

Town of Hamburg, New York

**Basic Financial Statements
Required Supplementary Information,
Supplementary Information,
and Federal Awards Information
As of December 31, 2023
Together With
Independent Auditor's Report**

TOWN OF HAMBURG, NEW YORK

TABLE OF CONTENTS

Page No.

Independent Auditor's Report	1 - 3
Management's Discussion and Analysis	4 - 13

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position	14 - 15
Statement of Activities	16

Fund Financial Statements:

Balance Sheet - Governmental Funds	17 - 18
Reconciliation of Statement of Governmental Fund Balances to Net Position	19
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	20 - 21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Governmental Activities	22
Balance Sheet - Proprietary Fund Types - Enterprise Funds	23
Statement of Revenues, Expenses and Changes in Fund Balance - Proprietary Funds	24
Statement of Cash Flows - Proprietary Funds	25
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	26
Notes to the Financial Statements	27 - 61

REQUIRED SUPPLEMENTARY INFORMATION:

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	62
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Part Town Fund	63
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Highway Fund	64
Schedule of the Town's Proportionate Share of the Net Pension (Asset) Liability	65
Schedule of the Town's Contributions to the NYSLRS Pension Plan	66
Schedule of Changes in the Town's Total OPEB Liability	67
Schedule of Changes in the Town's Total Pension Liability - LOSAP	68

TOWN OF HAMBURG, NEW YORK

TABLE OF CONTENTS

Page No.

SUPPLEMENTARY INFORMATION:

Combining Balance Sheet - Non-Major Governmental Funds	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	70
Special Districts Special Revenue Fund - Combining Balance Sheet - By District Type	71
Special Districts Special Revenue Fund - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - By District Type	72
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	73 - 74

FEDERAL AWARDS INFORMATION:

Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with the Uniform Guidance	75 – 77
Schedule of Expenditures of Federal Awards	78
Notes to the Schedule of Expenditures of Federal Awards.....	79
Schedule of Findings and Questioned Costs	80 - 81



INDEPENDENT AUDITOR'S REPORT

Honorable Town Board
Town of Hamburg
Hamburg, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hamburg, New York, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

BUFFALO
501 John James Audubon
Suite 390
Amherst, NY 14228
P: (716) 694-0336

COOPERSTOWN
55-57 Grove Street
Cooperstown, NY 13326
P: (607) 282-4161

ONEONTA
189 Main Street, Suite 302
Oneonta, NY 13820
P: (607) 432-3462

PERRY
199 S. Main Street, PO Box 1
Perry, NY 14530
P: (585) 237-3896

ROCHESTER
90 Linden Oaks, Suite 100
Rochester, NY 14625
P: (585) 410-6733

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2025, on our consideration of the Town of Hamburg, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Hamburg, New York's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Hamburg, New York's internal control over financial reporting and compliance.

Allied CPAs, P.C.

Amherst, New York
February 7, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

- The Town's primary government net position increased by \$10,716,268 as a result of this year's activity.
- The liabilities and deferred inflows of resources of the primary government of the Town of Hamburg exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$48,897,193 (net position).
- The Town's total bonded indebtedness decreased by \$1,190,000 during the year. This change was due to the Town making routine debt payments during the current year.
- The general fund, the Town's primary operating fund, reported a decrease of \$140,487 in total fund balance.
- Primary government general revenues accounted for \$45.51 million in revenue or 77.37% of all revenues. Program specific revenues for charges for services and grants and contributions accounted for \$13.36 million or 22.63% of \$58.87 million in total revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

Government-Wide Financial Statements are two statements 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 Town 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. Other non-financial factors will also need to be considered to assess the overall health of the Town.

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

Both of these government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or, in part, a portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services, interest and fiscal charges and depreciation. The business-type activities are those that the Town charges customers to provide specific services. The Town's golf course and ice arena are categorized as business-type activities.

The government-wide financial statement can be found on pages 14 – 16 of this report.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

Fund Financial Statements

These funds are groupings of related accounts that are 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 finance related legal compliance. All funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

These 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as, balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near-term financing requirements.

Because of 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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains four individual major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Highway, Part Town, and the Capital Projects Fund. Data for the other non-major governmental funds is presented elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund, part-town fund and highway funds. A budgetary comparison statement has been provided for the general fund, part-town fund and highway funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 17 - 22 of this report.

Proprietary Funds

Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short and long-term financial information. The Town's Enterprise Fund is the same as its business-type activities, but provides more detail and additional information, such as a statement of cash flows for each Enterprise Fund.

The proprietary fund financial statements can be found on pages 23 – 25 of this report.

Fiduciary Funds

These funds are used to account for resources held for the benefit of parties outside the government. The Town has one fiduciary fund. The Custodial Fund is not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs.

The basic fiduciary fund financial statements can be found on page 26 of this report.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 27 – 61 of this report.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)

Required Supplementary Information

This information explains and supports the financial statements and includes budgetary comparison information for major governmental funds, schedule of the Town's proportionate share of the net pension liability, schedule of the Town's pension contributions, schedule of changes in the Town's total OPEB liability and schedule of changes in the Town's total pension liability - LOSAP.

The required supplementary information can be found on pages 62 - 68 of this report.

Other Supplementary Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

The supplementary information can be found on pages 69 - 72 of this report.

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by (\$49,883,375) at the close of the most recent fiscal year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>				
<u>ASSETS</u>				
Current and other assets	\$ 39,109,164	\$ 41,428,440	\$ 1,184,087	\$ 2,171,829
Capital assets	30,803,135	27,174,591	1,755,280	1,061,252
Net pension asset	-	1,896,494	-	-
TOTAL ASSETS	69,912,299	70,499,525	2,939,367	3,233,081
Deferred outflows of resources	16,511,988	19,746,477	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	16,511,988	19,746,477	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 86,424,287	\$ 90,246,002	\$ 2,939,367	\$ 3,233,081
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u>				
<u>LIABILITIES</u>				
Long-term liabilities	\$ 99,616,180	\$ 92,698,233	\$ 1,865,357	\$ 2,002,120
Other liabilities	10,496,704	13,179,869	87,828	226,169
TOTAL LIABILITIES	110,112,884	105,878,102	1,953,185	2,228,289
Deferred inflows of resources	26,194,778	44,986,153	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	26,194,778	44,986,153	-	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	136,307,662	150,864,255	1,953,185	2,228,289
<u>NET POSITION</u>				
Net investment in capital assets	21,380,442	19,328,864	(56,861)	1,029,474
Restricted	14,981,671	15,643,963	-	1,883,222
Unrestricted	(86,245,488)	(95,591,080)	1,043,043	(1,907,904)
TOTAL NET POSITION	(49,883,375)	(60,618,253)	986,182	1,004,792
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 86,424,287	\$ 90,246,002	\$ 2,939,367	\$ 3,233,081

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

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS (Cont.)

The largest portion of the Town's net position reflects its investment in capital assets of \$21,380,442 (e.g. land, buildings, machinery, equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; 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.

The restricted portion of the Town's net position of \$16,310,328 represents resources that are subject to external restrictions on how they may be used, which include Town Board established reserves, and funds designated for capital projects.

The remaining balance of unrestricted net position of (\$87,574,145) may be used to meet the Town's ongoing obligations to citizens and creditors.

A comparison of current assets as compared to current liabilities for both governmental and business-type activities are as follows:

	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022 (Restated)</u>
Current assets	\$ 39,109,164	\$ 41,428,440	\$ 1,184,087	\$ 2,171,829
Current liabilities	\$ 10,496,704	\$ 13,179,869	\$ 87,828	\$ 226,169
Ratio of current assets to current liabilities	3.73	3.14	13.48	9.60

Governmental Activities and Business-Type Activities

Governmental activities increased the Town's net position by \$10,734,878 and business-type activities decreased net position by (\$18,610).

Summary of Town of Hamburg's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022 (Restated)</u>
<u>REVENUES:</u>				
PROGRAM REVENUES:				
Charges for services	\$ 2,428,586	\$ 2,370,396	\$ 1,184,322	\$ 1,183,105
Operating grants and contributions	9,149,389	4,860,197	-	-
Capital grants and contributions	605,000	-	-	-
GENERAL REVENUES:				
Real property taxes and tax items	30,911,175	30,131,127	-	-
Non-property tax items	10,051,489	9,868,405	-	-
Use of money and property	2,443,188	245,296	77,801	76
Sale of property and compensation for loss	265,920	1,237,700	-	-
Miscellaneous	1,761,835	1,896,748	-	-
TOTAL REVENUES	\$ 57,616,582	\$ 50,609,869	\$ 1,262,123	\$ 1,183,181

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

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS (Cont.)

Governmental Activities and Business-Type Activities (Cont.)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u> <u>(Restated)</u>
<u>EXPENSES:</u>				
General government	\$ 7,794,989	\$ 2,261,094	\$ -	\$ -
Public safety	18,507,876	689,439	-	-
Health	51,410	(2,673)	-	-
Transportation	7,537,876	2,110,782	-	-
Economic assistance	1,694,201	(129,736)	-	-
Culture and recreation	6,392,938	(1,151,410)	1,230,733	1,223,547
Home and community services	4,661,247	4,221,397	-	-
Interest and fiscal charges	291,167	285,647	-	-
TOTAL EXPENSES	<u>46,931,704</u>	<u>8,284,540</u>	<u>1,230,733</u>	<u>1,223,547</u>
Change in net position before transfers	10,684,878	42,325,329	31,390	(40,366)
Transfers in (out)	<u>50,000</u>	<u>26,912</u>	<u>(50,000)</u>	<u>(26,912)</u>
Change in net position	10,734,878	42,352,241	(18,610)	(67,278)
Net position - beginning (restated)	<u>(60,618,253)</u>	<u>(102,970,494)</u>	<u>1,004,792</u>	<u>1,072,070</u>
Net position - ending	<u>\$ (49,883,375)</u>	<u>\$ (60,618,253)</u>	<u>\$ 986,182</u>	<u>\$ 1,004,792</u>

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

The general governmental functions are contained in the general, special revenue, capital projects and nonmajor governmental funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2023, the Town's governmental funds reported combined fund balances of \$28,685,086, an increase of \$552,711 in comparison with the prior year. Of the combined fund balances, \$2,985,639 constitutes *unassigned fund balance*, which is available to meet the Town's current and future operational and capital needs. *Assigned fund balance* represents fund balances of governmental funds other than general and amounts designated for subsequent years' expenditures in the amount of \$9,935,522. *Restricted fund balance* represents amounts restricted by outside sources in the amount of \$14,981,671. *Non-spendable fund balance* represents reserves for prepaid expenditures in the amount of \$782,254.

The general fund is the chief operating fund of the Town. At December 31, 2023, unassigned fund balance of the general fund was \$2,985,639 while total fund balance reached \$7,156,844. As a measure of general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.03% of total fund expenditures, while total fund balance represents 31.24 % of that same amount.

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

FINANCIAL ANALYSIS – GOVERNMENTAL REVENUES

Revenues for governmental functions totaled \$57,616,582 in fiscal year ended December 31, 2023, which represents an increase of 13.84% from the fiscal year ended **December 31, 2022**.

The following table presents the amount of revenues from various sources, as well as the increase or decrease from the prior year:

Revenues Classified by Source – Governmental Funds

	<u>Governmental Activities</u>				
	<u>2023</u> <u>Amount</u>	<u>Percent of</u> <u>Total</u>	<u>2022</u> <u>Amount</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent of</u> <u>Increase</u> <u>(Decrease)</u>
<u>REVENUES:</u>					
Real property taxes	\$ 30,215,068	52.44%	\$ 29,507,951	\$ 707,117	2.40%
Real property tax items	696,107	1.21%	623,176	72,931	11.70%
Non-property tax items	10,051,489	17.45%	9,868,405	183,084	1.86%
Departmental income	641,607	1.11%	611,703	29,904	4.89%
Intergovernmental charges	603,978	1.05%	470,112	133,866	28.48%
Use of money and property	2,443,188	4.24%	245,296	2,197,892	896.02%
Licenses and permits	867,343	1.51%	713,632	153,711	21.54%
Fines and forfeitures	315,658	0.55%	574,949	(259,291)	-45.10%
Sale of property and compensation for loss	265,920	0.46%	1,237,700	(971,780)	-78.51%
Miscellaneous	1,761,835	3.06%	1,896,748	(134,913)	-7.11%
State aid	3,510,307	6.09%	3,174,812	335,495	10.57%
Federal aid	6,244,082	10.84%	1,685,385	4,558,697	270.48%
TOTAL REVENUES	<u>\$ 57,616,582</u>	<u>100.00%</u>	<u>\$ 50,609,869</u>	<u>\$ 7,006,713</u>	13.84%

The following provides an explanation of revenue by source that changed significantly over the prior year:

- Real property taxes increased due to an increase in collections for the lighting fund.
- Non-property tax items increased due to an increase in sales tax payments from the County.
- Use of money and property increased due to the town transferring money into a new account that has a much better interest rate
- Licenses and permits increased due to more tax payers needing building permits this year.
- Fines and forfeitures decreased due to a lower volume of traffic ticket fines collected during the year.
- Sale of property and compensation for loss decreased due to the town not receiving a large refund of insurance premiums this year.
- Miscellaneous revenue decreased because of smaller refunds of prior year expenditures.
- Federal aid increased due to funding from the American Rescue Plan Act.

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

FINANCIAL ANALYSIS – GOVERNMENTAL EXPENSES

Expenses for governmental functions totaled \$57,113,871 in fiscal year ended December 31, 2023, which represents an increase of 7.25% from the fiscal year ended **December 31, 2022**.

The following table presents expenditures, by function, compared to prior year amounts:

Expenditures by function – Governmental Funds

	Governmental Activities				
	2023 Amount	Percent of Total	2022 Amount	Amount of Increase (Decrease)	Percent of Increase (Decrease)
<u>EXPENDITURES:</u>					
General government	\$ 8,501,792	14.9%	\$ 5,809,247	\$ 2,692,545	46.35%
Public safety	14,783,852	25.9%	16,052,215	(1,268,363)	-7.90%
Health	49,423	0.1%	3,662	45,761	1249.62%
Transportation	9,742,367	17.1%	8,813,820	928,547	10.54%
Economic assistance	1,358,753	2.4%	1,059,167	299,586	28.29%
Culture and recreation	5,992,589	10.5%	5,104,624	887,965	17.40%
Home and community services	2,481,013	4.3%	2,798,408	(317,395)	-11.34%
Employee benefits	12,480,698	21.9%	12,011,932	468,766	3.90%
Debt service	1,723,384	3.0%	1,601,257	122,127	7.63%
TOTAL EXPENDITURES	\$ 57,113,871	100.0%	\$ 53,254,332	\$ 3,859,539	7.25%

The following provides an explanation of expenditures by source that changed significantly over the prior year:

- General government increased because of purchases made under the American Rescue Plan Act.
- Public safety expenditures decreased due to a change in the market value of LOSAP investments.
- Health increased due to services for Crisis Intervention services this year.
- Transportation expenditures increased due to expenditures made under the American Rescue Plan Act.
- Economic assistance increased due to expenditures made in the community development fund.
- Culture and community services increased due to expenditures made under the American Rescue Plan Act.
- Home and community services decreased due to less expenditures for specific programs this year.
- Employee benefits increased due to an increase in salaries in most of the funds.
- Debt service expenditures increased because of an increase in debt principal payments and issuance of new debt.

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

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

The table below summarizes changes in fund balances of the Town's Governmental Funds for year's ending December 31, 2023, and 2022:

Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

	Governmental Funds					
	General	Part Town	Highway	Capital Projects	Nonmajor Governmental Funds	Total
FUND BALANCE AT DECEMBER 31, 2021	<u>\$ 6,518,917</u>	<u>\$ 1,206,372</u>	<u>\$ 2,038,240</u>	<u>\$ 6,440,150</u>	<u>\$ 14,546,247</u>	<u>\$ 30,749,926</u>
Revenues	19,992,308	15,573,897	7,223,465	58,750	7,761,449	50,609,869
Expenditures	<u>(20,609,496)</u>	<u>(13,189,033)</u>	<u>(6,647,560)</u>	<u>(3,000,345)</u>	<u>(9,807,898)</u>	<u>(53,254,332)</u>
Excess (deficiency) of revenues over expenditures	<u>(617,188)</u>	<u>2,384,864</u>	<u>575,905</u>	<u>(2,941,595)</u>	<u>(2,046,449)</u>	<u>(2,644,463)</u>
Other financing sources (uses)	<u>1,395,602</u>	<u>(947,660)</u>	<u>(348,824)</u>	<u>305,674</u>	<u>(377,880)</u>	<u>26,912</u>
FUND BALANCE AT DECEMBER 31, 2022	<u>7,297,331</u>	<u>2,643,576</u>	<u>2,265,321</u>	<u>3,804,229</u>	<u>12,121,918</u>	<u>28,132,375</u>
Revenues	23,989,140	16,465,644	6,996,320	828,570	9,336,908	57,616,582
Expenditures	<u>(22,902,982)</u>	<u>(14,639,308)</u>	<u>(7,243,230)</u>	<u>(5,222,113)</u>	<u>(7,106,238)</u>	<u>(57,113,871)</u>
Excess (deficiency) of revenues over expenditures	<u>1,086,158</u>	<u>1,826,336</u>	<u>(246,910)</u>	<u>(4,393,543)</u>	<u>2,230,670</u>	<u>502,711</u>
Other financing sources (uses)	<u>(1,226,645)</u>	<u>(656,009)</u>	<u>53,564</u>	<u>2,217,879</u>	<u>(338,789)</u>	<u>50,000</u>
FUND BALANCE AT DECEMBER 31, 2023	<u>\$ 7,156,844</u>	<u>\$ 3,813,903</u>	<u>\$ 2,071,975</u>	<u>\$ 1,628,565</u>	<u>\$ 14,013,799</u>	<u>\$ 28,685,086</u>

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

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the amended budget in the General Fund were as follows:

- General government increased by \$2,112,010.
- Public safety increased by \$122,341.
- Health decreased by \$14,577.
- Transportation increased by \$5,246.
- Economic assistance increased by \$109,427.
- Culture and recreation increased by \$597,251.
- Home and community services increased by \$66,486.
- Employee benefits decreased by \$48,418.
- Debt service increased by \$168,587.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2023, amounted to \$30,803,135 and \$1,755,280, (net of accumulated depreciation and accumulated amortization). This investment in capital assets includes land and land improvements, infrastructure, buildings and improvements, vehicles, equipment, and right of use assets.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the Town's capital asset policy. All right of use assets were amortized from acquisition date to the end of the lease term.

Capital assets net of depreciation for the governmental and business-type activities are presented below:

Summary of Town of Hamburg's Capital Assets
(Net of Depreciation)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total Primary Government</u>
Land	\$ 1,128,632	\$ 470,194	\$ 1,598,826
Construction in progress	9,194,161	912,769	10,106,930
Land improvements	25,677	-	25,677
Buildings	1,455,248	328,351	1,783,599
Building improvement	1,085,527	5,370	1,090,897
Vehicles	2,221,703	-	2,221,703
Machinery and equipment	870,104	38,596	908,700
Infrastructure	13,972,744	-	13,972,744
Right of use assets	849,339	-	849,339
TOTAL CAPITAL ASSETS	<u>\$ 30,803,135</u>	<u>\$ 1,755,280</u>	<u>\$ 32,558,415</u>

The Town's infrastructure assets are recorded at historical cost in the government-wide financial statements. The Town has elected to depreciate their infrastructure assets. Additional information on the Town's capital assets can be found in the Notes to the Financial Statements section of this report.

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

Long-Term Debt

At December 31, 2023, the Town had total long-term debt payable of \$12,592,395, as compared to \$13,074,057 in the prior year. During the year, retirement of debt amounted to \$1,419,555. New York State statutes limit the amount of general obligation debt a governmental entity may issue up to 7% of its five-year valuation. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The Town's credit rating from Moody's Investor Service was "Aa3" at the time of issuance of these financial statements.

The following is a summary of the Town of Hamburg's long-term liabilities for governmental and business-type activities, as shown on the Statement of Net Position, for the year ending December 31, 2023:

<u>LONG-TERM LIABILITIES</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Bonds payable	\$ 9,062,000	\$ 1,608,000	\$ 10,670,000
Unamortized bond premium	612,000	180,000	792,000
Installment purchase debt	210,183	24,141	234,324
Leases payable	896,071	-	896,071
Compensated absences	4,531,234	53,216	4,584,450
Workers' compensation liability	165,557	-	165,557
Net pension liability - proportionate share	30,240,775	-	30,240,775
Net OPEB liability	53,898,360	-	53,898,360
TOTAL LONG-TERM LIABILITIES	<u>\$ 99,616,180</u>	<u>\$ 1,865,357</u>	<u>\$ 101,481,537</u>

Additional information on the Town's long-term debt can be found in the Notes to the Financial Statements in this report.

Financial Position

In the past two decades, the Town has experienced a steady growth in population and business. Although this growth has benefited the Town's financial position, the Town continues to seek ways to improve the quality and quantity of the services we provide for the citizens of the Town. Considering the stable condition of the General Fund, Part Town, and Highway Funds, respectively, the Town's overall financial position has continued to remain steady during 2023.

Request for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Director of Finance and Administration, Hamburg Town Hall, S 6100 South Park Avenue, Hamburg, New York 14075.

BASIC FINANCIAL STATEMENTS

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

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities - Enterprise Funds</u>	<u>Total Primary Government</u>	<u>Hamburg Industrial Development Agency</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 6,745,907	\$ 1,074,188	\$ 7,820,095	\$ 931,629
Restricted cash	1,995,741	-	1,995,741	-
Unrestricted investments	15,297,320	28,608	15,325,928	-
Restricted investments	10,366,363	-	10,366,363	-
Accounts receivable	809,685	81,291	890,976	-
Loans receivable	177,619	-	177,619	-
Intergovernmental receivables	2,934,275	-	2,934,275	-
Prepaid expenditures	782,254	-	782,254	-
Capital assets not being depreciated	10,322,793	1,382,963	11,705,756	-
Capital assets, net of accumulated depreciation	19,631,003	372,317	20,003,320	-
Right of use assets, net of accumulated amortization	849,339	-	849,339	-
TOTAL ASSETS	69,912,299	2,939,367	72,851,666	931,629
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pensions	15,874,774	-	15,874,774	-
Other post employment benefits	637,214	-	637,214	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	16,511,988	-	16,511,988	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 86,424,287	\$ 2,939,367	\$ 89,363,654	\$ 931,629

The accompanying notes are an integral part of the basic financial statements

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

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental</u>	<u>Business-Type</u>	<u>Primary</u>	<u>Hamburg</u>
	<u>Activities</u>	<u>Activities -</u>	<u>Government</u>	<u>Industrial</u>
		<u>Enterprise Funds</u>		<u>Development</u>
				<u>Agency</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 3,516,068	\$ 80,788	\$ 3,596,856	\$ -
Accrued liabilities	813,382	7,040	820,422	-
Accrued interest payable	72,626	-	72,626	-
Due to other governments	87	-	87	-
Unearned revenue - ARPA	5,792,922	-	5,792,922	-
Deferred revenue	301,619	-	301,619	-
Long-term liabilities:				
Due within one year:				
Bonds payable	899,000	116,000	1,015,000	-
Unamortized bond premium	51,000	15,000	66,000	-
Installment purchase debt	67,464	11,673	79,137	-
Leases payable	267,509	-	267,509	-
Due in more than one year:				
Bonds payable	8,163,000	1,492,000	9,655,000	-
Unamortized bond premium	561,000	165,000	726,000	-
Installment purchase debt	142,719	12,468	155,187	-
Leases payable	628,562	-	628,562	-
Compensated absences	4,531,234	53,216	4,584,450	-
Workers' compensation liability	165,557	-	165,557	-
Net pension liability - proportionate share	30,240,775	-	30,240,775	-
Net OPEB liability	53,898,360	-	53,898,360	-
TOTAL LIABILITIES	110,112,884	1,953,185	112,066,069	-
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	6,045,006	-	6,045,006	-
OPEB	20,149,772	-	20,149,772	-
TOTAL DEFERRED INFLOWS OF RESOURCES	26,194,778	-	26,194,778	-
<u>NET POSITION</u>				
Net investment in capital assets	21,380,442	(56,861)	21,323,581	-
Restricted	14,981,671	-	14,981,671	-
Unrestricted	(86,245,488)	1,043,043	(85,202,445)	931,629
TOTAL NET POSITION	(49,883,375)	986,182	(48,897,193)	931,629
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 86,424,287	\$ 2,939,367	\$ 89,363,654	\$ 931,629

The accompanying notes are an integral part of the basic financial statements

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

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities - Enterprise Funds	Total Primary Government	Hamburg Industrial Development Agency
FUNCTIONS / PROGRAMS								
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ (7,794,989)	\$ 913,361	\$ 2,019,255	\$ -	\$ (4,862,373)	\$ -	\$ (4,862,373)	\$ -
Public safety	(18,507,876)	573,644	5,476,269	-	(12,457,963)	-	(12,457,963)	-
Health	(51,410)	-	-	-	(51,410)	-	(51,410)	-
Transportation	(7,537,876)	109,520	650,035	55,000	(6,723,321)	-	(6,723,321)	-
Economic assistance	(1,694,201)	348,668	-	-	(1,345,533)	-	(1,345,533)	-
Culture and recreation	(6,392,938)	275,895	77,565	550,000	(5,489,478)	-	(5,489,478)	-
Home and community services	(4,661,247)	207,498	926,265	-	(3,527,484)	-	(3,527,484)	-
Interest and other fiscal services	(291,167)	-	-	-	(291,167)	-	(291,167)	-
TOTAL GOVERNMENTAL ACTIVITIES	(46,931,704)	2,428,586	9,149,389	605,000	(34,748,729)	-	(34,748,729)	-
Business-type activities:								
Enterprise funds	(1,230,733)	1,184,322	-	-	-	(46,411)	(46,411)	-
TOTAL BUSINESS-TYPE ACTIVITIES	(1,230,733)	1,184,322	-	-	-	(46,411)	(46,411)	-
TOTAL PRIMARY GOVERNMENT	(48,162,437)	3,612,908	9,149,389	605,000	(34,748,729)	(46,411)	(34,795,140)	-
Component Unit:								
Hamburg Industrial Development Agency	(222,925)	46,605	-	-	-	-	-	(176,320)
TOTAL COMPONENT UNIT	(222,925)	46,605	-	-	-	-	-	(176,320)
General revenues:								
Property taxes and related tax items					30,911,175	-	30,911,175	-
Nonproperty tax items					10,051,489	-	10,051,489	-
Use of money and property					2,443,188	77,801	2,520,989	34,955
Sale of property and compensation for loss					265,920	-	265,920	-
Miscellaneous					1,761,835	-	1,761,835	-
Interfund transfers					50,000	(50,000)	-	-
TOTAL GENERAL REVENUES AND TRANSFERS, NET					45,483,607	27,801	45,511,408	34,955
Change in net position					10,734,878	(18,610)	10,716,268	(141,365)
Total net position at beginning of year (restated)					(60,618,253)	1,004,792	(59,613,461)	1,072,994
Total net position at end of year					\$ (49,883,375)	\$ 986,182	\$ (48,897,193)	\$ 931,629

The accompanying notes are an integral part of the basic financial statements

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

	<u>ASSETS</u>					
	<u>General</u>	<u>Special Revenue</u>		<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
		<u>Part Town</u>	<u>Highway</u>			
<u>ASSETS</u>						
Cash and cash equivalents	\$ 3,365,070	\$ -	\$ 685,589	\$ -	\$ 2,695,248	\$ 6,745,907
Restricted cash	-	-	-	1,995,741	-	1,995,741
Unrestricted investments	9,370,494	2,720,096	861,087	961,648	1,383,995	15,297,320
Restricted investments	-	-	-	-	10,366,363	10,366,363
Accounts receivable	169,203	475,566	-	-	164,916	809,685
Loans receivable	-	-	-	-	177,619	177,619
Due from other funds	1,328,657	-	-	-	-	1,328,657
Intergovernmental receivables	37,191	2,263,709	633,375	-	-	2,934,275
Prepaid expenditures	246,329	466,273	69,652	-	-	782,254
TOTAL ASSETS	\$ 14,516,944	\$ 5,925,644	\$ 2,249,703	\$ 2,957,389	\$ 14,788,141	\$ 40,437,821

The accompanying notes are an integral part of the basic financial statements

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

LIABILITIES AND FUND BALANCES

		<u>Special Revenue</u>				
	<u>General</u>	<u>Part Town</u>	<u>Highway</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 1,175,553	\$ 1,669,063	\$ 75,423	\$ 167	\$ 595,862	\$ 3,516,068
Accrued liabilities	391,538	318,678	102,305	-	861	813,382
Due to other funds	-	-	-	1,328,657	-	1,328,657
Due to other governments	87	-	-	-	-	87
Unearned revenue - ARPA	5,792,922	-	-	-	-	5,792,922
Deferred revenue	-	124,000	-	-	177,619	301,619
TOTAL LIABILITIES	<u>7,360,100</u>	<u>2,111,741</u>	<u>177,728</u>	<u>1,328,824</u>	<u>774,342</u>	<u>11,752,735</u>
<u>FUND BALANCE</u>						
Non-spendable	246,329	466,273	69,652	-	-	782,254
Restricted	2,155,734	632,914	198,095	1,628,565	10,366,363	14,981,671
Assigned	1,769,142	2,714,716	1,804,228	-	3,647,436	9,935,522
Unassigned	2,985,639	-	-	-	-	2,985,639
TOTAL FUND BALANCES	<u>7,156,844</u>	<u>3,813,903</u>	<u>2,071,975</u>	<u>1,628,565</u>	<u>14,013,799</u>	<u>28,685,086</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 14,516,944</u>	<u>\$ 5,925,644</u>	<u>\$ 2,249,703</u>	<u>\$ 2,957,389</u>	<u>\$ 14,788,141</u>	<u>\$ 40,437,821</u>

The accompanying notes are an integral part of the basic financial statements

TOWN OF HAMBURG, NEW YORK
RECONCILIATION OF STATEMENT OF NET POSITION
TO GOVERNMENTAL FUND BALANCES
DECEMBER 31, 2023

**Amounts reported for Governmental Activities in the
Statement of Net Position are different because:**

Total governmental fund balances \$ 28,685,086

Certain assets and deferred outflows are not considered financial resources
and are not reported in the governmental funds:

Capital assets, net of accumulated depreciation	29,953,796
Right to use assets, net of accumulated amortization	849,339
Proportionate share of employee retirement system asset	(7,082,824)
Deferred outflows of employee retirement system liability	5,223,422
Deferred outflows of police and fire retirement system liability	6,896,530
Deferred outflows of length of service awards program liability	3,754,822
Deferred outflows of other post employment benefits liability	637,214

Certain liabilities and deferred inflows are not considered financial uses or are not
due or payable in the current period and therefore are not reported in the funds:

Accrued interest on outstanding debt	(72,626)
Bonds payable	(9,062,000)
Leases payable	(896,071)
Installment purchase debt	(210,183)
Unamortized bond premium	(612,000)
Compensated absences	(4,531,234)
Workers' compensation liability	(165,557)
Proportionate share of police and fire retirement system liability	(8,946,776)
Proportionate share of length of service award program liability	(14,211,175)
Net other post employment benefits liability	(53,898,360)
Deferred inflows of employee retirement system liability	(354,629)
Deferred inflows of police and fire retirement system liability	(249,101)
Deferred inflows of length of service awards program liability	(5,441,276)
Deferred inflows of other postemployment benefits liability	<u>(20,149,772)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (49,883,375)

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

		<u>Special Revenue</u>					
	<u>General</u>	<u>Part Town</u>	<u>Highway</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	
<u>REVENUES:</u>							
Real property taxes	\$ 11,856,158	\$ 5,487,986	\$ 6,189,413	\$ -	\$ 6,681,511	\$ 30,215,068	
Real property tax items	696,107	-	-	-	-	696,107	
Non-property tax items	168,541	9,882,948	-	-	-	10,051,489	
Departmental income	429,770	90,313	-	-	121,524	641,607	
Intergovernmental charges	108,070	254,808	-	-	241,100	603,978	
Use of money and property	821,826	202,918	171,174	72,540	1,174,730	2,443,188	
Licenses and permits	839,493	27,850	-	-	-	867,343	
Fines and forfeitures	313,508	2,150	-	-	-	315,658	
Sale of property and compensation for loss	180,054	70,999	2,333	-	12,534	265,920	
Miscellaneous	1,301,508	130,028	25	151,030	179,244	1,761,835	
State aid	2,047,700	224,232	633,375	605,000	-	3,510,307	
Federal aid	5,226,405	91,412	-	-	926,265	6,244,082	
TOTAL REVENUES	\$ 23,989,140	\$ 16,465,644	\$ 6,996,320	\$ 828,570	\$ 9,336,908	\$ 57,616,582	

The accompanying notes are an integral part of the basic financial statements

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

		<u>Special Revenue</u>			<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Part</u>	<u>Highway</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Town</u>		<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>EXPENDITURES:</u>						
General government support	\$ 8,172,872	\$ 119,947	\$ -	\$ 208,973	\$ -	\$ 8,501,792
Public safety	2,381,182	8,778,474	-	110,884	3,513,312	14,783,852
Health	49,423	-	-	-	-	49,423
Transportation	209,938	-	5,702,021	3,394,968	435,440	9,742,367
Economic assistance and opportunity	1,050,002	-	-	-	308,751	1,358,753
Culture and recreation	4,605,699	-	-	1,386,890	-	5,992,589
Home and community services	371,937	684,882	-	120,398	1,303,796	2,481,013
Employee benefits	5,446,779	5,017,862	1,417,431	-	598,626	12,480,698
Debt service - principal	508,022	28,301	108,232	-	724,000	1,368,555
Debt service - interest	107,128	9,842	15,546	-	222,313	354,829
TOTAL EXPENDITURES	22,902,982	14,639,308	7,243,230	5,222,113	7,106,238	57,113,871
Excess (deficiency) of revenues over expenditures	1,086,158	1,826,336	(246,910)	(4,393,543)	2,230,670	502,711
<u>OTHER FINANCING SOURCES (USES):</u>						
Transfers in	2,197,134	-	892,714	2,310,243	-	5,400,091
Transfers out	(3,423,779)	(656,009)	(839,150)	(92,364)	(338,789)	(5,350,091)
TOTAL OTHER FINANCING SOURCES (USES)	(1,226,645)	(656,009)	53,564	2,217,879	(338,789)	50,000
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(140,487)	1,170,327	(193,346)	(2,175,664)	1,891,881	552,711
Fund balance - beginning of year	7,297,331	2,643,576	2,265,321	3,804,229	12,121,918	28,132,375
Fund balance - end of year	\$ 7,156,844	\$ 3,813,903	\$ 2,071,975	\$ 1,628,565	\$ 14,013,799	\$ 28,685,086

The accompanying notes are an integral part of the basic financial statements

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

**Amounts reported for Governmental Activities in the
Statement of Activities are different because:**

Net change in fund balances - total governmental funds	\$ 552,711
Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets increased in the current year.	6,100,732
Depreciation and amortization is only recorded on the statements of activities	(3,091,376)
Right to use assets, net of accumulated amortization, are not current financial resources and are not reported in the funds.	619,188
Change in deferred outflows - employee retirement system	(566,702)
Change in deferred outflows - police and fire retirement system	(575,583)
Change in deferred outflows - LOSAP	(891,272)
Change in deferred outflows - other postemployment benefits	(1,200,932)
Accrued interest is only reported on the Statement of Activities	12,662
Issuance of installment debt and lease payable	(1,040,752)
Payment of bond, installment debt, and lease principal	1,368,555
Change in unamortized bond premium	51,000
The net change in compensated absences are recorded in the statement of activities but not in the statement of governmental funds	(420,738)
The net change in the workers' compensation liability is recorded in the statement of activities but not in the statement of governmental funds	1,721,830
Change in proportionate share of employee retirement system asset	(9,883,135)
Change in proportionate share of police and fire retirement system liability	(8,042,959)
Change in proportionate share of the LOSAP liability	4,728,888
Change in net other postemployment benefit liability	2,702,870
Change in deferred inflows - employee retirement system	9,205,258
Change in deferred inflows - police and fire retirement system	7,611,021
Change in deferred inflows - LOSAP	(3,574,118)
Change in deferred inflows - other postemployment benefits	5,347,730
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 10,734,878

TOWN OF HAMBURG, NEW YORK
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS

	Golf Course Fund	Ice Arena Fund	Total
<u>CURRENT ASSETS</u>			
Cash	\$ 151,802	\$ 922,386	\$ 1,074,188
Unrestricted investments	-	28,608	28,608
Accounts receivable	-	81,291	81,291
TOTAL CURRENT ASSETS	151,802	1,032,285	1,184,087
<u>NON-CURRENT ASSETS</u>			
Capital assets, net of accumulated depreciation	819,050	936,230	1,755,280
TOTAL NON-CURRENT ASSETS	819,050	936,230	1,755,280
TOTAL ASSETS	\$ 970,852	\$ 1,968,515	\$ 2,939,367

LIABILITIES AND NET POSITION

<u>CURRENT LIABILITIES</u>			
Accounts payable	\$ 66,267	\$ 14,521	\$ 80,788
Accrued liabilities	704	6,336	7,040
Debt payable - current portion	14,000	102,000	116,000
Installment purchase debt - current portion	11,673	-	11,673
Unamortized bond premium - current portion	2,000	13,000	15,000
TOTAL CURRENT LIABILITIES	94,644	135,857	230,501
<u>NON-CURRENT LIABILITIES</u>			
Compensated absences	32,224	20,992	53,216
Debt payable - long-term portion	179,000	1,313,000	1,492,000
Installment purchase debt - long-term portion	12,468	-	12,468
Unamortized bond premium	22,000	143,000	165,000
TOTAL NON-CURRENT LIABILITIES	245,692	1,476,992	1,722,684
TOTAL LIABILITIES	340,336	1,612,849	1,953,185
<u>NET POSITION</u>			
Net investment in capital assets	577,909	(634,770)	(56,861)
Unrestricted	52,607	990,436	1,043,043
TOTAL NET POSITION	630,516	355,666	986,182
TOTAL LIABILITIES AND NET POSITION	\$ 970,852	\$ 1,968,515	\$ 2,939,367

The accompanying notes are an integral part of the basic financial statements

TOWN OF HAMBURG, NEW YORK
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Golf Course Fund	Ice Arena Fund	Total
<u>OPERATING REVENUES:</u>			
Charges for services	\$ 667,239	\$ 512,721	\$ 1,179,960
Other operating revenues	4,362	-	4,362
TOTAL OPERATING REVENUES	671,601	512,721	1,184,322
<u>OPERATING EXPENSES:</u>			
Personal services	374,867	324,598	699,465
Contractual services, supplies and materials	195,139	165,652	360,791
Benefits	36,901	30,152	67,053
Depreciation	4,152	62,226	66,378
TOTAL OPERATING EXPENSES	611,059	582,628	1,193,687
TOTAL OPERATING INCOME	60,542	(69,907)	(9,365)
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest income	13,775	64,026	77,801
Interest expense	(4,496)	(32,550)	(37,046)
TOTAL NON-OPERATING REVENUES (EXPENSES)	9,279	31,476	40,755
Income before other financing sources (uses)	69,821	(38,431)	31,390
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfer to other funds	(47,000)	(3,000)	(50,000)
TOTAL OTHER FINANCING SOURCES (USES)	(47,000)	(3,000)	(50,000)
Change in net position	22,821	(41,431)	(18,610)
Total net position at beginning of year (restated)	607,695	397,097	1,004,792
Total net position at end of year	\$ 630,516	\$ 355,666	\$ 986,182

The accompanying notes are an integral part of the basic financial statements

TOWN OF HAMBURG, NEW YORK
PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Golf Course Fund	Ice Arena Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 801,243	\$ 535,832	\$ 1,337,075
Payments to suppliers	(125,071)	(326,901)	(451,972)
Payments to employees	(419,771)	(371,118)	(790,889)
NET CASH FLOWS FROM OPERATING ACTIVITIES	256,401	(162,187)	94,214
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Cash transferred to other funds	(47,000)	(3,000)	(50,000)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(47,000)	(3,000)	(50,000)
<u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u>			
Cash paid for addition of capital assets	(263,601)	(496,805)	(760,406)
Payments of debt	(14,000)	(98,000)	(112,000)
Payment of installment purchase debt	(13,316)	-	(13,316)
Interest paid on capital debt	(4,496)	(32,550)	(37,046)
Amortization of bond premium	(2,000)	(13,000)	(15,000)
NET CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	(297,413)	(640,355)	(937,768)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Transfer of cash to investment account	-	(28,608)	(28,608)
Interest received	13,775	64,026	77,801
NET CASH FLOWS FROM INVESTING ACTIVITIES	13,775	35,418	49,193
Net change in cash and cash equivalents	(74,237)	(770,124)	(844,361)
Cash and cash equivalents at beginning of year	226,039	1,692,510	1,918,549
Cash and cash equivalents at end of year	\$ 151,802	\$ 922,386	\$ 1,074,188
<u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Operating income (loss)	\$ 60,542	\$ (69,907)	\$ (9,365)
Adjustments to reconcile income to net cash flows from operating activities:			
Depreciation	4,152	62,226	66,378
Changes in assets and liabilities:			
Accounts receivable	4,717	23,111	27,828
Due from other funds	124,925	-	124,925
Prepaid expenditures	9,618	9,618	19,236
Accounts payable	60,450	(170,867)	(110,417)
Accrued liabilities	(5,590)	(22,334)	(27,924)
Compensated absences	(2,413)	5,966	3,553
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 256,401	\$ (162,187)	\$ 94,214

The accompanying notes are an integral part of the basic financial statements

TOWN OF HAMBURG, NEW YORK
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Custodial Fund</u>
<u>ADDITIONS:</u>	
Taxes collected for other governments	\$ 39,822,352
TOTAL ADDITIONS	<u>39,822,352</u>
<u>DEDUCTIONS:</u>	
Payment of tax to other governments	<u>39,822,352</u>
TOTAL DEDUCTIONS	<u>39,822,352</u>
Net change in fiduciary net position	-
Net position - beginning of year	<u>-</u>
Net position - end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

Note 1 - Summary of Significant Accounting Policies

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

Financial Reporting Entity

The Town of Hamburg is located within the County of Erie, New York. The Town is governed by Town law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations and the Supervisor serves as Chief Fiscal Officer.

The following basic services are provided: police, highway, sanitation, recreation, sewer service, drainage, street lighting, water service, fire protection through contracts with local volunteer companies and general administration.

Independently elected officials of the Town consist of the following:

Supervisor	Town Clerk
Councilmembers (4)	Superintendent of Highways
Town Justices (2)	

All governmental activities and functions performed for the Town of Hamburg are its direct responsibility. The financial reporting is in accordance with Government Accounting Standards No. 14, *The Financial Reporting Entity*. The component unit subsequently discussed is included in the Town's reporting entity within the component unit columns in the combined financial statements because of the significance of their operational and financial relationships with the Town. This unit is reported in a separate column to emphasize that they are legally separate from the Town.

Hamburg Industrial Development Agency

The members of the governing board of the Agency are appointed by the Town Board. The Town Board is able to impose its will on the agency; however, the Agency does not provide services entirely to the primary government. Additional detailed information concerning the Agency may be found in the Agency's annual financial report, which can be obtained from the Town of Hamburg, 6100 South Park Avenue, Hamburg, New York 14075.

Governmental-Wide and Fund Financial Statements

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

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

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

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

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

Governmental Funds

The fund statements provide information about the Town's funds, including each type of fiduciary fund. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

Special Revenue Funds

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

General Fund - Town Outside Town - This fund accounts for selected services which cannot be charged to taxable properties located in the Towns within the town by various New York State statutes.

Highway Fund - This fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town.

Capital Projects Fund

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or acquisition of equipment.

Non-Major Governmental Funds

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

Community Development Fund – This fund is used to provide services to income eligible residents of the Town of Hamburg.

Park Land Fund – This fund is used to provide services for land development improvements for the Town of Hamburg.

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

- Fire Protection Fund
- Hydrant Improvement Fund
- Lighting Fund
- Water Fund
- Sewer Fund

Proprietary Funds

These funds are used to record revenues and expenditures for business type activities, where residents are charged a fee for services. The Town reports the following major proprietary funds: Golf Course Fund and Ice Arena Fund.

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

Fiduciary Fund

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

Custodial Fund – This fund is used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Accrual Basis

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

Proprietary Funds are accounted for on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within the funds.

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

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

Modified Accrual Basis

All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days. Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

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

Property Tax Revenue Recognition

The Erie County Legislature prepares the levy in late December of each year and jointly bills the Town levy with New York State and Erie County real property taxes. On January 1 of each year, property taxes become a lien on the property. Tax payments are due January 1 to February 15th without penalty; February 16 to 28 a 1.5% penalty; March 1 to 15 a 3% penalty; March 16 to 31 a 4.5% penalty; April 1 to 15 a 6% penalty; April 16 to 30 a 7.5% penalty; and 1.5% added each month thereafter.

Taxes for County purposes are levied together with taxes for Town and special district purposes as 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 bill. The County assumes enforcement responsibility for all taxes levied in the Town. The tax roll is returned to the Erie County Commissioner of Finance after June 30 at which time all unpaid taxes and penalties are payable to that office. Any such taxes remaining unpaid at year end are re-levied as county taxes in the subsequent year. The County enforces all liens.

Budgets and Budgetary Data

Annual budgets for the General and Special Revenue Funds, except for Park Land Special Revenue Fund, are adopted on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. Encumbrances outstanding at year-end are accounted for by a reservation of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. Budgetary comparisons presented in this report are shown on a budgetary basis and represent the budget as modified.

Capital Project Fund appropriations are not included in the Town's annual budget. Instead, appropriations are approved through the Town Board resolution at the projects' inception and lapse upon termination of the project. Accordingly, the Capital Projects Fund budget is not presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, since a comparison of the budgeted amounts with the current year's expenditures would not be meaningful.

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

Budgets and Budgetary Data (Cont.)

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

- No later than September 30th the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1st. The Town Clerk presents the tentative budget to the Town Board by October 5th.
- After public hearings are conducted to obtain taxpayer comments, no later than November 20th, the Town Board adopts the budget.
- All modifications of the budget must be approved by the Town Board.
- Budgetary controls for the Special Grant Fund are established by applicable grant agreements which cover a period other than the Town's fiscal year.
- Budgetary controls are established for the Capital Projects Fund through Town Board resolutions authorizing individual projects which remain in effect for the life of the projects.
- Proprietary Funds budgetary control and evaluation is accomplished by comparing actual interim and annual revenues and expenses.

Budget Basis of Accounting

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

Encumbrances

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

Cash and Cash Equivalents

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

Restricted Cash and Investments

Restricted cash represents cash that has been set aside for a certain purpose or project in the governmental and enterprise funds.

The Town's restricted investments consist of annuity contracts related to the Town's Length of Service Award Program ("LOSAP").

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditures /expense when consumed.

Due To and Due From Other Funds

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

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

Capital Assets

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

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

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

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

Accrued Liabilities and Long-Term Obligation

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full, from current financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the statement of net position.

Insurance

The Town utilizes a combination of commercial insurance policies and a self-insurance program for the risk associated with, but not limited to, workers' compensation, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has incurred and the amount of loss can be reasonably estimated. Estimated current contingent loss liabilities (i.e., those to be liquidated with available financial resources in the ensuing fiscal year) of governmental fund types are recorded in the General Fund.

Deferred Outflows and Deferred Inflows of Resources

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

In addition to liabilities, the Statement of Net Position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualify for reporting in this category. In the government-wide financial statements the Town reports deferred amounts related to pension.

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

Federal Grants

Federal grants are recorded as grants receivable and deferred revenue when the entitlement period occurs. Revenues are recognized using the modified accrual basis of accounting as the Town meets the performance requirements of the grants.

Pensions

Nearly all Town employees are members of various New York State retirement systems. The Town is invoiced annually by the retirement systems for its share of the costs.

Compensated Absences

Most Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacations and compensatory absences not taken may be carried over at the end of the fiscal year in which they are earned. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave.

Vacations and compensatory absences carried over at the end of the fiscal year accumulated by governmental fund type employees are recorded as long-term liability in the Schedule of Non-current Government Liabilities because expendable available financial resources will not be used to liquidate these amounts. Instead, such amounts will be paid from subsequent years' appropriations for personal services.

Compensated absences for governmental fund type employees are reported as an expenditure in the funds and as a liability in the government-wide financial statements. For proprietary fund type employees, the accumulation is recorded as an accrued liability and/or other long-term obligation of the proprietary fund type.

The compensated absences liability for the primary government at December 31, 2023 totaled \$4,584,450 and is reported as governmental activities - \$4,531,234 and business-type activities - \$53,216 in the government-wide financial statements as a long-term liability.

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

Post-Employment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. The obligation of the Town and its employees to contribute to the cost of providing these benefits has been established pursuant to Town Board resolution and various collective bargaining agreements. These benefits are provided to all full-time employees employed continuously for ten years or more by the Town. Payments of such benefits commence when the employee reaches age fifty-five. These payments are budgeted annually without accrual. The cost of such benefits totaled \$2,619,482 on behalf of 359 eligible retirees for the year ending December 31, 2023.

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

Net Position/Fund Balance:

Net Position Flow Assumptions

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

Fund Balance Flow Assumption

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

Interfund Transactions

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

Order of Use of Fund Balance

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

Restatement of Beginning Net Position

Beginning net position on the Statement of Net Position for the business-type activities – enterprise funds to recognize outstanding installment debt purchase agreements for equipment purchases. The restatement changed net position by decreasing the golf course fund balance by \$37,457.

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

Note 1 - Summary of Significant Accounting Policies (Cont.)

Net Position Classifications:

Governmental-Wide Financial Statements

The government-wide financial statements display net position in three classes:

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

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

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

Governmental Fund Financial Statements

The fund balance financial statements have five classifications of fund balance

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

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

Committed - Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the town's highest level of decision-making authorities, i.e., the Town Board. The Town has no committed fund balances as of December 31, 2023.

Assigned - Includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances are classified as Assigned Fund Balance where appropriate.

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

Use of Estimates

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

Note 2 – Stewardship, Compliance and Accountability

Budget

Budgetary control of the General Fund is minimally exercised at the department and account level. There were no excesses of expenditures over appropriations at the established control level.

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

Note 3 – Cash, Cash Equivalents, and Investments

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

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

The Town's cash balances at December 31, 2023 are as follows:

	Governmental Activities	Business-Type Activities	Component Unit	Reporting Entity Total
Petty cash	\$ 4,860	\$ -	\$ -	\$ 4,860
Deposits	8,736,788	1,074,188	931,629	10,742,605
TOTAL	\$ 8,741,648	\$ 1,074,188	\$ 931,629	\$ 10,747,465

Deposits

All deposits, including certificates of deposit, are carried at cost plus accrued interest.

Deposits at year end were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name. They consisted of:

	Bank Balance	Carrying Amount
Insured (FDIC)	\$ 500,000	\$ 500,000
<u>COLLATERALIZED:</u>		
Collateral Held by Bank's Agent in Town's Name	7,928,601	9,310,976
TOTAL DEPOSITS	\$ 8,428,601	\$ 9,810,976

Investment and Deposit Policy

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

Interest Rate Risk

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

Credit Risk

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

- Interest bearing demand accounts.
- Certificates of deposit.

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

Note 3 - Cash and Cash Equivalents (Cont.)

Custodial Credit Risk

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

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

Note 4 – Investments

NYCLASS Investments

The Town participates in the New York Cooperative Liquid Asset Securities System (NYCLASS) local government investment pool.

NYCLASS measures its investments at fair value in accordance with Paragraph 41 of GASB Statement 79 and Paragraph 11 of GASB Statement 31. Under these circumstances, a participant's investments are not required to be categorized within the fair value hierarchy of purposes of paragraph 81a (2) of GASB Statement 72.

U.S. Treasury Securities do not require collateral because they are backed by the full faith and credit of the United States Government. The other permissible security types are collateralized in accordance with NYS General Municipal Law Section 10 and the NYCLASS Investment policy. Repurchase agreements are collateralized by either U.S. Treasuries or U.S. Agencies. Certificates of deposit are required to be fully collateralized.

The total investment balance held by the Town as of December 31, 2023 was \$3,241,824.

Restricted Investments - Length of Service Awards Program (LOSAP)

The Town records restricted investments related to the Town's LOSAP program for volunteer firefighters. These investments consist of annuity contracts that make up the defined benefit award program. The annuities are guaranteed fixed annuities that report the values based on the valuation method disclosed in the annuity contract as calculated by the annuity provider. The interest rate on each annuity contract varies but they are all fixed rate with a guaranteed minimum rate for a specific period. The investments are recorded in the General Fund. The value of the investments amounted to \$10,366,363 as of December 31, 2023.

Note 5 - Loans Receivable

Loans receivable represent amounts owed to the Town relating to the Federal Housing and Urban Development Community Development Loan Program. The value of the loans outstanding at December 31, 2023 was \$177,619.

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

Note 6 – Intergovernmental Receivables

Major intergovernmental revenues accrued by the Town at December 31, 2023 include the following:

GENERAL FUND:

Erie County	\$ 23,225
Court fines	13,379
Miscellaneous	<u>587</u>
TOTAL GENERAL FUND	<u>37,191</u>

PART-TOWN FUND:

Erie County - Sales tax	2,171,930
Erie County - Other	76,521
Miscellaneous	<u>15,258</u>
TOTAL PART-TOWN FUND	<u>2,263,709</u>

HIGHWAY FUND:

CHIPS	398,943
PAVE NY	93,915
Extreme winter recovery	77,907
Pothole repair	<u>62,610</u>
TOTAL HIGHWAY FUND	<u>633,375</u>

TOTAL INTERGOVERNMENTAL RECEIVABLES \$ 2,934,275

There were no significant revenues considered as not subject to accrual.

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

Note 7 - Capital Assets and Right of Use Assets

A summary of governmental fund type capital assets and right of use assets by major classification are as follows:

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023
<u>CAPITAL ASSETS NOT BEING DEPRECIATED:</u>				
Land	\$ 1,128,632	\$ -	\$ -	\$ 1,128,632
Construction in progress	4,005,719	5,188,442	-	9,194,161
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	\$ 5,134,351	\$ 5,188,442	\$ -	\$ 10,322,793
<u>CAPITAL ASSETS BEING DEPRECIATED:</u>				
Land improvements	\$ 468,380	\$ -	\$ -	\$ 468,380
Buildings	8,020,941	-	-	8,020,941
Building improvements	6,154,609	-	-	6,154,609
Vehicles	11,441,107	661,246	-	12,102,353
Machinery and equipment	7,192,318	251,045	-	7,443,363
Infrastructure	75,661,202	-	-	75,661,202
TOTAL CAPITAL ASSETS BEING DEPRECIATED	108,938,557	912,291	-	109,850,848
<u>LESS: ACCUMULATED DEPRECIATION:</u>				
Land improvements	(437,975)	(4,728)	-	(442,703)
Buildings	(6,444,628)	(121,065)	-	(6,565,693)
Building improvements	(4,888,603)	(180,479)	-	(5,069,082)
Vehicles	(9,422,965)	(457,685)	-	(9,880,650)
Machinery and equipment	(6,363,436)	(209,823)	-	(6,573,259)
Infrastructure	(59,570,862)	(2,117,596)	-	(61,688,458)
TOTAL ACCUMULATED DEPRECIATION	(87,128,469)	(3,091,376)	-	(90,219,845)
Total capital assets being depreciated, net	21,810,088	(2,179,085)	-	19,631,003
TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 26,944,439	\$ 3,009,357	\$ -	\$ 29,953,796
<u>RIGHT OF USE ASSETS:</u>				
Buildings	\$ 586,252	\$ -	\$ -	\$ 586,252
Equipment	185,010	-	-	185,010
Vehicles	-	781,748	-	781,748
TOTAL RIGHT OF USE ASSETS	771,262	781,748	-	1,553,010
<u>ACCUMULATED AMORTIZATION:</u>				
Buildings	(428,415)	(45,096)	-	(473,511)
Equipment	(112,695)	(40,380)	-	(153,075)
Vehicles	-	(77,085)	-	(77,085)
TOTAL ACCUMULATED AMORTIZATION	(541,110)	(162,561)	-	(703,671)
TOTAL RIGHT OF USE ASSETS, NET	\$ 230,152	\$ 619,187	\$ -	\$ 849,339

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

Note 7 - Capital Assets and Right of Use Assets (Cont.)

Business Type Activities - A summary of proprietary fund type capital assets by major classification are as follows:

	Balance at January 1, 2023	Additions	Deletions	Balance at December 31, 2023
<u>CAPITAL ASSETS NOT BEING DEPRECIATED:</u>				
Land	\$ 470,194	\$ -	\$ -	\$ 470,194
Construction in progress	166,778	745,991	-	912,769
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	636,972	745,991	-	1,382,963
<u>CAPITAL ASSETS BEING DEPRECIATED:</u>				
Buildings	2,887,016	-	-	2,887,016
Building improvements	1,318,244	-	-	1,318,244
Equipment	988,925	14,415	-	1,003,340
TOTAL CAPITAL ASSETS BEING DEPRECIATED	5,194,185	14,415	-	5,208,600
<u>LESS: ACCUMULATED DEPRECIATION:</u>				
Buildings	(2,513,918)	(44,747)	-	(2,558,665)
Building improvements	(1,311,801)	(1,073)	-	(1,312,874)
Equipment	(944,186)	(20,558)	-	(964,744)
TOTAL ACCUMULATED DEPRECIATION	(4,769,905)	(66,378)	-	(4,836,283)
TOTAL CAPITAL ASSETS BEING DEPRECIATED, NET	424,280	(51,963)	-	372,317
TOTAL BUSINESS-TYPE ACTIVITIES, CAPITAL ASSETS, NET	\$ 1,061,252	\$ 694,028	\$ -	\$ 1,755,280

Depreciation expense and amortization expense was charged to functions/programs of the primary government as follows:

<u>GOVERNMENTAL ACTIVITIES:</u>	
General government	\$ 187,838
Public safety	252,832
Transportation	323,391
Culture and recreation	128,587
Home and community services	2,198,728
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 3,091,376
<u>BUSINESS-TYPE ACTIVITIES:</u>	
Golf Course	\$ 4,152
Ice Arena	62,226
TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES	\$ 66,378

The component unit of the Town, Hamburg Industrial Development Agency, does not own land, buildings or equipment; therefore, no amounts are included within the component's balance sheet.

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

Note 8 – Deferred Revenue – American Rescue Plan Act (ARPA)

In July 2021, the Town was awarded \$11,538,866 of funding from the American Recovery Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund and received all installments, which were passed through the New York State Office of the State Comptroller. The Town has spent \$5,745,944 of ARPA funds as of December 31, 2023. As of December 31, 2023, the Town had total deferred revenue related to ARPA in the amount of \$5,792,922.

Note 9 - Long-Term Obligations

Serial Bonds

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the 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.

Other Long-Term Debt

In addition to the above serial bonds, the Town had the following noncurrent liabilities:

Premium on Serial Bonds – The Town's premium is being amortized on a straight-line basis over the life of the related bonds. The total unamortized premiums as of December 31, 2023 was \$612,000 in the governmental funds and \$180,000 in the business-type funds.

Installment Purchase Debt – represents financing the Town has for the acquisition of equipment for governmental activities.

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

Compensated Absences - represents the value of earned and unused portions of the liability for vacation and sick leave.

Workers' Compensation - represents amounts expected to be paid out to employees to settle work related injuries over a period of time.

Net Pension Liability / (Asset) – Proportionate Share - represents the Town's share of the state retirement systems' liability for pensions for employees, police and firefighters, as well as volunteer firefighters covered under the length of service awards program.

Net OPEB Liability - represents the Town's obligation for benefits expected to be paid out to retirees (e.g. health insurance costs), discounted to the present value, over a number of years.

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

Note 9 - Long-Term Obligations (Cont.)

The following is a summary of long-term liabilities outstanding at December 31, 2023:

	Non-Current Governmental Liabilities	Non-Current Business-Type Liabilities
Serial bonds	\$ 9,062,000	\$ 1,608,000
Unamortized bond premium	612,000	180,000
Installment purchase debt	210,183	24,141
Leases payable	896,071	-
Compensated absences	4,531,234	53,216
Workers' compensation	165,557	-
Net pension liability - proportionate share	30,240,775	-
Net OPEB liability	53,898,360	-
TOTAL NON-CURRENT LIABILITIES	\$ 99,616,180	\$ 1,865,357

Summary of Changes in Non-Current Government Liabilities

The following is a summary of changes in the Non-current Government Liabilities for the year ended December 31, 2023:

	Balance January 1, 2023	Additions	Deletions	Balance December 31, 2023
<u>GOVERNMENTAL ACTIVITIES:</u>				
Serial bonds	\$ 10,140,000	\$ -	\$ 1,078,000	\$ 9,062,000
Unamortized bond premium	663,000		51,000	612,000
Installment purchase debt	81,966	259,004	130,787	210,183
Leases payable	274,091	781,748	159,768	896,071
Compensated absences	4,110,496	420,738	-	4,531,234
Workers' compensation	1,887,387	-	1,721,830	165,557
Net pension liability - ERS and PFRS	-	16,029,600	-	16,029,600
Net pension liability - LOSAP	18,940,063	-	4,728,888	14,211,175
Net OPEB liability	56,601,230	-	2,702,870	53,898,360
TOTAL GOVERNMENTAL ACTIVITIES	\$ 92,698,233	\$ 17,491,090	\$ 10,573,143	\$ 99,616,180
<u>BUSINESS-TYPE ACTIVITIES:</u>				
Serial bonds	\$ 1,720,000	\$ -	\$ 112,000	\$ 1,608,000
Unamortized bond premium	195,000	-	15,000	180,000
Installment purchase debt	-	37,457	13,316	24,141
Compensated absences	49,663	5,966	2,413	53,216
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 1,964,663	\$ 43,423	\$ 142,729	\$ 1,865,357

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

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

Note 9 - Long-Term Obligations (Cont.)

Summary of Serial Bond Transactions

The following is a summary of bond transactions for the governmental activities and enterprise fund activities for the year ended December 31, 2023:

<u>Description</u>	<u>Original Issue Amount</u>	<u>Term</u>	<u>Interest Rate</u>	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>
<u>GOVERNMENTAL ACTIVITIES:</u>							
GENERAL FUND:							
General improvements	800,000	2003-23	3.75-4.00%	\$ 70,000	\$ -	\$ 70,000	\$ -
General improvements	3,545,000	2017-35	2.00-2.95%	2,445,000	-	215,000	2,230,000
General improvements	675,000	2020-35	1.10-5.00%	615,000	-	67,000	548,000
TOTAL GENERAL FUND	<u>5,020,000</u>			<u>3,130,000</u>	<u>-</u>	<u>352,000</u>	<u>2,778,000</u>
HIGHWAY FUND:							
Resurface roads	265,000	2020-35	1.10-5.00%	248,000	-	17,000	231,000
SPECIAL DISTRICTS:							
Sewer improvements	948,750	2003-23	3.75-4.00%	20,000	-	20,000	-
Water improvements	341,713	2004-24	3.50-4.50%	40,000	-	20,000	20,000
Sewer improvements	765,000	2017-35	2.00-2.95%	580,000	-	40,000	540,000
Sewer improvements	1,245,000	2020-31	5.00%	885,000	-	190,000	695,000
Sewer improvements	310,000	2020-31	5.00%	100,000	-	100,000	-
Sewer improvements	5,455,000	2020-35	1.10-5.00%	5,137,000	-	339,000	4,798,000
TOTAL SPECIAL DISTRICTS	<u>9,065,463</u>			<u>6,762,000</u>	<u>-</u>	<u>709,000</u>	<u>6,053,000</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>14,350,463</u>			<u>10,140,000</u>	<u>-</u>	<u>1,078,000</u>	<u>9,062,000</u>
<u>ENTERPRISE FUNDS:</u>							
ICE ARENA:							
Ice arena improvements	1,605,000	2020-35	1.10-5.00%	1,513,000	-	98,000	1,415,000
Total ice arena	<u>1,605,000</u>			<u>1,513,000</u>	<u>-</u>	<u>98,000</u>	<u>1,415,000</u>
GOLF COURSE:							
Golf course improvements	220,000	2020-35	1.10-5.00%	207,000	-	14,000	193,000
TOTAL ENTERPRISE FUNDS	<u>1,825,000</u>			<u>1,720,000</u>	<u>-</u>	<u>112,000</u>	<u>1,608,000</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 16,175,463</u>			<u>\$ 11,860,000</u>	<u>\$ -</u>	<u>\$ 1,190,000</u>	<u>\$ 10,670,000</u>

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

Note 9 - Long-Term Obligations (Cont.)

Installment Purchase Debt

The following is a summary of installment purchase debt for the governmental activities for the year ended December 31, 2023:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance January 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31, 2023</u>
GOVERNMENTAL FUNDS:							
Vehicle	6/17/2019	6/17/2023	3.75%	\$ 57,182	\$ -	\$ (57,182)	\$ -
Equipment	2/28/2020	2/28/2024	4.70%	24,784	-	(12,101)	12,683
Equipment	2/11/2023	2/11/2026	3.40%	-	79,992	(18,995)	60,997
Equipment	2/10/2023	2/10/2026	3.40%	-	69,166	(18,958)	50,208
Vehicle	8/1/2023	8/1/2027	6.99%	-	109,846	(23,551)	86,295
TOTAL GOVERNMENTAL FUNDS				<u>81,966</u>	<u>259,004</u>	<u>(130,787)</u>	<u>210,183</u>
ENTERPRISE FUNDS:							
Equipment	6/13/2023	6/13/2025	6.80%	-	37,457	(13,316)	24,141
TOTAL INSTALLMENT DEBT				<u>\$ 81,966</u>	<u>\$ 296,461</u>	<u>\$ (144,103)</u>	<u>\$ 234,324</u>

Leases Payable

The Town recognizes lease liabilities and leased assets at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The leased asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease liability is reduced as principal payments are made and interest expense is recognized as an expenditure in the funds. The Town amortizes the leased asset over the life of the lease agreement on a straight-line basis.

During 2013, the Town entered into a lease agreement to lease a building to use as its Senior Citizen Community Center. The outstanding lease liability as of December 31, 2023, was \$146,766.

During 2020, the Town entered into a lease agreement to lease equipment. The outstanding lease liability as of December 31, 2023, was \$34,099.

During 2023, the Town entered into a lease agreement to lease Vehicles. The outstanding lease liability as of December 31, 2023, was \$715,206.

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

Note 9 - Long-Term Obligations (Cont.)

Long-Term Debt Maturity Schedules

The following schedule sets forth the remaining annual maturities of long-term debt by type for governmental activities at December 31, 2023:

Governmental Activities									
Year	Serial Bonds	Unamortized Bond Premium	Installment Purchase Debt	Leases Payable	Compensated Absences	Workers' Compensation	Net Pension Liability	Net OPEB Liability	Total
2024	\$ 899,000	\$ 51,000	\$ 67,464	\$ 267,509	\$ -	\$ -	\$ -	\$ -	\$ 1,284,973
2025	866,000	51,000	57,836	253,321	-	-	-	-	1,228,157
2026	827,000	51,000	61,076	239,987	-	-	-	-	1,179,063
2027	744,000	51,000	23,807	135,254	-	-	-	-	954,061
2028	774,000	51,000	-	-	-	-	-	-	825,000
2029 - 2033	3,536,000	255,000	-	-	-	-	-	-	3,791,000
2034 - 2038	1,416,000	102,000	-	-	-	-	-	-	1,518,000
Thereafter	-	-	-	-	4,531,234	165,557	30,240,775	53,898,360	88,835,926
Total	\$ 9,062,000	\$ 612,000	\$ 210,183	\$ 896,071	\$ 4,531,234	\$ 165,557	\$ 30,240,775	\$ 53,898,360	\$ 99,616,180

The following schedule sets forth the remaining annual maturities of long-term debt by type for business-type activities at December 31, 2023:

Business-Type Activities					
Year	Serial Bonds	Unamortized Bond Premium	Installment Purchase Debt	Compensated Absences	Total
2024	\$ 116,000	\$ 15,000	\$ 11,673	\$ -	\$ 142,673
2025	119,000	15,000	12,468	-	146,468
2026	123,000	15,000	-	-	138,000
2027	126,000	15,000	-	-	141,000
2028	131,000	15,000	-	-	146,000
2029 - 2033	704,000	75,000	-	-	779,000
2034 - 2038	289,000	30,000	-	-	319,000
Thereafter	-	-	-	53,216	53,216
Total	\$ 1,608,000	\$ 180,000	\$ 24,141	\$ 53,216	\$ 1,865,357

The following schedule sets forth the annual interest payments due on serial bonds, installment debt, and leases payable at December 31, 2023:

Year	Governmental Activities	Business-type Activities	Total
2024	\$ 339,986	\$ 48,539	\$ 388,525
2025	278,499	41,944	320,443
2026	222,458	35,146	257,604
2027	168,876	28,996	197,872
2028	133,424	22,696	156,120
2029 - 2033	340,380	51,600	391,980
2034 - 2038	40,792	6,238	47,030
Total	\$ 1,524,415	\$ 235,159	\$ 1,759,574

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

Note 9 - Long-Term Obligations (Cont.)

Workers' Compensation Liability

The following is a schedule of claims and payments for the past two years:

<u>Year</u>	<u>Beginning Liability</u>	<u>Changes in estimates</u>	<u>Claim payments</u>	<u>Ending Liability</u>
2022	\$ 1,879,636	\$ 577,759	\$ 570,008	\$ 1,887,387
2023	\$ 1,887,387	\$ (1,713,479)	\$ 8,351	\$ 165,557

Payments for compensated absences and workers' compensation are dependent upon many factors; therefore, the timing of future payments may not be determinable for each year.

Note 10 - Pension Plans

Plan Description

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

Funding Policy

The Systems are noncontributory for employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the Systems contribute 3% of their salary throughout their active membership. Employees who join on or after April 1, 2012 will contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members varied based on each member's annual compensation, between 3% and 6%. Under the authority of the NYSRSSL, the Comptroller annually determines and certifies the employer contribution rates expressed as proportions of payroll of members, which rate is used in computing the contributions required to be made by employers to the pension fund. Membership, benefits and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

ERS

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

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

Note 10 - Pension Plans (Cont.)

PFRS

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

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

	<u>ERS</u>	<u>PFRS</u>
2023	\$ 1,113,221	\$ 1,680,006
2022	\$ 1,539,780	\$ 1,838,059
2021	\$ 1,346,132	\$ 1,557,191

Pension Liabilities (Assets), Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2023, the Town of Hamburg reported an liability of \$16,029,600 for its proportionate share of the pension liability (asset) (\$5,223,422 for ERS, \$6,896,530 for PFRS). The net pension liability (asset) was measured as of March 31, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of April 1, 2022. The Town of Hamburg's proportion of the net pension liability (asset) was based on a projection of the Town of Hamburg's long-term share of contributions to the pension plan relative to the projected contribution of all participating members, actuarially determined.

At December 31, 2023, the Town of Hamburg's proportion was .1953888 percent (.0330293% for ERS, .1623595% for PFRS). For the year ended December 31, 2023, the Town of Hamburg recognized pension expense of \$1,029,746 (\$2,493,927 for ERS and \$2,796,856 for PFRS). At December 31, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following resources:

	<u>ERS</u>		<u>PFRS</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 754,376	\$ 198,912	\$ 874,457	\$ -
Changes in assumptions	3,439,876	38,017	4,359,741	-
Net difference between projected and actual investment earnings on pension plan investments	-	41,611	15,817	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	55,745	76,089	273,177	249,101
Town contributions subsequent to the measurement date	973,425	-	1,373,338	-
TOTAL	\$ 5,223,422	\$ 354,629	\$ 6,896,530	\$ 249,101

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

Note 10 - Pension Plans (Cont.)

The Town's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability (asset) for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended March 31	ERS	PFRS
2024	\$ 917,130	\$ 997,192
2025	(382,621)	(197,704)
2026	1,442,251	2,643,474
2027	1,918,607	1,671,617
2028	-	159,511
Thereafter	-	-

Actuarial Assumptions

The total pension liability (asset) at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability (asset) to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

	ERS	PFRS
Interest rate	5.90%	5.90%
Inflation rate	2.90%	2.90%
Salary	4.40%	6.20%
Investment rate of return	5.90%	5.90%
Costs of living adjustments	1.50%	1.50%
Decrement Tables	April 1, 2015 - March 31, 2020 system's experience	April 1, 2015 - March 31, 2020 system's experience

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

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

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

Note 10 - Pension Plans (Cont.)

The long term expected rate of return on pension plan investments was determined using a building block method which is best estimates ranges of best estimate future real rates of return (expected returns nets 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2023 are summarized below:

<u>Asset Type</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	4.30%
International Equity	6.85%
Private Equity	7.50%
Real Estate	4.60%
Opportunistic / ARC Portfolio	5.38%
Credit	5.43%
Real Assets	5.84%
Fixed Income	1.50%
Cash	0.00%

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

Discount Rate

The discount used to calculate the total pension liability was 5.90%. The project 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 the statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods projected benefit payments to determine the total pension liability (asset).

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

Note 10 - Pension Plans (Cont.)

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

The following presents the Town of Hamburg's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.90 percent, as well as what the Town of Hamburg's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.90 percent) or 1-percentage point higher (6.90 percent) than the current rate:

	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Town's proportionate share of the net pension (asset) liability - ERS	\$ 17,116,147	\$ 7,082,824	\$ (1,301,185)
Town's proportionate share of the net pension (asset) liability - PFRS	\$ 18,649,974	\$ 8,946,776	\$ 911,946

Pension Plan Fiduciary Net Position

The components of the current-year net position liability of the total employers' share for the New York State Retirement System and Police and Fire Retirement System as of March 31, 2023, are as follows:

	Employees' Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 232,627,259	\$ 43,835,333	\$ 276,462,592
Fiduciary net position	211,183,223	38,324,863	249,508,086
Employers' net pension (asset) liability	\$ 21,444,036	\$ 5,510,470	\$ 26,954,506
Ratio of fiduciary net position to the employers' total pension (asset) liability	90.78%	87.43%	90.25%

Prepays to Pension Plan

Employer contributions are paid annually based on the System's fiscal year, which ends on March 31st. Prepaid retirement contributions as of December 31, 2023 represent a three-month portion of the annual invoice for the plan year April 1, 2023, through March 31, 2024. Prepaid retirement as of December 31, 2023 amounted to \$782,254.

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

Note 11 - Defined Benefit Volunteer Firefighter Service Award Program

The Town of Hamburg is a sponsor for Length of Service Awards Programs (LOSAP) covering the following six fire companies that serve residents in the Town:

1. Armor Fire Company
2. Big Tree Volunteer Fireman's Company
3. Lake Shore Volunteer Fire Company
4. Newton Abbott Volunteer Fire Company, Inc.
5. Scranton Fire Department
6. Woodlawn Volunteer Fire Company Inc.

Length of Service Awards Program – LOSAP

The Town sponsored these defined benefit LOSAPs for the active volunteer firefighters. The programs took effect on January 1, 1991 and the programs were established pursuant to Article 11-A of the General Municipal Law. The programs provide municipally funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the programs.

Program Description

Participation, Vesting and Service Credit – All Plans

Active volunteer firefighters who have reached the age of 18 and who have completed one (1) year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five (5) years of firefighting service or upon attaining the program's entitlement age. For the programs the entitlement age is between 55 and 62. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in accordance with the Sponsor's determination of active status. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five (5) years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant's service award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of service credit earned by the volunteer under the point system. The maximum number of years of service credit a participant may earn is between 30 and 40 years under the program. Currently, there are no other forms of payment of a volunteer's earned service award under the program. Except in the case of death or total and permanent disablement, service awards commence to be paid when a participant attains the entitlement age. Volunteers who continue to be active after attaining the entitlement age and beginning to be paid a service award continue to have the opportunity to earn program credit and to thereby increase their service award payments. The program provides death and disability benefits equal to the actuarial value of the participant's earned service award at the time of death or disablement (the minimum death benefit payable is \$10,000 if the volunteer had earned 50 points in at least one of the three years preceding death.) The program does not provide extra line-of-duty death or disability benefits. The \$10,000 minimum death benefit is funded through a Group Term Life Insurance policy. All other death and disability benefits are "self-insured" and are paid from the program trust fund.

Participants Covered by the Benefit Term

At the December 31, 2022 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	160
Inactive participants entitled to but not currently receiving benefit payments	171
Active participants	<u>157</u>
Total	<u><u>488</u></u>

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

Note 11 - Defined Benefit Volunteer Firefighter Service Award Program (Cont.)

Benefits (Cont.)

Contributions

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

Trust Assets

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

Measurement of Total Pension Liability

The Town's total pension liability was measured at December 31, 2022 using an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None Assumed

Mortality rates were based on the RP-2014 Mortality Table without projection for mortality improvement.

Discount Rate

The discount rate used to measure the total pension liability was 4.31%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody's Investors Service's, AA by Fitch, or AA by Standard & Poor's Rating Services.

Changes in the Total Pension Liability

Balance as of 12/31/2021 measurement date	<u>\$ 18,940,063</u>
Service cost	425,175
Interest	425,258
Changes of assumptions and other inputs	(4,843,072)
Differences between expected and actual experience	24,799
Benefit payments	<u>(761,048)</u>
Net changes	<u>(4,728,888)</u>
Balance as of 12/31/2022 measurement date	<u>\$ 14,211,175</u>

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

Note 11 - Defined Benefit Volunteer Firefighter Service Award Program (Cont.)

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability of the Town as of December 31, 2022 measurement date, calculated using the discount rate of 4.31%, as well as what the Town's total personal liability would be if it were calculated using a discount rate that is 1% point lower (3.31%) or 1 %point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	<u>\$ 16,276,364</u>	<u>\$ 14,211,175</u>	<u>\$ 12,535,580</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2023, the Town recognized pension expenses of \$578,477. At December 31, 2023; the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 420,897	\$ 327,497
Changes of assumptions of other inputs	2,500,842	5,113,779
Benefit payments and administrative expenses subsequent to the measurement date	833,083	-
TOTAL	<u>\$ 3,754,822</u>	<u>\$ 5,441,276</u>

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ended December 31, 2024.

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 Ended December 31:</u>	
2024	\$ (291,105)
2025	(493,727)
2026	(612,566)
2027	(335,693)
2028	(298,268)
Thereafter	(488,177)

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

Note 12 - Other Postemployment Benefits (GASB 75)

Plan Description

The Town's defined benefit OPEB plan provides OPEB for all permanent full-time general, highway, 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 Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The Plan is currently unfunded.

Funding Policy

The Town provides healthcare 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 district's offices and are available upon request.

Employee Covered by Benefit Terms

At December 31, 2023, the following employees were covered by the benefit terms:

	<u>Total</u>
Active not eligible to retire	162
Active and eligible to retired	38
Retired and surviving spouses	230
Retires spouses covered	<u>129</u>
TOTAL	<u>559</u>

Total OPEB Liability

The Town's total OPEB liability of \$53,898,360 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	4.64%
Long-Term Bond Rate	4.64%
Salary Increases	3.42%
Healthcare Cost Trend Rate	5.10% to 3.86%

The discount rate was based on a blending of the investment rate of return and the long-term bond rate using expected plan benefit payments.

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date.

Mortality rates were based on the Mortality Improvement Scale MP-2020, as appropriate, with adjustments for mortality improvements based on Scale AA.

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

Note 12 - Other Postemployment Benefits (GASB 75) (Cont.)

Changes in the Total OPEB Liability

Balance at December 31, 2022	\$ 56,601,230
Changes for the year:	
Service cost	762,044
Interest	2,413,053
Changes of benefit terms	(8,052)
Differences between expected and actual experience	(1,580,176)
Changes in assumptions	(1,768,587)
Benefit payments	(2,521,152)
Net changes	<u>(2,702,870)</u>
Balance at December 31, 2023	<u>\$ 53,898,360</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.40 percent in 2022 to 4.64 percent in 2023.

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 have been if it were calculated using a discount rate that is 1 percentage point lower (3.64 percent) of 1 percentage point higher (5.64 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(3.64%)</u>	<u>Discount Rate</u> <u>(4.64%)</u>	<u>1% Increase</u> <u>(5.64%)</u>
Total OPEB liability	<u>\$ 61,823,459</u>	<u>\$ 53,898,360</u>	<u>\$ 47,526,034</u>

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

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

	<u>1% Decrease</u> <u>(4.10%</u> <u>Decreasing</u> <u>to 2.86%)</u>	<u>Healthcare</u> <u>Cost Trend Rates</u> <u>(5.10%</u> <u>Decreasing</u> <u>to 3.86%)</u>	<u>1% Increase</u> <u>(6.10%</u> <u>Decreasing</u> <u>to 4.86%)</u>
Total OPEB liability	<u>\$ 46,731,323</u>	<u>\$ 53,898,360</u>	<u>\$ 62,840,738</u>

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

Note 12 - Other Postemployment Benefits (GASB 75) (Cont.)

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

For the year ended December 31, 2023, the Town recognized OPEB expense (income) of (\$4,290,134). At December 31, 2023, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,304,695
Changes of assumptions or other inputs	-	16,845,077
Contributions after the measurement date	637,214	-
TOTAL	\$ 637,214	\$ 20,149,772

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

Fiscal Year Ending December 31	Total Net Deferrals
2024	\$ (5,914,525)
2025	(5,914,525)
2026	(5,914,525)
2027	(2,216,644)
2028	(189,553)
Thereafter	-

Note 13 - Interfund Receivables and Payables

Interfund receivables and payables at December 31, 2023 were as follows:

Fund	Interfund Receivable	Interfund Payable
GOVERNMENTAL ACTIVITIES:		
General fund	\$ 1,328,657	\$ -
Capital projects fund	-	1,328,657
TOTAL GOVERNMENTAL ACTIVITIES	1,328,657	1,328,657
TOTAL INTERFUND RECEIVABLES AND PAYABLES	\$ 1,328,657	\$ 1,328,657

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

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

Note 14 – Interfund Transfers

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
GOVERNMENTAL ACTIVITIES:		
General fund	\$ 2,197,134	\$ 3,423,779
Part-Town fund	-	656,009
Highway fund	892,714	839,150
Capital projects fund	2,310,243	92,364
Community development fund	-	152,889
Park Land Fund	-	17,500
Fire protection fund	-	136,400
Hydrant improvement fund	-	10,000
Lighting fund	-	10,000
Sewer fund	-	12,000
TOTAL GOVERNMENTAL ACTIVITIES	<u>5,400,091</u>	<u>5,350,091</u>
BUSINESS-TYPE ACTIVITIES:		
Golf course	-	47,000
Ice arena	-	3,000
TOTAL BUSINESS-TYPE ACTIVITIES	<u>-</u>	<u>50,000</u>
TOTAL INTERFUND TRANSFERS	<u>\$ 5,400,091</u>	<u>\$ 5,400,091</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and move residual cash from closed projects to debt service to be used for debt payments at a later date. The purpose of the government's interfund transfers are debt service payments, capital projects and self-insurance cost.

Note 15 - Fund Balances

Non-spendable fund balances as of December 31, 2023 are as follows:

<u>Fund</u>	<u>Amount</u>
GENERAL FUND:	
Prepaid retirement	<u>\$ 246,329</u>
PART-TOWN FUND:	
Prepaid retirement	<u>466,273</u>
HIGHWAY FUND:	
Prepaid retirement	<u>69,652</u>
TOTAL NON-SPENDABLE FUND BALANCE	<u>\$ 782,254</u>

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

Note 15 - Fund Balances (Cont.)

Restricted fund balances which have external constraints, are as follows:

<u>Fund</u>	<u>Amount</u>
GENERAL FUND:	
Reserve for insurance	\$ 1,094,000
Reserve for workers' compensation	954,636
Reserve for tax stabilization	<u>107,098</u>
TOTAL GENERAL FUND	<u>2,155,734</u>
 PART-TOWN FUND:	
Reserve for drug seizures	231,814
Reserve for encumbrances	385,225
Reserve for tax stabilization	<u>15,875</u>
TOTAL PART-TOWN FUND	<u>632,914</u>
 HIGHWAY FUND:	
Reserve for tax stabilization	30,000
Reserve for encumbrances	<u>168,095</u>
TOTAL HIGHWAY FUND	<u>198,095</u>
 CAPITAL PROJECTS FUND:	
Fund balance	<u>2,957,222</u>
 FIRE PROTECTION FUND:	
Service award program	<u>10,366,363</u>
 TOTAL RESTRICTED FUND BALANCE	<u>\$ 16,310,328</u>

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

Note 15 - Fund Balances (Cont.)

Assigned fund balances, which are constrained by the Town's intent to be used for specific purposes, are as follows:

<u>Fund</u>	<u>Balance</u>
GENERAL FUND:	
Appropriated	\$ 700,000
Encumbrances	1,069,062
Ravenwood sewer - unappropriated	<u>80</u>
TOTAL GENERAL FUND	<u>1,769,142</u>
 SPECIAL REVENUE FUND:	
Part-Town - unappropriated	2,014,716
Part-Town - appropriated	700,000
Highway - unappropriated	1,729,228
Highway - appropriated	<u>75,000</u>
TOTAL SPECIAL REVENUE FUND	<u>4,518,944</u>
 NON-MAJOR GOVERNMENTAL FUNDS:	
Community development - unappropriated	38,614
Park land - unappropriated	661,090
Fire protection - unappropriated	285,759
Hydrant improvement - unappropriated	378,722
Street lighting - unappropriated	874,012
Water - unappropriated	80,840
Sewer - unappropriated	1,321,669
Sewer - appropriated	<u>6,730</u>
TOTAL NON-MAJOR FUNDS	<u>3,647,436</u>
 TOTAL ASSIGNED FUND BALANCE	 <u>\$ 9,935,522</u>

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

Note 16 – Tax Abatement Disclosures

In August 2015, the Government Accounting Standards Board issued Statement No. 77, *Tax Abatement Disclosures* (GASB 77) which provides disclosure requirements for certain types of tax abatements. GASB 77 defines tax abatements as follows: A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or citizens of those governments.

The Town of Hamburg, New York employs the Hamburg Industrial Development Agency (IDA) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing, industrial, manufacturing, warehousing, commercial, research and recreation facilities including certain defined facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living in Hamburg, New York. To accomplish this, the IDA is empowered to grant tax abatements on behalf of the Town.

At December 31, 2023, the Town has total tax abatements amounting to \$365,643, and has collected payments in lieu of taxes of \$365,643.

The following tax abatement agreements have been determined to meet the criteria for disclosure under GASB Statement No. 77:

Type	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Housing	41.12%	\$ 150,356
Manufacturing	14.69%	53,723
Office Building	12.33%	45,096
Distribution	11.85%	43,318
Recycling	7.09%	25,915
Retail	6.90%	25,244
Services	2.33%	8,507
Other	1.27%	4,654
School Bus Garage	1.25%	4,572
Printing	0.48%	1,773
Construction	0.46%	1,691
Finance	0.22%	794
TOTAL TAXES ABATED		\$ 365,643

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

Note 17 - Risk Financing Activities

The Town is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. Beginning in 1995, the Town decided to stop carrying commercial workers' compensation insurance because of its prohibitive cost and began covering all related claim settlements and judgments out of its General Fund resources. The Town purchased insurance coverage for claims in excess of \$400,000. Previously, the Town had been retaining risk related to general liability only. All other risks of loss are covered through the purchase of commercial insurance. There have been no significant reductions in the levels of commercial insurance from the prior year, nor have there been any settlements which exceeded insurance coverage for each of the past three fiscal years. The Town currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Note 18 - Contingencies

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

Note 19 – Subsequent Events

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 7, 2025, the date in which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF HAMBURG, NEW YORK
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET VS. ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Real property taxes	\$ 11,834,606	\$ 11,834,606	\$ 11,856,158	\$ 21,552
Real property tax items	705,654	705,654	696,107	(9,547)
Nonproperty tax items	148,000	148,000	168,541	20,541
Departmental income	480,898	481,921	429,770	(52,151)
Intergovernmental charges	115,175	115,425	108,070	(7,355)
Use of money and property	57,300	413,115	821,826	408,711
Licenses and permits	807,600	807,600	839,493	31,893
Fines and forfeitures	669,300	669,300	313,508	(355,792)
Sale of property and compensation for loss	50,000	127,398	180,054	52,656
Miscellaneous	2,877,179	1,194,228	1,301,508	107,280
State aid	2,123,916	2,207,254	2,047,700	(159,554)
Federal aid	-	5,140,991	5,226,405	85,414
TOTAL REVENUES	<u>19,869,628</u>	<u>23,845,492</u>	<u>23,989,140</u>	<u>143,648</u>
<u>EXPENDITURES:</u>				
General government support	5,918,894	8,311,819	8,172,872	138,947
Public safety	2,279,986	2,396,377	2,381,182	15,195
Health	64,000	49,423	49,423	-
Transportation	214,433	219,679	209,938	9,741
Economic assistance	957,128	1,066,555	1,050,002	16,553
Culture and recreation	4,186,495	4,629,172	4,605,699	23,473
Home and community services	412,732	385,987	371,937	14,050
Employee benefits	5,961,808	5,557,055	5,446,779	110,276
Debt services - principal	359,673	508,022	508,022	-
Debt services - interest	86,890	107,128	107,128	-
TOTAL EXPENDITURES	<u>20,442,039</u>	<u>23,231,217</u>	<u>22,902,982</u>	<u>328,235</u>
Excess (deficiency) of revenues over expenditures	<u>(572,411)</u>	<u>614,275</u>	<u>1,086,158</u>	<u>471,883</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	468,134	2,197,134	2,197,134	-
Transfers out	<u>(1,623,590)</u>	<u>(5,205,951)</u>	<u>(3,423,779)</u>	<u>1,782,172</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,155,456)</u>	<u>(3,008,817)</u>	<u>(1,226,645)</u>	<u>1,782,172</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(1,727,867)</u>	<u>(2,394,542)</u>	<u>(140,487)</u>	<u>2,254,055</u>
Fund balance - beginning of the year	<u>7,297,331</u>	<u>7,297,331</u>	<u>7,297,331</u>	<u>-</u>
Fund balance - end of year	<u>\$ 5,569,464</u>	<u>\$ 4,902,789</u>	<u>\$ 7,156,844</u>	<u>\$ 2,254,055</u>

See independent auditor's report

TOWN OF HAMBURG, NEW YORK
PART-TOWN FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET VS. ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Real property taxes	\$ 5,487,986	\$ 5,487,986	\$ 5,487,986	\$ -
Nonproperty tax items	8,780,000	9,882,948	9,882,948	-
Departmental income	68,000	90,313	90,313	-
Intergovernmental charges	253,750	254,808	254,808	-
Use of money and property	10,000	202,918	202,918	-
Licenses and permits	100	27,850	27,850	-
Fines and forfeitures	5,000	2,150	2,150	-
Sale of property and compensation for loss	20,000	70,999	70,999	-
Miscellaneous	-	129,968	130,028	60
State aid	119,958	205,053	224,232	19,179
Federal aid	20,000	20,000	91,412	71,412
TOTAL REVENUES	<u>14,764,794</u>	<u>16,374,993</u>	<u>16,465,644</u>	<u>90,651</u>
<u>EXPENDITURES:</u>				
General government support	100,000	189,582	119,947	69,635
Public safety	8,613,535	9,545,631	8,778,474	767,157
Culture and recreation	30,000	30,000	-	30,000
Home and community services	448,452	746,683	684,882	61,801
Employee benefits	4,916,798	5,312,066	5,017,862	294,204
Debt service - principal	-	28,301	28,301	-
Debt service - interest	-	9,842	9,842	-
TOTAL EXPENDITURES	<u>14,108,785</u>	<u>15,862,105</u>	<u>14,639,308</u>	<u>1,222,797</u>
Excess (deficiency) of revenues over expenditures	<u>656,009</u>	<u>512,888</u>	<u>1,826,336</u>	<u>1,313,448</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(656,009)</u>	<u>(656,009)</u>	<u>(656,009)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(656,009)</u>	<u>(656,009)</u>	<u>(656,009)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	(143,121)	1,170,327	1,313,448
Fund balance - beginning of the year	<u>2,643,576</u>	<u>2,643,576</u>	<u>2,643,576</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,643,576</u>	<u>\$ 2,500,455</u>	<u>\$ 3,813,903</u>	<u>\$ 1,313,448</u>

See independent auditor's report

TOWN OF HAMBURG, NEW YORK
HIGHWAY FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET VS. ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>REVENUES:</u>				
Real property taxes	\$ 6,189,413	\$ 6,189,413	\$ 6,189,413	\$ -
Use of money and property	12,500	142,882	171,174	28,292
Sale of property and compensation for loss	-	2,333	2,333	-
Miscellaneous	10,000	25	25	-
State aid	524,495	633,375	633,375	-
Federal aid	85,000	152,889	-	(152,889)
TOTAL REVENUES	6,821,408	7,120,917	6,996,320	(124,597)
<u>EXPENDITURES:</u>				
Transportation	4,723,995	5,687,494	5,702,021	(14,527)
Employee benefits	1,508,593	1,417,431	1,417,431	-
Debt service - principal	17,000	108,232	108,232	-
Debt service - interest	7,670	15,546	15,546	-
TOTAL EXPENDITURES	6,257,258	7,228,703	7,243,230	(14,527)
Excess (deficiency) of revenues over expenditures	564,150	(107,786)	(246,910)	(139,124)
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	-	739,825	892,714	152,889
Transfers out	(839,150)	(839,150)	(839,150)	-
TOTAL OTHER FINANCING SOURCES (USES)	(839,150)	(99,325)	53,564	152,889
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(275,000)	(207,111)	(193,346)	13,765
Fund balance - beginning of the year	2,265,321	2,265,321	2,265,321	-
Fund balance - end of year	\$ 1,990,321	\$ 2,058,210	\$ 2,071,975	\$ 13,765

See independent auditor's report

TOWN OF HAMBURG, NEW YORK
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION (ASSET) LIABILITY
NYSLRS PENSION PLAN
DECEMBER 31, 2023

	Year Ended December 31,								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Employees' Retirement System (ERS)</u>									
Measurement date, March 31	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset)	0.0330293%	0.0342563%	0.0336916%	0.0336916%	0.0340333%	0.0322868%	0.0336418%	0.0341559%	0.0339377%
Town's proportionate share of the net pension liability (asset)	<u>\$ 7,082,824</u>	<u>\$ (2,800,311)</u>	<u>\$ 33,751</u>	<u>\$ 8,921,725</u>	<u>\$ 2,411,364</u>	<u>\$ 1,042,039</u>	<u>\$ 3,161,061</u>	<u>\$ 5,482,118</u>	<u>\$ 1,146,498</u>
Town's covered-employee payroll	<u>\$ 9,779,560</u>	<u>\$ 9,659,614</u>	<u>\$ 9,511,144</u>	<u>\$ 9,204,363</u>	<u>\$ 9,149,959</u>	<u>\$ 8,696,410</u>	<u>\$ 8,809,042</u>	<u>\$ 8,611,541</u>	<u>\$ 8,544,769</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	72.42%	-28.99%	0.35%	96.93%	26.35%	11.98%	35.88%	63.66%	13.42%
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%
<u>Police and Fire Retirement System (PFRS)</u>									
Measurement date, March 31	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension liability (asset)	0.1623595%	0.1591102%	0.0350374%	0.1692700%	0.1683870%	0.1621738%	0.1556969%	0.1619868%	0.1576862%
Town's proportionate share of the net pension liability (asset)	<u>\$ 8,946,776</u>	<u>\$ 903,817</u>	<u>\$ 2,644,411</u>	<u>\$ 9,047,375</u>	<u>\$ 2,823,957</u>	<u>\$ 1,639,183</u>	<u>\$ 3,227,055</u>	<u>\$ 4,796,085</u>	<u>\$ 434,046</u>
Town's covered-employee payroll	<u>\$ 6,590,038</u>	<u>\$ 6,758,344</u>	<u>\$ 6,798,331</u>	<u>\$ 6,899,834</u>	<u>\$ 6,387,136</u>	<u>\$ 6,057,099</u>	<u>\$ 6,136,558</u>	<u>\$ 5,768,933</u>	<u>\$ 5,674,171</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	135.76%	13.37%	38.90%	131.1%	44.2%	27.1%	52.6%	83.1%	7.6%
Plan fiduciary net position as a percentage of the total pension liability (asset)	87.43%	103.65%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

See independent auditor's report

TOWN OF HAMBURG, NEW YORK
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
NYSLRS PENSION PLAN
DECEMBER 31, 2023

	Year Ended December 31,								
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Employees' Retirement System (ERS)</u>									
Contractually required contribution	\$ 1,113,221	\$ 1,539,780	\$ 1,346,132	\$ 1,320,569	\$ 1,358,530	\$ 1,308,248	\$ 1,347,448	\$ 1,989,389	\$ 1,039,057
Contributions in relation to the contractually required contribution	\$ 1,113,221	\$ 1,539,780	\$ 1,346,132	\$ 1,320,569	\$ 1,358,530	\$ 1,308,248	\$ 1,347,448	\$ 1,989,389	\$ 1,039,057
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 9,779,560	\$ 9,659,614	\$ 9,511,144	\$ 9,204,363	\$ 9,149,959	\$ 8,696,410	\$ 8,809,042	\$ 8,611,541	\$ 8,544,769
Contributions as a percentage of covered-employee payroll	11.38%	15.94%	14.15%	14.35%	14.85%	15.04%	15.30%	23.10%	12.16%
<u>Police and Fire Retirement System (PFRS)</u>									
Contractually required contribution	\$ 1,680,006	\$ 1,838,059	\$ 1,557,191	\$ 1,518,637	\$ 1,410,873	\$ 1,379,898	\$ 1,398,809	\$ 1,780,285	\$ 1,015,099
Contributions in relation to the contractually required contribution	\$ 1,680,006	\$ 1,838,059	\$ 1,557,191	\$ 1,518,637	\$ 1,410,873	\$ 1,379,898	\$ 1,398,809	\$ 1,780,285	\$ 1,015,099
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 6,590,038	\$ 6,758,344	\$ 6,798,331	\$ 6,899,834	\$ 6,387,136	\$ 6,057,099	\$ 6,136,558	\$ 5,768,933	\$ 5,674,171
Contributions as a percentage of covered-employee payroll	25.49%	27.20%	22.91%	22.01%	22.09%	22.78%	22.79%	30.86%	17.89%

See independent auditor's report

TOWN OF HAMBURG, NEW YORK
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY
DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability					
Service cost	\$ 762,044	\$ 1,453,183	\$ 1,616,883	\$ 1,688,096	\$ 1,688,096
Interest	2,413,053	1,990,617	3,181,237	4,203,943	4,203,943
Changes of benefit terms	(8,052)	10,598	718,288	-	-
Difference between expected and actual experience	(1,580,176)	(3,248,523)	(16,691,814)	(20,675,187)	(20,675,187)
Changes in assumptions	(1,768,587)	(24,749,694)	7,435,882	(7,117,212)	(7,117,212)
Benefit payments	<u>(2,521,152)</u>	<u>(2,369,293)</u>	<u>(3,410,735)</u>	<u>(3,133,839)</u>	<u>(3,133,839)</u>
Net change in total OPEB liability	(2,702,870)	(26,913,112)	(7,150,259)	(25,034,199)	(25,034,199)
Total OPEB liability - beginning	<u>\$ 56,601,230</u>	<u>\$ 83,514,342</u>	<u>\$ 117,475,203</u>	<u>\$ 121,558,406</u>	<u>\$ 121,558,406</u>
Total OPEB liability - ending	<u>\$ 53,898,360</u>	<u>\$ 56,601,230</u>	<u>\$ 110,324,944</u>	<u>\$ 96,524,207</u>	<u>\$ 96,524,207</u>
Covered-employee payroll	\$ 15,371,213	\$ 14,847,110	\$ 14,952,230	\$ 13,472,638	\$ 13,472,638
Town's net OPEB liability as a percentage of covered-employee payroll	350.64%	381.23%	737.85%	716.45%	716.45%

See independent auditor's report

TOWN OF HAMBURG, NEW YORK
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL PENSION LIABILITY –
LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)
DECEMBER 31, 2023

	Year Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
Total LOSAP liability							
Service cost	\$ 425,175	\$ 476,032	\$ 352,356	\$ 332,381	\$ 398,216	\$ 380,507	\$ 446,220
Interest	425,258	379,836	517,892	532,766	486,348	509,409	463,212
Changes of benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	24,799	156,463	(65,249)	200,259	94,272	108,908	80,537
Changes in assumptions	(4,843,072)	(942,246)	3,578,115	860,726	(1,084,701)	1,215,104	(1,102,624)
Benefit payments	(761,048)	(669,176)	(755,717)	(636,902)	(528,292)	(614,905)	(517,699)
Net change in total pension liability	(4,728,888)	(599,091)	3,627,397	1,289,230	(634,157)	1,599,023	(630,354)
Total LOSAP liability - beginning	<u>\$ 18,940,063</u>	<u>\$ 19,539,154</u>	<u>15,911,757</u>	<u>14,622,527</u>	<u>15,256,684</u>	<u>13,657,661</u>	<u>14,288,015</u>
Total LOSAP liability - ending	<u>\$ 14,211,175</u>	<u>\$ 18,940,063</u>	<u>\$ 19,539,154</u>	<u>\$ 15,911,757</u>	<u>\$ 14,622,527</u>	<u>\$ 15,256,684</u>	<u>\$ 13,657,661</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town's LOSAP liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditor's report

SUPPLEMENTARY INFORMATION

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

ASSETS

	<u>Special Revenue</u>			
	<u>Community Development</u>	<u>Park Land</u>	<u>Non Major Special Districts</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 48,314	\$ 32,790	\$ 2,614,144	\$ 2,695,248
Unrestricted investments	-	623,300	760,695	1,383,995
Restricted investments	-	-	10,366,363	10,366,363
Accounts receivable	-	5,000	159,916	164,916
Loans receivable	177,619	-	-	177,619
TOTAL ASSETS	<u>\$ 225,933</u>	<u>\$ 661,090</u>	<u>\$ 13,901,118</u>	<u>\$ 14,788,141</u>

LIABILITIES AND FUND BALANCES

LIABILITIES

Accounts payable	\$ 9,700	\$ -	\$ 586,162	\$ 595,862
Accrued liabilities	-	-	861	861
Deferred revenue	177,619	-	-	177,619
TOTAL LIABILITIES	<u>187,319</u>	<u>-</u>	<u>587,023</u>	<u>774,342</u>

FUND BALANCES

Restricted	-	-	10,366,363	10,366,363
Assigned	38,614	661,090	2,947,732	3,647,436
TOTAL FUND BALANCES	<u>38,614</u>	<u>661,090</u>	<u>13,314,095</u>	<u>14,013,799</u>

TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 225,933</u>	<u>\$ 661,090</u>	<u>\$ 13,901,118</u>	<u>\$ 14,788,141</u>
--	--------------------------	--------------------------	-----------------------------	-----------------------------

See independent auditor's report

TOWN OF HAMBURG, NEW YORK
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue			
	Community Development	Park Land	Nonmajor Special Districts	Total Nonmajor Governmental Funds
REVENUES:				
Real property taxes	\$ -	\$ -	\$ 6,681,511	\$ 6,681,511
Departmental income	26,741	72,000	22,783	121,524
Intergovernmental charges	-	-	241,100	241,100
Use of money and property	913	26,889	1,146,928	1,174,730
Sale of property and compensation for loss	-	-	12,534	12,534
Miscellaneous	20,015	-	159,229	179,244
Federal aid	926,265	-	-	926,265
TOTAL REVENUES	973,934	98,889	8,264,085	9,336,908
EXPENDITURES:				
Public safety	-	-	3,513,312	3,513,312
Transportation	-	-	435,440	435,440
Economic assistance and opportunity	308,751	-	-	308,751
Home and community services	588,366	-	715,430	1,303,796
Employee benefits	-	-	598,626	598,626
Debt service - principal	-	-	724,000	724,000
Debt service - interest	-	-	222,313	222,313
TOTAL EXPENDITURES	897,117	-	6,209,121	7,106,238
Excess (deficiency) of revenues over expenditures	76,817	98,889	2,054,964	2,230,670
OTHER FINANCING SOURCES (USES):				
Transfers out	(152,889)	(17,500)	(168,400)	(338,789)
TOTAL OTHER FINANCING SOURCES (USES)	(152,889)	(17,500)	(168,400)	(338,789)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(76,072)	81,389	1,886,564	1,891,881
Fund Balance - beginning of year	114,686	579,701	11,427,531	12,121,918
Fund Balance - end of year	\$ 38,614	\$ 661,090	\$ 13,314,095	\$ 14,013,799

TOWN OF HAMBURG, NEW YORK
NONMAJOR SPECIAL DISTRICTS – SPECIAL REVENUE FUND
COMBINING BALANCE SHEET – BY DISTRICT TYPE
DECEMBER 31, 2023

ASSETS

	Nonmajor Special Districts					
	Fire Protection	Hydrant Improvement	Lighting	Water	Sewer	Total
<u>ASSETS</u>						
Cash	\$ 836,727	\$ 378,722	\$ -	\$ 80,840	\$ 1,317,855	\$ 2,614,144
Unrestricted investments	-	-	750,575	-	10,120	760,695
Restricted investments	10,366,363	-	-	-	-	10,366,363
Accounts receivables	-	-	158,631	-	1,285	159,916
TOTAL ASSETS	\$ 11,203,090	\$ 378,722	\$ 909,206	\$ 80,840	\$ 1,329,260	\$ 13,901,118

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts payable	\$ 550,968	\$ -	\$ 35,194	\$ -	\$ -	\$ 586,162
Accrued liabilities	-	-	-	-	861	861
TOTAL LIABILITIES	550,968	-	35,194	-	861	587,023

FUND BALANCE

Restricted	10,366,363	-	-	-	-	10,366,363
Assigned	285,759	378,722	874,012	80,840	1,328,399	2,947,732
TOTAL FUND BALANCES	10,652,122	378,722	874,012	80,840	1,328,399	13,314,095

TOTAL LIABILITIES AND FUND BALANCE	\$ 11,203,090	\$ 378,722	\$ 909,206	\$ 80,840	\$ 1,329,260	\$ 13,901,118
---	----------------------	-------------------	-------------------	------------------	---------------------	----------------------

TOWN OF HAMBURG, NEW YORK
NONMAJOR SPECIAL DISTRICTS – SPECIAL REVENUE FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

	Nonmajor Special Districts					
	Fire Protection	Hydrant Improvement	Lighting	Water	Sewer	Total
REVENUES:						
Real property taxes	\$ 3,817,076	\$ 443,676	\$ 1,464,929	\$ 106,557	\$ 849,273	\$ 6,681,511
Departmental income	-	-	-	-	22,783	22,783
Intergovernmental charges	-	-	-	-	241,100	241,100
Use of money and property	1,085,252	8,001	33,405	1,334	18,936	1,146,928
Sale of property and compensation for loss	-	-	12,534	-	-	12,534
Miscellaneous revenue	-	-	158,631	-	598	159,229
TOTAL REVENUES	4,902,328	451,677	1,669,499	107,891	1,132,690	8,264,085
EXPENDITURES:						
Public safety	3,108,716	404,596	-	-	-	3,513,312
Transportation	-	-	435,440	-	-	435,440
Home and community services	-	-	-	156	715,274	715,430
Employee benefits	594,893	-	-	-	3,733	598,626
Debt service - principal	-	-	339,000	100,000	285,000	724,000
Debt service - interest	-	-	156,888	5,000	60,425	222,313
TOTAL EXPENDITURES	3,703,609	404,596	931,328	105,156	1,064,432	6,209,121
Excess (deficiency) of revenues over expenditures	1,198,719	47,081	738,171	2,735	68,258	2,054,964
OTHER FINANCING SOURCES (USES):						
Transfers out	(136,400)	(10,000)	(10,000)	-	(12,000)	(168,400)
TOTAL OTHER FINANCING SOURCES (USES)	(136,400)	(10,000)	(10,000)	-	(12,000)	(168,400)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	1,062,319	37,081	728,171	2,735	56,258	1,886,564
Fund balance - beginning of year	9,589,803	341,641	145,841	78,105	1,272,141	11,427,531
Fund balance - end of year	\$ 10,652,122	\$ 378,722	\$ 874,012	\$ 80,840	\$ 1,328,399	\$ 13,314,095

See independent auditor's report



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Honorable Town Board
Town of Hamburg
Hamburg, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Hamburg, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Town of Hamburg, New York's basic financial statements and have issued our report thereon dated February 7, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

BUFFALO
501 John James Audubon
Suite 390
Amherst, NY 14228
P: (716) 694-0336

COOPERSTOWN
55-57 Grove Street
Cooperstown, NY 13326
P: (607) 282-4161

ONEONTA
189 Main Street, Suite 302
Oneonta, NY 13820
P: (607) 432-3462

PERRY
199 S. Main Street, PO Box 1
Perry, NY 14530
P: (585) 237-3896

ROCHESTER
90 Linden Oaks, Suite 100
Rochester, NY 14625
P: (585) 410-6733

Purpose of This Report

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

Allied CPAs, P.C.

Amherst, New York
February 7, 2025

**SINGLE AUDIT
WITH
INDEPENDENT AUDITOR'S REPORT**



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

Honorable Town Board
Town of Hamburg
Hamburg, New York

Report on Compliance for Each Major federal Program

Opinion on Each Major Federal Program

We have audited Town of Hamburg, New York's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Town of Hamburg, New York's major federal programs for the year ended December 31, 2023. Town of Hamburg, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Town of Hamburg, New York complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

BUFFALO
501 John James Audubon
Suite 390
Amherst, NY 14228
P: (716) 694-0336

COOPERSTOWN
55-57 Grove Street
Cooperstown, NY 13326
P: (607) 282-4161

ONEONTA
189 Main Street, Suite 302
Oneonta, NY 13820
P: (607) 432-3462

PERRY
199 S. Main Street, PO Box 1
Perry, NY 14530
P: (585) 237-3896

ROCHESTER
90 Linden Oaks, Suite 100
Rochester, NY 14625
P: (585) 410-6733

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Allied CPAs, P.C.

Amherst, New York
February 7, 2025

TOWN OF HAMBURG, NEW YORK
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-through Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>				
<i>Direct programs:</i>				
Community Development Block Grant / Entitlement Grant	14.218	N/A	\$ -	\$ 602,728
COVID-19 - Community Development Block Grant / Entitlement Grant	14.218	N/A	-	66,593
<i>Passed through the New York State Office of Community Renewal:</i>				
Community Development Block Grant / State's Program	14.228	N/A	308,751	308,751
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>308,751</u>	<u>978,072</u>
<u>U.S. Department of Justice:</u>				
<i>Direct program:</i>				
Equitable Sharing	16.922	N/A	-	91,412
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>-</u>	<u>91,412</u>
<u>U.S. Department of Treasury:</u>				
<i>Direct program:</i>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	100,000	5,226,405
TOTAL U.S. DEPARTMENT OF TREASURY			<u>100,000</u>	<u>5,226,405</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 408,751</u>	<u>\$ 6,295,889</u>

TOWN OF HAMBURG, NEW YORK
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Town of Hamburg, New York under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows for the Town.

Note 2 – Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Federal grants received by the Town are subject to audit and adjustment. If any expenditure is disallowed by the grantor agencies as a result of such audit, the grantor agencies could make claims to reimbursement, which would become a liability of the Town of Hamburg, New York.

The Town has elected not to use the 10-percent de minimis indirect cost rate allowable under the Uniform Guidance.

Note 3 - Subrecipients

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the Town provided federal awards to subrecipients as follows:

<u>Subrecipients</u>	<u>Assistance Listing Number</u>	<u>Amount Provided to Subrecipients</u>
Hamburg Development Corporation	14.228	<u>\$ 308,751</u>
PITCH Hamburg, Inc.	21.027	<u>\$ 100,000</u>

TOWN OF HAMBURG, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditor's Results:

Financial Statements:

Type of auditor's report issued

Unmodified

Internal Control Over Financial Reporting:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered
to be material weaknesses?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards:

Internal control over major programs:

Material weaknesses identified?

_____ Yes X No

Significant deficiencies identified that are not considered
to be material weaknesses?

_____ Yes X None reported

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

Unmodified

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

_____ Yes X No

Identification of Major Programs:

Assistance Listing Number

21.027

Name of Federal Program

COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between

Type A and Type B programs:

\$ 750,000

Auditee qualified as a low-risk auditee?

 X Yes _____ No

Section II – Financial Statement Findings:

No findings noted.

Section III - Federal Award Findings and Questioned Costs:

No findings noted.

TOWN OF HAMBURG, NEW YORK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section IV – Summary Schedule of Prior Year Audit Findings:

2022-001 Town Policy and Procedure Updates for Federal Funds

Assistance Listing No.: 14.218 – *Community Development Block Grant / Entitlement Grant*, 21.027 – *Covid-19 – Coronavirus State and Local Fiscal Recovery Funds*

Direct Awards for the Year Ended December 31, 2022

Federal Agencies: *U.S. Department of Housing and Urban Development and U.S. Department of Treasury*

Criteria: The Town's procurement policies and procedures must conform to regulations for federal award activity in accordance with Title 2 U.S. Code of Federal Regulations, Part 200, Sections 200.318 - 200.327. Under the Uniform Guidance requirements, federal award recipients should have these policies implemented.

Condition: During the audit for the year ended December 31, 2022, it was noted that the Town's policies and procedures for procurement did not include information necessary to comply with the Uniform Guidance.

Cause: The Town has not incorporated elements of the Uniform Guidance in their existing policies and procedures.

Effect or possible effect: The Town's policies and procedures are not in compliance with Uniform Guidance standards. This noncompliance could result in a lack of proper internal control over purchasing, an increased risk of overspending, and could have a negative impact on current and future federal awards.

Questioned costs: There were no questioned costs identified as part of the single audit.

Context: This finding was identified as part of the compliance audit for the year ended December 31, 2022, by means of conducting tests of compliance and inquiring of management.

Recommendation: We recommend that the Town review their policies and procedures and make necessary updates to comply with the procurement standards required by the Uniform Guidance. We also recommend that the Town review and modernize their fiscal policies manual and follow a standard for procurement across all departments.

Managements Corrective Action Plan: The Town will update the 1/19/23 Procurement Policy to include the information necessary to comply with the Uniform Guidance. This update will be completed and reviewed by Patrick Shea (Director of Finance) and/or Randall Hoak (Town Supervisor). This policy will be written and approved in March 2024.