514,020	38,000	-	-	-	552,020
NYS CHIPS receivable	-	7,996	-	-	-	7,996
NYS capital projects grants	-	-	-	1,831,276	-	1,831,276
Miscellaneous grants receivable	<u>110,410</u>	<u>-</u>	<u>2,199</u>	<u>-</u>	<u>44,591</u>	<u>157,200</u>
Total State and federal receivable	<u>\$3,521,105</u>	<u>\$ 45,996</u>	<u>\$ 2,199</u>	<u>\$ 1,831,276</u>	<u>\$ 44,591</u>	<u>\$5,445,167</u>
Due from other governments:						
Stop DWI grant	\$ 4,171	\$ -	\$ -	\$ -	\$ -	\$ 4,171
Miscellaneous	13,523	-	-	-	-	13,523
Property maintenance from County	169,102	-	-	-	-	169,102
Elections	50,088	-	-	-	-	50,088
Senior center grant	47,870	-	-	-	-	47,870
Delinquent water rents	-	-	-	-	174,207	174,207
Total Due from other governments	<u>\$ 284,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,207</u>	<u>\$ 458,961</u>

## 6. INTERFUND ACTIVITY

### Interfund Receivables, Payables, Revenues and Expenditures

Interfund receivables, payables, revenues and expenditures at December 31, 2018 were as follows:

	Interfund		Transfers	
	<u>Receivable</u>	<u>Payable</u>	<u>In</u>	<u>Out</u>
General Fund	\$ 706,320	\$ 56,281	\$ 184,000	\$ 1,976,007
Highway Fund	-	99,000	62,960	99,000
Sewer Fund	-	94,626	59,625	1,092,896
Capital Projects Fund	39,008	500,000	3,122,065	131,585
Non-Major Funds	<u>17,273</u>	<u>12,694</u>	<u>17,273</u>	<u>146,435</u>
Total	<u>\$ 762,601</u>	<u>\$ 762,601</u>	<u>\$ 3,445,923</u>	<u>\$ 3,445,923</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.

## 7. CAPITAL ASSETS

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance 1/1/2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance 12/31/2018</u>
Capital assets not being depreciated:					
Land	\$ 10,011,826	\$ 266,052	\$ -	\$ -	\$ 10,277,878
Construction in progress	3,614,384	9,803,864	-	(1,840,101)	11,578,147
Total capital assets not being depreciated	<u>13,626,210</u>	<u>10,069,916</u>	<u>-</u>	<u>(1,840,101)</u>	<u>21,856,025</u>
Other capital assets:					
Buildings	18,659,717	-	-	-	18,659,717
Improvements	7,420,752	-	(11,805)	704,993	8,113,940
Machinery, equipment and vehicles	13,490,187	1,149,161	(516,312)	-	14,123,036
Infrastructure	63,310,937	-	-	1,135,108	64,446,045
Total other capital assets	<u>102,881,593</u>	<u>1,149,161</u>	<u>(528,117)</u>	<u>1,840,101</u>	<u>105,342,738</u>
Less: Accumulated depreciation for:					
Buildings	(4,849,289)	(387,860)	-	-	(5,237,149)
Improvements	(4,484,792)	(370,034)	-	-	(4,854,826)
Machinery, equipment and vehicles	(7,170,385)	(870,455)	457,876	-	(7,582,964)
Infrastructure	(43,746,243)	(2,457,974)	-	-	(46,204,217)
Total accumulated depreciation	<u>(60,250,709)</u>	<u>(4,086,323)</u>	<u>457,876</u>	<u>-</u>	<u>(63,879,156)</u>
Other capital assets, net	<u>42,630,884</u>	<u>(2,937,162)</u>	<u>(70,241)</u>	<u>1,840,101</u>	<u>41,463,582</u>
Governmental activities capital assets, net	<u>\$ 56,257,094</u>	<u>\$7,132,754</u>	<u>\$ (70,241)</u>	<u>\$ -</u>	<u>\$ 63,319,607</u>

Depreciation expense for the year ended December 31, 2018 was charged to functions/programs of the primary government as follows:

General government	\$ 272,850
Public safety	142,276
Transportation	1,479,236
Economic assistance and opportunity	114,162
Culture and recreation	765,155
Home and community service	<u>1,312,644</u>
Total depreciation	<u>\$ 4,086,323</u>



## 8. 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). 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:

- 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, 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.
- Tier 5 - Those persons who last became members of the System on or after January 1, 2010.
- Tier 6 - Those persons who last became members of the System on or after April 1, 2012.

### 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:

	ERS	PFRS
2018	\$ 1,097,781	\$ 1,117,840
2017	\$ 1,087,752	\$ 1,176,021
2016	\$ 1,162,265	\$ 1,180,686

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, 2018, 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>\$ 943,424</u>	<u>\$ 22,227</u>	<u>\$ 1,299,663</u>	<u>\$ 2,265,314</u>

The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of April 1, 2016, rolled forward to April 1, 2017. 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, 2018, The Town's proportionate share was:

	<u>ERS</u>	<u>ERS - SBW</u>	<u>PFRS</u>
Proportionate share	<u>0.0292313%</u>	<u>0.0006887%</u>	<u>0.1285832%</u>
Change from prior year	<u>0.0003189%</u>	<u>0.0000287%</u>	<u>0.0071239%</u>

For the year ended December 31, 2018, The Town recognized pension expense of \$2,417,552. At December 31, 2018, The Town reported deferred outflows/inflows of resources related to pensions from the following sources:

<b>ERS</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 336,489	\$ 278,062
Changes in assumptions	625,568	-
Net difference between projected and actual earnings on pension plan investments	1,370,248	2,704,732
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	57,077	128,362
Contributions subsequent to the measurement date	<u>802,849</u>	<u>-</u>
Total	<u>\$3,192,231</u>	<u>\$3,111,156</u>

<b>ERS - SBW</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,928	\$ 6,551
Changes in assumptions	14,739	-
Net difference between projected and actual earnings on pension plan investments	32,284	63,724
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	1,226	5,476
Contributions subsequent to the measurement date	<u>20,487</u>	<u>-</u>
Total	<u>\$ 76,664</u>	<u>\$ 75,751</u>

<b>PFRS</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 534,928	\$ 345,350
Changes in assumptions	984,730	-
Net difference between projected and actual earnings on pension plan investments	1,051,925	2,118,520
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	78,692	102,993
Contributions subsequent to the measurement date	<u>838,380</u>	<u>-</u>
Total	<u>\$3,488,655</u>	<u>\$2,566,863</u>

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:	<u>ERS</u>	<u>ERS - SBW</u>	<u>PFRS</u>
2018	\$ 258,227	\$ 183,975	\$ 3,462
2019	228,520	131,719	1,774
2020	(272,598)	(697,829)	(16,897)
2021	(181,456)	(339,640)	(7,915)
2022	<u>50,719</u>	<u>-</u>	<u>-</u>
	<u>\$ 83,412</u>	<u>\$ (721,775)</u>	<u>\$ (19,576)</u>

The Town recognized \$802,849, \$20,487, and \$838,380 as a deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2018, 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, 2019.

### Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018.

The actuarial valuation used the following actuarial assumptions for both the ERS and PFRS:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	3.8% in ERS, 4.5% in PFRS, indexed by service
Projected COLAs	1.3% compounded annually
Decrements	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

### 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.

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>	<u>Target Allocations in %</u>	<u>Long-Term expected real rate of return in %</u>
Domestic Equity	36	4.55
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return	2	3.75
Opportunistic Portfolio	3	5.68
Real Asset	3	5.29
Bonds & Mortgages	17	1.31
Cash	1	-0.25
Inflation-Indexed Bonds	4	1.25
	<u>100%</u>	

### Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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 7.0%, 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 (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount <u>7.00%</u>	1% Increase <u>8.00%</u>
ERS Proportionate Share of net pension liability (asset)	<u>\$ 7,138,197</u>	<u>\$ 943,424</u>	<u>\$ (4,297,107)</u>
ERS - SBW Proportionate Share of net pension liability (asset)	<u>\$ 168,178</u>	<u>\$ 22,227</u>	<u>\$ (101,241)</u>
PFRS Proportionate Share of net pension liability (asset)	<u>\$ 6,366,102</u>	<u>\$ 1,299,663</u>	<u>\$ (2,949,891)</u>

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

The components of the current-year net pension liability of the employers as of March 31, 2018 for ERS and PFRS respectively follow:

ERS and ERS - SBW

Total pension liability	\$ 183,400,590
Net position	<u>(180,173,145)</u>
Net pension liability (asset)	<u>\$ 3,227,445</u>
ERS net position as a percentage of total pension liability	98.24%

PFRS

Total pension liability	\$ 32,914,423
Net position	<u>(31,903,666)</u>
Net pension liability (asset)	<u>\$ 1,010,757</u>
PFRS net position as a percentage of total pension liability	96.93%

## 9. 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 163 retired employees receiving benefits at December 31, 2018. 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 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 2018 was approximately \$2,397,000.

### Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees and spouses or beneficiaries currently receiving benefits	163
Active employees	<u>250</u>
Total participants	<u><u>413</u></u>

### Net OPEB Liability

The Town's net OPEB liability was measured as of December 31, 2018. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2017.

### Actuarial Methods and Assumptions

The total OPEB liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent per year
Payroll Growth	3.0 percent average
Discount Rate	4.00 percent as of December 31, 2018
Medical care cost trend rate	5.4% initially. The rate changes each year to an ultimate rate of 4.75% in 2023.

The discount rate was based on "The Bond Buyer 20-Bond GO 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 were RP-2014 headcount-weighted mortality tables with adjustments for mortality improvements based on Scale MP-2017.

**Changes in the Total OPEB Liability**

Balance at January 1, 2018	<u>\$ 52,999,687</u>
Changes for the year-	
Service cost	873,026
Interest	2,108,241
Benefit payments	(2,396,578)
Actuarial demographic gain	<u>(3,985,325)</u>
Net changes	<u>(3,400,636)</u>
Balance at December 31, 2018	<u>\$ 49,599,051</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.25% in 2017 to 4.00% in 2018.

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

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

	1% Decrease <u>(3.00%)</u>	Current Discount <u>(4.00%)</u>	1% Increase <u>(5.00%)</u>
Total OPEB Liability	<u>\$ 57,255,701</u>	<u>\$ 49,599,051</u>	<u>\$ 43,542,038</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 <u>(4.40%)</u>	Current Healthcare <u>(5.40%)</u>	1% Increase <u>(6.40%)</u>
Total OPEB Liability	<u>\$ 42,914,098</u>	<u>\$ 49,599,051</u>	<u>\$ 58,229,104</u>

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

For the year ended December 31, 2018, the Town recognized OPEB expense of \$2,981,267. At December 31, 2018, the Town reported deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflow of Resources</u>
Changes of assumptions	\$ <u>3,985,325</u>
Total	\$ <u><u>3,985,325</u></u>

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

<u>Fiscal Year Ending January</u>	<u>Amount</u>
2019	\$ (718,077)
2020	(718,077)
2021	(718,077)
2022	(718,077)
2023	(718,077)
Thereafter	<u>(394,940)</u>
	<u><u>\$ (3,985,325)</u></u>

#### 10. 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, 2018:

Balance, January 1, 2018	\$ 12,652,000
Borrowings	25,041,500
Repayments	<u>(13,362,000)</u>
Balance, December 31, 2018	<u><u>\$ 24,331,500</u></u>

Below is a summary of BANs outstanding as of December 31, 2018:

<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>12/31/2018</u>
12/20/2018	12/20/2019	3.000%	\$ 1,911,500
4/19/2018	4/18/2019	3.000%	<u>22,420,000</u>
			<u><u>\$ 24,331,500</u></u>



## 11. 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 following contains a summary of serial bonds with corresponding maturity schedules:

	Year of Issue	Amount of Original Issue	Year of Final Maturity	Interest Rate	Amount Outstanding 12/31/2018
Public Improvements	1990	\$ 3,989,400	2020	6.80%	\$ 70,000
Water Pollution Control	1997	1,352,000	2019	0.807-2.637%	35,000
District Improvements	2000	797,279	2019	0.807-3.591%	70,000
Public Improvements	2001	852,500	2019	4.25%	20,000
District Improvements	2002	577,648	2021	0.785-3.42%	90,000
District Improvements	2002	1,851,499	2021	1.21-4.98%	295,000
District Improvements	2003	577,648	2023	0.721-4.50%	150,000
Public Improvements	2004	300,000	2024	1.58-4.95%	90,000
Public Improvements	2012	4,490,000	2024	2.0-3.25%	585,000
Public Improvements	2012	4,485,000	2032	2.0-2.65%	2,930,000
Public Improvements	2016	627,150	2030	2.25-3.375%	460,000
Public Improvements	2017	3,475,000	2030	2.0-3.25%	3,164,981
Public Improvements	2017	<u>1,300,000</u>	2032	2.5-3.125%	<u>1,195,000</u>
<b>TOTAL</b>		<u><b>\$ 24,675,124</b></u>			<u><b>\$ 9,154,981</b></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:

	<u>Balance 1/1/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2018</u>	<u>Due Within One Year</u>
General obligation debt:					
Serial bonds	\$ 10,999,981	\$ -	\$ (1,845,000)	\$ 9,154,981	\$ 1,260,000
Premium	282,612	-	(32,677)	249,935	-
	<u>\$ 11,282,593</u>	<u>\$ -</u>	<u>\$ (1,877,677)</u>	<u>\$ 9,404,916</u>	<u>\$ 1,260,000</u>
Other liabilities:					
Compensated absences	<u>\$ 2,023,359</u>	<u>\$ 960,896</u>	<u>\$ (838,376)</u>	<u>\$ 2,145,879</u>	<u>\$ 214,588</u>
Workers' compensation	<u>\$ 1,471,792</u>	<u>\$ 890,027</u>	<u>\$ (637,935)</u>	<u>\$ 1,723,884</u>	<u>\$ 506,047</u>
Capital leases	<u>\$ 1,599,987</u>	<u>\$ 971,600</u>	<u>\$ (582,042)</u>	<u>\$ 1,989,545</u>	<u>\$ 552,483</u>
Net pension liability	<u>\$ 5,656,750</u>	<u>\$ -</u>	<u>\$ (3,391,436)</u>	<u>\$ 2,265,314</u>	<u>\$ -</u>
Postemployment benefits	<u>\$ 52,999,687</u>	<u>\$ -</u>	<u>\$ (3,400,636)</u>	<u>\$ 49,599,051</u>	<u>\$ -</u>

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

Interest paid	\$ 500,570
Plus: Interest accrued in the current year	565,050
Less: Interest accrued in the prior year	<u>(33,992)</u>
Total interest expense	<u>\$ 1,031,628</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,260,000	\$ 232,507	\$ 1,492,507
2020	1,080,000	197,620	1,277,620
2021	985,000	166,628	1,151,628
2022	835,000	142,923	977,923
2023	775,000	123,554	898,554
2024-2028	2,935,000	383,887	3,318,887
2029-2032	1,284,981	79,975	1,364,956
Totals	<u>\$ 9,154,981</u>	<u>\$ 1,327,094</u>	<u>\$ 10,482,075</u>

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

	<u>Total</u>
2019	\$ 617,575
2020	520,640
2021	417,926
2022	394,624
2023	<u>175,119</u>
	2,125,884
Less: Interest	<u>(136,339)</u>
	<u>\$ 1,989,545</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, 2018, \$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, 2018, the Town recognized \$10,357 in amortization expense reducing the deferred amount on refunding to a balance of \$46,563 at December 31, 2018.

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, 2018, \$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, 2018, the Town recognized \$5,840 in amortization expense reducing the deferred amount on refunding to a balance of \$64,234 at December 31, 2018.

## 12. FUND BALANCES

As of December 31, 2018, fund balances are composed of the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>	<u>Capital Projects</u>	<u>Non-major Funds</u>
Nonspendable:					
Prepaid expenditures	\$ 70,200	\$ 13,589	\$ 9,870	\$ -	\$ 15,986
Restricted:					
General government support	-	5,000	20,000	-	-
Public safety	-	-	-	-	-
Economic assistance	-	-	-	-	-
Transportation	-	71,831	-	-	-
Culture and recreation	-	-	-	-	114
Home and community	-	-	14,293	-	25,819
Other spendable amounts	-	1,295,194	705,873	9,926,302	1,261,406
Asset Forfeiture Fund	61,644	-	-	-	-
<b>Total Restricted</b>	<u>61,644</u>	<u>1,372,025</u>	<u>740,166</u>	<u>9,926,302</u>	<u>1,287,339</u>
Assigned:					
Future appropriations	50,000	-	-	-	-
General government	44,768	-	-	-	-
Public safety	83,341	-	-	-	-
Transportation	9,999	-	-	-	-
Economic assistance	1,209	-	-	-	-
Culture and recreation	25,148	-	-	-	-
Home and community	18,704	-	-	-	-
Self insurance fund	624,368	-	-	-	-
<b>Total Assigned</b>	<u>857,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unassigned</b>	<u>7,021,176</u>	<u>-</u>	<u>-</u>	<u>(23,685,172)</u>	<u>-</u>
<b>Total</b>	<u>\$ 8,010,557</u>	<u>\$ 1,385,614</u>	<u>\$ 750,036</u>	<u>\$ (13,758,870)</u>	<u>\$ 1,303,325</u>

## 13. 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, 2018, the market value of the assets of the Plan totaled \$14,596,407.

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.

## **14. 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.

### **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:

Year Began	Agreement / Property	Total		Regular Tax Value	Pilot Amount Due Received	Taxes Abated		
		Assessed Value	Tax Rate					
2013	1612 E. Ridge Road/L A Fitness Health Club	\$ 3,200,000	\$ 6.51	\$ 2,500,000	\$ 16,275	\$ 12,695	\$ 3,580	
2013	723 Washington Avenue/A. I. Armitage LLC	195,000	6.51	155,000	1,009	765	244	
2015	999 East Ridge Road/Morgan Depot Plaza LLC	1,116,700	6.51	686,700	4,470	6,539	(2,069)	a
2015	1055 East Ridge Road/Tops Building B	1,563,300	6.51	798,300	5,197	4,295	902	
2015	1025 East Ridge Road/Gas Station Building C	100,000	6.51	80,000	521	291	230	
*1995	1500 & 1550 Portland Ave./St. Ann's	23,580,000	6.51	23,580,000	153,506	50,000	103,506	c
*2009	2150 Portland Ave. /Heritage Christian	540,000	6.51	540,000	3,515	1,520	1,995	c
*2008	St. Salomes - Culver Rd./Providence Housing	647,000	6.51	647,000	4,212	27,437	(23,225)	c
*2004	Brower Rd. Housing/ Devel. Fund Corp.	2,600,000	6.51	2,600,000	16,926	16,000	926	c
*2007	Sycamore Green Apts./Iroind. Housing Dev. Fund	5,224,000	6.51	5,224,000	34,008	37,330	(3,322)	c
*2015	Bakers Park,Stranahan,651 Titus Ave / I-Square	1,422,200	6.51	763,300	4,969	14,720	(9,751)	b

\* 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 2018 PILOT received was greater than the Regular Tax Amount Due as the assessed value was below market.

b In some cases, unique PILOTs with agreed upon terms & conditions can be more favorable to the jurisdiction early in the agreement due to timing of construction or project completion, ie. I-Square.

c 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 Amount Due based on the agreement outlined in the PILOT.

The Town is also subject to Mortgage and Sales tax abatements granted by the County of Monroe Industrial Development Agency in order to increase business activity and employment in the region. The amount of mortgage tax abated in the Town for the year ended December 31, 2018 was \$0. The Town portion of the mortgage tax abatement was 0% of the mortgage tax abated within the Town in 2018. The amount of sales tax abated in the Town for the year ended December 31, 2018 was \$76,856. This was 0.78% of the sales tax apportioned to the Town in 2018.

## 17. SUBSEQUENT EVENTS

On April 4, 2019, the Town issued Bond Anticipation Notes, 2018 Series A and B, in the amount of \$12,420,000 and Public Improvement Serial Bonds in the amount of \$10,960,000. The Series A Bond Anticipation Note and Serial Bonds are intended to redeem \$22,420,000 of Bond Anticipation Notes which matured on April 19, 2019 for the purpose of constructing and equipping a new DPW Highway garage and library construction.

The Series B Bond Anticipation Notes were intended to finance the costs of multiple capital improvement projects such sewer and road projects.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF IRONDEQUOIT, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - GENERAL FUND - (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
Real property taxes	\$ 10,803,467	\$ 10,803,467	\$ 10,803,467	\$ -
Real property tax items	382,257	382,257	380,878	(1,379)
Nonproperty tax items	5,075,000	5,075,000	5,585,246	510,246
Departmental income	1,150,245	1,150,245	1,118,804	(31,441)
Intergovernmental charges	113,900	113,900	102,242	(11,658)
Use of money and property	156,785	156,785	159,133	2,348
Licenses and permits	48,200	48,200	54,240	6,040
Fines and forfeitures	247,500	247,500	212,891	(34,609)
Sale of property and compensation for loss	38,800	1,519,888	1,796,821	276,933
Miscellaneous	70,375	170,589	919,605	749,016
Interfund revenues	386,674	386,674	410,427	23,753
State aid	1,565,444	1,527,444	1,666,213	138,769
Federal aid	76,000	76,000	192,263	116,263
<b>Total revenues</b>	<u>20,114,647</u>	<u>21,657,949</u>	<u>23,402,230</u>	<u>1,744,281</u>
<b>EXPENDITURES:</b>				
General governmental support	4,192,241	4,576,425	4,519,830	56,595
Public safety	11,495,745	11,428,360	11,120,852	307,508
Transportation	401,950	429,902	419,820	10,082
Economic assistance and opportunity	295,375	296,396	286,537	9,859
Culture and recreation	1,889,832	2,077,861	1,986,056	91,805
Home and community services	1,081,865	1,268,667	1,219,120	49,547
Debt service	975,139	991,749	991,736	13
<b>Total expenditures</b>	<u>20,332,147</u>	<u>21,069,360</u>	<u>20,543,951</u>	<u>525,409</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(217,500)</u>	<u>588,589</u>	<u>2,858,279</u>	<u>2,269,690</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	34,600	356,224	184,000	(172,224)
Operating transfers - out	-	(1,976,008)	(1,976,007)	1
<b>Total other financing sources (uses)</b>	<u>34,600</u>	<u>(1,619,784)</u>	<u>(1,792,007)</u>	<u>(172,223)</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ (182,900)</u>	<u>\$ (1,031,195)</u>	1,066,272	<u>\$ 2,097,467</u>
<b>FUND BALANCE - beginning of year</b>			<u>6,761,116</u>	
<b>FUND BALANCE - end of year</b>			<u>\$ 7,827,388</u>	



**TOWN OF IRONDEQUOIT, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - HIGHWAY FUND - (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b>REVENUES:</b>				
Real property taxes	\$ 3,805,885	\$ 3,805,885	\$ 3,805,885	\$ -
Intergovernmental charges	977,495	977,495	955,288	(22,207)
Use of money and property	2,050	2,050	7,596	5,546
Licenses and permits	20,000	20,000	21,966	1,966
Sale of property and compensation for loss	76,000	92,200	110,952	18,752
Miscellaneous	12,375	12,375	15,082	2,707
State aid	511,417	549,417	558,024	8,607
Federal aid	<u>-</u>	<u>-</u>	<u>27,839</u>	<u>27,839</u>
<b>Total revenues</b>	<u>5,405,222</u>	<u>5,459,422</u>	<u>5,502,632</u>	<u>43,210</u>
<b>EXPENDITURES:</b>				
General governmental support	105,027	105,027	96,528	8,499
Transportation	4,726,669	4,735,491	4,649,313	86,178
Debt service	<u>636,486</u>	<u>637,996</u>	<u>613,063</u>	<u>24,933</u>
<b>Total expenditures</b>	<u>5,468,182</u>	<u>5,478,514</u>	<u>5,358,904</u>	<u>119,610</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(62,960)</u>	<u>(19,092)</u>	<u>143,728</u>	<u>162,820</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	62,960	62,960	62,960	-
Operating transfers - out	<u>-</u>	<u>(99,000)</u>	<u>(99,000)</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>62,960</u>	<u>(36,040)</u>	<u>(36,040)</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (55,132)</u>	<u>107,688</u>	<u>\$ 162,820</u>
<b>FUND BALANCE - beginning of year</b>			<u>1,201,095</u>	
<b>FUND BALANCE - end of year</b>			<u>\$ 1,308,783</u>	

**TOWN OF IRONDEQUOIT, NEW YORK**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL - SEWER FUND - (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Original <u>Budget</u>	Final <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
<b>REVENUES:</b>				
Real property taxes	\$ 3,982,292	\$ 3,982,292	\$ 3,982,292	\$ -
Real property tax items	10,676	10,676	10,986	310
Departmental income	2,000	2,000	6,050	4,050
Use of money and property	19,774	19,774	35,607	15,833
Sale of property and compensation for loss	10,000	21,300	21,397	97
Miscellaneous	<u>6,500</u>	<u>6,500</u>	<u>8,821</u>	<u>2,321</u>
Total revenues	<u>4,031,242</u>	<u>4,042,542</u>	<u>4,065,153</u>	<u>22,611</u>
<b>EXPENDITURES:</b>				
General governmental support	65,682	76,263	76,263	-
Home and community services	3,086,488	3,000,364	2,957,844	42,520
Debt service	<u>938,697</u>	<u>959,122</u>	<u>959,120</u>	<u>2</u>
Total expenditures	<u>4,090,867</u>	<u>4,035,749</u>	<u>3,993,227</u>	<u>42,522</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(59,625)</u>	<u>6,793</u>	<u>71,926</u>	<u>65,133</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers - in	59,625	59,625	59,625	-
Operating transfers - out	<u>-</u>	<u>(1,092,896)</u>	<u>(1,092,896)</u>	<u>-</u>
Total other financing sources (uses)	<u>59,625</u>	<u>(1,033,271)</u>	<u>(1,033,271)</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (1,026,478)</u>	<u>(961,345)</u>	<u>\$ 65,133</u>
FUND BALANCE - beginning of year			<u>1,677,088</u>	
FUND BALANCE - end of year			<u>\$ 715,743</u>	

**TOWN OF IRONDEQUOIT, NEW YORK**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

Last 10 Fiscal Years (Dollar amounts displayed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Total OPEB Liability</b>										
Service cost	\$ 873									
Interest	2,108									
Changes of benefit terms	-									
Differences between expected and actual experience	-									
Actuarial demographic gain	(2,397)									
Benefit payments	(3,985)									
<b>Total change in total OPEB liability</b>	<b>(3,401)</b>									
<b>Total OPEB liability - beginning</b>	<b>53,000</b>									
<b>Total OPEB liability - ending</b>	<b>\$ 49,599</b>									
<b>Covered-employee payroll</b>	<b>\$ 12,139</b>									
<b>Total OPEB liability as a percentage of covered-employee payroll</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	4.00%	4.25%
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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.

**Changes of Assumptions**

The actuarial cost method has been updated from Projected Unit Credit to Entry Age Normal, which caused a increase in liabilities.

The healthcare trend cost rates have been reset to an initial rate of 7.0% decreasing by 0.5% annually to an ultimate rate of 4.5% in 2022 and beyond, which caused a decrease in liabilities.

**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 YEAR ENDED DECEMBER 31, 2018**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability (asset)	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)	\$ 943	\$ 2,777	\$ 4,409	\$ 913						
Covered-employee payroll	\$ 7,568	\$ 7,288	\$ 7,507	\$ 6,593						
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.46%	38.10%	58.73%	13.85%						
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.24%	94.70%	90.70%	97.90%						

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS SBW	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability (asset)	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)	\$ 22	\$ 67	\$ 114	\$ 23						
Covered-employee payroll	\$ 203	\$ 197	\$ 195	\$ 168						
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	10.84%	34.01%	58.46%	13.69%						
Plan fiduciary net position as a percentage of the total pension liability (asset)	98.24%	94.70%	90.70%	97.90%						

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - PFRS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Proportion of the net pension liability (asset)	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)	\$ 1,300	\$ 2,813	\$ 3,969	\$ 371						
Covered-employee payroll	\$ 5,103	\$ 5,112	\$ 5,143	\$ 4,501						
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.48%	55.03%	77.17%	8.24%						
Plan fiduciary net position as a percentage of the total pension liability (asset)	96.93%	93.50%	90.20%	99.00%						

**TOWN OF IRONDEQUOIT, NEW YORK**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS - PENSION PLANS - (UNAUDITED)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN - ERS	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 1,061	\$ 1,181	\$ 1,143	\$ 1,329						
Contributions in relation to the contractually required contribution	<u>1,061</u>	<u>1,181</u>	<u>1,143</u>	<u>1,329</u>						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 7,568	\$ 7,288	\$ 7,507	\$ 6,593						
Contributions as a percentage of covered-employee payroll	14.02%	16.20%	15.23%	20.16%						

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 SBW	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 27	\$ 27	\$ 24	\$ 34						
Contributions in relation to the contractually required contribution	<u>27</u>	<u>27</u>	<u>24</u>	<u>34</u>						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 203	\$ 197	\$ 195	\$ 168						
Contributions as a percentage of covered-employee payroll	13.30%	13.71%	12.31%	20.24%						

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)									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contribution	\$ 1,176	\$ 1,136	\$ 1,030	\$ 1,108						
Contributions in relation to the contractually required contribution	<u>1,176</u>	<u>1,136</u>	<u>1,030</u>	<u>1,108</u>						
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -						
Covered-employee payroll	\$ 5,103	\$ 5,112	\$ 5,143	\$ 4,501						
Contributions as a percentage of covered-employee payroll	23.05%	22.22%	20.03%	24.62%						

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.

**SUPPLEMENTAL SCHEDULES**

**TOWN OF IRONDEQUOIT, NEW YORK**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2018**

	Special Grant Fund	Miscellaneous Special Grant Fund	Library Fund	Drainage District	Lighting Districts	Water District	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 135,476	\$ 261,014	\$ 435,351	\$ 99,911	\$ 184,448	\$ 1,116,200
Accounts receivable	-	-	-	-	-	298,395	298,395
Due from other funds	-	-	17,273	-	-	-	17,273
State and federal receivable	44,591	-	-	-	-	-	44,591
Due from other governments	-	-	-	-	-	174,207	174,207
Prepaid expenses	-	-	4,624	2,858	-	8,504	15,986
	<u>-</u>	<u>-</u>	<u>4,624</u>	<u>2,858</u>	<u>-</u>	<u>8,504</u>	<u>15,986</u>
Total assets	<u>\$ 44,591</u>	<u>\$ 135,476</u>	<u>\$ 262,911</u>	<u>\$ 438,209</u>	<u>\$ 99,911</u>	<u>\$ 665,554</u>	<u>\$ 1,666,652</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 30,406	\$ -	\$ 28,664	\$ 11,710	\$ 15,085	\$ 93,644	\$ 179,509
Accrued liabilities	1,104	-	20,502	9,994	-	9,128	40,728
Due to state retirement systems	8,387	-	76,928	24,594	-	20,487	130,396
Due to other funds	4,894	-	1,000	7,000	-	-	12,894
	<u>44,591</u>	<u>-</u>	<u>127,094</u>	<u>53,298</u>	<u>15,085</u>	<u>123,259</u>	<u>363,327</u>
Total liabilities	<u>44,591</u>	<u>-</u>	<u>127,094</u>	<u>53,298</u>	<u>15,085</u>	<u>123,259</u>	<u>363,327</u>
<b>FUND BALANCES:</b>							
Nonspendable	-	-	4,624	2,858	-	8,504	15,986
Restricted	-	135,476	151,193	382,053	84,826	533,791	1,287,339
	<u>-</u>	<u>135,476</u>	<u>155,817</u>	<u>384,911</u>	<u>84,826</u>	<u>542,295</u>	<u>1,303,325</u>
Total fund balances	<u>-</u>	<u>135,476</u>	<u>155,817</u>	<u>384,911</u>	<u>84,826</u>	<u>542,295</u>	<u>1,303,325</u>
Total liabilities and fund balances	<u>\$ 44,591</u>	<u>\$ 135,476</u>	<u>\$ 282,911</u>	<u>\$ 438,209</u>	<u>\$ 99,911</u>	<u>\$ 665,554</u>	<u>\$ 1,666,652</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, 2018**

	Special Grant Fund	Miscellaneous Special Grant Fund	Library Fund	Drainage District	Lighting Districts	Water District	Total Nonmajor Governmental Funds
<b>REVENUES:</b>							
Real property taxes	\$ -	\$ -	\$ 2,147,986	\$ 762,542	\$ 137,650	\$ -	\$ 3,048,178
Real property tax items	-	-	-	-	-	-	-
Departmental income	-	-	133,414	-	-	976,594	1,110,008
Use of money and property	-	146	-	1,853	193	104,098	106,290
Sale of property and compensation for loss	-	-	2,471	-	-	12,882	15,353
Miscellaneous	33,542	40,094	4,213	-	-	16,460	94,309
State aid	-	-	15,727	-	-	-	15,727
Federal aid	725,190	-	-	-	-	-	725,190
<b>Total revenues</b>	<b>758,732</b>	<b>40,240</b>	<b>2,303,811</b>	<b>764,395</b>	<b>137,843</b>	<b>1,110,034</b>	<b>5,115,055</b>
<b>EXPENDITURES:</b>							
General governmental support	-	161	-	-	-	25,623	25,784
Transportation	-	-	-	-	176,346	-	176,346
Culture and recreation	-	-	1,979,354	-	-	-	1,979,354
Home and community services	758,732	-	-	438,366	-	1,107,903	2,305,001
Debt service -							
Principal	-	-	202,000	217,410	-	12,534	431,944
Interest	-	-	144,424	66,750	-	1,075	212,249
<b>Total expenditures</b>	<b>758,732</b>	<b>161</b>	<b>2,325,778</b>	<b>722,526</b>	<b>176,346</b>	<b>1,147,135</b>	<b>5,130,678</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>40,079</b>	<b>(21,967)</b>	<b>41,869</b>	<b>(38,503)</b>	<b>(37,101)</b>	<b>(15,623)</b>
<b>OTHER FINANCING SOURCES:</b>							
Operating transfers - in	-	-	17,273	-	-	-	17,273
Operating transfers - out	-	-	(1,000)	(145,435)	-	-	(146,435)
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>16,273</b>	<b>(145,435)</b>	<b>-</b>	<b>-</b>	<b>(129,162)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>40,079</b>	<b>(5,694)</b>	<b>(103,566)</b>	<b>(38,503)</b>	<b>(37,101)</b>	<b>(144,785)</b>
<b>FUND BALANCE - beginning of year</b>	<b>-</b>	<b>95,397</b>	<b>161,511</b>	<b>488,477</b>	<b>123,329</b>	<b>579,396</b>	<b>1,448,110</b>
<b>FUND BALANCE - end of year</b>	<b>\$ -</b>	<b>\$ 135,476</b>	<b>\$ 155,817</b>	<b>\$ 384,911</b>	<b>\$ 84,826</b>	<b>\$ 542,295</b>	<b>\$ 1,303,325</b>



**SECTION B**  
**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 14, 2019

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, 2018, 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 14, 2019.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town'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.

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**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**  
(Continued)

**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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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.

*Bonadio & Co., LLP*

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

June 14, 2019

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

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

We have audited the Town of Irondequoit, New York's (the Town's) compliance with the types of compliance requirements described 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, 2018. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on Major Federal Program***

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, 2018.

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

(Continued)

**Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

*Bonadio & Co., LLP*

**TOWN OF IRONDEQUOIT, NEW YORK**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Housing and Urban Development: Community Development Block Grants/Entitlement Grants	14.228	N/A	\$ 758,731	\$ 97,094
Total U.S. Department of Housing and Urban Development			<u>758,731</u>	<u>97,094</u>
U.S. Department of Transportation Passed through Genesee Transportation Council Highway Planning and Construction	20.205	N/A	60,815	-
Total U.S. Department of Transportation			<u>60,815</u>	<u>-</u>
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	83,983	-
Total U.S. Department of Justice			<u>83,983</u>	<u>-</u>
U.S. Department of Homeland Security Public Assistance Grant	97.036	N/A	406,101	-
Total U.S. Department of Homeland Security			<u>406,101</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,309,630</u>	<u>\$ 97,094</u>

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, 2018

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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, 2018. 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.

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

### 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 Catalog of Federal Domestic Assistance (CFDA) number advised by the pass-through grantor.

Identifying numbers, other than the CFDA 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.

### 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, 2018**

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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  No

Significant deficiencies identified not considered to be material weaknesses?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

Yes  No

Significant deficiencies identified not considered to be material weaknesses?

Yes  None reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

Yes  No

Identification of major programs:

CFDA Number    Name of Federal Program

14.228    Community Development Block Grants/  
Entitlement Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes  No

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

None.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None.

**D. SUMMARY OF PRIOR YEAR FINDINGS**

None.



**SECTION C**

**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 DRAFT PART 43**

June 14, 2019

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

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

We have audited the Town of Irondequoit, New York's (the Town's) compliance with the types of compliance requirements described in the Draft Part 43 of the New York State Codes, Rules, and Regulations (NYSCRR) that could have a direct and material effect on the Town's state transportation assistance program tested for the year ended December 31, 2018. The Town's state transportation assistance program tested is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs for state transportation assistance expended.

***Management's Responsibility***

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state transportation awards applicable to its state transportation programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Town's state transportation assistance program tested based on our audit of the types of compliance requirements referred to above. 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 Draft Part 43 of NYSCRR. Those standards and Draft Part 43 of NYSCRR require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the state transportation assistance program tested occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the state transportation assistance program tested. However, our audit does not provide a legal determination of the Town's compliance.

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

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 tested for the year ended December 31, 2018.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS OF THE STATE TRANSPORTATION ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY DRAFT PART 43**

(Continued)

**Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the state transportation assistance program tested to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the state transportation assistance program and to test and report on internal control over compliance in accordance with Draft Part 43 of NYSCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's 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 the 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 the 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 the 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 Draft Part 43 of NYSCRR. Accordingly, this report is not suitable for any other purpose.

*Bonadio & Co., LLP*

**TOWN OF IRONDEQUOIT, NEW YORK**

**SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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<u>Program Title</u>	<u>NYS DOT Contract/ Ref. Number</u>	<u>Expenditures</u>
Consolidated Local Street and Highway Improvement Program (CHIPS)	-	\$ 364,107
Extreme Winter Recovery	-	69,018
PAVE New York	-	82,260
Snow and Ice Control on State Highways - Indexed Lump Sum	D210667	<u>28,309</u>
		<u>\$ 543,694</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, 2018**

---

**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, 2018**

---

**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 Draft Part 43 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.