

TOWN OF CONCORD, NEW YORK

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

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INDEPENDENT AUDITORS' REPORT

The Honorable Town Board of the
Town of Concord, New York:

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2024 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 Town's internal control over financial reporting and compliance.

Drescher & Malecki LLP

May 24, 2024

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

As management of the Town of Concord, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,505,626 (*net position*). This consists of \$3,600,201 net investment in capital assets, \$2,298,693 restricted for specific purposes, and unrestricted net position of \$606,732.
- The Town's total net position increased by \$985,524 during the year ended December 31, 2023.
- At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$5,727,938, an increase of \$200,997 in comparison with the prior year's fund balance of \$5,526,941.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$576,743, or approximately 37.0 percent of total General Fund expenditures and transfers out. This total amount is *available for spending* at the Town's discretion and constitutes approximately 54.9 percent of the General Fund's total fund balance of \$1,050,511 at December 31, 2023.
- During the year ended December 31, 2023, the Town's total serial bonds outstanding decreased by \$75,000 as a result of the Town's scheduled principal payments.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services and unallocated interest and other fiscal charges. The Town does not engage in any business-type activities.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be classified as governmental funds.

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

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

The Town maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General Fund, General—Town Outside Village Fund, Highway—Part Town Fund, Fire Protection Fund, Sewer Fund and the Capital Projects Fund, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is presented in the form of combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 14-17 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-40 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town's net pension liability/(asset)—Employees' retirement system, the Town's total pension liability related to its length of service awards program and the Town's budgetary comparison schedules for the General Fund, General—Town Outside Village Fund, Highway—Part Town Fund, Fire Protection Fund, and the Sewer Fund. Required

Supplementary Information and related notes to the required supplementary information can be found on pages 41-49 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section on pages 50-51 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$6,505,626 at the close of the most recent fiscal year, as compared to \$5,520,102, at the close of the fiscal year ended December 31, 2022.

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

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities	
	December 31,	
	2023	2022
Current assets	\$ 6,346,452	\$ 5,859,036
Noncurrent assets	5,656,038	5,057,298
Total assets	<u>12,002,490</u>	<u>10,916,334</u>
Deferred outflows of resources	1,325,344	1,185,717
Total deferred outflows of resources	<u>1,325,344</u>	<u>1,185,717</u>
Current liabilities	662,650	355,645
Noncurrent liabilities	5,033,702	4,390,537
Total liabilities	<u>5,696,352</u>	<u>4,746,182</u>
Deferred inflows of resources	1,125,856	1,835,767
Total deferred inflows of resources	<u>1,125,856</u>	<u>1,835,767</u>
Net position:		
Net investment in capital assets	3,600,201	2,946,274
Restricted	2,298,693	1,867,785
Unrestricted	<u>606,732</u>	<u>706,043</u>
Total net position	<u>\$ 6,505,626</u>	<u>\$ 5,520,102</u>

The largest portion of the Town's net position, \$3,600,201, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation less any related debt used to acquire those assets. The Town uses these capital assets to provide a variety of services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$2,298,693, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining component of the Town's net position, \$606,732, represents unrestricted net position that may be used to meet the Town's ongoing operations.

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

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

	<u>Governmental Activities</u>	
	<u>Year Ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Program revenues:		
Charges for services	\$ 551,513	\$ 527,975
Operating grants and contributions	1,741	13,090
Capital grants and contributions	458,515	346,047
General revenues	<u>3,628,751</u>	<u>3,535,632</u>
Total revenues	<u>4,640,520</u>	<u>4,422,744</u>
Total expenses	<u>3,654,996</u>	<u>3,382,408</u>
Change in net position	985,524	1,040,336
Net position—beginning	<u>5,520,102</u>	<u>4,479,766</u>
Net position—ending	<u>\$ 6,505,626</u>	<u>\$ 5,520,102</u>

Overall revenues of the primary government increased 4.9 percent from the prior year. This increase was mainly the result of increased real property taxes and tax items and capital grants and contributions. Overall expenses increased 8.1 percent from the year ended December 31, 2023, due primarily to an increase in town wide contractual expenses.

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

Table 3—Summary of Sources of Revenues—Primary Government

	<u>Year Ended December 31,</u>		<u>Increase/(Decrease)</u>	
	<u>2023</u>	<u>2022</u>	<u>Dollars</u>	<u>Percent (%)</u>
Charges for services	\$ 551,513	\$ 527,975	\$ 23,538	4.5
Operating grants and contributions	1,741	13,090	(11,349)	(86.7)
Capital grants and contributions	458,515	346,047	112,468	32.5
Property taxes, tax items and non-property taxes	3,219,506	3,083,145	136,361	4.4
Use of money and property	169,639	89,000	80,639	90.6
Sale of property and compensation for loss	14,875	56,143	(41,268)	(73.5)
Miscellaneous	87,743	54,502	33,241	61.0
Unrestricted state aid	<u>136,988</u>	<u>252,842</u>	<u>(115,854)</u>	<u>(45.8)</u>
Total revenues	<u>\$ 4,640,520</u>	<u>\$ 4,422,744</u>	<u>\$ 217,776</u>	4.9

The Town's most significant source of revenues for the year ended December 31, 2023 was property taxes, tax items and non-property taxes, which accounted for \$3,219,506, or 69.4 percent of total revenues. The next largest source of revenue was charges for services, which accounted for \$551,513, or 11.9 percent of total revenues. For the year ended December 31, 2022, the Town's most significant source of revenues was property taxes, tax items and non-property taxes, which accounted for \$3,083,145, or 69.7 percent of total

revenues. The next largest source of revenue was charges for services, which accounted for \$527,975, or 11.9 percent of total revenues.

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

Table 4—Summary of Program Expenses—Primary Government

	Year Ended December 31,		Increase/(Decrease)	
	2023	2022	Dollars	Percent (%)
General government support	\$ 809,585	\$ 836,581	\$ (26,996)	(3.2)
Public safety	902,139	812,075	90,064	11.1
Health	3,310	3,229	81	2.5
Transportation	1,190,174	984,345	205,829	20.9
Economic assistance and opportunity	122,520	135,977	(13,457)	(9.9)
Culture and recreation	172,033	219,933	(47,900)	(21.8)
Home and community services	392,271	324,358	67,913	20.9
Interest and other fiscal charges	62,964	65,910	(2,946)	(4.5)
Total expenses	<u>\$ 3,654,996</u>	<u>\$ 3,382,408</u>	<u>\$ 272,588</u>	8.1

The Town’s most significant expense items for the year ended December 31, 2023 were transportation of \$1,190,174, or 32.6 percent of total expenses, public safety of \$902,139, or 24.7 percent of total expenses, and general government support of \$809,585, or 22.2 percent of total expenses. During the year ended December 31, 2022, the Town’s significant expense items were transportation of \$984,345, or 29.1 percent of total expenses, general government support of \$836,581, or 24.7 percent of total expenses, and public safety of \$812,075, or 24.0 percent of total expenses.

Financial Analysis of Governmental Funds

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

Governmental funds—The focus of the Town’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not been limited to use for a particular purpose by an external party, the Town itself, or a group of individuals that has been delegated to assign resources for use for particular purposes by the Town Board.

At December 31, 2023, the Town’s governmental funds reported combined ending fund balance of \$5,727,938, a change of \$200,997 from the prior year fund balance of \$5,526,941. Approximately 6.8 percent of this amount, \$388,454, constitutes *unassigned fund balance*, which is available for spending at the Town’s discretion. The remainder of fund balance is either *nonspendable*, *restricted* or *assigned* to indicate that it is (1) not in spendable form, \$33,925, (2) restricted for particular purposes, \$2,298,693, or (3) assigned for particular purposes, \$3,006,866.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$576,743, while total fund balance increased to \$1,050,511. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately

37.0 percent of total General Fund expenditures and other financing uses, while total fund balance represents approximately 67.3 percent of that same amount.

The Town’s General—Town Outside Village fund ending fund balance was \$634,200. \$518,739, is *assigned to specific use*. \$115,299 is reported as fund balance assigned for subsequent year’s expenditures. During the year ended December 31, 2023, the General—Town Outside Village fund balance increased \$9,649.

During the year ended December 31, 2023, the Town’s Highway—Part Town Fund’s fund balance decreased \$34,787 to an ending fund balance of \$1,641,365. Of this balance, \$257,076 is restricted for capital projects. \$1,314,235, is *assigned to specific use*. \$55,000 is reported as fund balance assigned for subsequent year’s expenditures. During the year ended December 31, 2023, the Highway—Part Town Fund’s fund balance decreased \$34,787 as a result less than anticipated sale of property and compensation for loss.

The Town’s Fire Protection Fund ending fund balance increased \$144,005 to an ending fund balance of \$1,762,351. \$111,819, is *assigned to specific use*. \$1,650,532 is restricted for LOSAP.

The Town’s Sewer District Fund increased \$35,326. The entire fund balance, \$571,045, is *assigned to specific use*.

The Town’s Capital Projects Fund reported an ending fund balance deficit of \$(186,282). During the year ended December 31, 2023, fund balance decreased \$215,236 from the prior year primarily due to a increase in short-term debt issued. The deficit will be eliminated as resources are obtained through long-term debt issuances and future grant proceeds.

General Fund Budgetary Highlights

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

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

Table 5—General Fund Budget

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues	\$ 1,422,884	\$ 1,709,930	\$ 1,742,357	\$ 32,427
Expenditures and other financing uses	1,422,884	1,709,930	1,560,388	149,542
Excess of revenues over expenditures and other financing uses	\$ -	\$ -	\$ 181,969	\$ 181,969

Original budget compared to final budget—During the year, overall budgeted appropriations increased \$287,046 due to maintenance performed on Town Hall and the Town’s library offset by additional federal aid and state aid.

Final budget compared to actual results—A review of actual revenues and expenditures compared to estimated revenues and appropriations in the final budget yields several favorable variances, most notably related to savings in general government support and employee benefits expenditures due to conservative spending town wide.

Capital Assets and Debt Administration

Capital assets—The Town’s investment in capital assets for its governmental activities as of December 31, 2023, amounted to \$5,656,038 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, vehicles and equipment, and infrastructure.

Capital assets net of depreciation for the governmental activities at the years ended December 31, 2023 and 2022 are presented below:

Table 6—Summary of Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities	
	December 31,	
	2023	2022
Land	\$ 267,396	\$ 267,396
Construction in progress	246,837	-
Buildings	1,889,794	1,732,816
Improvements	743,400	768,071
Vehicles and equipment	862,769	555,264
Infrastructure	1,645,842	1,562,350
Total	<u>\$ 5,656,038</u>	<u>\$ 4,885,897</u>

Additional information on the Town’s capital assets can be found in Note 4 to the financial statements.

Long-term debt—At December 31, 2023, the Town had net bonded debt outstanding of \$1,795,000, as compared to \$1,870,000 at December 31, 2022. During the year, the Town made scheduled principal payments of \$75,000.

The Town’s governmental activities also have recorded liabilities for an installment purchase debt, compensated absences, net pension liability—ERS and total pension liability—LOSAP.

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

Table 7—Summary of Long-Term Liabilities

	Governmental Activities	
	December 31,	
	2023	2022
Serial bonds	\$ 1,795,000	\$ 1,870,000
Installment purchase debt	53,055	69,623
Compensated absences	68,686	66,348
Net pension liability—ERS	393,197	-
Total pension liability—LOSAP	<u>2,723,764</u>	<u>2,384,566</u>
Total	<u>\$ 5,033,702</u>	<u>\$ 4,390,537</u>

Additional information on the Town's long-term liabilities can be found in Note 9 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

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

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2024 budget. The General Fund tax rate is \$3.92 per thousand of assessed value for the 2024 budget year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Supervisor's Office, Town of Concord, 86 Franklin Street, Springville, New York 14141.

BASIC FINANCIAL STATEMENTS

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TOWN OF CONCORD, NEW YORK
Statement of Net Position
December 31, 2023

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,405,974
Restricted cash and cash equivalents	1,086,596
Restricted investments	1,606,131
Receivables	106,530
Intergovernmental receivables	107,296
Prepaid items	33,925
Capital assets not being depreciated	514,233
Capital assets, net of accumulated depreciation	5,141,805
Total assets	12,002,490
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pensions	1,325,344
Total deferred outflows of resources	1,325,344
 LIABILITIES	
Accounts payable	119,079
Retainage payable	21,500
Accrued liabilities	32,994
Intergovernmental payables	12,261
Unearned revenue	56,816
State loans payable	420,000
Noncurrent liabilities:	
Due within one year	98,983
Due within more than one year	4,934,719
Total liabilities	5,696,352
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pensions	1,125,856
Total deferred inflows of resources	1,125,856
 NET POSITION	
Net investment in capital assets	3,600,201
Restricted for:	
Capital projects	648,161
LOSAP	1,650,532
Unrestricted	606,732
Total net position	\$ 6,505,626

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

TOWN OF CONCORD, NEW YORK
Statement of Activities
Year Ended December 31, 2023

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Primary</u>
					<u>Governmental</u>
					<u>Activities</u>
Primary government:					
Governmental activities:					
General government support	\$ 809,585	\$ 103,518	\$ -	\$ -	\$ (706,067)
Public safety	902,139	37,715	-	138,046	(726,378)
Health	3,310	13,348	-	-	10,038
Transportation	1,190,174	295,691	-	136,469	(758,014)
Economic assistance and opportunity	122,520	-	-	-	(122,520)
Culture and recreation	172,033	60,000	1,741	184,000	73,708
Home and community services	392,271	41,241	-	-	(351,030)
Interest and other fiscal charges	62,964	-	-	-	(62,964)
Total primary government	<u>\$ 3,654,996</u>	<u>\$ 551,513</u>	<u>\$ 1,741</u>	<u>\$ 458,515</u>	<u>(2,643,227)</u>
General revenues:					
Property taxes and tax items					2,292,672
Non-property taxes					926,834
Use of money and property					169,639
Sale of property and compensation for loss					14,875
Miscellaneous					87,743
Unrestricted state aid					136,988
Total general revenues					<u>3,628,751</u>
Change in net position					985,524
Net position—beginning					<u>5,520,102</u>
Net position—ending					<u>\$ 6,505,626</u>

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

TOWN OF CONCORD, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2023

	Special Revenue					Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
	General	General— Town Outside Village	Highway— Part Town	Fire Protection	Sewer			
ASSETS								
Cash and cash equivalents	\$ 593,403	\$ 489,566	\$ 1,377,749	\$ 111,819	\$ 571,997	\$ -	\$ 261,440	\$ 3,405,974
Restricted cash and cash equivalents	417,901	-	257,076	44,401	-	337,218	30,000	1,086,596
Restricted investments	-	-	-	1,606,131	-	-	-	1,606,131
Receivables	19,432	37,800	1,216	-	-	-	48,082	106,530
Due from other funds	55,467	-	-	-	-	-	-	55,467
Intergovernmental receivables	-	107,296	-	-	-	-	-	107,296
Prepaid items	17,683	162	15,267	-	-	-	813	33,925
Total assets	<u>\$ 1,103,886</u>	<u>\$ 634,824</u>	<u>\$ 1,651,308</u>	<u>\$ 1,762,351</u>	<u>\$ 571,997</u>	<u>\$ 337,218</u>	<u>\$ 340,335</u>	<u>\$ 6,401,919</u>
LIABILITIES								
Accounts payable	\$ 10,388	\$ 401	\$ 3,740	\$ -	\$ 952	\$ 103,500	\$ 98	\$ 119,079
Accrued liabilities	3,910	223	5,990	-	-	-	235	10,358
Due to other funds	-	-	-	-	-	-	55,467	55,467
Intergovernmental payables	12,261	-	-	-	-	-	-	12,261
State loans payable	-	-	-	-	-	420,000	-	420,000
Unearned revenue	26,816	-	-	-	-	-	30,000	56,816
Total liabilities	<u>53,375</u>	<u>624</u>	<u>9,730</u>	<u>-</u>	<u>952</u>	<u>523,500</u>	<u>85,800</u>	<u>673,981</u>
FUND BALANCES								
Nonspendable	17,683	162	15,267	-	-	-	813	33,925
Restricted	391,085	-	257,076	1,650,532	-	-	-	2,298,693
Assigned	65,000	634,038	1,369,235	111,819	571,045	-	255,729	3,006,866
Unassigned	576,743	-	-	-	-	(186,282)	(2,007)	388,454
Total fund balances	<u>1,050,511</u>	<u>634,200</u>	<u>1,641,578</u>	<u>1,762,351</u>	<u>571,045</u>	<u>(186,282)</u>	<u>254,535</u>	<u>5,727,938</u>
Total liabilities and fund balances	<u>\$ 1,103,886</u>	<u>\$ 634,824</u>	<u>\$ 1,651,308</u>	<u>\$ 1,762,351</u>	<u>\$ 571,997</u>	<u>\$ 337,218</u>	<u>\$ 340,335</u>	<u>\$ 6,401,919</u>

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

TOWN OF CONCORD, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2023

Amounts reported for governmental activities in the statement of net position (page 12) are different because:

Total fund balances—governmental funds (page 14)	\$	5,727,938
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of the assets is \$9,475,230 and the accumulated depreciation is \$3,819,192.		5,656,038
Deferred outflows of resources and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	\$ 55,572	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion	1,269,772	
Deferred inflows related to pension plans	<u>(1,125,856)</u>	199,488
Governmental funds report retained percentages expenditures on construction contracts when such a retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues.		(21,500)
Net accrued interest expense for serial bonds is not reported in the fund statements.		(22,636)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Serial bonds	\$ (1,795,000)	
Installment purchase debt	(53,055)	
Compensated absences	(68,686)	
Net pension liability—ERS	(393,197)	
Total pension liability—LOSAP	<u>(2,723,764)</u>	<u>(5,033,702)</u>
Net position of governmental activities	\$	<u>6,505,626</u>

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

TOWN OF CONCORD, NEW YORK
Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds
Year Ended December 31, 2023

	Special Revenue					Capital Projects Fund	Total Nonmajor Funds	Total Governmental Funds
	General	General— Town Outside Village	Highway— Part Town	Fire Protection	Sewer			
REVENUES								
Real property taxes and tax items	\$ 1,027,759	\$ -	\$ 206,524	\$ 725,304	\$ 252,379	\$ -	\$ 80,706	\$ 2,292,672
Non-property tax items	-	926,834	-	-	-	-	-	926,834
Departmental income	33,890	7,351	-	-	-	-	-	41,241
Intergovernmental charges	-	-	295,691	-	-	-	60,000	355,691
Use of money and property	16,483	10	2,548	132,618	15,851	-	2,129	169,639
Licenses and permits	13,315	24,400	-	-	-	-	-	37,715
Fines and forfeitures	103,518	-	-	-	-	-	-	103,518
Sale of property and compensation for loss	850	-	2,455	-	-	-	11,570	14,875
Miscellaneous	85,767	-	13,348	-	-	-	1,976	101,091
State aid	288,729	-	136,469	-	-	-	-	425,198
Federal aid	172,046	-	-	-	-	-	-	172,046
Total revenues	<u>1,742,357</u>	<u>958,595</u>	<u>657,035</u>	<u>857,922</u>	<u>268,230</u>	<u>-</u>	<u>156,381</u>	<u>4,640,520</u>
EXPENDITURES								
Current:								
General government support	643,392	-	-	130	-	-	-	643,522
Public safety	152,848	69,413	-	601,418	-	-	-	823,679
Health	2,914	-	-	-	-	-	-	2,914
Transportation	117,777	-	1,260,719	-	-	-	18,772	1,397,268
Economic assistance and opportunity	81,261	-	-	-	-	-	22,929	104,190
Culture and recreation	198,397	6,600	-	-	-	-	122,839	327,836
Home and community services	16,356	74,354	-	-	198,560	215,236	18,235	522,741
Employee benefits	192,634	3,579	147,238	112,369	-	-	6,107	461,927
Debt service:								
Principal	47,710	-	16,568	-	25,000	-	2,290	91,568
Interest and other fiscal charges	51,317	-	2,297	-	9,344	-	920	63,878
Total expenditures	<u>1,504,606</u>	<u>153,946</u>	<u>1,426,822</u>	<u>713,917</u>	<u>232,904</u>	<u>215,236</u>	<u>192,092</u>	<u>4,439,523</u>
Excess (deficiency) of revenues over expenditures	<u>237,751</u>	<u>804,649</u>	<u>(769,787)</u>	<u>144,005</u>	<u>35,326</u>	<u>(215,236)</u>	<u>(35,711)</u>	<u>200,997</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	735,000	-	-	-	115,782	850,782
Transfers out	(55,782)	(795,000)	-	-	-	-	-	(850,782)
Total other financing sources (uses)	<u>(55,782)</u>	<u>(795,000)</u>	<u>735,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,782</u>	<u>-</u>
Net change in fund balances (deficit)	181,969	9,649	(34,787)	144,005	35,326	(215,236)	80,071	200,997
Fund balances—beginning	868,542	624,551	1,676,365	1,618,346	535,719	28,954	174,464	5,526,941
Fund balances (deficit)—ending	<u>\$ 1,050,511</u>	<u>\$ 634,200</u>	<u>\$ 1,641,578</u>	<u>\$ 1,762,351</u>	<u>\$ 571,045</u>	<u>\$ (186,282)</u>	<u>\$ 254,535</u>	<u>\$ 5,727,938</u>

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

TOWN OF CONCORD, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2023

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

Net change in fund balances (deficit)—total governmental funds (page 16) \$ 200,997

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

Capital asset additions	\$ 1,108,110	
Depreciation expense	(319,172)	
Loss on disposals	<u>(18,797)</u>	770,141

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

Town pension contributions and benefit payments	\$ 166,906	
Cost of benefits earned net of employee contributions	<u>(221,164)</u>	(54,258)

Governmental funds report retained percentages expenditures on construction contracts when such a retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues. (21,500)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 914

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

Principal payments on serial bonds	\$ 75,000	
Principal payment on installment purchase debt	16,568	
Change in compensated absences	<u>(2,338)</u>	<u>89,230</u>

Change in net position of governmental activities \$ 985,524

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

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TOWN OF CONCORD, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Town of Concord, New York (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (the “GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

Description of Government-Wide Financial Statements

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

Reporting Entity

The Town, which was established in 1812, is located within the County of Erie, New York. The Town operates under provisions of New York State law and various local laws. The five-member Town Board is the legislative body responsible for overall operations. The Supervisor serves as both Chief Executive Officer and Chief Fiscal Officer.

The Town provides the following services to its residents: fire protection, highway, senior services, library service, sewer service, street lighting, water service, van services, youth incorporated services, and general administration.

Independently elected officials of the Town include:

Supervisor	Town Clerk / Collector of Taxes
Council Members (4)	Superintendent of Highways
Town Justices (2)	

Units of local government which operate within the boundaries of the Town consist of the County of Erie and the Village of Springville. Public education is provided by one school district within the Town.

Basis of Presentation—Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments and charges between the Town's various functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the Town's governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the Town and includes all operations not required to be recorded in other funds. The principal source of revenue for the General Fund is real property taxes.
- *General—Town Outside Village Fund*—The General—Town Outside Village Fund is used to record all revenues and expenditures required by statute to be charged to the area of the Town outside the Village. The principal source of revenue for the General—Town Outside Village Fund is non-property tax items.
- *Highway—Part Town Fund*—The Highway—Part Town Fund was established pursuant to Highway Law Section 141 to account for revenues and expenditures specific to highway purposes. The principal sources of revenue for the Highway—Part Town Fund are real property taxes and intergovernmental charges.
- *Fire Protection Fund*—The Fire Protection Fund is used to record all revenues and expenditures related to operation and maintenance of the fire protection in the Town. The principal source of revenue for the Fire Protection Fund is real property taxes.
- *Sewer Fund*—The Sewer Fund is used to record all revenues and expenditures related to operation and maintenance of the sewer fund. The major source of revenue for this fund is tax assessments. The principal source of revenue for the Sewer Fund is real property taxes.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition and construction of major capital facilities.

The Town reports the following nonmajor funds: Highway—Townwide Fund, Library Fund, Lighting District Fund, Water Fund, Joint Youth Fund, Joint Van Fund, and Solar Project Fund.

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences, pensions and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources.

Property taxes, non-property taxes, franchise taxes, licenses, interest and state and federal aid associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period or within the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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

Cash and Cash Equivalents—The Town’s cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. New York State law governs the Town’s investment policies. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent fund balance restricted for capital projects purposes, unearned revenues, the Town’s Length of Service Award Program (“LOSAP”) and unpent proceeds of debt. The Town reported restricted cash and cash equivalents balances of \$1,086,596 within governmental funds.

Restricted Investments—The Town’s restricted investments consist of annuity contracts related to LOSAP.

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

Prepaid Items—Certain retirement payments reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

Capital Assets—Capital assets, which include land, buildings, improvements, vehicles and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$2,500 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at acquisition value.

Land is not depreciated. The other capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements	25-50
Vehicles and equipment	5-10
Infrastructure	35-50

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

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2023, the Town has one item that qualifies for reporting in this category on the government-wide financial statements. This item represents the effect of the net change in the Town’s proportion of the collective net pension liability/(asset), the difference during the measurement period between the Town’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2023, the Town has one item that qualifies for reporting in this category on the government-wide financial statements. This item represents the effect of the net change in the Town's proportion of the collective net pension liability/(asset) and the difference during the measurement periods between the Town's contributions, and its proportionate share of the total contributions to the pension systems not included in pension expense and is reported on the government-wide statements.

Net Position Flow Assumption—Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted–net position and unrestricted–net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the Town that can, by Town Board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes, but do not meet the criteria to be classified as committed. The Town Board may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenses/Expenditures

Program Revenues—The amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

Tax payments are due January 1st to February 15th without penalty; February 16th to 28th a 1.5% penalty; March 1st to 15th a 3.0% penalty; March 16th to March 31st a 4.5% penalty; April 1st to 17th a 6.0% penalty; April 18th to May 1st a 7.5% penalty; and 1.5% added each month thereafter.

The tax roll is returned to the Erie County Commissioner of Finance after May 1st at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items that are returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

The Collector of Taxes also bills and collects taxes for the Springville Griffith Institute Central School District. Collections of the school district taxes and remittances of them are accounted for by the Collector of Taxes, independent of Town operations.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2023, the Town reported unearned revenues within the General Fund in the amount of \$21,586 and within the Solar Project Fund in the amount of \$30,000. The Town received money in advance but has not performed the related services, and therefore recognizes a liability.

Compensated Absences—Certain Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacations and compensatory absences must be used by the end of the fiscal year in which they are earned. Employees may accumulate sick leave and are entitled to receive payment for unused sick leave in the event of termination or upon retirement.

The annual budgets of the operating funds provide funding for these benefits as they become payable. Since the payment of compensated absences is dependent on many factors, the timing of future payments is not readily determinable. However, management believes that sufficient resources will be available for the payment of compensated absences when such payments become due.

Retirement System Pension Plan—The Town is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS"). For purposes of measuring the net pension liability related to ERS, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Length of Service Awards Program (“LOSAP”)—The Town has adopted a Service Awards Program for firefighters that serve on a volunteer basis. The Program is administered by an outside agency, with the Town as trustee. More information on the Town’s defined benefit plan and pension liability related to LOSAP are included in Note 7.

Other

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

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

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

Stewardship, Compliance and Accountability

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

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

- Formal annual budgetary accounts are employed as a management control device for the General and Special Revenue Funds.
- During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for the departmental budgetary control. All budget amendments and budget transfers require Town Board approval.

Deficit Fund Balance—At December 31, 2023, the Town’s Capital Projects Fund reported an ending fund balance deficit of \$186,282. This is the result of certain project expenditures being incurred prior to issuance of debt or claiming reimbursement of state and federal aid. The deficit will be eliminated as resources are obtained through long-term debt issuances and future grant proceeds. The Town’s Highway Townwide Fund reported an ending fund balance deficit of \$2,007. The deficit will be remedied by future real property taxes.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

	Governmental Funds
Petty cash (uncollateralized)	\$ 175
Deposits	4,492,395
Total	<u>\$ 4,492,570</u>

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2022 as follows:

	Bank Balance	Carrying Amount
FDIC insured	\$ 595,408	\$ 595,408
Uninsured:		
Collateral held by bank's agent in the Town's name	4,049,651	3,896,987
Total	<u>\$ 4,645,059</u>	<u>\$ 4,492,395</u>

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. As noted above, by New York State Statute all deposits in excess of FDIC insurance coverage must be collateralized. At December 31, 2023, the Town’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Town’s name.

Investment Rate Risk—In accordance with its investment policy, the Town manages exposure by limiting investments to low risk type investments governed by New York State Statute.

Restricted Cash and Cash Equivalents—The Town reports cash set aside to support fund balance restricted for capital projects purposes, unearned revenues, the Town’s Length of Service Award Program (“LOSAP”) and unspent proceeds of debt. The Town reported restricted cash and cash equivalents balances of \$1,086,596 within governmental funds

Restricted Investments—All investments are reported using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are presented below:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Town has access at the measurement date.
- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets in markets that are not active;
 - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - Inputs derived principally from, or corroborated by, observable market data correlation or by other means
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

The Town’s restricted investments consist of annuity contracts related to the Town’s Length of Service Award Program (“LOSAP”), a defined benefit volunteer firefighter award program (See Note 7). These annuities are guaranteed fixed annuities. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period.

At December 31, 2023, the Town’s annuity contracts of \$1,606,131 are valued using quoted market prices for identical asset in active markets (level 1 input).

3. RECEIVABLES

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

Receivables—Represents amounts due from various sources. Receivables at December 31, 2023 are:

General Fund:			
Town Clerk fees and charges	\$	2,762	
Court fines and fees		13,813	
Other		<u>2,857</u>	\$ 19,432
General—Town Outside Village Fund:			
Planning Board fees		1,600	
Building permit fees		1,475	
Cable franchise fees		<u>34,725</u>	37,800
Highway—Part Town Fund:			
Other			1,216
Nonmajor Funds:			
Joint Youth contract payment		47,807	
Other		<u>275</u>	<u>48,082</u>
Total governmental funds			<u>\$ 106,530</u>

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

General—Town Outside Village Fund:	
Erie County sales tax	<u>\$ 107,296</u>

4. CAPITAL ASSETS

Capital asset activity for the Town's governmental activities for the year ended December 31, 2023 was as follows:

	Balance 1/1/2023	Increases	Decreases	Balance 12/31/2023
Capital assets, not being depreciated:				
Land	\$ 267,396	\$ -	\$ -	\$ 267,396
Construction in progress	-	246,837	-	246,837
Total capital assets, not being depreciated	<u>267,396</u>	<u>246,837</u>	<u>-</u>	<u>514,233</u>
Capital assets, being depreciated:				
Buildings	2,617,726	225,025	-	2,842,751
Improvements	1,400,607	20,600	-	1,421,207
Vehicles and equipment	2,045,716	487,606	(145,203)	2,388,119
Infrastructure	<u>2,180,878</u>	<u>128,042</u>	<u>-</u>	<u>2,308,920</u>
Total capital assets, being depreciated	<u>8,244,927</u>	<u>861,273</u>	<u>(145,203)</u>	<u>8,960,997</u>
Less accumulated depreciation for:				
Buildings	(884,910)	(68,047)	-	(952,957)
Improvements	(632,536)	(45,271)	-	(677,807)
Vehicles and equipment	(1,490,452)	(161,304)	126,406	(1,525,350)
Infrastructure	<u>(618,528)</u>	<u>(44,550)</u>	<u>-</u>	<u>(663,078)</u>
Total accumulated depreciation	<u>(3,626,426)</u>	<u>(319,172)</u>	<u>126,406</u>	<u>(3,819,192)</u>
Total capital assets, being depreciated, net	<u>4,618,501</u>	<u>542,101</u>	<u>(18,797)</u>	<u>5,141,805</u>
Total capital assets, net	<u>\$ 4,885,897</u>	<u>\$ 788,938</u>	<u>\$ (18,797)</u>	<u>\$ 5,656,038</u>

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

General government support	\$ 78,761
Public safety	14,713
Transportation	167,132
Economic assistance and opportunity	9,870
Culture and recreation	24,746
Home and community services	<u>23,950</u>
Total	<u>\$ 319,172</u>

5. ACCRUED LIABILITIES

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

	General Fund	General— Town-Outside Village Fund	Highway— Part-Town Fund	Nonmajor Funds	Total Governmental Funds
Salary and employee benefits	\$ 3,910	\$ 223	\$ 5,990	\$ 235	\$ 10,358

6. RETIREMENT SYSTEM PENSION PLAN

Plan Description and Benefits Provided

New York State and Local Employees’ Retirement System (“ERS”)—The Town participates in the ERS, a cost-sharing multiple-employer retirement system (the “System”). The System provides retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the Systems. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Systems. System benefits are established under the provisions of the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. ERS is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Supervisor annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2023, the Town reported the following asset for its proportionate share of the net pension liability for ERS as shown on the following page. The net pension liability was measured as of March 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2022, with updated procedures used to roll forward the total pension liability to the measurement date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

	<u>ERS</u>
Measurement date	March 31, 2023
Net pension liability	\$ 393,197
Town's portion of the Plan's total net pension liability	0.0018336%

For the year ended December 31, 2023, the Town recognized a pension expense of \$149,862 for the ERS. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experiences	\$ 41,879	\$ 11,042
Changes of assumptions	190,962	2,110
Net difference between projected and actual earnings on pension plan investments	-	2,310
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	44,449	20,939
Town contributions subsequent to the measurement date	<u>55,572</u>	<u>-</u>
Total	<u>\$ 332,862</u>	<u>\$ 36,401</u>

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

<u>Year Ending December 31,</u>	<u>ERS</u>
2024	\$ 62,025
2025	(13,453)
2026	86,568
2027	105,749

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

	<u>ERS</u>
Measurement date	March 31, 2023
Actuarial valuation date	April 1, 2022
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015- March 31, 2020
Inflation rate	2.9%
Cost-of-living adjustments	1.5%

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

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

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents the Town’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the Town’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)	\$ 950,189	\$ 393,197	\$ (72,234)

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

	ERS (Dollars in Thousands)
Valuation date	April 1, 2022
Employers' total pension liability	\$ 232,627,259
Plan fiduciary net position	<u>211,183,223</u>
Employers' net pension (asset)	<u>\$ 21,444,036</u>
System fiduciary net position as a percentage of total pension liability	90.8%

7. PENSION OBLIGATIONS—LOSAP

Plan Description—The Town established a defined benefit LOSAP plan for the active volunteer firefighters of the Town of Concord. The program took effect on January 1, 1999. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

Participation, Vesting and Service Credit—Active volunteer firefighters in the Town of Concord are those who have reached the age of 18 and who have completed one year of firefighting service are eligible to participate in the program. Under the defined benefits plan, participants acquire a non-forfeitable right to a service award after being credited with five years of firefighting service or upon attaining the program's entitlement age. The program's entitlement age is age 65. A participant may also receive credit for five years of firefighting service rendered prior to the establishment of the program. Under the defined contribution plan, participants acquire a non-forfeitable right to a service award upon attaining the program’s entitlement age of 65.

Benefits—A participant’s benefit under the defined benefits plan is the life annuity, with ten years certain, equal to \$20 multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed twenty. Except in the case of disability or death, benefits are payable when a participant reaches entitlement age.

Participants Covered by the Benefit Terms—At the December 31, 2023 measurement date, the participants covered by the benefit terms were as follows:

Inactive participants currently receiving benefit payments	22
Inactive participants entitled to but not yet receiving benefit payments	27
Active participants	<u>45</u>
Total	<u>94</u>

Contributions—New York State General Municipal Law §219(d) requires the Town to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town.

Trust Assets—Although assets applicable to 2023 have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

Measurement of Total Pension Liability

The total pension liability at the December 31, 2023 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions—The total pension liability in the December 31, 2023 measurement date was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	3.3%
Salary Scale:	None assumed

Mortality rates were based on the RP 2000 Combined - Unisex Table without projection for mortality improvement.

Discount Rate—The discount rate used to measure the total pension liability was 3.77%. This was the yield to maturity of the Fidelity 20-Year GO AA Bond Index as of December 31, 2023.

Changes in the Total Pension Liability—The table presented below shows the changes to the total pension liability during the previous fiscal year, by source.

	<u>Total Pension Liability</u>
Balance as of 12/31/2022 measurement date	\$ 2,384,566
Changes for the year:	
Service cost	25,303
Interest	94,561
Changes of assumptions or other inputs	223,542
Differences between expected and actual experience	90,012
Benefit payments	<u>(94,220)</u>
Net changes	339,198
Balance as of 12/31/2023 measurement date	<u>\$ 2,723,764</u>

Sensitivity of the Total Pension Liability to changes in the Discount Rate—The following presents the total pension liability of the Town as of the December 31, 2023 measurement date, calculated using the discount rate of 3.77 percent, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.77 percent) or one percentage point higher (4.77 percent) than the current rate:

	1%	Current	1%
	Decrease	Discount Rate	Increase
	<u>(2.77%)</u>	<u>(3.77%)</u>	<u>(4.77%)</u>
Total pension liability	\$ 3,087,000	\$ 2,723,764	\$ 2,422,000

Pension Expense and Deferred Outflows of Resources Related to Pension—For the year ended December 31, 2023, the Town recognized pension expense of \$71,304. At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 192,461	\$ 79,384
Changes of assumptions or other inputs	800,021	1,010,071
Total	<u>\$ 992,482</u>	<u>\$ 1,089,455</u>

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

<u>Year Ending</u>	
<u>December 31,</u>	
2024	\$ (14,953)
2025	(14,953)
2026	(14,953)
2027	(14,953)
2028	(14,953)
Thereafter	(22,208)

8. RISK MANAGEMENT

The Town is exposed to various risks of loss related to damage and destruction of assets, vehicle liability, and injuries to employees, health insurance and unemployment insurance. These risks are covered by commercial insurance purchased from independent third parties. There have not been any significant changes in any type of insurance coverage from the prior year, nor have there been any settlements which have exceeded commercial insurance coverage in the past three fiscal years.

The Town participates in the New York State Municipal Workers' Compensation Alliance (the "Alliance"), a risk-sharing pool, to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Alliance is considered a self-sustaining risk pool that will provide coverage for its members up to \$750,000 (\$1,250,000 for police, fire, ambulance drivers and electricians) per event. The Alliance maintains independent coverage for events in excess of \$750,000 (\$1,250,000 for police, fire, ambulance drivers and electricians). At December 31, 2023, management believes that there are no material outstanding liabilities for workers' compensation.

9. LONG-TERM LIABILITIES

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

In the fund financial statements, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The Town's outstanding long-term liabilities include serial bonds, installment purchase debt, compensated absences, net pension liability—ERS and total pension liability—LOSAP. The serial bonds of the Town are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the Town's long-term liabilities at December 31, 2023 is presented below:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Serial bonds	\$ 1,870,000	\$ -	\$ 75,000	\$ 1,795,000	\$ 75,000
Installment purchase debt	69,623	-	16,568	53,055	17,114
Compensated absences*	66,348	2,338	-	68,686	6,869
Net pension liability—ERS*	-	393,197	-	393,197	-
Total pension liability—LOSAP*	2,384,566	339,198	-	2,723,764	-
Total	<u>\$ 4,390,537</u>	<u>\$ 734,733</u>	<u>\$ 91,568</u>	<u>\$ 5,033,702</u>	<u>\$ 98,983</u>

(*Additions to the compensated absences and pension liability related to ERS and LOSAP are shown net of reductions.)

Serial Bonds—The Town issued general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with original maturities that range from 20 to 26 years.

Principal is paid annually, interest is paid semi-annually; these payments are recorded in the associated fund, either being the General Fund, Sewer Fund, and the Water Fund.

A default will have occurred if the payment of principal or interest are not paid when due and payable. Upon default in payment in full of the principal of or interest on the bonds, a holder of such defaulted bond has a contractual right to sue the Town of the amount then due thereon.

The Town does not have any lines of credit.

A summary of additions and payments for the year ended December 31, 2023 is presented below:

Description	Original Issue	Interest Rate (%)	Year of Issue/Maturity	Balance 1/1/2023	Additions	Payments	Balance 12/31/2023
Public Improvement	\$ 2,347,790	3.125-3.50%	2018/2045	\$ 1,870,000	\$ -	\$ 75,000	\$ 1,795,000
Total				\$ 1,870,000	\$ -	\$ 75,000	\$ 1,795,000

Installment Purchase Debt—During the prior year ended December 31, 2021, the Town entered into an agreement for the financing of certain machinery and equipment. At December 31, 2023, the liability for the installment purchase debt totaled \$53,055.

Compensated Absences—As described in Note 1, the Town records the value of compensated absences in the government-wide financial statements. The annual budgets of the respective funds of which the employees’ payroll is recorded provide for these benefits as they become due. Typically, the Highway—Part Town Fund have been used in prior years to liquidate the current liability. The liability for compensated absences at December 31, 2023 amounts to \$68,686. While the payments of compensated absences are dependent upon many factors, the Town has estimated that \$6,869 will become due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily available.

Pension Liabilities—The Town reports liabilities for its proportionate share of the net pension liability for the Employees’ Retirement System (\$393,197) and the total pension liability for LOSAP (\$2,723,764). Typically, the Highway—Part Town Fund and the Fire Protection Fund has been used to liquidate this liability within the governmental funds. Refer to Note’s 6 and 7 for additional information related to the Town’s pension liabilities.

A maturity schedule of the Town’s indebtedness is presented below:

Year Ending December 31,	Serial Bonds	Installment Purchase Debt	Compensated Absences	Net Pension Liability—ERS	Total Pension Liability—LOSAP	Total
2024	\$ 75,000	\$ 17,114	\$ 6,869	\$ -	\$ -	\$ 98,983
2025	80,000	17,679	-	-	-	97,679
2026	80,000	18,262	-	-	-	98,262
2027	85,000	-	-	-	-	85,000
2028	85,000	-	-	-	-	85,000
2029-2033	440,000	-	-	-	-	440,000
2034-2038	345,000	-	-	-	-	345,000
2039-2043	415,000	-	-	-	-	415,000
2044-2045	190,000	-	-	-	-	190,000
Thereafter	-	-	61,817	393,197	2,723,764	3,178,778
Total	1,795,000	53,055	68,686	393,197	2,723,764	5,033,702

Interest requirements on serial bonds payable and installment purchase debt are as follows:

Year ending December 31,	Serial Bonds	Installment Purchase Debt
2024	\$ 59,144	\$ 1,750
2025	56,626	1,186
2026	54,026	602
2027	51,345	-
2028	582	-
2029-2033	198,909	-
2034-2038	135,829	-
2039-2043	70,789	-
2044-2045	6,651	-
Total	<u>\$ 633,901</u>	<u>\$ 3,538</u>

10. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets***—This category groups all capital assets including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the Town’s governmental activities net investment in capital assets is presented below:

Capital assets, net of accumulated depreciation	\$ 5,656,038
Related debt:	
Serial bonds	\$ (1,795,000)
Installment purchase debt	(53,055)
State loans payable	(420,000)
Unspent proceeds from debt	<u>337,218</u>
Debt issued and used for capital assets	(1,930,837)
Retainages and accounts payable	<u>(125,000)</u>
Net investment in capital assets	<u>\$ 3,600,201</u>

- ***Restricted Net Position***—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions and enabling legislation.
- ***Unrestricted Net Position***—This category represents the net position of the Town not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Town at December 31, 2023 is presented below:

- **Prepaid Items**—Representing the portion of fund balance, \$11,064, \$162, \$6,485, and \$813, composed of prepaid items for the General Fund, General—Town Outside Village Fund, Highway—Part Town Fund, and the nonmajor funds, respectively. This balance is nonspendable as the balance does not represent an available source.

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

	General Fund	Highway—Part Town Fund	Fire Protection Fund	Total
LOSAP	\$ -	\$ -	\$ 1,650,532	\$ 1,650,532
Capital projects	391,085	257,076	-	648,161
Total	<u>\$ 391,085</u>	<u>\$ 257,076</u>	<u>\$ 1,650,532</u>	<u>\$ 2,298,693</u>

- **Restricted for LOSAP**—Represents monies, \$1,650,532, held for the Town’s LOSAP.
- **Restricted for Capital Projects**—Represents \$391,085 in the General Fund and \$257,076 in the Highway—Part Town Fund to be used for construction, reconstruction and/or the acquisition of capital improvements and equipment.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Town’s highest level of decision-making authority. At December 31, 2023, the Town reported no committed fund balance.

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

	General Fund	General— Town-Outside Village Fund	Highway Part Town Fund	Fire Protection Fund	Sewer Fund	Nonmajor Governmental Funds	Total
Subsequent year's expenditures	\$ 65,000	\$ 115,299	\$ 55,000	\$ -	\$ -	\$ -	\$ 235,299
Specific use	-	518,739	1,314,235	111,819	571,045	255,729	2,771,567
Total	<u>\$ 65,000</u>	<u>\$ 634,038</u>	<u>\$ 1,369,235</u>	<u>\$ 111,819</u>	<u>\$ 571,045</u>	<u>\$ 255,729</u>	<u>\$ 3,006,866</u>

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

Unassigned fund balance represents the residual classification of the government’s General Fund surplus and the Capital Projects Fund and Highway—Townwide Fund deficits.

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

11. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the ensuing year. Interfund transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification.

Interfund receivables, payables, and transfers as of the year ended December 31, 2023 consisted of the following:

	Interfund Receivables	Interfund Payables	Transfers In	Transfers Out
General	\$ 55,467	\$ -	\$ -	\$ 55,782
General—Town—Outside Village Fund	-	-	-	795,000
Highway—Part-Town Fund	-	-	735,000	-
Nonmajor Funds	-	55,467	115,782	-
Total	<u>\$ 55,467</u>	<u>\$ 55,467</u>	<u>\$ 850,782</u>	<u>\$ 850,782</u>

The outstanding interfund balances between funds result from payments made on behalf of other funds or temporary advances. All of these balances are expected to be collected/paid within the subsequent year.

During the year, operating transfers from the General Fund and General—Town—Outside Village Fund are utilized to assist in funding those operations within the Highway—Part Town Fund, Joint Van and Joint Youth Funds.

13. COMMITMENTS

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

The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$10,000. As of December 31, 2023, the Town did not report any encumbrances.

14. CONTINGENCIES

Litigation—The Town is involved in litigation in the ordinary course of its operations. The Town believes that its ultimate liability, if any, in connection with these matters will not have a material effect on the Town’s financial condition or results of operations.

Grants—In the normal course of operations, the Town receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditures which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Assessments—The Town is a defendant in various litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Town vigorously defends assessments, the likelihood of success is on a case by case basis, and is dependent upon various factors including market values and appraised amounts. Management believes that the level of potential losses on these cases, if any, would be immaterial and no provisions have been made within the financial statements.

15. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 24, 2024, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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

	Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Town's proportion of the net pension liability/(asset)	0.0018336%	0.0020968%	0.0017484%	0.0019275%	0.0020538%	0.0022437%	0.0021432%	0.0021309%	0.0021138%
Town's proportionate share of the net pension liability/(asset)	\$ 393,197	\$ (171,401)	\$ 1,741	\$ 510,410	\$ 145,516	\$ 72,416	\$ 201,376	\$ 337,675	\$ 71,409
Town's covered payroll	\$ 636,207	\$ 627,554	\$ 649,929	\$ 678,523	\$ 687,918	\$ 685,804	\$ 668,374	\$ 650,874	\$ 635,603
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	61.8%	(27.3%)	0.3%	75.2%	21.2%	10.6%	30.1%	51.9%	11.2%
Plan fiduciary net position as a percentage of the total pension liability	90.8%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

*Information prior to the year ended December 31, 2015 is not available.

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

	Year Ended December 31,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 72,686	\$ 76,181	\$ 98,825	\$ 97,614	\$ 98,858	\$ 95,758	\$ 97,544	\$ 95,838	\$ 127,081	\$ 108,896
Contributions in relation to the contractually required contribution	(72,686)	(76,181)	(98,825)	(97,614)	(98,858)	(95,758)	(97,544)	(95,838)	(127,081)	(108,896)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll*	\$ 695,450	\$ 643,455	\$ 620,596	\$ 663,711	\$ 684,458	\$ 685,109	\$ 581,001	N/A	N/A	N/A
Contributions as a percentage of covered payroll	10.5%	11.8%	15.9%	14.7%	14.4%	14.7%	16.8%	14.7%	20.0%	17.8%

*Information prior to the year ended December 31, 2017 is not available.

TOWN OF CONCORD, NEW YORK
Schedule of Changes in the Town's Total Pension Liability—LOSAP
Last Seven Fiscal Years*

	Year Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability							
Service cost	\$ 25,303	\$ 73,079	\$ 96,683	\$ 68,628	\$ 60,956	\$ 64,570	\$ 66,755
Interest	94,561	59,599	63,311	73,448	85,166	82,187	85,308
Changes of assumptions or other inputs	223,542	(1,003,537)	(42,165)	388,546	340,495	(152,805)	171,845
Differences between expected and actual experience	90,012	53,107	33,707	41,210	(9,916)	(111,922)	(10,774)
Benefit payments	(94,220)	(77,980)	(74,820)	(74,460)	(99,359)	(72,285)	(66,118)
Net changes in total pension liability	339,198	(895,732)	76,716	497,372	377,342	(190,255)	(66,118)
Total pension liability—beginning	2,384,566	3,280,298	3,203,582	2,706,210	2,328,868	2,519,123	272,107
Total pension liability—ending	\$ 2,723,764	\$ 2,384,566	\$ 3,280,298	\$ 3,203,582	\$ 2,706,210	\$ 2,328,868	\$ 205,989
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Information prior to the year ended December 31, 2017 is not available.

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

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes and tax items	\$ 1,016,131	\$ 1,016,131	\$ 1,027,759	\$ 11,628
Departmental income	31,943	31,943	33,890	1,947
Use of money and property	36,404	36,404	16,483	(19,921)
Licenses and permits	11,275	11,275	13,315	2,040
Fines and forfeitures	135,100	135,100	103,518	(31,582)
Sale of property and compensation for loss	-	-	850	850
Miscellaneous	23,280	23,280	85,767	62,487
State aid	168,751	318,751	288,729	(30,022)
Federal aid	-	137,046	172,046	35,000
Total revenues	1,422,884	1,709,930	1,742,357	32,427
EXPENDITURES				
Current:				
General government support	735,828	719,285	643,392	75,893
Public safety	15,942	152,988	152,848	140
Health	2,914	2,914	2,914	-
Transportation	117,590	117,777	117,777	-
Economic assistance and opportunity	87,683	87,683	81,261	6,422
Culture and recreation	48,947	198,947	198,397	550
Home and community services	-	16,356.00	16,356	-
Employee benefits	219,171	219,171	192,634	26,537
Debt service:				
Principal	47,710	47,710	47,710	-
Interest and other fiscal charges	51,317	51,317	51,317	-
Total expenditures	1,327,102	1,614,148	1,504,606	109,542
Excess of revenues over expenditures	95,782	95,782	237,751	141,969
OTHER FINANCING USES				
Transfers out	(95,782)	(95,782)	(55,782)	40,000
Total other financing uses	(95,782)	(95,782)	(55,782)	40,000
Net change in fund balances	-	-	181,969	181,969
Fund balances—beginning	868,542	868,542	868,542	-
Fund balances—ending	\$ 868,542	\$ 868,542	\$ 1,050,511	\$ 181,969

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

TOWN OF CONCORD, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General—Town Outside Village Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Non-property tax items	\$ 865,000	\$ 865,000	\$ 926,834	\$ 61,834
Departmental income	5,000	5,000	7,351	2,351
Use of money and property	-	-	10	10
Licenses and permits	<u>10,000</u>	<u>10,000</u>	<u>24,400</u>	<u>14,400</u>
Total revenues	<u>880,000</u>	<u>880,000</u>	<u>958,595</u>	<u>78,595</u>
EXPENDITURES				
Current:				
General government support	22,000	22,000	-	22,000
Public safety	74,500	74,500	69,413	5,087
Culture and recreation	12,000	12,000	6,600	5,400
Home and community services	93,146	93,146	74,354	18,792
Employee benefits	<u>4,353</u>	<u>4,353</u>	<u>3,579</u>	<u>774</u>
Total expenditures	<u>205,999</u>	<u>205,999</u>	<u>153,946</u>	<u>52,053</u>
Excess of revenues over expenditures	<u>674,001</u>	<u>674,001</u>	<u>804,649</u>	<u>130,648</u>
OTHER FINANCING USES				
Transfers out	<u>(795,000)</u>	<u>(795,000)</u>	<u>(795,000)</u>	<u>-</u>
Total other financing uses	<u>(795,000)</u>	<u>(795,000)</u>	<u>(795,000)</u>	<u>-</u>
Net change in fund balances*	(120,999)	(120,999)	9,649	130,648
Fund balances—beginning	<u>624,551</u>	<u>624,551</u>	<u>624,551</u>	<u>-</u>
Fund balances—ending	<u>\$ 503,552</u>	<u>\$ 503,552</u>	<u>\$ 634,200</u>	<u>\$ 130,648</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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

TOWN OF CONCORD, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Highway—Part Town Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes and tax items	\$ 205,258	\$ 205,258	\$ 206,524	\$ 1,266
Intergovernmental charges	295,691	295,691	295,691	-
Use of money and property	38	38	2,548	2,510
Sale of property and compensation for loss	65,000	65,000	2,455	(62,545)
Miscellaneous	14,540	14,540	13,348	(1,192)
State aid	121,299	121,299	136,469	15,170
Total revenues	<u>701,826</u>	<u>701,826</u>	<u>657,035</u>	<u>(44,791)</u>
EXPENDITURES				
Current:				
General government support	45,000	45,000	-	45,000
Transportation	1,480,823	1,480,823	1,260,719	220,104
Employee benefits	160,307	160,307	147,238	13,069
Debt service:				
Principal	16,568	16,568	16,568	-
Interest and other fiscal charges	2,297	2,297	2,297	-
Total expenditures	<u>1,704,995</u>	<u>1,704,995</u>	<u>1,426,822</u>	<u>278,173</u>
Deficiency of revenues over expenditures	<u>(1,003,169)</u>	<u>(1,003,169)</u>	<u>(769,787)</u>	<u>233,382</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	735,000	735,000	735,000	-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Total other financing sources (uses)	<u>685,000</u>	<u>685,000</u>	<u>735,000</u>	<u>50,000</u>
Net change in fund balances*	(318,169)	(318,169)	(34,787)	283,382
Fund balances—beginning	<u>1,676,365</u>	<u>1,676,365</u>	<u>1,676,365</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,358,196</u>	<u>\$ 1,358,196</u>	<u>\$ 1,641,578</u>	<u>\$ 283,382</u>

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

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

TOWN OF CONCORD, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Fire Protection Fund
Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes and tax items	\$ 725,130	\$ 725,130	\$ 725,304	\$ 174
Use of money and property	<u>30</u>	<u>30</u>	<u>132,618</u>	<u>132,588</u>
Total revenues	<u>725,160</u>	<u>725,160</u>	<u>857,922</u>	<u>132,762</u>
EXPENDITURES				
Current:				
General government support	-	130	130	-
Public safety	527,720	601,418	601,418	-
Employee benefits	<u>197,440</u>	<u>123,482</u>	<u>112,369</u>	<u>11,113</u>
Total expenditures	<u>725,160</u>	<u>725,030</u>	<u>713,917</u>	<u>11,113</u>
Net change in fund balances	-	130	144,005	143,875
Fund balances—beginning	<u>1,618,346</u>	<u>1,618,346</u>	<u>1,618,346</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,618,346</u>	<u>\$ 1,618,476</u>	<u>\$ 1,762,351</u>	<u>\$ 143,875</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes and tax items	\$ 252,379	\$ 252,379	\$ 252,379	\$ -
Use of money and property	<u>215</u>	<u>215</u>	<u>15,851</u>	<u>15,636</u>
Total revenues	<u>252,594</u>	<u>252,594</u>	<u>268,230</u>	<u>15,636</u>
EXPENDITURES				
Current:				
Home and community services	218,250	218,250	198,560	19,690
Debt service:				
Principal	25,000	25,000	25,000	-
Interest and other fiscal charges	<u>9,344</u>	<u>9,344</u>	<u>9,344</u>	<u>-</u>
Total expenditures	<u>252,594</u>	<u>252,594</u>	<u>232,904</u>	<u>19,690</u>
Net change in fund balances	-	-	35,326	35,326
Fund balances—beginning	<u>535,719</u>	<u>535,719</u>	<u>535,719</u>	<u>-</u>
Fund balances—ending	<u>\$ 535,719</u>	<u>\$ 535,719</u>	<u>\$ 571,045</u>	<u>\$ 35,326</u>

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

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

1. PENSION LIABILITY—LOSAP

Changes of Assumptions or Other Inputs—The discount rate used to measure the total pension liability was based on the yield to maturity of the Fidelity 20-Year GO AA Bond Index and was as follows:

December 31, 2023	3.77%
December 31, 2022	4.05%

Trust Assets—There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

2. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America for all governmental funds, with the exception of the Capital Projects Fund. The Capital Projects Fund does not have appropriated budgets since there are other means to control the use of these resources (e.g., grant awards) and sometimes span a period of more than one year.

The appropriated budget is prepared by fund, function and department. The Town’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

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

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

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SUPPLEMENTARY INFORMATION

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TOWN OF CONCORD, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2023

	Highway— Townwide	Library	Lighting District	Water	Joint Youth	Joint Van	Solar Project	Total Nonmajor Funds
ASSETS								
Cash and cash equivalents	\$ 580	\$ 28,342	\$ 95,767	\$ 8,875	\$ 10,928	\$ 116,630	318	\$ 261,440
Restricted cash and cash equivalents	-	-	-	-	-	-	30,000	30,000
Receivables	-	-	-	-	47,807	275	-	48,082
Prepaid items	-	-	-	431	-	382	-	813
Total assets	<u>\$ 580</u>	<u>\$ 28,342</u>	<u>\$ 95,767</u>	<u>\$ 9,306</u>	<u>\$ 58,735</u>	<u>\$ 117,287</u>	<u>\$ 30,318</u>	<u>\$ 340,335</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98	\$ -	\$ 98
Accrued liabilities	-	-	-	-	-	235	-	235
Due to other funds	2,587	-	-	-	52,880	-	-	55,467
Unearned revenue	-	-	-	-	-	-	30,000	30,000
Total liabilities	<u>2,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,880</u>	<u>333</u>	<u>30,000</u>	<u>85,800</u>
FUND BALANCES (DEFICIT)								
Nonspendable	-	-	-	431	-	382	-	813
Assigned	-	28,342	95,767	8,875	5,855	116,572	318	255,729
Unassigned	(2,007)	-	-	-	-	-	-	(2,007)
Total fund balances (deficit)	<u>(2,007)</u>	<u>28,342</u>	<u>95,767</u>	<u>9,306</u>	<u>5,855</u>	<u>116,954</u>	<u>318</u>	<u>254,535</u>
Total liabilities and fund balances (deficit)	<u>\$ 580</u>	<u>\$ 28,342</u>	<u>\$ 95,767</u>	<u>\$ 9,306</u>	<u>\$ 58,735</u>	<u>\$ 117,287</u>	<u>\$ 30,318</u>	<u>\$ 340,335</u>

TOWN OF CONCORD, NEW YORK
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances (Deficit)—Nonmajor Governmental Funds
Year Ended December 31, 2023

	Highway— Townwide	Library	Lighting District	Water	Joint Youth	Joint Van	Solar Project	Total Nonmajor Funds
REVENUES								
Real property taxes	\$ 19,975	\$ 8,032	\$ 25,000	\$ 27,699	\$ -	\$ -	\$ -	\$ 80,706
Intergovernmental charges	-	-	-	-	60,000	-	-	60,000
Use of money and property	20	362	954	43	378	54	318	2,129
Sale of property and compensation for loss	-	-	-	-	-	11,570	-	11,570
Miscellaneous	-	-	-	-	-	1,976	-	1,976
Total revenues	<u>19,995</u>	<u>8,394</u>	<u>25,954</u>	<u>27,742</u>	<u>60,378</u>	<u>13,600</u>	<u>318.00</u>	<u>156,381</u>
EXPENDITURES								
Current:								
Transportation	7,514	-	11,258	-	-	-	-	18,772
Economic assistance and opportunity	-	-	-	-	-	22,929	-	22,929
Culture and recreation	-	839	-	-	122,000	-	-	122,839
Home and community services	-	-	-	18,235	-	-	-	18,235
Employee benefits	-	-	-	2,545	-	3,562	-	6,107
Debt service:								
Principal	-	-	-	2,290	-	-	-	2,290
Interest and other fiscal charges	-	-	-	920	-	-	-	920
Total expenditures	<u>7,514</u>	<u>839</u>	<u>11,258</u>	<u>23,990</u>	<u>122,000</u>	<u>26,491</u>	<u>-</u>	<u>192,092</u>
Excess (deficiency) of revenues over expenditures	<u>12,481</u>	<u>7,555</u>	<u>14,696</u>	<u>3,752</u>	<u>(61,622)</u>	<u>(12,891)</u>	<u>318</u>	<u>(35,711)</u>
OTHER FINANCING SOURCES								
Transfers in	-	-	-	-	60,000	55,782	-	115,782
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>55,782</u>	<u>-</u>	<u>115,782</u>
Net change in fund balances	12,481	7,555	14,696	3,752	(1,622)	42,891	318	80,071
Fund balances (deficit)—beginning	(14,488)	20,787	81,071	5,554	7,477	74,063	-	174,464
Fund balances (deficit)—ending	<u>\$ (2,007)</u>	<u>\$ 28,342</u>	<u>\$ 95,767</u>	<u>\$ 9,306</u>	<u>\$ 5,855</u>	<u>\$ 116,954</u>	<u>\$ 318</u>	<u>\$ 254,535</u>

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

The Honorable Town Board of the
Town of Concord, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Concord, New York (the "Town") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 24, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Town's Response to Finding

Government Auditing Standards requires the auditors to perform limited procedures on the Town's response to the finding identified in our audit and described in the accompanying schedule of findings. The Town's response to the finding identified in our audit is described in the accompanying schedule of findings. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Drescher & Malecki LLP

May 24, 2024

TOWN OF CONCORD, NEW YORK
Schedule of Findings
Year Ended December 31, 2023

We consider the deficiency presented below to be a material weakness in internal control.

Finding 2023-001—Year-end Recordkeeping, Policies, Procedures and Bank Reconciliations

Criteria: Internal controls over financial reporting should be designed by management to prevent or detect and correct misstatements and to comply with Governmental Accounting Standards Board (“GASB”) requirements.

Condition and Context: We noted that the Town has a formal written journal entry policy; however, we noted instances of journal entries posted incorrectly and the outlined procedures not being followed. Additionally, the Town does not have a comprehensive capital asset policy or procedures addressing inventory procedures, additions and deletions. Lastly, the Town does not have a year-end checklist that outlines procedures and tasks to be addressed during the close-out of the fiscal year which allowed for significant proposed adjustments and variances within the Town’s year-end bank reconciliations.

Cause: Lack of formalized policies, procedures, and checklists as well as formal policies not being followed and personnel limitations for the year ended December 31, 2023.

Effect or Potential Effect: Increased risk of financial statement misstatement, asset misappropriation and fraudulent financial reporting. The financial statements include several adjusting journal entries, which have a material effect on the Town’s financial statements.

Recommendation: We recommend that the Town follow the journal entry policy as outlined and formalize policies and procedures related to the recordkeeping of capital assets and year-end procedures. Such policies should be regularly reviewed and updated on a regular basis. In addition:

All journal entries should be reviewed and approved by an individual independent of the employee who prepared the journal entry. The preparer and reviewer should both sign off and date when the preparation and review of the journal entry was performed. The reviewer should be provided with supporting documentation to be able to properly review and approve the journal entries made. Lastly, all manual journal entries with appropriate back-up documentation should be stored in a centralized location.

A formalized capital asset policy, which includes procedures for additions, deletions, as well as construction in progress should be implemented. Additionally, procedures for depreciation, including the method of depreciation and useful life information should be considered. The established polices should include proper capital asset maintenance with a reasonable capitalization threshold.

A year-end checklist containing procedures and tasks to be addressed at the closing out of the fiscal year should be implemented to include items such as:

- The recording of proposed audit adjusting entries and corresponding reversal entries for the subsequent year;
- Reconciliation of general ledger and bank statements;
- Reconciliation of interfund transfers and loans;
- Evaluation of any necessary budget adjustments, budget transfers;
- Review of receivable, payable, and accrued liability balances; and
- Follow-up on outstanding invoices and unclaimed grant revenue.

Management's Corrective Action Plan: Journal entries policies and procedures will be reviewed to ensure implementation. The Town will formalize policies and procedures relating to capital assets to include additions, deletions, and construction in progress. Capitalization thresholds, depreciation methods and useful life will be included. The Town will formalize year end policies and procedures. A monthly and year end checklist containing procedures and tasks to be addressed at the closing out of each month and fiscal year will be developed and implemented.