

**TOWN OF VICTOR**

**Ontario County, New York**

**BASIC FINANCIAL STATEMENTS**

**For Year Ended December 31, 2020**



**MENGEL METZGER BARR & CO. LLP**

Certified Public Accountants

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## **Independent Auditors' Report**

To the Honorable Town Council  
The Town of Victor  
Ontario County, New York

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Victor, Ontario County, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Victor, Ontario County, New York, as of December 31, 2020, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress postemployment benefit plan, schedule of the Town's proportionate share of the net position liability, schedule of Town contributions, and budgetary comparison information on pages 3–13 and 55–61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Victor, Ontario County, New York's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Mengel, Metzger, Baw & Co. LLP*

Rochester, New York  
April 29, 2021

**Town of Victor, Ontario County, New York**  
**Management's Discussion and Analysis (MD&A)**

**December 31, 2020**

**Introduction**

Our discussion and analysis of the Town of Victor, Ontario County, New York's financial performance provides an overview of the Town's financial activities for the year ended December 31, 2020. It should be read in conjunction with the basic financial statements to enhance understanding of the Town's financial performance, which immediately follows this section.

**Financial Highlights**

Key financial highlights for year 2020 are as follows:

- ◆ At the onset of the COVID 19 pandemic in March 2020, the Town of Victor took a very cautious approach toward all Town spending based on the heavy reliance on sales tax revenue and its anticipated shortfall. Fortunately, sales tax revenues rebounded far beyond expectations. The outcome was a significant increase in fund balance at year end.
- ◆ A portion of the excess fund balance will enable the Town to put money in reserves for ongoing capital expense resulting in a flat tax rate for our residents while allocating funds for needed equipment/buildings/infrastructure.
- ◆ A low interest rate on the +\$8 million bond for the Sanitary Conveyance Capital project, a result of an improved credit rating and a favourable economic bond environment, enabled the Town to shorten the bond term by five years from twenty-five years to a twenty year bond.

**Overview of the Financial Statements**

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

*1. Government-Wide Financial Statements*

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

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

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

## 2. Fund Financial Statements

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

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

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

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

### 3. *Notes to the Financial Statements*

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

## Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Victor, Ontario County, New York, net position at the close of the current year was \$58,862,839.

### Net Position

The Town's combined net position was larger on December 31, 2020, than they were the year before, as shown in table below:

	<u>Governmental Activities</u>		<u>Total Variance</u>
<u>ASSETS:</u>	<u>2020</u>	<u>2019</u>	
Current and Other Assets	\$ 17,929,180	\$ 15,551,487	\$ 2,377,693
Capital Assets	58,165,840	57,456,336	709,504
<b>Total Assets</b>	<b>\$ 76,095,020</b>	<b>\$ 73,007,823</b>	<b>\$ 3,087,197</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>			
Deferred Outflows of Resources	<b>\$ 2,419,414</b>	<b>\$ 1,472,700</b>	<b>\$ 946,714</b>
 <b><u>LIABILITIES:</u></b>			
Long-Term Debt Obligations	\$ 17,666,023	\$ 9,559,633	\$ 8,106,390
Other Liabilities	466,380	5,715,425	(5,249,045)
<b>Total Liabilities</b>	<b>\$ 18,132,403</b>	<b>\$ 15,275,058</b>	<b>\$ 2,857,345</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred Inflows of Resources	<b>\$ 1,519,192</b>	<b>\$ 815,877</b>	<b>\$ 703,315</b>
 <b><u>NET POSITION:</u></b>			
Net Investment in Capital Assets	\$ 47,675,840	\$ 50,187,234	\$ (2,511,394)
<u>Restricted For,</u>			
Capital Reserve	4,809,145	4,414,358	394,787
Other Purposes	973,588	710,440	263,148
Unrestricted	5,404,266	3,077,556	2,326,710
<b>Total Net Position</b>	<b>\$ 58,862,839</b>	<b>\$ 58,389,588</b>	<b>\$ 473,251</b>

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

There are restricted net position balances for Capital Reserves and Other Purposes. The remaining balance of unrestricted net position is \$5,404,266.

## Changes in Net Position

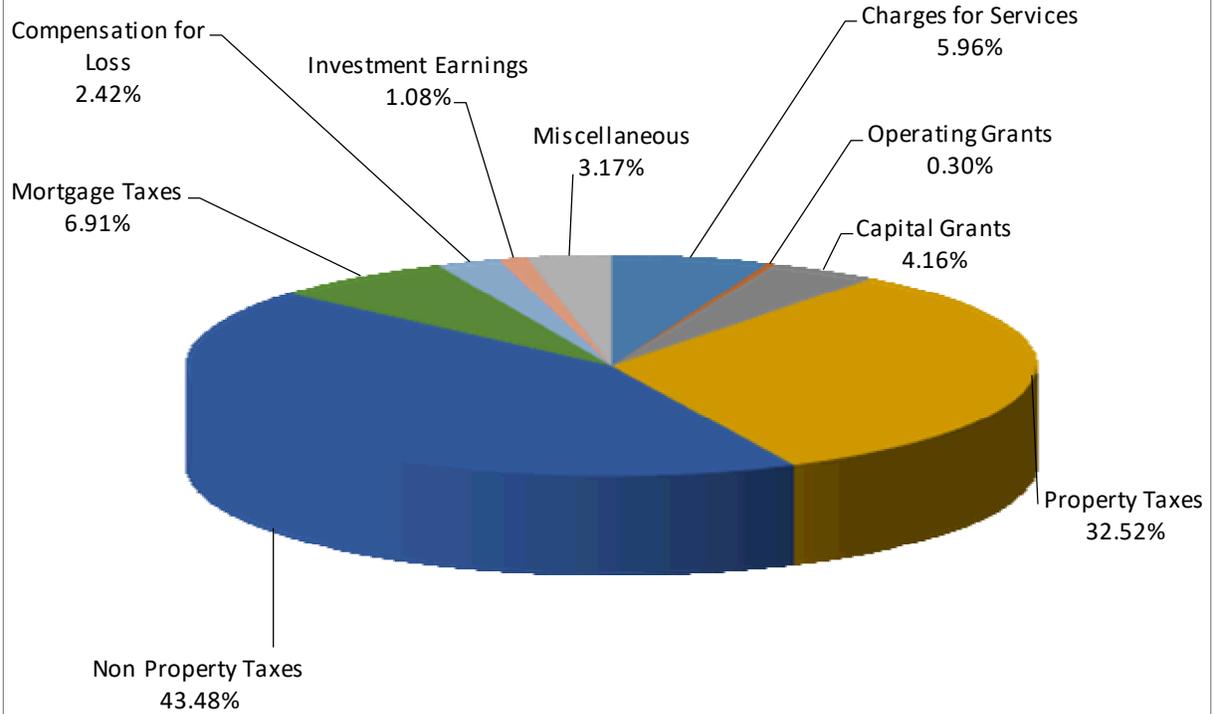
The Town's total revenues were less for 2020 than they were the year before, decreasing by 15% to \$13,452,627 primarily due to the elimination of Parks and Recreation programming revenues resulting from the COVID 19 pandemic.

The Town's total expenditures were less for 2020 than they were the year before, decreasing by 14% to \$12,979,376. This is primarily due to the Town's conservative approach to spending based on anticipated revenue shortfall resulting from the COVID 19 pandemic.

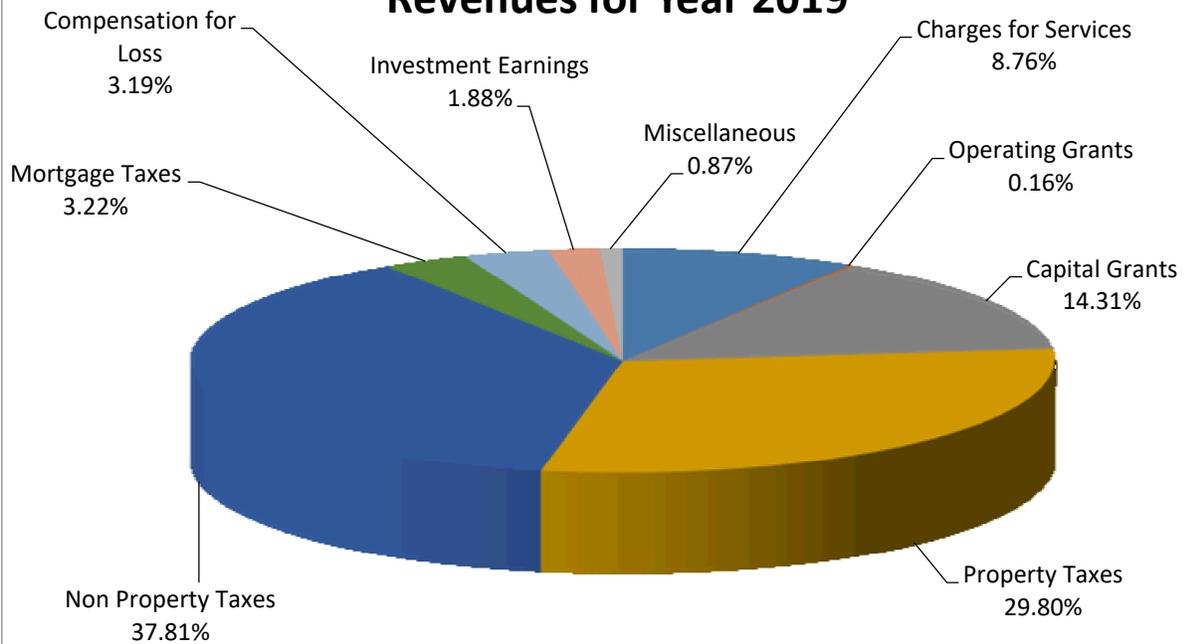
See table below:

	<u>Governmental Activities</u>		<u>Total</u>
	<u>2020</u>	<u>2019</u>	<u>Variance</u>
<b><u>REVENUES:</u></b>			
<b><u>Program -</u></b>			
Charges for Service	\$ 801,172	\$ 1,393,497	\$ (592,325)
Operating Grants & Contributions	40,988	25,991	14,997
Capital Grants & Contributions	558,985	2,277,150	(1,718,165)
<b>Total Program</b>	<b>\$ 1,401,145</b>	<b>\$ 3,696,638</b>	<b>\$ (2,295,493)</b>
<b><u>General -</u></b>			
Property Taxes	\$ 4,375,151	\$ 4,742,317	\$ (367,166)
Non Property Taxes	5,848,715	6,016,914	(168,199)
Mortgage Taxes	929,095	512,152	416,943
Sale of Property & Compensation for Loss	325,086	508,313	(183,227)
Investment Earnings	145,328	298,848	(153,520)
Miscellaneous	428,107	136,865	291,242
<b>Total General</b>	<b>\$ 12,051,482</b>	<b>\$ 12,215,409</b>	<b>\$ (163,927)</b>
<b>TOTAL REVENUES</b>	<b>\$ 13,452,627</b>	<b>\$ 15,912,047</b>	<b>\$ (2,459,420)</b>
<b><u>EXPENSES:</u></b>			
General Support	\$ 2,778,768	\$ 2,765,862	\$ 12,906
Public Safety	587,189	1,241,986	(654,797)
Health	22,500	22,500	-
Transportation	6,086,470	6,514,477	(428,007)
Economic Assistance	169,016	193,981	(24,965)
Culture & Recreation	1,308,346	1,990,684	(682,338)
Home & Community Services	1,797,268	2,306,365	(509,097)
Interest	229,819	113,421	116,398
<b>TOTAL EXPENSES</b>	<b>\$ 12,979,376</b>	<b>\$ 15,149,276</b>	<b>\$ (2,169,900)</b>
<b>INCREASE IN NET POSITION</b>	<b>\$ 473,251</b>	<b>\$ 762,771</b>	
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>58,389,588</b>	<b>57,626,817</b>	
<b>NET POSITION, END OF YEAR</b>	<b>\$ 58,862,839</b>	<b>\$ 58,389,588</b>	

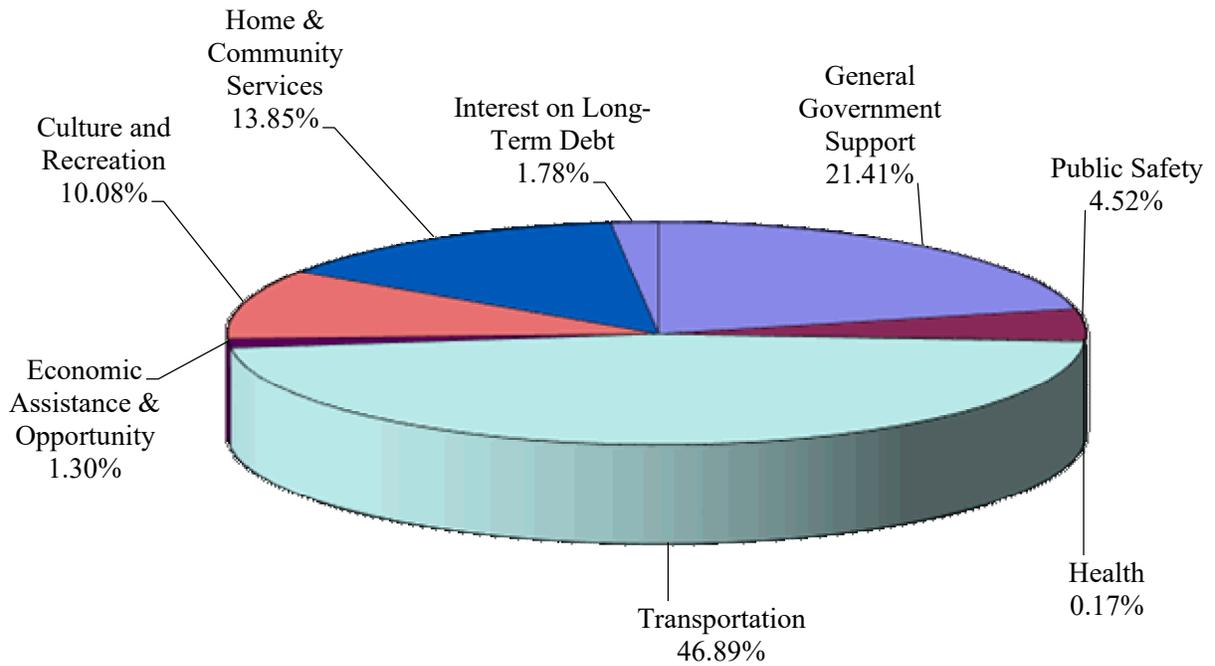
## Revenues for Year 2020



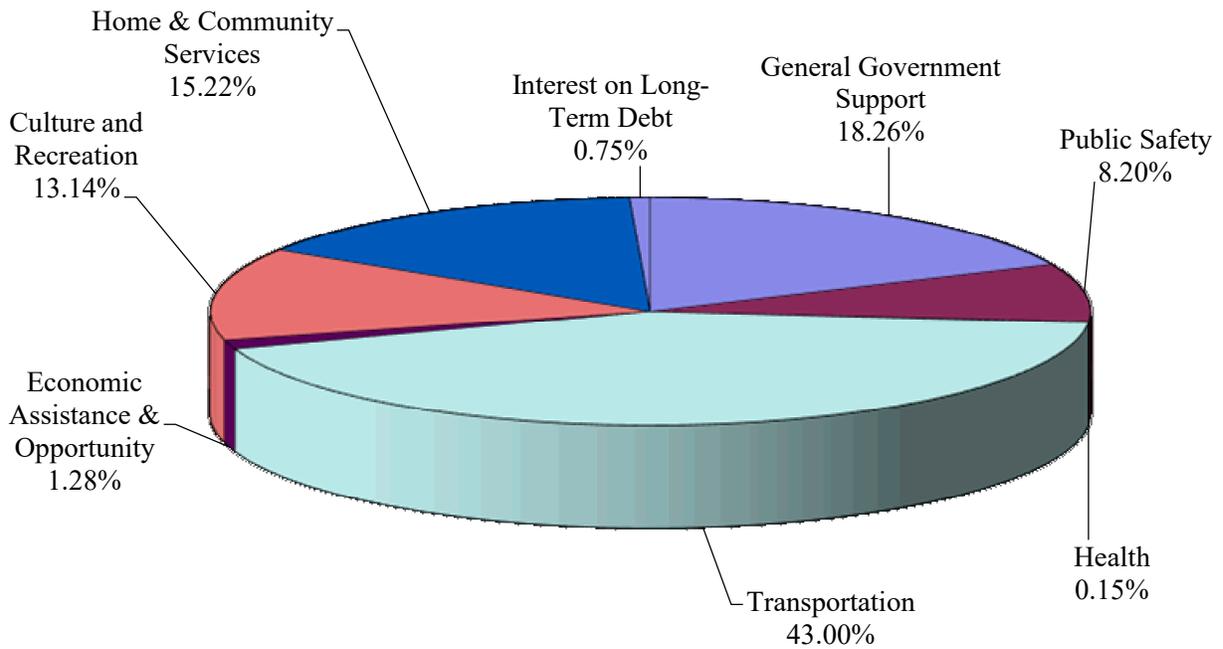
## Revenues for Year 2019



## Expenditures for Year 2020



## Expenditures for Year 2019



## Financial Analysis of the Town of Victor's Funds

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

### *Governmental Funds*

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

As of the end of the current year, the Town's combined governmental fund balances are \$17,472,410 which is more than last year's ending fund balance of \$9,881,464.

Of the total combined fund balances, \$211,145 has been designated as nonspendable fund balance, \$5,895,630 has been designated as restricted fund balance, \$7,948,488 has been designated as assigned fund balance and the remaining balance of \$3,417,147 (unassigned fund balance) is primarily for providing cash flow and for future spending needs.

The General Fund is the chief operating fund of the Town. At the end of the current year, the total fund balance of the General Fund was \$7,341,929, of which \$3,417,147 was unassigned. The fund balance for the Town of Victor's General Fund increased by \$529,444 compared with the prior year.

## Budgetary Highlights

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

<b><u>Expenditure Items</u></b>	<b><u>Budget Variance Original Vs. Amended</u></b>	<b><u>Explanation for Budget Variance</u></b>
General Fund-General Government Support	\$370,312	Purchase of Brace Road property for future development.
General Fund-Part-Town-Employee Benefits	\$30,000	Unemployment insurance.

<b>Revenue Items</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
General Fund-Departmental Income	(\$451,760)	Parks & Recreation due to the COVID 19 pandemic. Programs and facilities shut down.
General Fund-State and County Aid	\$430,304	Mortgage tax increase of \$415,000 over prior year.
General Fund-Part-Town-Licenses and Permits	\$76,020	Increase in building permit fees.
Highway Fund-Part-Town-Sale of Property and Compensation for Loss	\$115,550	Insurance payment for destroyed truck.
Highway Fund-Part-Town-Transfers-In	(\$90,194)	Transfer to reserves. Closes to reserves at year end.
<b>Expenditure Items</b>	<b>Budget Variance Amended Vs. Actual</b>	<b>Explanation for Budget Variance</b>
General Fund-General Government Support	\$500,121	COVID 19 pandemic approach – no unnecessary spending.
General Fund-Culture and Recreation	\$595,640	COVID 19 pandemic – programs and facilities cancelled/closed.
General Fund-Employee Benefits	\$177,437	COVID 19 pandemic – furloughs and layoffs reducing benefit costs.
General Fund-Transfers-Out	\$79,371	Transfer to reserves. Closes to reserves at year end.
General Fund-Part-Town-Public Safety	\$158,471	COVID 19 pandemic – no unnecessary spending.
General Fund-Part-Town-Home and Community Services	\$121,943	COVID 19 pandemic – no unnecessary spending.
General Fund-Part-Town-Employee Benefits	\$131,340	COVID 19 pandemic – furloughs and layoffs reducing benefit costs.
Highway Fund-Part-Town-Transportation	\$1,679,415	COVID 19 pandemic – capital projects and equipment purchases put on hold.
Highway Fund-Part-Town-Employee Benefits	\$118,911	COVID 19 pandemic – furloughs and layoffs reducing benefit costs.
Highway Fund-Part-Town-Transfers-Out	\$600,000	Transfer to reserves. Closes to reserves at year end.
Sewer Fund-Home and Community Services	\$136,734	COVID 19 pandemic – no unnecessary spending.

## Capital Assets

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

	<u>2020</u>	<u>2019</u>
Land	\$ 2,759,988	\$ 2,457,083
Work in Progress	8,907,128	4,991,453
Buildings and Improvements	3,333,322	3,528,252
Machinery and Equipment	1,933,955	2,022,133
Infrastructure	41,231,447	44,457,415
<b>Total Capital Assets</b>	<b><u>\$ 58,165,840</u></b>	<b><u>\$ 57,456,336</u></b>

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

## Long-Term Debt

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

<u>Type</u>	<u>2020</u>	<u>2019</u>
Serial Bonds	\$ 10,490,000	\$ 3,025,000
Modock Springs VPP	30,000	40,000
OPEB	4,542,278	5,676,950
Net Pension Liability	2,544,379	767,259
Compensated Absences	59,366	50,424
<b>Total Long-Term Obligations</b>	<b><u>\$ 17,666,023</u></b>	<b><u>\$ 9,559,633</u></b>

The amount of principal paid on outstanding debt was \$806,000. More detailed information about the Town's long-term liabilities is presented in the notes to the financial statements.

## Factors Bearing on the Town's Future

At the onset of COVID-19 in early 2020 The Town of Victor took a conservative approach both from a health and financial standpoint. Recreation programming was cancelled with related employee layoffs. Spending was limited to only necessary expenses. Our heavy reliance on sales tax revenue to balance the Town budget dictated this action given the uncertain times. Fortunately, our conservative approach served us well as we weathered the pandemic.

The pandemic impacted local Victor businesses as we've seen across the country. While there has not been a significant amount of closures as a result of the Pandemic, many businesses are operating at a reduced capacity but starting to see improvements in overall revenue. The Town's Economic Development and Victor LDC efforts have included extended outreach to local businesses, COVID Relief funding, assistance with PPP funding and on-going dissemination of information related to support programs and possible funding.

Another change initiated by the pandemic was the creation of a new partnership between the Economic Development/VLDC department and the Victor Chamber of Commerce. These agencies have formed the Victor Community Development Office and are teaming up as a one stop shop for all business needs. It is proving to be a win win based on the response we are receiving from businesses that we've spoken to. In addition, community events will be managed all under one umbrella –less redundancy and more opportunities.

Economic Development is currently working with the County IDA to fill some manufacturing space and other property owners are reaching out with available office space.

Growth continues in the Town with commercial, light industrial and residential development. The former K-Mart store located in the Cobblestone Court Plaza modified 119,225 square feet of retail space by removing 20,865 square feet of the existing building and converting the remainder of the space into two leasable areas of approximately 43,200 square feet and 55,160 square feet. Hobby Lobby is currently under construction and is scheduled to open in spring of 2021.

At Eastview Mall, Dick's Sporting Goods Store is also scheduled to open in spring of 2021. This project consisted of a renovation of approximately 103,000 square feet of the former Sears store and also included a façade update. Additionally, Eastview is welcoming a new restaurant, retail store, Hannoush Jewelers and the return of H&M Clothing.

ESL Bank is nearing completion of a new branch just off Route 96 in the Village. Further down the Route 96 corridor the Planning Board has approved a site plan for the construction of a 31,240 square foot building for Victor Chrysler Dodge Jeep Ram car dealership.

Building 300 in the High Point Business Park consists of a four story 150,000 square foot office building with associated parking. This project is currently under construction.

The Town has also seen a continuation in residential growth/development. Several new residential subdivisions have received final approvals or are in the process of receiving approvals by the Town Planning Board. Those developments include Dorchester Park Subdivision, Section 2, Phase 2 consisting of 17 residential lots located off of Bradhurst Street, Willis Hill Estates (formerly Anderson Subdivision) consisting of 53 lots located off of Strong Road and Willis Hill Road, Scout Reserve – Resubdivision of Lot #2 consisting of 6 lots off of Aldridge Road and the O'Neill Subdivision consisting of 7 lots on County Road 41 and Strong Road.

Drawing from the Town Capital Improvement Plan for 2021 the Town Highway Department will be completing improvements to Phillips Road. These improvements include, boxing out a portion of the subbase in the south bound lane, replacing drainage where needed, cold place recycle and new asphalt from NYS 251 to County Road 42. The Town will also be milling and paving Camden Hill Drive, Sienna Ridge, St. John's Parkway and Trevor Run.

The Department of Parks and Recreation, which had seen significant growth in its recreation program in the last decade, was dealt a significant blow in 2020 with the cancellation of its recreation programs as mentioned above. Going forward the Town Board will need to determine the level of recreation programming that is expected of the Department as well as the appropriate cost recovery model and revenue generating strategy.

The Parks and Recreation Master Plan (adopted by the Town Board, August, 2019) includes a variety of capital improvements, which will require future capital and operational funds to make them a reality. The Town looks to utilize funds from both its Parks Trust Fund as well as grants and the issuance of bonds to ensure that these short-term (1-3 years) and long-term (5-10 years) projects meet the needs of the growing Victor community. An increase in residential growth is always met with an increase in the request for a service-driven local government.

## **Requests for Information**

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

The Town of Victor  
85 East Main Street  
Victor, New York 14564

**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**

**Statement of Net Position**

**December 31, 2020**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 15,778,820
Accounts receivable, net	1,939,215
Prepaid items	211,145
<b>Capital assets:</b>	
Land and work in progress	11,667,116
Other capital assets, net of depreciation	46,498,724
<b>TOTAL ASSETS</b>	<b><u>\$ 76,095,020</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources	<b><u>\$ 2,419,414</u></b>
<b>LIABILITIES</b>	
Accounts payable and other current liabilities	\$ 377,885
Accrued liabilities	88,495
<b>Noncurrent liabilities:</b>	
Due in one year	694,366
Due in more than one year	16,971,657
<b>TOTAL LIABILITIES</b>	<b><u>\$ 18,132,403</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources	<b><u>\$ 1,519,192</u></b>
<b>NET POSITION</b>	
Net investment in capital assets	\$ 47,675,840
<b>Restricted for:</b>	
Capital reserves	4,809,145
Other purposes	973,588
Unrestricted	5,404,266
<b>TOTAL NET POSITION</b>	<b><u><u>\$ 58,862,839</u></u></b>

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



**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**

**Balance Sheet**

**Governmental Funds**

**December 31, 2020**

	<b>Major</b>		
	<b>General Fund</b>	<b>General Fund Part-Town</b>	<b>Capital Projects Fund</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,957,127	\$ 1,376,692	\$ 112,897
Receivables, net	55,471	223,346	-
Due from other governments, net	345,350	12,875	-
State and federal aid receivable	3,430	-	-
Prepaid items	143,576	24,921	-
<b>Total Assets</b>	<b>\$ 7,504,954</b>	<b>\$ 1,637,834</b>	<b>\$ 112,897</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable and other current liabilities	\$ 103,509	\$ 3,980	\$ -
Accrued liabilities	59,516	6,773	-
Due to other governments	-	-	-
Overpayments and collections in advance	-	468	-
<b>Total Liabilities</b>	<b>\$ 163,025</b>	<b>\$ 11,221</b>	<b>\$ -</b>
<b>Fund Balances:</b>			
Nonspendable	\$ 143,576	\$ 24,921	\$ -
Restricted	3,361,206	4,585	112,897
Assigned	420,000	1,597,107	-
Unassigned	3,417,147	-	-
<b>Total Fund Balances</b>	<b>\$ 7,341,929</b>	<b>\$ 1,626,613</b>	<b>\$ 112,897</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,504,954</b>	<b>\$ 1,637,834</b>	<b>\$ 112,897</b>

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

Highway Fund Part-Town	Sewer Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 4,266,714	\$ 1,266,025	\$ 1,799,365	\$ 15,778,820
-	90,256	10,500	379,573
1,197,987	-	-	1,556,212
-	-	-	3,430
42,648	-	-	211,145
<u>\$ 5,507,349</u>	<u>\$ 1,356,281</u>	<u>\$ 1,809,865</u>	<u>\$ 17,929,180</u>

\$ 173,977	\$ -	\$ 5,695	\$ 287,161
12,596	-	-	78,885
-	90,256	-	90,256
-	-	-	468
<u>\$ 186,573</u>	<u>\$ 90,256</u>	<u>\$ 5,695</u>	<u>\$ 456,770</u>

\$ 42,648	\$ -	\$ -	\$ 211,145
1,436,954	6,400	973,588	5,895,630
3,841,174	1,259,625	830,582	7,948,488
-	-	-	3,417,147
<u>\$ 5,320,776</u>	<u>\$ 1,266,025</u>	<u>\$ 1,804,170</u>	<u>\$ 17,472,410</u>
<u>\$ 5,507,349</u>	<u>\$ 1,356,281</u>	<u>\$ 1,809,865</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 58,165,840

Interest is accrued on outstanding bonds in the statement of net assets but not in the funds. (9,610)

The following long-term obligations are not due and payable in the current period, therefore are not reported in the governmental funds:

Serial Bonds Payable	(10,490,000)
Other Long term debt (modock springs)	(30,000)
Deferred Inflows - Pensions	(133,838)
Deferred Outflows - Pensions	1,942,997
Deferred Inflows - OPEB	(1,385,354)
Deferred Outflows - OPEB	476,417
Pension Liability	(2,544,379)
OPEB Liability	(4,542,278)

Compensated absences are not reported in the funds under fund accounting but are expensed as the liability is incurred in the statement of net position. (59,366)

**Net Position of Governmental Activities** \$ 58,862,839

**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	<b>Major</b>		
	<b>General Fund</b>	<b>General Fund Part-Town</b>	<b>Capital Projects Fund</b>
<b>Revenues:</b>			
Real property and tax items	\$ 3,574,952	\$ -	\$ -
Non-property taxes	345,343	1,094,216	-
Departmental income	47,540	18,121	-
Intergovernmental charges	30	23,050	-
Use of money and property	99,089	5,272	9,117
Licenses and permits	243,081	181,520	-
Fines and forfeitures	187,323	-	-
Sale of property and compensation for loss	22,082	31	-
Miscellaneous	22,127	24,069	21,595
State and county aid	966,653	-	-
Federal aid	3,430	-	-
<b>Total Revenues</b>	<b>\$ 5,511,650</b>	<b>\$ 1,346,279</b>	<b>\$ 30,712</b>
<b>Expenditures:</b>			
<b>Current:</b>			
General government support	\$ 2,273,738	\$ 17,568	\$ -
Public safety	44,891	359,183	-
Health	22,500	-	-
Transportation	306,639	17,602	-
Economic assistance and development	117,923	-	-
Culture and recreation	910,102	-	-
Home and community services	249,473	262,024	3,934,713
Employee benefits	949,552	248,891	-
<b>Debt Service:</b>			
Debt service - principal	115,000	-	-
Debt service - interest and other charges	2,300	-	-
<b>Total Expenditures</b>	<b>\$ 4,992,118</b>	<b>\$ 905,268</b>	<b>\$ 3,934,713</b>
Excess (deficiency) of revenue over expenditures	\$ 519,532	\$ 441,011	\$ (3,904,001)
<b>Other Financing Sources and Uses:</b>			
Transfers - in	\$ 9,912	\$ -	\$ -
Transfers - out	-	-	(9,912)
Serial bonds	-	-	8,261,000
<b>Total Other Financing Sources and Uses</b>	<b>\$ 9,912</b>	<b>\$ -</b>	<b>\$ 8,251,088</b>
Net change in fund balances	\$ 529,444	\$ 441,011	\$ 4,347,087
<b>Fund Balance - Beginning</b>	<b>6,812,485</b>	<b>1,185,602</b>	<b>(4,234,190)</b>
<b>Fund Balance - Ending</b>	<b>\$ 7,341,929</b>	<b>\$ 1,626,613</b>	<b>\$ 112,897</b>

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

<b>Highway Fund Part-Town</b>	<b>Sewer Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 720,000	\$ 80,199	\$ 4,375,151
4,409,156	-	-	5,848,715
-	-	58,500	124,161
229,330	-	-	252,410
16,723	8,543	6,584	145,328
-	-	-	424,601
-	-	-	187,323
115,650	-	-	137,763
25,122	6,400	328,794	428,107
173,191	-	-	1,139,844
-	-	-	3,430
<u>\$ 4,969,172</u>	<u>\$ 734,943</u>	<u>\$ 474,077</u>	<u>\$ 13,066,833</u>
\$ 25,359	\$ -	\$ -	\$ 2,316,665
-	-	-	404,074
-	-	-	22,500
2,293,238	-	66,847	2,684,326
-	-	-	117,923
-	-	-	910,102
-	115,266	16,201	4,577,677
443,566	-	-	1,642,009
273,000	391,000	17,000	796,000
58,260	201,130	3,921	265,611
<u>\$ 3,093,423</u>	<u>\$ 707,396</u>	<u>\$ 103,969</u>	<u>\$ 13,736,887</u>
<u>\$ 1,875,749</u>	<u>\$ 27,547</u>	<u>\$ 370,108</u>	<u>\$ (670,054)</u>
\$ 45,000	\$ -	\$ 5,000	\$ 59,912
-	-	(50,000)	(59,912)
-	-	-	8,261,000
<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ (45,000)</u>	<u>\$ 8,261,000</u>
\$ 1,920,749	\$ 27,547	\$ 325,108	\$ 7,590,946
3,400,027	1,238,478	1,479,062	9,881,464
<u>\$ 5,320,776</u>	<u>\$ 1,266,025</u>	<u>\$ 1,804,170</u>	<u>\$ 17,472,410</u>

**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2020**

**Net Change in Fund Balances - Total Governmental Funds** \$ 7,590,946

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

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

Capital outlay	\$ 3,915,675	
Addition of assets	1,417,434	
Depreciation	(4,408,427)	
Gain/(Loss) on sale of assets	<u>(215,178)</u>	
		709,504

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

Debt repayment	\$ 796,000	
Proceeds from serial bonds	<u>(8,261,000)</u>	
		(7,465,000)

The net OPEB liability does not require the use of current financial resources, and therefore, is not reported as an expenditure in the governmental funds. 26,503

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

Employees' Retirement System		(425,552)
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(Increase) decrease in Pollution remediation liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as an expenditure in the governmental fund until paid. 10,000

Compensated absences represents the value of the earned and unused portion of the liability for vacation and compensatory time. They are reported in the statement of activities but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the net change of compensated absences. (8,942)

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 35,792

**Change in Net Position of Governmental Activities** \$ 473,251

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

**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**

**Statement of Fiduciary Net Position**

**Fiduciary Funds**

**December 31, 2020**

	<b>Custodial Funds</b>
	<u>                    </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ <u>5,177</u>
<b>TOTAL ASSETS</b>	\$ <u><u>5,177</u></u>
<b>LIABILITIES</b>	
Other liabilities	\$ <u>5,177</u>
<b>TOTAL LIABILITIES</b>	\$ <u><u>5,177</u></u>

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

**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**

**Statement of Changes in Fiduciary Net Position**

**Fiduciary Funds**

**For the Year Ended December 31, 2020**

	<b>Custodial Funds</b>
	<u>                    </u>
<b>ADDITIONS</b>	
Town Justice - collections for fines	\$ 536,360
Tax Receiver - tax collections for other governments	20,749,598
Town Justice - collections for bail	14,819
Town Clerk - collections for state agencies	<u>13,206</u>
<b>TOTAL ADDITIONS</b>	<u>\$ 21,313,983</u>
<b>DEDUCTIONS</b>	
Town Justice - state's share of fines / forfeited bail	\$ 536,360
Tax Receiver - taxes paid to other governments	20,749,598
Town Justice - bail returned	14,819
Town Clerk - payments to state agencies	<u>13,206</u>
<b>TOTAL DEDUCTIONS</b>	<u>\$ 21,313,983</u>
Change in net position	\$ -
<b>NET POSITION - BEGINNING</b>	<u>-</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ -</u></u>

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

# TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK

## Notes To The Basic Financial Statements

December 31, 2020

### I. Summary of Significant Accounting Policies:

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

#### A. Financial Reporting Entity

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

The Town provides the following basic services to all or some residents of the Town: street lighting, water, environmental services (zoning, planning, etc.), debris removal, snowplowing, street repair, recreation facilities, and public safety.

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

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

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

#### 1. Excluded From the Reporting Entity

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

( I. ) (Continued)

a. The Victor Local Development Corporation (LDC) was established in 2000, as an Internal Revenue Service (IRS) Section 501(c)(4) not-for-profit entity, to stimulate economic development activities that encourage small business investment in the Village and Town of Victor, New York, emphasizing and focusing on the goal of revitalization in the downtown commercial district. Increasing employment opportunities, retaining jobs, attracting new businesses, encouraging existing businesses to expand, and increasing the tax base are key objectives of the LDC. The Town contributed \$24,340 during the year, and the Board of Directors of the LDC has sole responsibility for management of the LDC and full accountability for fiscal matters.

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

**1. Government-Wide Statements**

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

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

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

**2. Fund Financial Statements**

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

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

( I. ) (Continued)

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

1. **Major Governmental Funds**

**General Fund Whole Town** - is the primary operating fund of the Town. It includes all revenues and expenditures not required by law to be accounted for in other funds.

**General Fund Part Town** - used to account for activities associated solely with the portion of the Town which lies outside the Village of Victor (the Village).

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

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

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

2. **Non-Major Governmental Funds**

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

**Debt Service Fund** – used to account for activity involving the current bond refunding.

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

Central Water District Fund	Park Land Deposits Fund
Lighting Districts Fund	Modock Springs VPP Fund
Refuse Fund	

( I. ) (Continued)

b. **Fiduciary Funds**

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

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

3. **Basis of Accounting**

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

a. **Modified Accrual**

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

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

( I. ) (Continued)

b. **Accrual**

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

C. **Assets, Liabilities, and Equity**

1. **Cash and Investments**

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

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

Investments are stated at cost, which approximates market value.

2. **Receivables**

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Management has deemed amounts to be fully collectible and as such no allowance has been provided. Major receivable balances for the governmental activities include sales tax, sewer fees, cable franchise fees, and developer fees.

3. **Inventory**

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

4. **Prepaid Items**

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

5. **Capital Assets**

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

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

( I. ) (Continued)

A capitalization threshold of \$5,000 is used to report capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. All reported capital assets except land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Class</u>	<u>Estimated Useful Life</u>
Buildings	20 Years
Machinery & Equipment	3-20 Years
Infrastructure	
Bridges	30 Years
Roads, Sidewalks, Curbing,	20 Years
Traffic Control Systems	40 Years
Dams & Drainage Systems	50 Years
Sewer Systems	40 Years
Water Systems	40 Years

**6. Unearned Revenue**

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

**7. Deferred Outflows and Inflows of Resources**

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

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

( I. ) (Continued)

**8. Accrued Liabilities and Long-Term Obligations**

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

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

**a. Compensatory Absences**

Town employees are granted vacation leave and earn compensated absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and unused compensated absences at various rates subject to certain maximum limitations.

**b. Other Benefits**

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

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

**9. Encumbrances**

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

**10. Equity Classifications**

**a. Government-Wide Statements**

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

( I. ) (Continued)

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

b. **Financial Statements –Fund Balance**

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

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

c. The Board has passed the following policies that relate to GASB No. 54:

1. **Assigned fund balance** – The purchasing agent is responsible for all of the purchasing activities of the Town and therefore, is designated as having the authority to assign amounts intended to be used for a specific purpose. (Encumbrances at year-end will now be considered assigned funds.)

( I. ) (Continued)

The Town Board has the authority to assign fund balance for the purpose of tax reduction on an annual basis. (Appropriation of fund balance for ensuing year's budget)

2. **Spending policy** – Resources will generally be spent from Budgetary Appropriations first. Utilization of reserve funds will be determined based on the legal appropriation of such funds which require either the Town Board and/or Town voter approval. Furthermore, assigned amounts will be considered expended when the transaction for which the assignment was made does occur.
3. **Order of fund balance** – The Town's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year.

For all funds, nonspendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Special revenue fund balances are classified as assigned, and any remaining fund balance amounts other than the General Fund are classified as restricted.

In the General Fund, assigned fund balance is determined before the remaining amounts which are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

It is possible for the funds to have negative unassigned fund balance when nonspendable amounts plus the restricted fund balances for specific purposes amounts exceed the positive fund balance.

**D. Revenues, Expenditures/Expenses**

**1. Revenues**

*Real Property taxes* are levied January 1 and collected by the Receiver of Taxes without interest through January 31, and through March 31 with interest and penalties. Taxes for County purposes are levied together with taxes for Town and special district purposes on a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. Uncollected taxes at April 1 are turned over to Ontario County for collection.

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

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

( I. ) (Continued)

2. **Expenditures/Expenses**

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

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

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

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

E. **Internal and Interfund Balances and Activities**

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

1. **Fund Financial Statements**

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

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

2. **Government-Wide Financial Statements**

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

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

( I. ) (Continued)

b. **Internal activities** – amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities.

F. **Use of Estimates**

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

G. **New Accounting Standards**

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2020, the Town implemented the following new standards issued by GASB:

GASB Statement 83, *Certain Asset Retirement Obligations*.

GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

GASB Statement 90 *Majority Equity Interests-an amendment of GASB Statement No. 14 and No. 61*.

GASB Statement 92 *Omnibus 2020 Paragraphs 4, 5, 11, 13*.

GASB Statement 95 *Postponement of Effective Dates of Certain Authoritative Guidance*.

H. **Future Changes in Accounting Standards**

GASB has issued Statement 87 *Leases*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning December 15, 2020.

GASB has issued Statement 91 *Conduct Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement 92 *Omnibus 2020 Paragraphs 6, 7, 8, 9, 10, 12*, which will be effective for reporting periods beginning after June 15, 2021.

**( I. ) (Continued)**

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraphs 1-11a, and 12*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraphs 13 and 14*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraph 11b*, which will be effective for reporting periods beginning after December 15, 2021.

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

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

**II. Stewardship, Compliance and Accountability:**

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

**A. Budgetary Data**

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

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

**2. Budget Basis of Accounting**

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

( II. ) (Continued)

3. **Revenue Restrictions**

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

B. **Deposit and Investment Laws and Regulations**

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

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

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

III. **Detail Notes on All Funds and Account Groups:**

A. **Cash**

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

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

Uncollateralized	\$	-
Collateralized with Securities held by the Pledging Financial Institution		15,255,918
<b>Total</b>	<b>\$</b>	<b><u>15,255,918</u></b>

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year end included \$5,895,630, within the governmental funds.

( III. ) (Continued)

**B. Receivables**

Receivables at December 31, 2020 consisted of the following:

<u>Description</u>	<u>Amount</u>
State and Federal Aid Receivable	\$ 1,546,767
Developer Reimbursement Fees	38,575
Franchise Fees	174,184
Sewer Relevy	90,256
Town Clerk Fees	22,327
Court Fees	43,941
Fuel Sales	5,048
Other	18,117
<b>Total Receivables</b>	<b><u><u>\$ 1,939,215</u></u></b>

**C. Interfund Revenues and Expenditures**

Interfund revenues and expenditures at December 31, 2020 were as follows:

	<u>Interfund</u>	
	<u>Revenues</u>	<u>Expenditures</u>
General Fund	\$ 9,912	\$ -
Highway Part-Town Fund	45,000	-
Capital Fund	-	9,912
Water Fund	5,000	-
Debt Service Fund	-	50,000
<b>Total</b>	<b><u><u>\$ 59,912</u></u></b>	<b><u><u>\$ 59,912</u></u></b>

Interfund receivables and payables between governmental activities are eliminated on the Statement of Net Position.

The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues.

All interfund payables are not necessarily expected to be repaid within one year.

Transfers are used to finance certain capital project expenditures and debt service expenditures.

**D. Tax Abatement**

The County of Ontario IDA, and the Town enter into various property tax and sales tax abatement programs for the purpose of Economic Development. As a result the Town property tax revenue was reduced \$222,818. The Town received payment in lieu of tax (PILOT) payment totaling \$132,455 to help offset the property tax reduction.

( III. ) (Continued)

E. Changes In Fixed Assets

A summary of changes in capital assets follows:

<u>Type</u>	<u>Balance</u> <u>1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
<b>Governmental Activities:</b>				
<b><u>Capital Assets that are not Depreciated -</u></b>				
Land	\$ 2,457,083	\$ 302,905	\$ -	\$ 2,759,988
Work in progress	4,991,453	3,915,675	-	8,907,128
<i>Total Nondepreciable</i>	<u>\$ 7,448,536</u>	<u>\$ 4,218,580</u>	<u>\$ -</u>	<u>\$ 11,667,116</u>
<b><u>Capital Assets that are Depreciated -</u></b>				
Buildings and Improvements	\$ 10,855,625	\$ -	\$ -	\$ 10,855,625
Machinery and equipment	5,784,279	661,139	254,687	6,190,731
Infrastructure	103,215,886	453,390	-	103,669,276
<i>Total Depreciated Assets</i>	<u>\$ 119,855,790</u>	<u>\$ 1,114,529</u>	<u>\$ 254,687</u>	<u>\$ 120,715,632</u>
<b><u>Less Accumulated Depreciation -</u></b>				
Buildings and Improvements	\$ 7,327,373	\$ 194,930	\$ -	\$ 7,522,303
Machinery and equipment	3,762,146	534,139	39,509	4,256,776
Infrastructure	58,758,471	3,679,358	-	62,437,829
<i>Total Accumulated Depreciation</i>	<u>\$ 69,847,990</u>	<u>\$ 4,408,427</u>	<u>\$ 39,509</u>	<u>\$ 74,216,908</u>
<i>Total Capital Assets Depreciated, Net of Accumulated Depreciation</i>	<u>\$ 50,007,800</u>	<u>\$ (3,293,898)</u>	<u>\$ 215,178</u>	<u>\$ 46,498,724</u>
<b>Total Capital Assets</b>	<u><b>\$ 57,456,336</b></u>	<u><b>\$ 924,682</b></u>	<u><b>\$ 215,178</b></u>	<u><b>\$ 58,165,840</b></u>

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

<b><u>Governmental Activities:</u></b>	
General Government	\$ 216,373
Transportation	3,199,703
Culture and Recreation	106,760
Home and Community Services	885,591
<b>Total Depreciation Expense</b>	<u><b>\$ 4,408,427</b></u>

F. Short-Term Debt

1. Bond Anticipation Notes

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

( III. ) (Continued)

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

2. **Interest Reconciliation**

The short-term interest expense as of December 31, 2020 is as follows:

Interest Paid	\$ 137,255
Less: Interest Accrued in the Prior Year	(41,667)
<b>Total Short-Term Interest Expense</b>	<b>\$ 95,588</b>

3. Transactions in short-term debt for the year are summarized below:

	<b><u>Original Amount</u></b>	<b><u>Maturity</u></b>	<b><u>Interest Rate</u></b>	<b><u>Balance 1/1/20</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance 12/31/20</u></b>
BAN-Sewer project	\$ 5,000,000	7/30/2020	2.00%	\$ 5,000,000	\$ -	\$ (5,000,000)	\$ -
BAN-Sewer project	\$ 3,586,000	7/30/2020	2.00%	-	3,586,000	(3,586,000)	-
<b>Total Short-Term Debt</b>				<b>\$ 5,000,000</b>	<b>\$ 3,586,000</b>	<b>\$ (8,586,000)</b>	<b>\$ -</b>

F. **Long-Term Debt**

At December 31, 2020 the total outstanding obligations of the Town aggregated \$17,666,023 as follows:

1. **Environmental Facilities Corp./Revolving Fund Revenue Bonds** - The Town has borrowed money from the Environmental Facilities Corp. for sewer projects. The interest is subsidized by the Environmental Facilities Corp. through the State Revolving Fund by approximately one half.
2. **Serial Bonds** - The Town, borrows money in order to acquire land or high cost equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities are full faith and credit debt of the Town. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

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

**Governmental Activities:**

Interest Paid	\$ 128,356
Less: Interest Accrued in the Prior Year	(3,735)
Plus: Interest Accrued in the Current Year	9,610
<b>Total Long-Term Interest Expense</b>	<b>\$ 134,231</b>

( III. ) (Continued)

3. **Other Long-Term Obligations** - In addition to long-term bonded debt the Town had the following other obligations:

Net Pension Liability – represents Town’s portion of NYS and Local Retirement System liability.

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

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

4. **Summary of Debt**

The following is a summary of obligations outstanding at December 31, 2020:

	<b>Balance</b>			<b>Balance</b>	<b>Due Within</b>
	<b><u>1/1/20</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>12/31/20</u></b>	<b><u>One Year</u></b>
<b><u>Governmental Activities:</u></b>					
Serial Bonds	\$ 3,025,000	\$ 8,261,000	\$ 796,000	\$ 10,490,000	\$ 625,000
Modock Springs VPP	40,000	-	10,000	30,000	10,000
Net Pension Liability	767,259	1,777,120	-	2,544,379	-
Compensated Absences	50,424	8,942	-	59,366	59,366
OPEB	5,676,950	-	1,134,672	4,542,278	-
<b>Total Governmental Activities</b>	<b><u>\$ 9,559,633</u></b>	<b><u>\$ 10,047,062</u></b>	<b><u>\$ 1,940,672</u></b>	<b><u>\$ 17,666,023</u></b>	<b><u>\$ 694,366</u></b>
<b>Total Long-Term Obligations</b>	<b><u>\$ 9,559,633</u></b>	<b><u>\$ 10,047,062</u></b>	<b><u>\$ 1,940,672</u></b>	<b><u>\$ 17,666,023</u></b>	<b><u>\$ 694,366</u></b>

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

5. **Debt Maturity Schedule**

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

<b><u>Description</u></b>	<b><u>Original</u></b>	<b><u>Issue</u></b>	<b><u>Final</u></b>	<b><u>Interest</u></b>	<b><u>Amount</u></b>
	<b><u>Amount</u></b>	<b><u>Date</u></b>	<b><u>Maturity</u></b>	<b><u>Rate</u></b>	<b><u>Outstanding</u></b>
					<b><u>12/31/20</u></b>
<b><u>Governmental Activities:</u></b>					
<b><u>Serial Bonds -</u></b>					
Public Improvement	\$ 8,261,000	2020	2040	2.00%	\$ 7,920,000
Public Improvement	\$ 3,971,500	2015	2028	1.50%-3.00%	2,570,000
<b>Total</b>					<b><u>\$ 10,490,000</u></b>

( III. ) (Continued)

The following table summarizes the Town's future debt service requirements as of December 31, 2020:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 625,000	\$ 216,231
2022	630,000	203,731
2023	645,000	191,131
2024	660,000	178,231
2025	675,000	165,031
2026-30	2,880,000	606,325
2031-35	2,075,000	356,500
2036-40	2,300,000	140,000
<b>Total</b>	<b>\$ 10,490,000</b>	<b>\$ 2,057,180</b>

**G. Deferred Inflows/Outflows of Resources**

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

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Pension	\$ 1,942,997	\$ 133,838
OPEB	476,417	1,385,354
<b>Total</b>	<b>\$ 2,419,414</b>	<b>\$ 1,519,192</b>

**H. Fund Balances/Net Position**

**1. Fund Balances**

**a. Nonspendable**

The Town has the following nonspendable funds:

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

**b. Restricted**

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

**Capital Reserves** - established for the purpose of funding future capital construction costs. These reserves are accounted for in the General Fund, General Fund-Part-Town, Highway Fund-Part-Town, and Sewer Fund.

( III. ) (Continued)

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

Lighting Districts Fund	Refuse Fund
Modock Springs VPP Fund	

c. **Assigned**

The Town has the following assigned funds:

General Fund –	Appropriated for Taxes
General Fund Part-Town -	Year End Equity Appropriated for Taxes
Highway Fund Part-Town –	Year End Equity Appropriated for Taxes
Sewer Fund -	Year End Equity Appropriated for Taxes
Central Water District Fund	Year End Equity
Park Land Deposits Fund	Year End Equity

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

For significant encumbrances, management has determined that amounts in excess of \$14,000 are considered significant.

- There were no significant encumbrances in the current year.

d. **Unassigned**

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

( III. ) (Continued)

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

<b>FUND BALANCE:</b>	<b>General Fund</b>	<b>General Fund Part-Town</b>	<b>Capital Projects Fund</b>	<b>Highway Fund Part-Town</b>	<b>Sewer Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>
<u>Nonspendable -</u>							
Prepaid items	\$ 143,576	\$ 24,921	\$ -	\$ 42,648	\$ -	\$ -	\$ 211,145
<b>Total Nonspendable</b>	<b>\$ 143,576</b>	<b>\$ 24,921</b>	<b>\$ -</b>	<b>\$ 42,648</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 211,145</b>
<u>Restricted -</u>							
Capital reserve	\$ 3,361,206	\$ 4,585	\$ -	\$ 1,436,954	\$ 6,400	\$ -	\$ 4,809,145
Street lighting	-	-	-	-	-	37,172	37,172
Modock Sprints VPP	-	-	-	-	-	231,734	231,734
Capital improvements	-	-	112,897	-	-	-	112,897
Debt	-	-	-	-	-	704,682	704,682
<b>Total Restricted</b>	<b>\$ 3,361,206</b>	<b>\$ 4,585</b>	<b>\$ 112,897</b>	<b>\$ 1,436,954</b>	<b>\$ 6,400</b>	<b>\$ 973,588</b>	<b>\$ 5,895,630</b>
<u>Assigned -</u>							
Appropriated for taxes	\$ 400,000	\$ 200,000	\$ -	\$ 350,000	\$ 273,500	\$ -	\$ 1,223,500
Modock Sprints VPP	20,000	-	-	-	-	-	20,000
General government support	-	1,397,107	-	-	-	-	1,397,107
Transportation	-	-	-	3,491,174	-	-	3,491,174
Home and community service	-	-	-	-	986,125	-	986,125
Water	-	-	-	-	-	24,917	24,917
Park Land Trust	-	-	-	-	-	805,665	805,665
<b>Total Assigned</b>	<b>\$ 420,000</b>	<b>\$ 1,597,107</b>	<b>\$ -</b>	<b>\$ 3,841,174</b>	<b>\$ 1,259,625</b>	<b>\$ 830,582</b>	<b>\$ 7,948,488</b>
<u>Unassigned</u>	<b>\$ 3,417,147</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,417,147</b>
<b>TOTAL FUND BALANCE</b>	<b>\$ 7,341,929</b>	<b>\$ 1,626,613</b>	<b>\$ 112,897</b>	<b>\$ 5,320,776</b>	<b>\$ 1,266,025</b>	<b>\$ 1,804,170</b>	<b>\$ 17,472,410</b>

2. **Net Position - Restricted for Other Purposes**

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

Lighting	\$ 37,172
Modock Springs VPP	231,734
Debt	704,682
<b>Total Net Position - Restricted for Other Purposes</b>	<b>\$ 973,588</b>

#### IV. General Information and Pension Plans:

##### A. General Information About Pension Plan

###### 1. Plan Description

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

###### 2. Benefits Provided

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

###### *Tier 1 and 2*

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

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

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

#### ( IV. ) ( Continued )

##### *Tier 3, 4, 5*

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

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

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

##### *Tier 6*

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

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

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

##### *Special Plans*

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

## ( IV. ) ( Continued )

### *Ordinary Disability Benefits*

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

### *Accidental Disability Benefits*

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

### *Ordinary Death Benefits*

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

### *Post-Retirement Benefit Increases*

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

## **3. Contributions**

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

( IV. ) ( Continued )

<b>Prepayment</b>	
<u>Due Date</u>	<u>ERS</u>
12/15/2020	\$ 458,173
12/15/2019	\$ 451,053
12/15/2018	\$ 452,738

This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

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

At December 31, 2020, the Town reported a liability of \$2,544,379 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2020, the Town's proportion was 0.0096085 percent for ERS.

For the year ended December 31, 2020 the Town recognized pension expense of \$881,945. At December 31, 2020, 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>
	<u>ERS</u>	<u>ERS</u>
Differences between expected and actual experience	\$ 149,747	\$ -
Changes of assumptions	51,232	44,238
Net difference between projected and actual earnings on pension plan investments	1,304,372	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	94,016	89,600
Subtotal	\$ 1,599,367	\$ 133,838
Town's contributions subsequent to the measurement date	343,630	-
<b>Grand Total</b>	<b>\$ 1,942,997</b>	<b>\$ 133,838</b>

( IV. ) ( Continued )

The Town reported \$343,630 as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>		<u>ERS</u>
2021	\$	247,213
2022		370,771
2023		468,458
2024		379,087
<b>Total</b>	<b>\$</b>	<b><u>1,465,529</u></b>

1. Actuarial Assumptions

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

	<u>ERS</u>
Interest rate	6.80%
Salary scale	4.20%
Inflation rate	2.50%
COLA's	1.30%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvement base on the Society of Actuaries' Scale MP-2018.

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

( IV.) (Continued)

<u>Asset Type</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.05%
International equity	6.15%
Global equity	0.00%
Private equity	6.75%
Real estate	4.95%
Absolute return strategies *	3.25%
Opportunistic portfolios	4.65%
Real assets	5.95%
Bonds and mortgages	75.00%
Cash	0.00%
Inflation-indexed bonds	0.50%

The real rate of return is net of the long-term inflation assumption of 2.5%

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

**2. Discount Rate**

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentagepoint lower (5.8%) or 1-percentagepoint higher (7.8%) than the current rate:

<u>ERS</u>	<u>1% Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>1% Increase (7.8%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (4,669,654)	\$ (2,544,379)	\$ (586,992)

( IV.) (Continued)

4. **Pension Plan Fiduciary Net Position**

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

	<u>(In Thousands)</u>
	<u>ERS</u>
Employers' total pension liability	\$ 194,596,261
Plan net position	168,115,682
Employers' net pension asset/(liability)	<u>\$ (26,480,579)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	86.39%

5. **Prepayments to the Pension Plan**

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2020 represents the projected employer contribution for the period of December 31, 2020 through March 31, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2020 amounted to \$114,543.

V. **Deferred Compensation Plan**

The Town maintains a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code for which Town employees have the option to participate.

VI. **Postemployment Benefits**

A. **General Information About the OPEB Plan**

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

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

( VI. ) ( Continued )

*Employees Covered by Benefit Terms* – At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	17
Active Employees	43
<b>Total</b>	<b>60</b>

**B. Total OPEB Liability**

The Town's total OPEB liability of \$4,542,278 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* – The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary Increases	3.00%
Discount Rate	2.20%
Healthcare Cost Trend Rates	Initial rate of 5.90% decreasing to an ultimate rate of 4.33% after 2070
Retirees' Share of Benefit-Related Costs	Varies between 20% and 75% depending on contract

The discount rate was based on a tax exempt, high-quality 20-year tax exempt general obligation municipal bond yield or index rate.

Mortality rates were based on the U.S. Public Pension Plan Mortality (2010) Headcount-Weighted Healthy Employee Male / Female Mortality Projected with Scale MP-2020.

**C. Changes in the Total OPEB Liability**

Balance at December 31, 2019	<u>\$ 5,676,950</u>
<u>Changes for the Year -</u>	
Service cost	\$ 155,783
Interest	159,123
Differences between expected and actual experience	(1,437,008)
Changes in assumptions or other inputs	80,282
Benefit payments	(92,852)
Net Changes	<u>\$ (1,134,672)</u>
<b>Balance at December 31, 2020</b>	<b><u>\$ 4,542,278</u></b>

There were no changes of benefit terms.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75 percent in 2019 to 2.20 percent in 2020.

( VI. ) (Continued)

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.20 percent) or 1-percentage-point higher (3.20 percent) than the current discount rate:

	<b>1% Decrease</b> <b>(1.20%)</b>	<b>Discount</b> <b>Rate</b> <b>(2.20%)</b>	<b>1% Increase</b> <b>(3.20%)</b>
Total OPEB Liability	\$ 5,439,856	\$ 4,542,278	\$ 3,832,683

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* – Healthcare cost can be subject to considerable volatility over time. The following exhibit demonstrates the effect on liabilities of a 1% change in the healthcare cost trend rates.

	<b>1% Decrease</b> <b>(4.90%</b> <b>Decreasing</b> <b>to 3.33%)</b>	<b>Healthcare</b> <b>Cost Trend Rates</b> <b>(5.90%</b> <b>Decreasing</b> <b>to 4.33%)</b>	<b>1% Increase</b> <b>(6.90%</b> <b>Decreasing</b> <b>to 5.33%)</b>
Total OPEB Liability	\$ 4,010,319	\$ 4,542,278	\$ 5,091,528

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

For the year ended December 31, 2020, the Town recognized OPEB expense of \$57,067. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows</b> <b>of Resources</b>	<b>Deferred Inflows</b> <b>of Resources</b>
Differences between expected and actual experience	\$ -	\$ 1,352,143
Changes of assumptions	455,525	33,211
Subtotal	\$ 455,525	\$ 1,385,354
Town's contributions subsequent to the measurement date	20,892	-
<b>Grand Total</b>	<b>\$ 476,417</b>	<b>\$ 1,385,354</b>

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

<b>Year</b>	
2021	\$ (202,022)
2022	(255,901)
2023	(294,940)
2024	(176,966)
<b>Total</b>	<b>\$ (929,829)</b>

## **VII. Risk Management**

### **A. General Information**

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

### **B. Workers' Compensation**

The Town, together with Ontario County, sixteen (16) Towns, eight (8) Villages, and two (2) Cities have joined together to self-insure for workers' compensation coverage which is maintained and administered by Ontario County. Ontario County also utilizes a third-party administrator who is responsible for processing claims, estimating liabilities, and providing actuarial services. The Compensation Plan, which was approved in 1956, states participants are charged an annual assessment on the basis of their five-year experience (60%), exposure (20%), and assessed value (20%). The pool does not take into consideration estimated investment income when determining if premium deficiencies exist. Ontario County has excess insurance coverage in the amount of \$1,000,000 per occurrence with coverage to full statutory limits. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The Compensation Plan as of December 31, 2020 is fully funded.

For the year ended December 31, 2020, the Town was assessed and paid Workers' Compensation fees of \$106,611.

### **C. Health Insurance**

The Town, together with eight (13) Towns, one (1) Village, one (1) Housing Authority, and one (1) Electric, Gas and Water Utility have joined together to fund health insurance with the creation of the Finger Lakes Municipal Health Insurance Trust (the Trust). The Trust provides health insurance to the Town's eligible employees and retirees. The Town pays monthly premiums to MVP Health Care (the Carrier) which is intended to cover the claims submitted by members.

## **VIII. Commitments and Contingencies**

### **A. Contingent Liabilities**

Program and administrative costs are subject to audit and adjustment by various State agencies. Differences between ultimate settlements and estimated costs included in the financial statements are recorded in the year of settlement. Town management believes that it is in substantial compliance with all program requirements.

### **B. Litigation**

The Town has established a Value Protection Fund as a result of a settlement relating to Modock Springs. In addition, the Town has been notified by the DEC of a potential violation relating to the operation of the sewer system in which the financial outcome, if any, cannot be determined at this time.

( VIII. ) (Continued)

C. Operating Leases

1. The Town entered into a lease agreement with Bluestone Creek Development, LLC on January 1, 2016 to rent space for the parks and recreation department. The Town’s lease expires December 31, 2022. The total lease amount for the year ended December 31, 2020 was \$165,000.

a. In April 2020, the Town entered into a license agreement for the sublease of the Victor Recreation building for the time period September 9, 2020 through June 30, 2021 at a rate of \$6,500 per month.

2. The Town had a lease agreement with DiFelice Development, Inc. which has been assumed by B & M International upon sale of property, to rent a space for the Town Court. The Town’s lease expires August 31, 2021. The total lease amount for the year ended December 31, 2020 was \$112,500.

The future minimum lease payments for the above leases are as follows:

<u>Year</u>	
2021	\$ 240,000
2022	165,000
<b>Total</b>	<b><u>\$ 405,000</u></b>

IX. Inter-Municipal Agreements

A. Town of Farmington Sewer Management and Billing/Service Contract

The Town executed a management and billing/service agreement with the Town of Farmington on December 14, 2005. The agreement states that the Town of Farmington will provide operation, maintenance, accounting, billing, and overall management services to the Town’s Sewer Districts. Any operational and/or maintenance, repair or replacement to the existing Victor Sanitary Sewer System which exceeds a cost of \$10,000 shall be considered a capital expense. The Town must share any capital expenditures for repair and replacements made to the Town’s sewer system. Under this agreement, all infrastructure and improvements or capital expenditures remain the property of the Town. The management and billing/service agreement cannot be cancelled and expires on December 31, 2045.

B. Village of Victor Sewer Contract Agreement

The Town executed a Sewer Contract Agreement with the Village on April 27, 2004. The agreement states that the Village will provide wastewater treatment service to specified areas of the Town. The Village bills all Town properties connected to the Village Sewer system for sewer rents, connection, inspection, and any review charges. The agreement pertains to maintenance and operations only. Any capital replacement or reconstruction costs of sewer system components in the Town will be borne by the Town.

**( IX. ) (Continued)**

**C. Monroe County Water Authority Agreement**

The Town executed an agreement with the Monroe County Water Authority (the Authority) on February 28, 2013. The agreement states that the Town is to lease the entire operating plan, hydrants, water pumping, storage, and distribution system of the Town to the Authority. The agreement has a term of 40 years. Under the terms of the agreement, the costs of operating and maintaining the system are borne by the Authority.

**X. Joint Venture-Boughton Park**

The Towns of East Bloomfield, West Bloomfield, and Victor entered into a municipal cooperation agreement to jointly establish and operate Boughton Park (the Park). The Towns jointly share the costs of operation and maintenance on the basis of each Town's full equalized value to the combined total full value. The Town contributes approximately 83% of these costs. The management of the park is overseen by the Joint Boughton Park Commission which consists of nine members appointed by the respective Town Boards. One member of the Commission serves as Treasurer. The Commission maintains its own accounting records and reports. Financial statements for the Park are on file at the Town of East Bloomfield, 99 Main Street, East Bloomfield, New York.

**XI. COVID-19**

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Town's financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Town is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for year 2021.

**Required Supplemental Information**  
**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Schedule of Changes in Town's Total OPEB Liability and Related Ratio**  
**(Unaudited)**  
**For the Year Ended December 31, 2020**

<b>TOTAL OPEB LIABILITY</b>			
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
Service cost	\$ 155,783	\$ 125,283	\$ 142,561
Interest	159,123	195,791	181,370
Differences between expected and actual experiences	(1,437,008)	(567,419)	(33,999)
Changes of assumptions or other inputs	80,282	996,842	(282,292)
Benefit payments	<u>(92,852)</u>	<u>(120,620)</u>	<u>(119,081)</u>
<b>Net Change in Total OPEB Liability</b>	<b>\$ (1,134,672)</b>	<b>\$ 629,877</b>	<b>\$ (111,441)</b>
 <b>Total OPEB Liability - Beginning</b>	 <b><u>\$ 5,676,950</u></b>	 <b><u>\$ 5,047,073</u></b>	 <b><u>\$ 5,158,514</u></b>
 <b>Total OPEB Liability - Ending</b>	 <b><u><u>\$ 4,542,278</u></u></b>	 <b><u><u>\$ 5,676,950</u></u></b>	 <b><u><u>\$ 5,047,073</u></u></b>
 Covered Employee Payroll	 \$ 2,495,620	 \$ 2,641,425	 \$ 2,640,049
 Total OPEB Liability as a Percentage of Covered Employee Payroll	 182.01%	 214.92%	 191.17%

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

**Required Supplemental Information**  
**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability**  
**(Unaudited)**  
**For the Year Ended December 31, 2020**

	<b>NYSERS Pension Plan</b>					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0096%	0.0108%	0.0116%	0.0116%	0.0120%	0.0110%
Proportionate share of the net pension liability (assets)	\$ 2,544,379	\$ 767,259	\$ 373,663	\$ 1,087,765	\$ 1,947,564	\$ 382,000
Covered-employee payroll	\$ 3,239,212	\$ 3,190,587	\$ 3,545,679	\$ 3,320,395	\$ 3,130,097	\$ 3,088,007
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	78.549%	24.048%	10.539%	32.760%	62.221%	12.370%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

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

**Required Supplemental Information**  
**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Schedule of Town Contributions**  
**(Unaudited)**  
**For the Year Ended December 31, 2020**

<b>NYSERS Pension Plan</b>						
	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Contractually required contributions	\$ 451,053	\$ 452,738	\$ 490,532	\$ 468,264	\$ 584,904	\$ 588,000
Contributions in relation to the contractually required contribution	<u>(451,053)</u>	<u>(452,738)</u>	<u>(490,532)</u>	<u>(468,264)</u>	<u>(584,904)</u>	<u>(58,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered-employee payroll	\$ 3,239,212	\$ 3,190,587	\$ 3,545,679	\$ 3,320,395	\$ 3,130,097	\$ 3,088,007
Contributions as a percentage of covered-employee payroll	13.92%	14.19%	13.83%	14.10%	18.69%	19.04%

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

**Required Supplemental Information**  
**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types**  
**(Unaudited)**  
**For the Year Ended December 31, 2020**

	<b>GENERAL FUND</b>			
	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Real property and tax items	\$ 3,580,620	\$ 3,580,620	\$ 3,574,952	\$ (5,668)
Non-property taxes	405,531	405,531	345,343	(60,188)
Departmental income	499,300	499,300	47,540	(451,760)
Intergovernmental charges	-	-	30	30
Use of money and property	91,268	91,268	99,089	7,821
Licenses and permits	226,850	226,850	243,081	16,231
Fines and forfeitures	250,000	250,000	187,323	(62,677)
Sale of property and compensation for loss	10,300	10,300	22,082	11,782
Miscellaneous	200	38,203	22,127	(16,076)
State and county aid	523,512	536,349	966,653	430,304
Federal aid	-	-	3,430	3,430
<b>Total Revenues</b>	<b>\$ 5,587,581</b>	<b>\$ 5,638,421</b>	<b>\$ 5,511,650</b>	<b>\$ (126,771)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government support	\$ 2,403,547	\$ 2,773,859	\$ 2,273,738	\$ 500,121
Public safety	59,232	57,232	44,891	12,341
Health	22,500	22,500	22,500	-
Transportation	339,175	336,425	306,639	29,786
Economic assistance and development	161,197	151,047	117,923	33,124
Culture and recreation	1,485,464	1,505,742	910,102	595,640
Home and community services	322,100	321,500	249,473	72,027
Employee benefits	1,101,239	1,126,989	949,552	177,437
<b>Debt Service:</b>				
Debt service - principal	115,000	115,000	115,000	-
Debt service - interest and other charges	2,300	2,300	2,300	-
<b>Total Expenditures</b>	<b>\$ 6,011,754</b>	<b>\$ 6,412,594</b>	<b>\$ 4,992,118</b>	<b>\$ 1,420,476</b>
Excess (deficiency) of revenue over expenditures	\$ (424,173)	\$ (774,173)	\$ 519,532	\$ 1,293,705
<b>Other Financing Sources and Uses:</b>				
Transfers - in	\$ -	\$ -	\$ 9,912	\$ 9,912
Transfers - out	(79,371)	(79,371)	-	79,371
<b>Total Other Financing Sources and Uses</b>	<b>\$ (79,371)</b>	<b>\$ (79,371)</b>	<b>\$ 9,912</b>	<b>\$ 89,283</b>
Net change in fund balances	\$ (503,544)	\$ (853,544)	\$ 529,444	\$ 1,382,988
<b>Fund Balance - Beginning</b>	<b>6,812,485</b>	<b>6,812,485</b>	<b>6,812,485</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 6,308,941</b>	<b>\$ 5,958,941</b>	<b>\$ 7,341,929</b>	<b>\$ 1,382,988</b>

(See Independent Auditors' Report)

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

**For the Year Ended December 31, 2020**

	<b>GENERAL PART - TOWN FUND</b>			
	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Non-property taxes	\$ 1,092,032	\$ 1,092,032	\$ 1,094,216	\$ 2,184
Departmental income	13,500	13,500	18,121	4,621
Intergovernmental charges	-	-	23,050	23,050
Use of money and property	25,000	25,000	5,272	(19,728)
Licenses and permits	105,500	105,500	181,520	76,020
Sale of property and compensation for loss	50	50	31	(19)
Miscellaneous	600	600	24,069	23,469
<b>Total Revenues</b>	<b>\$ 1,236,682</b>	<b>\$ 1,236,682</b>	<b>\$ 1,346,279</b>	<b>\$ 109,597</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government support	\$ 30,750	\$ 30,750	\$ 17,568	\$ 13,182
Public safety	535,004	517,654	359,183	158,471
Transportation	19,500	19,500	17,602	1,898
Home and community services	396,617	383,967	262,024	121,943
Employee benefits	350,231	380,231	248,891	131,340
<b>Total Expenditures</b>	<b>\$ 1,332,102</b>	<b>\$ 1,332,102</b>	<b>\$ 905,268</b>	<b>\$ 426,834</b>
Excess (deficiency) of revenue over expenditures	\$ (95,420)	\$ (95,420)	\$ 441,011	\$ 536,431
<b>Other Financing Sources and Uses:</b>				
Transfers - out	\$ (4,580)	\$ (4,580)	\$ -	\$ 4,580
<b>Total Other Financing Sources and Uses</b>	<b>\$ (4,580)</b>	<b>\$ (4,580)</b>	<b>\$ -</b>	<b>\$ 4,580</b>
Net change in fund balances	\$ (100,000)	\$ (100,000)	\$ 441,011	\$ 541,011
<b>Fund Balance - Beginning</b>	<b>1,185,602</b>	<b>1,185,602</b>	<b>1,185,602</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,085,602</b>	<b>\$ 1,085,602</b>	<b>\$ 1,626,613</b>	<b>\$ 541,011</b>

**Required Supplemental Information**  
**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types**  
**(Unaudited)**  
**For the Year Ended December 31, 2020**

	<b>HIGHWAY PART-TOWN FUND</b>			
	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>				
Non-property taxes	\$ 4,409,156	\$ 4,409,156	\$ 4,409,156	\$ -
Intergovernmental charges	220,000	220,000	229,330	9,330
Use of money and property	25,000	25,000	16,723	(8,277)
Sale of property and compensation for loss	100	100	115,650	115,550
Miscellaneous	350	350	25,122	24,772
State and county aid	180,000	180,000	173,191	(6,809)
<b>Total Revenues</b>	<b>\$ 4,834,606</b>	<b>\$ 4,834,606</b>	<b>\$ 4,969,172</b>	<b>\$ 134,566</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government support	\$ 31,250	\$ 31,250	\$ 25,359	\$ 5,891
Transportation	4,007,653	3,972,653	2,293,238	1,679,415
Employee benefits	527,477	562,477	443,566	118,911
<b>Debt Service:</b>				
Debt service - principal	273,000	273,000	273,000	-
Debt service - interest and other charges	58,260	58,260	58,260	-
<b>Total Expenditures</b>	<b>\$ 4,897,640</b>	<b>\$ 4,897,640</b>	<b>\$ 3,093,423</b>	<b>\$ 1,804,217</b>
Excess (deficiency) of revenue over expenditures	<b>\$ (63,034)</b>	<b>\$ (63,034)</b>	<b>\$ 1,875,749</b>	<b>\$ 1,938,783</b>
<b>Other Financing Sources and Uses:</b>				
Transfers - in	\$ 135,194	\$ 135,194	\$ 45,000	\$ (90,194)
Transfers - out	(600,000)	(600,000)	-	600,000
<b>Total Other Financing Sources and Uses</b>	<b>\$ (464,806)</b>	<b>\$ (464,806)</b>	<b>\$ 45,000</b>	<b>\$ 509,806</b>
Net change in fund balances	\$ (527,840)	\$ (527,840)	\$ 1,920,749	\$ 2,448,589
<b>Fund Balance - Beginning</b>	<b>3,400,027</b>	<b>3,400,027</b>	<b>3,400,027</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 2,872,187</b>	<b>\$ 2,872,187</b>	<b>\$ 5,320,776</b>	<b>\$ 2,448,589</b>

(See Independent Auditors' Report)

**Required Supplemental Information**  
**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget (Non GAAP Basis) and Actual - General and Major Special Revenue Fund Types**  
**(Unaudited)**  
**For the Year Ended December 31, 2020**

	<b>SEWER FUND</b>				
	<b>Original Budget (Incl. Carryover Encumbrances)</b>	<b>Budget (Amended)</b>	<b>Actual</b>	<b>Encumbrances</b>	<b>Variance</b>
<b>Revenues:</b>					
Real property and tax items	\$ 720,000	\$ 720,000	\$ 720,000	\$ -	\$ -
Use of money and property	10,000	10,000	8,543	-	(1,457)
Miscellaneous	-	-	6,400	-	6,400
<b>Total Revenues</b>	<b>\$ 730,000</b>	<b>\$ 730,000</b>	<b>\$ 734,943</b>	<b>\$ -</b>	<b>\$ 4,943</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government support	\$ 5,100	\$ 5,100	\$ -	\$ -	\$ 5,100
Home and community services	260,000	260,000	115,266	8,000	136,734
<b>Debt Service:</b>					
Debt service - principal	241,000	394,000	391,000	-	3,000
Debt service - interest and other charges	373,923	220,923	201,130	-	19,793
<b>Total Expenditures</b>	<b>\$ 880,023</b>	<b>\$ 880,023</b>	<b>\$ 707,396</b>	<b>\$ 8,000</b>	<b>\$ 164,627</b>
Excess (deficiency) of revenue over expenditures	\$ (150,023)	\$ (150,023)	\$ 27,547	\$ (8,000)	\$ 169,570
<b>Fund Balance - Beginning</b>	<b>1,238,478</b>	<b>1,238,478</b>	<b>1,238,478</b>	<b>-</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 1,088,455</b>	<b>\$ 1,088,455</b>	<b>\$ 1,266,025</b>	<b>\$ (8,000)</b>	<b>\$ 169,570</b>

Notes to Required Supplemental Information:

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

**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**

**Combining Balance Sheet**

**Nonmajor Governmental Funds**

**December 31, 2020**

	<b>Debt Service Fund</b>	<b>Central WaterDistrict Fund</b>	<b>Park Land Deposits Fund</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets</b>			
Cash and cash equivalents	\$ 704,682	\$ 24,917	\$ 795,165
Receivables, net	-	-	10,500
<b>Total Assets</b>	<u>\$ 704,682</u>	<u>\$ 24,917</u>	<u>\$ 805,665</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable and other current liabilities	\$ -	\$ -	\$ -
<b>Total Liabilities</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund Balances:</b>			
Restricted	\$ 704,682	\$ -	\$ -
Assigned	-	24,917	805,665
<b>Total Fund Balances</b>	<u>\$ 704,682</u>	<u>\$ 24,917</u>	<u>\$ 805,665</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 704,682</u>	<u>\$ 24,917</u>	<u>\$ 805,665</u>

(See Independent Auditors' Report)

<b>Lighting Districts Fund</b>	<b>Refuse Fund</b>	<b>Modock Springs VPP Fund</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 42,867	\$ -	\$ 231,734	\$ 1,799,365
-	-	-	10,500
<u>\$ 42,867</u>	<u>\$ -</u>	<u>\$ 231,734</u>	<u>\$ 1,809,865</u>
\$ 5,695	\$ -	\$ -	\$ 5,695
<u>\$ 5,695</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,695</u>
\$ 37,172	\$ -	\$ 231,734	\$ 973,588
-	-	-	830,582
<u>\$ 37,172</u>	<u>\$ -</u>	<u>\$ 231,734</u>	<u>\$ 1,804,170</u>
<u>\$ 42,867</u>	<u>\$ -</u>	<u>\$ 231,734</u>	<u>\$ 1,809,865</u>

**TOWN OF VICTOR, ONTARIO COUNTY, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2020**

	<b>Debt Service Fund</b>	<b>Central WaterDistrict Fund</b>	<b>Park Land Deposits Fund</b>
<b>Revenues:</b>			
Real property and tax items	\$ -	\$ 15,922	\$ -
Departmental income	-	-	58,500
Use of money and property	2,278	34	3,425
Miscellaneous	283,794	-	-
<b>Total Revenues</b>	<b>\$ 286,072</b>	<b>\$ 15,956</b>	<b>\$ 61,925</b>
<b>Expenditures:</b>			
<b>Current:</b>			
Transportation	\$ -	\$ -	\$ -
Home and community services	-	-	-
<b>Debt Service:</b>			
Debt service - principal	-	17,000	-
Debt service - interest and other charges	-	3,921	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 20,921</b>	<b>\$ -</b>
Excess (deficiency) of revenue over expenditures	\$ 286,072	\$ (4,965)	\$ 61,925
<b>Other Financing Sources and Uses:</b>			
Transfers - in	\$ -	\$ 5,000	\$ -
Transfers - out	(50,000)	-	-
<b>Total Other Financing Sources and Uses</b>	<b>\$ (50,000)</b>	<b>\$ 5,000</b>	<b>\$ -</b>
Net change in fund balances	\$ 236,072	\$ 35	\$ 61,925
<b>Fund Balance - Beginning (Restated)</b>	<b>468,610</b>	<b>24,882</b>	<b>743,740</b>
<b>Fund Balance - Ending</b>	<b>\$ 704,682</b>	<b>\$ 24,917</b>	<b>\$ 805,665</b>

<b>Lighting Districts Fund</b>	<b>Refuse Fund</b>	<b>Modock Springs VPP Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 64,277	\$ -	\$ -	\$ 80,199
-	-	-	58,500
17	1	829	6,584
-	-	45,000	328,794
<u>\$ 64,294</u>	<u>\$ 1</u>	<u>\$ 45,829</u>	<u>\$ 474,077</u>
\$ 66,847	\$ -	\$ -	\$ 66,847
-	16,201	-	16,201
-	-	-	17,000
-	-	-	3,921
<u>\$ 66,847</u>	<u>\$ 16,201</u>	<u>\$ -</u>	<u>\$ 103,969</u>
<u>\$ (2,553)</u>	<u>\$ (16,200)</u>	<u>\$ 45,829</u>	<u>\$ 370,108</u>
\$ -	\$ -	\$ -	\$ 5,000
-	-	-	(50,000)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (45,000)</u>
\$ (2,553)	\$ (16,200)	\$ 45,829	\$ 325,108
39,725	16,200	185,905	1,479,062
<u><b>\$ 37,172</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 231,734</b></u>	<u><b>\$ 1,804,170</b></u>