

**TOWN OF AMHERST,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information, Supplementary Information and Federal
Awards Information for the Year Ended
December 31, 2022 and Independent Auditors' Reports*

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable Town Board
Town of Amherst, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Amherst, New York (the "Town"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, 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.

We did not audit the financial statements of the Town of Amherst Development Corporation (the "Corporation"), which represents the Town's business-type activity. We did not audit the financial statements of the Town of Amherst Industrial Development Agency (the "Agency"), which is shown as a discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corporation and the Agency, is based solely on the reports of the other auditors.

Basis for Opinions

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information. The other information comprises the budgetary comparison schedules for the Nonmajor Funds but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 1, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



May 1, 2023

TOWN OF AMHERST, NEW YORK

Management's Discussion and Analysis

Year Ended December 31, 2022

As management of the Town of Amherst, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The liabilities and deferred inflows of resources of the Town's governmental activities exceeded the assets and deferred outflows of resources at the close of the most recent fiscal year by \$20,938,183 (*net position*). This consists of \$141,830,391 net investment in capital assets, \$26,135,381 restricted for specific purposes, and unrestricted net position of \$(188,903,955).
- The Town's governmental activities total net position increased by \$8,925,113 during the year ended December 31, 2022.
- At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balances of \$64,905,521, an increase of \$1,226,991 in comparison with the prior year's fund balances of \$63,678,530.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$10,086,705, or 13.1 percent of total General Fund expenditures and transfers out. This amount is *available for spending* at the Town's discretion and constitutes approximately 37.7 percent of the General Fund's total fund balance of \$26,761,650 at December 31, 2022.
- The Town's total serial bonds outstanding increased by \$8,910,050 during the current year as a result of the issuance of serial bonds of \$18,040,050, offset by scheduled principal payments of \$9,130,000.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government support, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services and interest and other fiscal charges. The only business-type activity of the Town is the Amherst Development Corporation (the "Corporation"), a blended component unit.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate Industrial Development Agency for which the Town is financially accountable. Financial information presented for this discretely presented component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-15 of this report.

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

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

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

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

The basic governmental fund financial statements can be found on pages 16-19 of this report.

Proprietary funds—The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its business-type activity, the Amherst Development Corporation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town’s various functions. The Town uses internal service funds to account for its self-insurance and workers compensation insurance programs. Because these insurance services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Self Insurance Fund and for the Workers Compensation Fund. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the Supplementary Information section of this report.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources are not available to support the Town’s own programs. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Town maintains one fiduciary fund, the Custodial Fund.

The fiduciary fund financial statements can be found on pages 23-24 of this report.

Notes to the financial statements—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-63 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town’s net pension liability/(asset) for the police and fire retirement system and employees’ retirement system, the Town’s total OPEB liability and related ratios, the Town’s total pension liability related to its length of service awards program, and the Town’s budgetary comparison schedules for each major fund with a legally adopted budget. Required Supplementary Information and the related notes can be found on pages 64-74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 75-81.

Other Information is included in these financial statements, specifically, the Schedules of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual for the Town’s nonmajor funds. The Other Information can be found on pages 82-86 of this report.

The Federal Awards Information can be found on pages 87-96 of this report.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as useful indicator of a government's financial position. In the case of the Town's primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$20,911,973 at the close of the most recent year, as compared to \$29,825,380 at the close of the fiscal year ended December 31, 2021.

Table 1, as shown below, presents a condensed statement of net position as of December 31, 2022 and December 31, 2021.

Table 1—Condensed Statements of Net Position—Primary Government

	Governmental Activities		Business-type Activity		Total Primary Government	
	December 31,		December 31,		December 31,	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 143,755,171	\$ 110,593,972	\$ 26,210	\$ 135,071	\$ 143,781,381	\$ 110,729,043
Noncurrent assets	301,359,090	273,850,360	-	-	301,359,090	273,850,360
Total assets	<u>445,114,261</u>	<u>384,444,332</u>	<u>26,210</u>	<u>135,071</u>	<u>445,140,471</u>	<u>384,579,403</u>
Deferred outflows of resources	<u>73,467,838</u>	<u>100,748,238</u>	<u>-</u>	<u>-</u>	<u>73,467,838</u>	<u>100,748,238</u>
Current liabilities	75,446,641	44,778,019	-	97,155	75,446,641	44,875,174
Long-term liabilities	<u>394,231,976</u>	<u>383,579,177</u>	<u>-</u>	<u>-</u>	<u>394,231,976</u>	<u>383,579,177</u>
Total liabilities	<u>469,678,617</u>	<u>428,357,196</u>	<u>-</u>	<u>97,155</u>	<u>469,678,617</u>	<u>428,454,351</u>
Deferred inflows of resources	<u>69,841,665</u>	<u>86,698,670</u>	<u>-</u>	<u>-</u>	<u>69,841,665</u>	<u>86,698,670</u>
Net position:						
Net investment in capital assets	141,830,391	169,487,405	-	-	141,830,391	169,487,405
Restricted	26,135,381	28,947,845	-	-	26,135,381	28,947,845
Unrestricted	<u>(188,903,955)</u>	<u>(228,298,546)</u>	<u>26,210</u>	<u>37,916</u>	<u>(188,877,745)</u>	<u>(228,260,630)</u>
Total net position	<u>\$ (20,938,183)</u>	<u>\$ (29,863,296)</u>	<u>\$ 26,210</u>	<u>\$ 37,916</u>	<u>\$ (20,911,973)</u>	<u>\$ (29,825,380)</u>

The largest portion of the Town's net position, \$141,830,391, reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation and 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 capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$26,135,381, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the Town's net position, \$(188,903,955), is considered to be unrestricted. The deficit is caused primarily by long-term liabilities not related to the Town's capital assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, OPEB obligation, and pension liabilities are funded annually within the funds.

Table 2, presented below, shows the changes in net position for the years ended December 31, 2022 and December 31, 2021.

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

	Governmental Activities		Business-type Activity		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021	2022	2021
Program revenues:						
Charges for services	\$ 15,768,068	\$ 13,365,322	\$ -	\$ 107,950	\$ 15,768,068	\$ 13,473,272
Operating grants and contributions	37,024,116	42,758,683	-	5,000	37,024,116	42,763,683
Capital grants and contributions	2,484,667	6,837,345	-	-	2,484,667	6,837,345
General revenues	133,055,459	131,132,706	-	-	133,055,459	131,132,706
Total revenues	188,332,310	194,094,056	-	112,950	188,332,310	194,207,006
Total expenses	179,407,197	192,799,911	11,706	115,222	179,418,903	192,915,133
Change in net position	8,925,113	1,294,145	(11,706)	(2,272)	8,913,407	1,291,873
Net position—beginning	(29,863,296)	(31,157,441)	37,916	40,188	(29,825,380)	(31,117,253)
Net position—ending	\$ (20,938,183)	\$ (29,863,296)	\$ 26,210	\$ 37,916	\$ (20,911,973)	\$ (29,825,380)

A summary of sources of revenues of the governmental activities for the years ended December 31, 2022 and December 31, 2021 is presented below in Table 3.

Table 3—Summary of Sources of Revenues—Governmental Activities

	Year Ended December 31,		Increase/(decrease)	
	2022	2021	Dollars	Percent (%)
Charges for services	\$ 15,768,068	\$ 13,365,322	\$ 2,402,746	18.0
Operating grants and contributions	37,024,116	42,758,683	(5,734,567)	(13.4)
Capital grants and contributions	2,484,667	6,837,345	(4,352,678)	(63.7)
Property and other taxes	114,288,834	113,156,395	1,132,439	1.0
Use of money and property	639,974	36,764	603,210	1,640.8
Sale of property and compensation for loss	554,080	371,253	182,827	49.2
Miscellaneous	11,511,668	11,703,581	(191,913)	(1.6)
State sources—unrestricted	6,060,903	5,864,713	196,190	3.3
Total revenues, net	\$ 188,332,310	\$ 194,094,056	\$ (5,761,746)	(3.0)

Overall revenues of the governmental activities decreased 3.0 percent from the prior year. This is due primarily to decreases in operating and capital grants and contributions of \$5,734,567 and \$4,352,678, respectively, related to COVID-19 relief recognized during the year ended December 31, 2021.

The most significant source of revenues is property and other taxes, which accounts for \$114,288,834, or 60.7 percent of total revenues, for the year ended December 31, 2022, and \$113,156,395, or 58.3 percent of total revenues, for the year ended December 31, 2021. The next largest source of revenue is operating grants and contributions, which comprises \$37,024,116, or 19.7 percent of total revenues and \$42,758,683, or 22.0 percent of total revenues for the years ended December 31, 2022 and 2021, respectively. Another significant source of revenue for the Town is charges for services, which provided \$15,768,068 or 8.4 percent of total revenues, and \$13,365,322 or 6.9 percent of total revenues, for the years ended December 31, 2022 and 2021, respectively.

A summary of program expenses for the years ended December 31, 2022 and December 31, 2021 is presented below in Table 4.

Table 4—Summary of Program Expenses—Governmental Activities

	Year Ended December 31,		Increase/(Decrease)	
	2022	2021	Dollars	Percent (%)
General government support	\$ 18,789,803	\$ 20,069,031	\$ (1,279,228)	(6.4)
Public safety	55,670,118	57,014,516	(1,344,398)	(2.4)
Transportation	16,167,492	17,017,286	(849,794)	(5.0)
Economic assistance and opportunity	3,027,895	3,797,151	(769,256)	(20.3)
Culture and recreation	11,472,170	12,022,406	(550,236)	(4.6)
Home and community services	70,829,284	79,513,363	(8,684,079)	(10.9)
Interest and other fiscal charges	3,450,435	3,366,158	84,277	2.5
Total	<u>\$ 179,407,197</u>	<u>\$ 192,799,911</u>	<u>\$ (13,392,714)</u>	(6.9)

Total expenses decreased 6.9 percent from the year ended December 31, 2021 mainly due to the decreases in allocable employee benefits related to the change in the net pension liability/(asset).

The Town's significant expense items for the year ended December 31, 2022 were home and community services of \$70,829,284 (primarily sewer, water, and sanitation services), or 39.5 percent of total expenses, public safety of \$55,670,118 (primarily police services), or 31.0 percent of total expenses, general government support of \$18,789,803, or 10.5 percent of total expenses, and transportation of \$16,167,492 (primarily highway and road services), or 9.0 percent of total expenses. Similarly, for the year ended December 31, 2021 significant expense items were home and community services of \$79,513,363 (primarily sewer, water, and sanitation services), or 41.2 percent of total expenses, public safety of \$57,016,033 (primarily police services), or 29.6 percent of total expenses, general government support of \$20,025,514, or 10.4 percent of total expenses, and transportation of \$17,017,286 (primarily highway and road services), or 8.8 percent of total expenses.

Table 5—Summary of Revenues and Expenses—Business-type Activity

	Year Ended December 31,		Increase/(Decrease)	
	2022	2021	Dollar	Percent (%)
Revenues:				
Administrative fees	\$ -	\$ 107,950	\$ (107,950)	10,695.0
Other nonoperating	-	5,000	(5,000)	(100.0)
Total revenues	<u>\$ -</u>	<u>\$ 112,950</u>	<u>\$ (112,950)</u>	1,782.5
Expenses:				
Administrative expenses	<u>\$ 11,706</u>	<u>\$ 115,222</u>	<u>\$ (103,516)</u>	(89.8)
Total expenses	<u>\$ 11,706</u>	<u>\$ 115,222</u>	<u>\$ (103,516)</u>	(89.8)

Revenues of the Town's business-type activity decreased \$112,950 over the prior year. This was primarily due to there being no administrative fees earned, as no projects were completed during the year.

Business-type activity expenses decreased \$103,516 over the previous year as a result of decreased operations and no management fees were paid to the Agency during the year due to the lack of projects.

Financial Analysis Governmental Funds

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

At December 31, 2022, the Town’s governmental funds reported a combined ending fund balance of \$64,905,521, an increase of \$1,226,991 from the prior year. Approximately 31.2 percent, \$20,263,437 of the combined ending fund balance constitutes either *unassigned fund balance* or *fund balance assigned for specific use*, which is available for spending in accordance with the fund’s purpose. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that has already been committed for 1) prepaid items, 2) debt, 3) loans receivable, 4) LOSAP, 5) special purposes, 6) next year’s budget, 7) encumbrances or 8) community benefits.

The Town’s General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$10,086,705. The total fund balance increased by \$2,635,947 to a total fund balance of \$26,761,650 mainly due to budgetary savings within general government support and public safety expenditures, coupled with increased mortgage tax receipts. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures and transfers out. Unassigned fund balance represents approximately 13.1 percent of total General Fund expenditures and transfers out, while total General Fund fund balance represents 34.8 percent of that same amount.

During the year ended December 31, 2022 the Town’s Highway Fund fund balance increased \$447,749 from the prior year, resulting in an ending fund balance of \$5,854,447. The increase was primarily due to less than anticipated transportation expenditures. Approximately 61.6 percent of this amount, \$3,608,393 is reported as fund balance assigned for specific highway use.

The Town’s Fire Protection Fund ending fund balance was \$15,461,058. Approximately 1.0 percent, or \$161,508, of this amount is reported as fund balance assigned for specific Fire Protection Fund use. Additionally, a portion of the fund balance, \$15,299,550 is reported as restricted fund balance and represents monies held in trust for the administration of the Town’s Length of Service Awards Program (“LOSAP”). During the year ended December 31, 2022, the Fire Protection Fund fund balance increased \$769,949 from the prior year fund balance of \$14,691,109, mainly due to gains on LOSAP assets.

At December 31, 2022, the Town’s Sewer Fund reported fund balance of \$5,031,232, a decrease of \$472,207 in comparison with the prior year. The Town’s adopted budget planned on using \$1,653,393 of fund balance, which was partially offset by unanticipated increases in intergovernmental sewer charges. Approximately 62.3 percent of the Sewer Fund fund balance, \$3,133,705, is fund balance assigned for specific sewer use.

During the year ended December 31, 2022 the Town’s Special Grant Fund fund balance decreased \$177,904 from the prior year, resulting in an ending fund balance of \$6,940,729. This amount represents community development loans and is reported as restricted fund balance.

The Town’s Capital Projects Fund ending fund balance decreased \$2,911,971 during the year ended December 31, 2022 due to capital outlay expenditures exceeding the revenues and the issuance of serial bonds of \$18,040,050. The ending fund balance deficit in the Capital Projects Fund was \$5,362,399, which is anticipated to be remedied through the conversion of bond anticipation notes to long-term financing.

General Fund Budgetary Highlights

The Town adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules for the General Fund and the major funds, except the Special Grant and Capital Projects funds since they do not adopt an annual budget, are presented within the Required Supplementary Information section of this report have been provided to demonstrate compliance with their budgets. Additionally, budgetary comparison schedules for the Town’s nonmajor funds have been provided as other information.

The Town’s General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year’s encumbrances since the funds were allocated under the previous year’s budget, and the Town has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues or appropriation of fund balance.

A summary of the General Fund results of operations for the year ended December 31, 2022 is presented below in Table 6.

Table 6—Summary of General Fund Results of Operations

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 75,339,444	\$ 76,994,304	\$ 79,499,917	\$ 2,505,613
Expenditures and other financing uses	78,948,540	81,364,087	76,863,970	4,500,117
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (3,609,096)</u>	<u>\$ (4,369,783)</u>	<u>\$ 2,635,947</u>	<u>\$ 7,005,730</u>

Original budget compared to final budget—At the close of the fiscal year, the overall budgeted appropriations increased by \$2,415,547. Significant amendments to the budget included \$711,357, \$611,958 and \$509,596 of supplemental appropriations within public safety, general government support and culture and recreation expenditures, respectively.

Final budget compared to actual results—Total revenues and other financing sources exceeded the final budget by \$2,505,613 due to an unanticipated increase in mortgage tax and miscellaneous revenues. Total expenditures and other financing uses were less than the final budget by \$4,500,117. Several positive variances were realized, most notably in general government support, public safety and culture and recreation related to less than anticipated health insurance expenditures and personnel costs.

Capital Asset and Debt Administration

Capital Assets—The Town’s investment in capital assets for its governmental activities as of December 31, 2022, amounted to \$293,711,447 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, land improvements, buildings, building improvements, machinery and equipment and ice rink facility.

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.

Capital assets net of depreciation for the governmental activities as of the years ended December 31, 2022 and 2021 are presented in Table 7 on the following page.

Table 7—Summary of Capital Assets (Net of Depreciation)

	Governmental Activities	
	December 31,	
	2022	2021
Land	\$ 10,844,776	\$ 10,791,459
Construction in progress	51,355,943	36,947,863
Infrastructure	123,273,708	113,725,536
Land improvements	9,919,017	10,187,483
Buildings	47,776,832	51,753,204
Building improvements	12,437,038	10,082,305
Machinery and equipment	28,245,538	30,094,791
Ice rink facility	9,858,595	10,267,719
Total	<u>\$ 293,711,447</u>	<u>\$ 273,850,360</u>

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

Long-term liabilities—At December 31, 2022, the Town had bonded debt outstanding of \$102,601,050, as compared to \$93,691,000 at December 31, 2021. The Town issued of serial bonds of \$18,040,050 and made scheduled principal payments of \$9,130,000 during the current year.

A summary of long-term liabilities for the governmental activities as of the years ended December 31, 2022 and 2021 are presented below.

	Governmental Activities	
	December 31,	
	2022	2021
Serial bonds	\$ 102,601,050	\$ 93,691,000
Premium on serial bonds	6,432,237	5,990,503
Compensated absences	16,424,769	16,698,143
Judgements and claims	119,508	-
Workers' compensation	2,080,674	3,356,580
Other postemployment benefits	239,308,238	230,830,195
Net pension liability	2,768,855	8,528,807
Net pension liability—LOSAP	24,496,645	24,483,949
Total	<u>\$ 394,231,976</u>	<u>\$ 383,579,177</u>

Additional information on the Town’s long-term liabilities can be found in Note 12 to the financial statements.

Economic Factors and Next Year’s Budgets and Rates

The Town’s comprehensive plan highlights that the Town is renowned for an exceptional quality of life that is based on three fundamental attributes: livability, community character and a shared direction with the Buffalo-Niagara region. While, key initiatives of the Town include: to become an area renowned for beauty, character and environmental quality; capitalize on the presence of institutions of higher education and outstanding public school districts; become a model for effective reinvestment and revitalization of older neighborhoods; and to exercise leadership by providing excellent services and facilities ensuring fiscal balance, and managing development to promote predictability, fairness and quality.

The comprehensive plan focuses on the follow elements:

- **Land use and development**—the Town strives to promote compact, pedestrian-friendly development that emphasizes community appearance and sense of place. It hopes to spur reinvestment and redevelopment in its older neighborhoods and its commercial corridors. A town-wide open space system linked by trails, greenways, stream corridors, and bicycle/pedestrian facilities is a part of its comprehensive plan.
- **Natural and cultural resources**—the Town is focused on preserving and enhancing its rich natural and cultural resources for the future. The open space policy identified in the land use and development element is a key to this objective, as well as a new initiative of community-wide “Greening Amherst”, program of tree planting and re-vegetation. In accordance with the plan the Town recently completed an update to its historic resources inventory and designated its first historic district.
- **Economic development**—the Town continues the promotion of a healthy tax and employment base, through the increasing economic development partnerships with governmental agencies and private businesses and institutions. Redevelopment and revitalization are key initiatives and the Town is revising its zoning to prevent adverse commercial development that would negatively affect community character and quality of life in neighborhoods while working to promote regional economic development.
- **Transportation**—the Town intends to encourage a more balanced, multi-modal transportation system that emphasizes alternative means of travel, to include walking, biking, and public transportation. To achieve these goals there are targeted capital and operational improvements to the road network, investments in the creating a bicycle/pedestrian network, and improved transit services.
- **Infrastructure**—the Town will work to ensure that its residents are provided with well-maintained and cost-effective public water, sewer, stormwater, and other utility infrastructure systems. Key initiatives are related to stormwater management and sanitary sewer improvements.
- **Housing and neighborhoods**—the Town is determined to maintain quality affordable housing and healthy and diverse neighborhoods are available to all residents. Affordable housing policies focus on continuing existing housing programs that promote home ownership and affordability, while policies for housing diversity are designed to encourage a variety of housing types. Finally, neighborhood conservation policies propose initiation of a program to promote revitalization of older neighborhoods through measures such as code enforcement and capital improvements.
- **Community facilities**—the Town anticipates the establishment of an on-going system to objectively identify community facility and service needs for use in planning and programming. Such a system will aid to identify opportunities for community facilities and ensure cost effective strategies.

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region during December 2022 was 3.2 percent. This compares to the New York State and national unemployment rate of 4.3 and 3.5 percent, respectively. These factors are considered in preparing the Town’s budget.

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2023 budget. The Town’s 2023 budget includes the appropriation of \$6,600,000 of fund balance in the General Fund. The General Fund tax rate is \$2.70 per thousand of assessed value for the 2023 budget year.

Requests 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. If you have any questions about this report or need additional financial information, contact the Supervisor’s Office, Town of Amherst, 5583 Main St., Williamsville, NY 14221.

BASIC FINANCIAL STATEMENTS

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TOWN OF AMHERST, NEW YORK
Statement of Net Position
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activity	Total	Industrial Development Agency
ASSETS				
Cash and cash equivalents	\$ 65,302,366	\$ 26,210	\$ 65,328,576	\$ 2,427,347
Restricted cash and cash equivalents	33,732,963	-	33,732,963	66,369
Restricted investments	15,299,550	-	15,299,550	-
Receivables	2,463,103	-	2,463,103	-
Leases receivable	1,328,199	-	1,328,199	-
Intergovernmental receivables	8,682,520	-	8,682,520	-
Due from Custodial Fund	212,640	-	212,640	-
Prepaid items	9,793,101	-	9,793,101	5,027
Loans receivable	6,940,729	-	6,940,729	-
Net pension asset	7,647,643	-	7,647,643	-
Capital assets not being depreciated	62,200,719	-	62,200,719	100,000
Capital assets, net of accumulated depreciation	<u>231,510,728</u>	<u>-</u>	<u>231,510,728</u>	<u>420,298</u>
Total assets	<u>445,114,261</u>	<u>26,210</u>	<u>445,140,471</u>	<u>3,019,041</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	45,149,651	-	45,149,651	-
Deferred outflows—relating to OPEB	<u>28,318,187</u>	<u>-</u>	<u>28,318,187</u>	<u>-</u>
Total deferred outflows of resources	<u>73,467,838</u>	<u>-</u>	<u>73,467,838</u>	<u>-</u>
LIABILITIES				
Accounts payable	7,815,670	-	7,815,670	922
Accrued liabilities	2,842,810	-	2,842,810	-
Retainages payable	510,773	-	510,773	-
Intergovernmental payables	2,928	-	2,928	-
Bond anticipation notes payable	58,606,800	-	58,606,800	-
Unearned revenue	5,667,660	-	5,667,660	-
Noncurrent liabilities:				
Due within one year	10,823,197	-	10,823,197	11,674
Due in more than one year	<u>383,408,779</u>	<u>-</u>	<u>383,408,779</u>	<u>283,782</u>
Total liabilities	<u>469,678,617</u>	<u>-</u>	<u>469,678,617</u>	<u>296,378</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	51,413,492	-	51,413,492	-
Deferred inflows—relating to OPEB	14,443,995	-	14,443,995	-
Deferred inflows—leases	945,572	-	945,572	-
Deferred inflows—grant funding	<u>3,038,606</u>	<u>-</u>	<u>3,038,606</u>	<u>-</u>
Total deferred inflows of resources	<u>69,841,665</u>	<u>-</u>	<u>69,841,665</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	141,830,391	-	141,830,391	224,842
Restricted for:				
Loans receivable	6,940,729	-	6,940,729	-
LOSAP	15,299,550	-	15,299,550	-
Special purpose	3,895,102	-	3,895,102	-
Industrial development loans and mortgage escrow	-	-	-	66,369
Unrestricted	<u>(188,903,955)</u>	<u>26,210</u>	<u>(188,877,745)</u>	<u>2,431,452</u>
Total net position	<u>\$ (20,938,183)</u>	<u>\$ 26,210</u>	<u>\$ (20,911,973)</u>	<u>\$ 2,722,663</u>

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

TOWN OF AMHERST, NEW YORK
Statement of Activities
Year Ended December 31, 2022

Functions/Program	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit Industrial Development Agency	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activity		Total
Primary government:								
Governmental activities:								
General government support	\$ 18,789,803	\$ 3,851,667	\$ 52,650	\$ 41,250	\$ (14,844,236)	\$ -	(14,844,236)	\$ -
Public safety	55,670,118	1,981,827	2,151,778	20,863	(51,515,650)	-	(51,515,650)	-
Transportation	16,167,492	495,040	-	1,118,512	(14,553,940)	-	(14,553,940)	-
Economic assistance and opportunity	3,027,895	61,932	183,974	-	(2,781,989)	-	(2,781,989)	-
Culture and recreation	11,472,170	3,717,422	146,979	1,281,955	(6,325,814)	-	(6,325,814)	-
Home and community services	70,829,284	5,660,180	34,488,735	22,087	(30,658,282)	-	(30,658,282)	-
Interest and other fiscal charges	3,450,435	-	-	-	(3,450,435)	-	(3,450,435)	-
Total governmental activities	<u>179,407,197</u>	<u>15,768,068</u>	<u>37,024,116</u>	<u>2,484,667</u>	<u>(124,130,346)</u>	<u>-</u>	<u>(124,130,346)</u>	<u>-</u>
Business-type activity:								
Amherst Development Corporation	11,706	-	-	-	-	(11,706)	(11,706)	-
Total primary government	<u>\$ 179,418,903</u>	<u>\$ 15,768,068</u>	<u>\$ 37,024,116</u>	<u>\$ 2,484,667</u>	<u>(124,130,346)</u>	<u>(11,706)</u>	<u>(124,142,052)</u>	<u>-</u>
Component unit:								
Industrial Development Agency	\$ 657,170	\$ 1,586,061	\$ -	\$ -				928,891
Total component unit	<u>\$ 657,170</u>	<u>\$ 1,586,061</u>	<u>\$ -</u>	<u>\$ -</u>				<u>928,891</u>
General revenues:								
					89,621,170	-	89,621,170	-
					24,667,664	-	24,667,664	-
					639,974	-	639,974	1,799
					554,080	-	554,080	-
					11,511,668	-	11,511,668	5,560
					<u>6,060,903</u>	<u>-</u>	<u>6,060,903</u>	<u>-</u>
					<u>133,055,459</u>	<u>-</u>	<u>133,055,459</u>	<u>7,359</u>
					8,925,113	(11,706)	8,913,407	936,250
					<u>(29,863,296)</u>	<u>37,916</u>	<u>(29,825,380)</u>	<u>1,786,413</u>
					<u>\$ (20,938,183)</u>	<u>\$ 26,210</u>	<u>\$ (20,911,973)</u>	<u>\$ 2,722,663</u>

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

TOWN OF AMHERST, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2022

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Fire Protection</u>	<u>Sewer</u>	<u>Special Grant</u>			
ASSETS								
Cash and cash equivalents	\$ 14,151,526	\$ 4,769,813	\$ 157,222	\$ 2,135,511	\$ -	\$ 38,269,684	\$ 5,818,610	\$ 65,302,366
Restricted cash and cash equivalents	7,715,334	510,939	-	724,539	3,432,172	15,759,031	4,686,098	32,828,113
Restricted investments	-	-	15,299,550	-	-	-	-	15,299,550
Receivables	1,843,279	130,187	-	27,775	6,154	39,750	415,958	2,463,103
Leases receivables	1,328,199	-	-	-	-	-	-	1,328,199
Intergovernmental receivables	3,757,754	194,852	6,106	2,317,346	68,541	2,332,558	5,363	8,682,520
Due from other funds	442,857	-	-	-	-	62,949	-	505,806
Prepaid items	6,906,059	785,115	-	902,089	6,127	-	1,093,711	9,693,101
Loans receivable	-	-	-	-	6,940,729	-	-	6,940,729
Total assets	<u>\$ 36,145,008</u>	<u>\$ 6,390,906</u>	<u>\$ 15,462,878</u>	<u>\$ 6,107,260</u>	<u>\$ 10,453,723</u>	<u>\$ 56,463,972</u>	<u>\$ 12,019,740</u>	<u>\$ 143,043,487</u>
LIABILITIES								
Accounts payable	\$ 1,384,203	\$ 306,707	\$ 1,820	\$ 738,317	\$ 481,368	\$ 3,197,429	\$ 1,272,596	\$ 7,382,440
Accrued liabilities	1,418,162	215,843	-	166,795	5,039	-	120,946	1,926,785
Due to other funds	-	13,909	-	170,916	16,846	-	91,495	293,166
Intergovernmental payables	-	-	-	-	2,928	-	-	2,928
Bond anticipation notes payable	-	-	-	-	-	58,606,800	-	58,606,800
Unearned revenue	5,629,421	-	-	-	-	-	38,239	5,667,660
Total liabilities	<u>8,431,786</u>	<u>536,459</u>	<u>1,820</u>	<u>1,076,028</u>	<u>506,181</u>	<u>61,804,229</u>	<u>1,523,276</u>	<u>73,879,779</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue—leases	945,572	-	-	-	-	-	-	945,572
Unavailable revenue—grant funding	6,000	-	-	-	3,006,813	22,142	3,651	3,038,606
Unavailable revenue—mortgage receivable	-	-	-	-	-	-	274,009	274,009
Total deferred inflows of resources	<u>951,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,006,813</u>	<u>22,142</u>	<u>277,660</u>	<u>4,258,187</u>
FUND BALANCES (DEFICIT)								
Nonspendable	6,906,059	785,115	-	902,089	6,127	-	1,093,711	9,693,101
Restricted	1,140,341	510,939	15,299,550	724,539	6,940,729	-	4,491,930	29,108,028
Assigned	8,628,545	4,558,393	161,508	3,404,604	-	-	4,633,163	21,386,213
Unassigned	10,086,705	-	-	-	(6,127)	(5,362,399)	-	4,718,179
Total fund balances (deficit)	<u>26,761,650</u>	<u>5,854,447</u>	<u>15,461,058</u>	<u>5,031,232</u>	<u>6,940,729</u>	<u>(5,362,399)</u>	<u>10,218,804</u>	<u>64,905,521</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 36,145,008</u>	<u>\$ 6,390,906</u>	<u>\$ 15,462,878</u>	<u>\$ 6,107,260</u>	<u>\$ 10,453,723</u>	<u>\$ 56,463,972</u>	<u>\$ 12,019,740</u>	<u>\$ 143,043,487</u>

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

TOWN OF AMHERST, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2022

Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Total fund balances (deficit)—governmental funds (page 16)		\$ 64,905,521
Net pension assets are not financial resources and, therefore, are not reported in the funds.		7,647,643
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$654,178,575 and the accumulated depreciation is \$360,467,128.		293,711,447
Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as deferred inflows of resources in the funds but are considered government-wide revenues:		
Deferred inflows of resources - mortgage receivable		274,009
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions	\$ 7,992,490	
Deferred outflows related to experience changes of assumptions, investment earnings, and changes in proportion	37,157,161	
Deferred outflows related to OPEB	28,318,187	
Deferred inflows related to pensions	(51,413,492)	
Deferred inflows related to OPEB	<u>(14,443,995)</u>	7,610,351
Retained percentages are not a current liability and, therefore, are not reported in the funds.		(510,773)
Net accrued interest expense for serial bonds and bond anticipation notes is not reported in the funds.		(916,025)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$(102,601,050)	
Premium on serial bonds	(6,432,237)	
Compensated absences	(16,424,769)	
OPEB obligation	(239,308,238)	
Net pension liability	(2,768,855)	
Total pension liability—LOSAP	<u>(24,496,645)</u>	(392,031,794)
Internal service funds' net position which is due to governmental activities and related charges for services provided.		<u>(1,628,562)</u>
Net position of governmental activities		<u>\$ (20,938,183)</u>

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

TOWN OF AMHERST, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund
Balances (Deficit)—Governmental Funds
Year Ended December 31, 2022

	<u>Special Revenue</u>					<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Fire Protection</u>	<u>Sewer</u>	<u>Special Grant</u>			
REVENUES								
Real property taxes	\$ 31,708,977	\$ 10,481,847	\$ 6,330,307	\$ 18,648,128	\$ -	\$ -	\$ 21,100,148	\$ 88,269,407
Other property tax items	1,351,763	-	-	-	-	-	-	1,351,763
Non property tax items	24,667,664	-	-	-	-	-	-	24,667,664
Departmental income	4,857,447	461,701	-	461,135	-	-	483,783	6,264,066
Intergovernmental charges	-	-	-	3,383,883	-	15,000	-	3,398,883
Use of money and property	794,732	39,569	211	36,079	-	-	113,902	984,493
Licenses and permits	40	-	-	-	-	-	4,533,254	4,533,294
Fines and forfeitures	1,208,647	-	-	-	-	-	-	1,208,647
Sale of property and compensation for loss	172,008	104,102	-	18,469	-	18,000	90,658	403,237
Miscellaneous	2,256,153	1,271,031	875,788	304,853	-	135,000	1,356,789	6,199,614
State aid	6,524,605	1,118,512	-	-	-	1,366,155	15,720	9,024,992
Federal aid	2,271,514	-	-	-	34,480,384	-	-	36,751,898
Total revenues	<u>75,813,550</u>	<u>13,476,762</u>	<u>7,206,306</u>	<u>22,852,547</u>	<u>34,480,384</u>	<u>1,534,155</u>	<u>27,694,254</u>	<u>183,057,958</u>
EXPENDITURES								
Current:								
General government support	14,102,908	120	-	-	-	-	207	14,103,235
Public safety	42,036,993	-	6,436,357	-	-	-	4,283,870	52,757,220
Health	-	-	-	-	-	-	27,433	27,433
Transportation	2,092,547	11,141,431	-	-	-	-	3,845,467	17,079,445
Economic assistance and opportunity	2,529,354	-	-	-	-	-	-	2,529,354
Culture and recreation	9,347,419	-	-	-	-	-	1,794,122	11,141,541
Home and community services	1,425,572	-	-	16,501,326	34,658,288	-	13,550,700	66,135,886
Debt service:								
Principal	3,125,022	1,188,041	-	3,252,728	-	-	1,564,209	9,130,000
Interest and other fiscal charges	927,316	568,452	-	1,424,827	-	-	663,362	3,583,957
Capital outlay	-	-	-	-	-	24,181,055	-	24,181,055
Total expenditures	<u>75,587,131</u>	<u>12,898,044</u>	<u>6,436,357</u>	<u>21,178,881</u>	<u>34,658,288</u>	<u>24,181,055</u>	<u>25,729,370</u>	<u>200,669,126</u>
Excess (deficiency) of revenues over expenditures	<u>226,419</u>	<u>578,718</u>	<u>769,949</u>	<u>1,673,666</u>	<u>(177,904)</u>	<u>(22,646,900)</u>	<u>1,964,884</u>	<u>(17,611,168)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	3,427,895	4,995	-	176,331	-	1,886,945	19,234	5,515,400
Transfers out	(1,276,839)	(346,653)	-	(2,471,977)	-	(192,066)	(1,227,865)	(5,515,400)
Issuance of serial bonds	-	-	-	-	-	18,040,050	-	18,040,050
Premium on serial bonds	258,472	210,689	-	149,773	-	-	179,175	798,109
Total other financing sources (uses)	<u>2,409,528</u>	<u>(130,969)</u>	<u>-</u>	<u>(2,145,873)</u>	<u>-</u>	<u>19,734,929</u>	<u>(1,029,456)</u>	<u>18,838,159</u>
Net change in fund balances	2,635,947	447,749	769,949	(472,207)	(177,904)	(2,911,971)	935,428	1,226,991
Fund balances (deficit)—beginning	24,125,703	5,406,698	14,691,109	5,503,439	7,118,633	(2,450,428)	9,283,376	63,678,530
Fund balances (deficit)—ending	<u>\$ 26,761,650</u>	<u>\$ 5,854,447</u>	<u>\$ 15,461,058</u>	<u>\$ 5,031,232</u>	<u>\$ 6,940,729</u>	<u>\$ (5,362,399)</u>	<u>\$ 10,218,804</u>	<u>\$ 64,905,521</u>

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

TOWN OF AMHERST, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2022

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances (deficit)—total governmental funds (page 18) \$ 1,226,991

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

Capital asset additions	\$ 38,257,132	
Loss on disposition of capital assets	(2,884)	
Depreciation expense	<u>(18,393,161)</u>	19,861,087

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (95,250)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (61,572)

Governmental funds report retained percentages expenditures on construction contracts when the retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues. (169,011)

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

Town pension contributions	\$ 16,463,893	
Cost of benefits earned net of employee contributions	(12,615,298)	
Changes in OPEB assumptions	<u>(638,153)</u>	3,210,442

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (127,604)

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

Issuance of serial bonds	\$ (18,040,050)	
Principal payments on serial bonds	9,130,000	
Premiums on serial bonds issued	(798,109)	
Amortization of bond premiums	356,375	
Change in compensated absences	273,374	
Change in OPEB obligation	<u>(8,478,043)</u>	(17,556,453)

Internal service funds are used by management to charge the cost of insurance, judgments, claims and related administrative expenses to individual funds. The net excess of charges for such services is reported within governmental activities. 2,636,483

Change in net position of governmental activities \$ 8,925,113

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

TOWN OF AMHERST, NEW YORK
Statement of Net Position—Proprietary Funds
December 31, 2022

	Governmental Activities	Business-type Activity	
	Internal Service Funds	Amherst Development Corporation	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 26,210	\$ 26,210
Restricted cash and cash equivalents	904,850	-	904,850
Prepaid items	100,000	-	100,000
Total current assets	1,004,850	26,210	1,031,060
LIABILITIES			
Current liabilities:			
Accounts payable	433,230	-	433,230
Accrued liabilities	2,200,182	-	2,200,182
Total current liabilities	2,633,412	-	2,633,412
NET POSITION			
Unrestricted	(1,628,562)	26,210	(1,602,352)
Net position	\$ (1,628,562)	\$ 26,210	\$(1,602,352)

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

TOWN OF AMHERST, NEW YORK
Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds
Year Ended December 31, 2022

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	
	<u>Internal Service Funds</u>	<u>Amherst Development Corporation</u>	<u>Total</u>
Operating revenues:			
Contributions	\$ 5,362,106	\$ -	\$ 5,362,106
Total operating revenues	<u>5,362,106</u>	<u>-</u>	<u>5,362,106</u>
Operating expenses:			
Administrative expenses	603,260	11,706	614,966
Judgments and claims expenses	<u>2,123,615</u>	<u>-</u>	<u>2,123,615</u>
Total operating expenses	<u>2,726,875</u>	<u>11,706</u>	<u>2,738,581</u>
Operating income (loss)	<u>2,635,231</u>	<u>(11,706)</u>	<u>2,623,525</u>
Nonoperating revenues:			
Interest income	<u>1,252</u>	<u>-</u>	<u>1,252</u>
Total nonoperating revenues	<u>1,252</u>	<u>-</u>	<u>1,252</u>
Change in net position	2,636,483	(11,706)	2,624,777
Net position—beginning	<u>(4,265,045)</u>	<u>37,916</u>	<u>(4,227,129)</u>
Net position—ending	<u>\$ (1,628,562)</u>	<u>\$ 26,210</u>	<u>\$ (1,602,352)</u>

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

TOWN OF AMHERST, NEW YORK
Statement of Cash Flows—Proprietary Funds
Year Ended December 31, 2022

	Governmental Activities	Business-type Activity	
	Internal Service Funds	Amherst Development Corporation	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from participating funds	\$ 5,362,106	\$ -	\$ 5,362,106
Payments for administrative fees, supporting services and judgments and claims	<u>(3,700,546)</u>	<u>(108,861)</u>	<u>(3,809,407)</u>
Net cash provided by (used for) operating activities	<u>1,661,560</u>	<u>(108,861)</u>	<u>1,552,699</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loan repayments	<u>(900,000)</u>	<u>-</u>	<u>(900,000)</u>
Net cash (used for) noncapital financing activities	<u>(900,000)</u>	<u>-</u>	<u>(900,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	<u>1,252</u>	<u>-</u>	<u>1,252</u>
Net cash provided by investing activities	<u>1,252</u>	<u>-</u>	<u>1,252</u>
Net change in cash and cash equivalents	762,812	(108,861)	653,951
Cash and cash equivalents—beginning	<u>142,038</u>	<u>135,071</u>	<u>277,109</u>
Cash and cash equivalents—ending	<u>\$ 904,850</u>	<u>\$ 26,210</u>	<u>\$ 931,060</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 2,635,231	\$ (11,706)	\$ 2,623,525
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:			
Increase in accounts payable	182,727	-	182,727
(Decrease) in accrued liabilities	(1,156,398)	-	(1,156,398)
(Decrease) in intergovernmental payables	<u>-</u>	<u>(97,155)</u>	<u>(97,155)</u>
Total adjustments	<u>(973,671)</u>	<u>(97,155)</u>	<u>(1,070,826)</u>
Net cash provided by (used for) operating activities	<u>\$ 1,661,560</u>	<u>\$ (108,861)</u>	<u>\$ 1,552,699</u>

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

TOWN OF AMHERST, NEW YORK
Statement of Fiduciary Net Position—Fiduciary Fund
December 31, 2022

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	\$ 2,185,635
Total assets	<u>2,185,635</u>
LIABILITIES	
Accounts payable and other liabilities	1,972,995
Due to other funds	<u>212,640</u>
Total liabilities	<u>2,185,635</u>
NET POSITION	
Total net position	<u>\$ -</u>

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

TOWN OF AMHERST, NEW YORK
Statement of Changes in Fiduciary Net Position—Fiduciary Fund
Year Ended December 31, 2022

	<u>Custodial Fund</u>
ADDITIONS	
Funds received on behalf of others	\$ <u>3,862,731</u>
Total additions	<u>3,862,731</u>
DEDUCTIONS	
Funds distributed to others	<u>3,862,731</u>
Total deductions	<u>3,862,731</u>
Change in fiduciary net position	-
Net position—beginning	<u>-</u>
Net position—ending	<u><u>\$ -</u></u>

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

TOWN OF AMHERST, NEW YORK
Notes to the Financial Statements
Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Amherst, New York (the “Town”) have been prepared in conformity with the accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental 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.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The Town reports one business-type activity. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

The Town is a unit of local government created by the State of New York. The Town operates under provisions of New York State law and various local laws. The five-member Town Board is the legislative body responsible for overall operations. The Supervisor serves as both Chief Executive Officer and Chief Fiscal Officer.

Independently elected officials of the Town include:

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

Units of local government which operate within the boundaries of the Town are the County of Erie and the Village of Williamsville. Public education is provided by four independent school districts within the Town.

The accompanying financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable.

Discretely Presented Component Unit—The component unit column in the basic financial statements include the financial data of the Town’s discretely presented component unit. This unit is reported in a separate column to emphasize that they are legally separate from the Town.

Town of Amherst Industrial Development Agency—The Town of Amherst Industrial Development Agency (the “Agency”) is a public benefit corporation created by Article 18A of New York State General Municipal Law to promote the economic welfare, recreation opportunities and prosperity of County inhabitants. Members of the Agency are appointed by the Town Board which exercises no oversight responsibility for fiscal matters. The Agency members have complete responsibility for management of the Agency and accountability for fiscal matters.

The Town is not liable for agency bonds or notes. Separate financial statements can be obtained by writing the Agency's administration office, 4287 Main Street, Amherst, New York 14226.

Blended Component Unit—The following blended component units are legally separate from the Town, but is, in substance, part of the Town's operations and therefore data is combined with data of the Town. The Town of Amherst Development Corporation (the "Corporation") was incorporated on May 23, 1977 under Section 402 of the Not-for-Profit Corporation Law to achieve the following lawful public quasi-public objectives:

- Relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instruction or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the Town by attracting new industry hereto and by encouraging the development or retention of industries in the Town and improving the economy and lessening the burdens of government and otherwise acting in the public interest, all within the Town;
- Construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants within said Town where projects assisted by the Empire State Development Corporation are to be located, and to assist financially in such construction, acquisition, rehabilitation and improvement and to maintain such plant for others;
- To study and promote, alone or in concert with local officials and interested local groups, the economic growth and business prosperity of the Town and such other areas of Western New York as may relate to and affect the Town and further the solution of other civic problems of the Western New York region.

Excluded from the Financial Reporting Entity—Although the following are related to the Town, they are not included in the County reporting entity for the reasons noted:

The Buffalo Niagara Heritage Village (the "Museum") is an educational institution, chartered by the State of New York, whose purpose is to instill, educate and cultivate in a public audience an informed appreciation of the American past and its impact on current lifestyles, culture and historical development of the Town of Amherst. The chartered organization is legally responsible for the collections and is the fund-raising arm of the Museum. The artifacts and historical collections are property of the New York State Department of Education and are not included within the Town's financial statements. In 2010, the Town granted a revocable license to the Museum to use the Town property at 3755 Tonawanda Creek Road beginning January 1, 2011 until December 31, 2035. The Museum financial statements can be obtained from the Museum's Executive Director at Buffalo Niagara Heritage Village, 3755 Tonawanda Creek Road, Amherst, New York 14228-1599.

The Village of Williamsville and the Town of Amherst jointly own the Glen Park. The Boards of each municipality jointly act as the governing body for the joint venture. The Village and Town have created a Glen Park Joint Board to make studies and advise the Village and Town on the development and maintenance of the Park. Neither the Village nor the Town shall take any action with respect to Glen Park without submitting the matter to the Glen Park Joint Board for recommendation.

The Village and Town share equally in all expenses of development and maintenance of Glen Park. Such contribution is determined on an annual basis. The joint venture has not accumulated significant surpluses or deficits. The Treasurer of the Village of Williamsville has custody of all monies appropriated by the Town as its share of park maintenance on or about the 1st of June each year. The joint venture's financial statements can be obtained from the Village Administrator's office at 5565 Main Street, Williamsville, New York 14221.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has a discretely presented component unit. The Town of Amherst Industrial Development Agency is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the Town's funds. 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the principal operating fund of the Town and includes all operations not required to be recorded in other funds. The principal source of revenue for this fund is real property taxes.
- *Highway Fund*—The Highway Fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town. The major source of revenue for this fund is real property taxes.
- *Fire Protection Fund*—The Fire Protection Fund is used to record all revenues and expenditures related to fire protection in the Town. The principal source of revenue for the Fire Protection Fund is real property taxes.
- *Sewer Fund*—The Sewer Fund is used to record all revenues and expenditures related to operation and maintenance of the sewer districts. The major source of revenue for this fund is real property taxes.
- *Special Grant Fund*—The Special Grant Fund is used to record all activity related to the Federal Housing and Urban Development Community Development program. The major source of revenue for this fund is federal aid.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The Town reports the following proprietary funds:

- *Amherst Industrial Development Corporation (the "Corporation")*—Reported as an enterprise fund, the Corporation promotes economic diversity and exists as a conduit for issuance of tax-exempt financing for not-for-profit borrowers, such as colleges and universities and civic groups, such as the YMCA.

- *Internal Service Funds*—The Internal Service Funds are used to account for the Town’s insurance program. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town’s various functions.

Additionally, the Town reports the following fund type:

- *Fiduciary Fund*—The Custodial Fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary funds include monies from outside entities, controlled and administered by the Town for the benefit of others.

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

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

Measurement Focus and Basis of Accounting

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

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

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

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

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

Cash and Cash Equivalents—The Town’s cash and cash equivalents consist of cash on hand, demand deposits, and time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represent cash from unearned revenue, including amounts received from the federal government related to ARPA and deferred inflow or resources received, amounts to support fund balance restrictions, unspent proceeds of debt, and amounts held on behalf of others.

Restricted Investments—The Town’s restricted investments consist of annuity contracts related to the Town’s Length of Service Award Program (“LOSAP”).

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

Prepaid Items—Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

Capital Assets—Capital assets, which include property, buildings, equipment, infrastructure assets (e.g. roads, bridges, drainage systems and similar items) and right-to-use leased assets are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred. Expenditures reported in the Capital Project Fund are classified as capital outlays. Routine capital expenditures in other funds are included in the appropriate functional category (i.e. purchase of new highway equipment as part of current expenditures—transportation). Additionally, from time to time the amount reported as capital outlays in the Capital Projects Fund includes certain non-capitalized costs (i.e. furnishings below the capitalization threshold). Right-to-use leased equipment and vehicles are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs and are amortized on a straight line basis over their useful lives.

Land and construction in progress are not depreciated. The other capital assets of the primary government are depreciated using a straight line method over the estimated useful lives presented below:

Assets	Years
Buildings	50
Building improvements	20
Land improvements	10-25
Infrastructure:	
Water and sewer systems	50
Traffic control systems	30
Bridges and culverts	30-40
Roads	10-30
Street lighting	25
Machinery and equipment:	
Office equipment and furniture	10
Heavy equipment	15
Vehicles	5-10
Computers	5
Furniture	10
Other	10
Ice Rink Facility	10-50
Right-to-use leased assets	5-15

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for financial statement purposes. At December 31, 2022, the Town reported unearned revenues in the General Fund and nonmajor funds in the amount of \$5,629,421 and \$38,239, respectively, for cash received in advance, primarily related to ARPA, for which the Town has not performed the related services.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2022, the Town has two items that qualify for reporting in this category. The first item is related to pensions and is reported in the government-wide financial statements. This represents the effect of the net change in the Town's proportion of the collective net pension liability/(asset), the difference during the measurement period between the Town's contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item represents the effects of the change in the Town's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability, and is reported on the government-wide financial statements.

In addition to liabilities, the statement of financial position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2022, the Town has three items that qualify for reporting in this category. The first

item represents the effect of the net change in the Town's proportion of the collective net pension liability/(asset) and the difference during the measurement periods between the Town's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and it is reported on the government-wide statements. The second item represents the effects of the change in the Town's proportion of the collective OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability, and is reported on the government-wide financial statements. The final item represents unavailable revenues. The Town reports unavailable revenues from three sources: leases payments to be received and grant funding reported on the fund financial statements and government-wide financial statements, and a mortgage receivable reported solely on the fund financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

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

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

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

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

Leases—The Town recognized lease liabilities with an initial, individual value of \$25,000 or more. At the commencement of a lease, the Town initially measures the lease liability at the present value of any remaining payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made, as applicable. As of December 31, 2022, the Town did not have any qualifying lease liabilities.

The Town is a lessor for a noncancellable leases of buildings. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Revenues and Expenses/Expenditures

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

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

In 2022, payments were due January 1st to February 15th without penalty; February 16th to February 28th, a 1.5% penalty; March 1st to 15th a 3.0% penalty; March 16th to 31st a 4.5% penalty; April 1st to 15th a 6.0% penalty; April 16th to April 30th a 7.5% penalty; and 1.5% added each month thereafter.

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. The Town retains their full tax levies for all unpaid items that are returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

The Town also bills and collects taxes for various school districts within Town limits. Collections of the school district taxes and remittances of them are accounted for by the Receiver of Taxes, independent of Town operations.

Federal Aid—The Town is a recipient of federal aid within the General Fund and the Special Grant Fund. The majority of federal aid recognized within the General Fund, \$2,100,630, represents funds related to the American Rescue Plan Act of 2021, which have been claimed for water and sewer infrastructure and the provision of government services.

Compensated Absences—The Town labor agreements and Town Board rules and regulations provide for sick leave, vacations, and miscellaneous other paid absences. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Payment of sick leave and compensatory time is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of sick leave and compensatory time when such payment becomes due.

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

Service Awards—The Town has adopted a Service Award Program for firefighters that serve on a volunteer basis. The Program is administered by an outside agency, with the Town as trustee. More information is included in Note 7.

Other Postemployment Benefits—In addition to providing pension benefits, the Town provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 8.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the internal service funds and the business-type activity are charges to other funds for judgements and claims and workers’ compensation costs and administrative fees, respectively. Operating expenses for internal service funds and the business-type activity include the cost of general and workers’ compensation claims and administrative expenses, respectively. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Other

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

Adoption of New Accounting Pronouncements—During the year ended December 31, 2022, the Town implemented GASB Statements No. 87, *Leases*. The implementation of GASB Statement No. 87 better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The implementation of GASB Statements No. 87 did not have a material impact on the Town’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, and a portion of No. 99, *Omnibus 2022*, effective for the fiscal year ending December 31, 2023; the remainder of No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections*—an amendment of GASB Statement No. 62; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 94, 96, 99, 100, and 101 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

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

- Prior to September 30, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5.
- The full Town Board reviews the tentative budget and may adjust same before approving a “preliminary” budget and calling for a public hearing, which is generally held in October.
- Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20.
- Formal annual budgetary accounts are employed as a management control device for the General and all Special Revenue Funds, except the Special Grants Funds.
- During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for the departmental budgetary control. All budget amendments and budget transfers require Town Board approval.
- Annual budgets for governmental funds, except the Special Grant Fund, the Capital Projects Fund, and the Special Purpose Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A form of encumbrance accounting is employed as an extension of budgetary control in all governmental funds, under which certain contracts and other commitments outstanding at year-end for the expenditure of monies (encumbrances) are recorded as an assignment of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. On January 1, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year’s original budget.
- The Special Grant Fund, the Special Purpose Fund and the Capital Projects Fund appropriations are not included in the Town’s annual budget. Instead appropriations are approved through a Town Board resolution at the grant/funding/project’s inception and lapse upon completion/termination of the grant/funding/project.
- Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification.

Deficit Fund Balance and Net Position—The Capital Projects Fund has a fund balance of \$(5,362,399) at December 31, 2022. The deficit is caused by the Town’s issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Because the BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs.

Additionally, the Town’s Workers Compensation Fund had net position of \$(1,784,250) at December 31, 2022. The Town anticipates that transfers from other funds will remedy the deficit.

At December 31, 2021, the Town’s governmental activities had a total net position of \$(20,938,183) due primarily to the Town’s recognition of their OPEB obligation of \$239,308,238.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

Total cash, cash equivalents and investments, including restricted cash and investments, reported by the Town at December 31, 2022 is presented below:

	Governmental Activities	Business-type Activity	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 15,100	\$ -	\$ -	\$ 15,100
Deposits	99,020,229	26,210	2,185,635	101,232,074
Investments	15,299,550	-	-	15,299,550
Total	<u>\$ 114,334,879</u>	<u>\$ 26,210</u>	<u>\$ 2,185,635</u>	<u>\$ 116,546,724</u>

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

	Bank Balance	Carrying Balance
FDIC insured	\$ 776,210	\$ 776,210
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	102,398,027	99,589,114
Not collateralized*	874,595	866,750
Total	<u>\$ 104,048,832</u>	<u>\$ 101,232,074</u>

*At December 31, 2022, deposits held by a third-party contractor for the Town's Federally funded program were not collateralized.

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2022, except as noted above, the Town's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Town's name.

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

Restricted Cash and Cash Equivalents—The Town reports cash from unearned revenues and deferred inflows of resources received, unspent proceeds of debt, cash held for self-insurance activities and amounts held on behalf of others as restricted cash and cash equivalents. At December 31, 2022, the Town reported \$36,536,315 of restricted cash and cash equivalents within its governmental funds, \$904,850 within its internal service funds and \$2,185,635 within the Custodial Fund.

Restricted Investments—The Town restricted investments consist of annuity contracts related to the Town’s Length of Service Award Program (“LOSAP”), a defined benefit volunteer firefighter award program (see Note 7). The cost and fair value of the contracts amounted to \$15,299,550 as of December 31, 2022, and are recorded within the Fire Protection Fund.

Fair Value Measurements—Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none">• quoted prices for similar assets or liabilities in active markets;• quoted prices for identical or similar assets or liabilities in inactive markets;• inputs other than quoted prices that are observable for the asset or liability;• inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The investments disclosed above consist of guaranteed fixed annuities, whereby the reported values are reported daily based on the valuation method disclosed in the annuity contract as calculated by the annuity provider and therefore are considered level 2 inputs for fair value measurement purposes. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period.

Discretely Presented Component Unit

Town of Amherst Industrial Development Agency—The Agency had unrestricted deposits of \$2,427,347 and restricted deposits of \$66,369 which were insured or collateralized by securities held by the pledging financial institution’s trust department or agent in the Agency’s name.

3. RECEIVABLES

Major revenues accrued by the Town at December 31, 2022 consisted of the following:

Accounts Receivable—Represents franchise fees receivable and amounts due from other Town departments (e.g. Town Justice, Town Clerk and Receiver of Taxes, etc.) who are acting as intermediary collecting agents, collecting various fines, fees and other charges which are remitted to the Town in accordance with State statute. Other miscellaneous items are also included. Amounts due to the Town at December 31, 2022 are presented in the table on the following page.

General Fund:		
Franchise fees	\$ 1,245,219	
Town Justice	87,439	
Ice facility	120,183	
Judgements	124,841	
School resource officer	35,922	
Traffic signal insurance	48,260	
Senior Center	45,044	
Town Clerk/Tax Receiver	30,646	
Code violations	91,094	
Museum	5,236	
Other	<u>9,395</u>	\$ 1,843,279
Highway Fund:		
Fuel purchases		130,187
Sewer Fund:		
Inspections	10,475	
Other	<u>17,300</u>	27,775
Special Grant Fund:		
Other		6,154
Capital Projects Fund:		
Other		39,750
Nonmajor Funds:		
Town Clerk/Tax Receiver	141,949	
Mortgage receivable	<u>274,009</u>	<u>415,958</u>
Total governmental funds		<u>\$ 2,463,103</u>

Mortgage Receivable—Within the Community Environment Fund accounts receivable is a mortgage receivable totaling \$274,009 related to the sale of the compost facility. The mortgage receivable carries 5.84% interest rate and payments from the borrower are due monthly from the months of March through November. During the year ended December 31, 2022, the Town received \$80,519 of mortgage payments, consisting of \$69,819 and \$10,700 of principal and interest, respectively. This receivable is offset by deferred inflows in the balance sheet since the revenue recognition criteria has not been met.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York State, County of Erie or other local governments. Intergovernmental receivables at December 31, 2022 are presented on the following page.

General Fund:			
Erie County - sales tax	\$ 3,303,783		
New York State	324,900		
Federal government	<u>129,071</u>	\$	3,757,754
Highway Fund:			
New York State			194,852
Fire Protection Fund:			
Local municipalities			6,106
Sewer Fund:			
Erie County	779,249		
Local municipalities	<u>1,538,097</u>		2,317,346
Special Grant Fund:			
Federal government			68,541
Capital Projects Fund:			
New York State	1,664,544		
Federal government	<u>668,014</u>		2,332,558
Nonmajor Funds:			
New York State			<u>5,363</u>
Total governmental funds		\$	<u><u>8,682,520</u></u>

Leases Receivable—During the year ended December 31, 2022, the Town began recognizing the leases of properties and office spaces to third parties. The leases have original maturities ranging from two to forty-five years and the Town receives variable annual payments annual payments. The Town recognized \$145,356 in lease revenue and \$25,605 in interest revenue during the current fiscal year related to this lease. As of December 31, 2022, the Town’s receivable for lease payments was \$1,328,199. Also, the Town has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources was \$945,572.

Loans Receivable—Loans receivable of \$6,940,729 within the Special Grant Fund consist of loans which were made by the Community Development Office of the Town through implementation of the Community Development Block Grant program. The funds received from repayments of such loans will be used towards future Community Development Block Grant expenditures and the related programs implemented through such grant.

4. CAPITAL ASSETS

Capital asset activity for governmental activities for fiscal year ended December 31, 2022 was as follows:

	Balance 1/1/2022	Increases	Decreases and Reclassifications	Balance 12/31/2022
Capital assets not being depreciated:				
Land	\$ 10,791,459	\$ 53,317	\$ -	\$ 10,844,776
Construction in progress	36,947,863	24,181,055	9,772,975	51,355,943
Total capital assets not being depreciated	<u>47,739,322</u>	<u>24,234,372</u>	<u>9,772,975</u>	<u>62,200,719</u>
Capital assets, being depreciated:				
Infrastructure	222,919,657	16,318,154	1,280,576	237,957,235
Land improvements	20,347,067	947,885	-	21,294,952
Buildings	206,020,824	-	-	206,020,824
Building improvements	19,491,669	3,190,449	-	22,682,118
Machinery and equipment	81,765,970	3,339,247	925,227	84,179,990
Ice rink facility	19,842,737	-	-	19,842,737
Total capital assets, being depreciated	<u>570,387,924</u>	<u>23,795,735</u>	<u>2,205,803</u>	<u>591,977,856</u>
Less accumulated depreciation for:				
Infrastructure	109,194,121	6,769,982	1,280,576	114,683,527
Land improvements	10,159,584	1,216,351	-	11,375,935
Buildings	154,267,620	3,976,372	-	158,243,992
Building improvements	9,409,364	835,716	-	10,245,080
Machinery and equipment	51,671,179	5,185,616	922,343	55,934,452
Ice rink facility	9,575,018	409,124	-	9,984,142
Total accumulated depreciation	<u>344,276,886</u>	<u>18,393,161</u>	<u>2,202,919</u>	<u>360,467,128</u>
Total capital assets being depreciated, net	<u>226,111,038</u>	<u>5,402,574</u>	<u>2,884</u>	<u>231,510,728</u>
Governmental activities capital assets, net	<u>\$ 273,850,360</u>	<u>\$ 29,636,946</u>	<u>\$ 9,775,859</u>	<u>\$ 293,711,447</u>

Depreciation expense, for governmental activities, was charged to functions and programs of the primary government as follows:

Governmental activities:	
General government support	\$ 805,267
Public safety	1,017,651
Transportation	4,227,576
Economic assistance and opportunity	191,514
Culture and recreation	1,632,081
Home and community services	10,519,072
Total	<u>\$ 18,393,161</u>

Discretely Presented Component Units

Town of Amherst Industrial Development Agency—Capital asset activity for the Town of Amherst Industrial Development Agency was as follows:

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022
Capital assets not being depreciated:				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Capital assets, being depreciated:				
Leasehold improvements	22,710	-	-	22,710
Equipment	89,997	5,703	-	95,700
Buildings	719,835	7,585	-	727,420
Total capital assets, being depreciated	<u>832,542</u>	<u>13,288</u>	<u>-</u>	<u>845,830</u>
Less accumulated depreciation for:				
Leasehold improvements	21,272	704	-	21,976
Equipment	79,560	3,800	-	83,360
Buildings	301,574	18,622	-	320,196
Total accumulated depreciation	<u>402,406</u>	<u>23,126</u>	<u>-</u>	<u>425,532</u>
Total capital assets being depreciated, net	<u>430,136</u>	<u>(9,838)</u>	<u>-</u>	<u>420,298</u>
Capital assets, net	<u>\$ 530,136</u>	<u>\$ (9,838)</u>	<u>\$ -</u>	<u>\$ 520,298</u>

5. ACCRUED LIABILITIES

Accrued liabilities include salary and other related liabilities. Accrued liabilities of the Town's governmental funds and proprietary funds at December 31, 2022 are:

General Fund:	
Salary	\$ 1,418,162
Highway Fund:	
Salary	215,843
Sewer Fund:	
Salary	\$ 139,795
Deposits	<u>27,000</u>
Total	166,795
Special Grant Fund:	
Salary	5,039
Nonmajor Funds:	
Salary	<u>120,946</u>
Total governmental funds	<u>\$ 1,926,785</u>
Proprietary Funds:	
Self Insurance	119,508
Workers Compensation	<u>2,080,674</u>
Total proprietary funds	<u>\$ 2,200,182</u>

6. RETIREMENT SYSTEM PENSION PLANS

Plan Descriptions and Benefits Provided

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

The Systems are noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2022, the Town reported the following liability/(asset) for its proportionate share of the net pension liability/(asset) for PFRS and ERS. The net pension liability/(asset) were measured as of March 31, 2022. The total pension liabilities used to calculate the net pension liability/(asset) were determined by actuarial valuations as of April 1, 2021, with update procedures used to roll forward the total pension liabilities to the measurement date. The Town’s proportion of the net pension liability/(asset) were based on projections of the Town’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

	PFRS	ERS
Measurement date	March 31, 2022	March 31, 2022
Net pension liability/(asset)	\$ 2,768,855	\$ (7,647,643)
Town's portion of the Plan's total net pension liability	0.4874363%	0.0935539%

For the year ended December 31, 2022, the Town recognized pension expenses of \$2,788,522 and \$965,774 for PFRS and ERS, respectively. At December 31, 2022, 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	
	PFRS	ERS	PFRS	ERS
Differences between expected and actual experiences	\$ 1,492,710	\$ 579,167	\$ -	\$ 751,212
Changes of assumptions	16,572,198	12,763,058	-	215,363
Net difference between projected and actual earnings on pension plan investments	-	-	23,265,616	25,042,826
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	907,446	1,395,506	367,811	288,251
Town contributions subsequent to the measurement date	4,334,162	2,609,345	-	-
Total	<u>\$ 23,306,516</u>	<u>\$ 17,347,076</u>	<u>\$ 23,633,427</u>	<u>\$ 26,297,652</u>

The Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 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 Ending December 31,	PFRS	ERS
2023	\$ (1,000,157)	\$ (1,536,864)
2024	(1,740,444)	(2,498,908)
2025	(5,311,213)	(6,306,490)
2026	3,222,107	(1,217,659)
2027	168,634	-

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

	PFRS	ERS
Measurement date	March 31, 2022	March 31, 2022
Actuarial valuation date	April 1, 2021	April 1, 2021
Interest rate	5.9%	5.9%
Salary scale	6.2%	4.4%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.7%	2.7%
Cost-of-living adjustments	1.4%	1.4%

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

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

Measurement date	PFRS and ERS	
	Target Allocation	Long-Term Expected
		Real Rate of Return
	March 31, 2022	
Asset class:		
Domestic equities	32.0 %	3.3 %
International equities	15.0	5.9
Private equity	10.0	6.5
Real estate	9.0	5.0
Opportunistics/Absolute return strategies	3.0	4.1
Credit	4.0	3.8
Real assets	3.0	5.6
Fixed income	23.0	0.0
Cash	1.0	(1.0)
Total	<u>100 %</u>	

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

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

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—PFRS	\$ 30,799,242	\$ 2,768,855	\$ (20,432,862)
Employer's proportionate share of the net pension liability/(asset)—ERS	19,684,949	(7,647,643)	(30,510,037)

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

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	April 1, 2021	April 1, 2021	
Employers' total pension liability	\$ 42,237,292	\$ 223,874,888	\$ 266,112,180
Plan fiduciary net position	41,669,250	232,049,473	273,718,723
Employers' net pension liability/(asset)	<u>\$ 568,042</u>	<u>\$ (8,174,585)</u>	<u>\$ (7,606,543)</u>
System fiduciary net position as a percentage of total pension liability/(asset)	98.7%	103.7%	102.9%

7. PENSION OBLIGATIONS—LOSAP

Plan Description—The Town established a defined benefit Length of Service Awards Program (the “LOSAP”) for the active volunteer firefighters of Ellicott Creek Fire Protection District No. 9, Getzville Fire Protection District No. 11, Main-Transit Fire Protection District No. 14, North Amherst Fire Protection District No. 10 and North Bailey Fire Protection District No. 18. The program took effect January 1, 1992. The Program was established pursuant to Article 11-A of the General Municipal Law. The Program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

Certain information contained in this note is based on information for LOSAP as of December 31, 2021, which is the most recent valuation date for which complete information related to the year ended December 31, 2022 is available.

Participation, Vesting and Service Credit—Active volunteer firefighters who have reached the age of eighteen and who have completed one year of firefighting service are eligible to participate in the program. The program’s entitlement age is age fifty-five. 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 which he or she accumulates fifty points. 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.

Benefits—A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life equal to twenty dollars multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed thirty. Except in the case disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

Fiduciary Investment and Control—Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board. The governing board of the sponsor has retained and designated Penflex, Inc. to assist in the administration of the program.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program.

Authority to invest program assets is vested in the Investment Committee. Subject to restrictions in the program document, program assets are invested in accordance with a statutory “prudent person” rule.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from the most recent report prepared by the actuary, dated March 9, 2023.

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

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

Measurement of Total Pension Liability

The total pension liability at the December 31, 2021 measurement date was determined using an actuarial valuation as of that date.

Actuarial Assumptions—The total pension liability in the December 31, 2021 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 Male Mortality Table without projection for mortality improvement.

Discount Rate—The discount rate used to measure the total pension liability was 2.24%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021. 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.

Participants Covered by the Benefit Terms—At the December 31, 2021 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	229
Inactive participants entitled to but not yet receiving benefit payments	235
Active participants	<u>165</u>
Total	<u>629</u>

Changes in the Total Pension Liability—The following table presents the changes to the total pension liability during the fiscal year, by source:

	<u>Total Pension Liability</u>
Balance as of 12/31/2020 measurement date	<u>\$ 24,483,949</u>
Changes for the year:	
Service cost	440,358
Interest	471,983
Changes of assumptions or other inputs	(1,120,698)
Differences between expected and actual experience	82,987
Plan change	1,076,497
Benefit payments	<u>(938,431)</u>
Net changes	<u>12,696</u>
Balance as of 12/31/2021 measurement date	<u>\$ 24,496,645</u>

Sensitivity of the Total Pension Liability to changes in the discount rate—The following presents the total pension liability of the Town as of the December 31, 2021 measurement date, calculated using the discount rate of 2.24 percent, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.24 percent) or one percentage point higher (3.24 percent) than the current rate:

	1% Decrease (1.24%)	Current Discount Rate (2.24%)	1% Increase (3.24%)
Total pension liability	\$ 28,620,303	\$ 24,496,647	\$ 21,229,299

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension—For the year ended December 31, 2022, the Town recognized pension expense of \$938,431. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 404,409	\$ 118,115
Changes of assumptions or other inputs	3,042,667	1,364,298
Benefit payments and administrative expenses subsequent to the measurement date	<u>1,048,983</u>	<u>-</u>
Total	<u>\$ 4,496,059</u>	<u>\$ 1,482,413</u>

Amounts reported as deferred outflows of resources and deferred inflows 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 ending 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 Ending December 31,	
2023	\$ 986,089
2024	535,910
2025	269,135
2026	213,272
2027	(26,692)
Thereafter	(13,051)

8. OTHER POSTEMPLOYMENT BENEFITS

Plan Description—The Town provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee’s total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Town provides two experience rated Preferred Provider Organization (“PPO”) plans and one experience rates traditional indemnity plan for its retirees and their dependents. In addition, the Town provides a Medicare Supplemental plan option for Medicare eligible retirees and dependents.

Employees Covered by Benefit Terms—At December 31, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	351
Active employees	<u>166</u>
Total	<u>517</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability

The Town’s total OPEB liability of \$239,308,238 was measured as of January 1, 2022, and was determined by an actuarial valuation as of that date.

Actuarial Methods and Assumptions—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2022 actuarial valuation, the Entry Age Normal over a level percent of pay was used. The actuarial assumptions included a valuation and measurement date of January 1, 2022. The discount rate used is 2.06%. The RPH-2014 Mortality Table, with generation mortality, using scale MP-2014 and projected forward using scale MP-2020, for males and females is used for mortality rates. The rates of decrement due to turnover and retirement are based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant report entitled “Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation.” Upon retirement it is assumed that 100% of eligible employees and their spouses will elect for post-employment health care benefits, while it is assumed that 70% of retirees will be married at the time of their retirement.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	<u>Total OPEB Liability</u>
Balances at 12/31/2021	\$ 230,830,195
Changes for the year:	
Service cost	6,274,941
Interest	4,968,100
Changes of assumptions	2,756,639
Contributions—employer	<u>(5,521,637)</u>
Net changes	<u>8,478,043</u>
Balances at 12/31/2021	<u>\$ 239,308,238</u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the net OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the net OPEB liability:

	<u>Decrease (1.06%)</u>	<u>Discount Rate (2.06%)</u>	<u>Increase (3.06%)</u>
Total OPEB liability	\$ 292,867,557	\$ 239,308,238	\$ 198,775,607

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in current health cost trend rates as reported by the Town’s actuary:

	<u>1% Decrease (4.0%)</u>	<u>Healthcare Cost Trend (5.0%)</u>	<u>1% Increase (6.0%)</u>
Total OPEB liability	\$ 194,938,412	\$ 239,308,238	\$ 299,202,617

Funding Policy—Authorization for the Town to pay a portion, or all, of retiree health insurance premiums was enacted by resolution of the Town Board or through union contracts, which are ratified by the Town Board. For an employee to be eligible for the Town’s postemployment health plan they must qualify for retirement as a member of the New York State retirement system. All current retirees, future eligible police retirees as well as future eligible non-police retirees (hired prior to January 1, 1977) receive full health care coverage with no contribution requirements for themselves, dependents, and surviving spouses. Eligible non-police retirees that were hired after January 1, 1977 will be required to pay 10% of the additional premium for spousal coverage, with surviving spouse being required to contribute 15% of the individual premium.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The Town reports deferred outflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability are required to be determined. The table on the following page presents the Town’s deferred outflows and inflows of resources at December 31, 2022.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 14,443,995
Changes of assumptions	22,551,976	-
Town contributions subsequent to the measurement date	<u>5,766,211</u>	<u>-</u>
Total	<u>\$ 28,318,187</u>	<u>\$ 14,443,995</u>

The Town’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	
2022	\$ 8,599,810
2023	(1,144,163)
2024	652,334

9. RISK MANAGEMENT

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. The Town purchases insurance for: property (fire, flood, earthquake and boiler); computer equipment; and, employee fidelity. The Town purchases excess coverage for workers’ compensation for claims in excess of \$1.25 million for Firemen and First Responders and \$1 million for all other employees. Workers’ compensation insurance coverage is limited to \$2 million per accident. The Town also purchases excess liability coverage for claims in excess of \$2 million limited to \$20 million per occurrence or wrongful act or employee benefit wrongful act. There is an aggregate \$20 million limit for products–completed operations hazards, errors and omissions liability and employee benefit liability aggregate.

There have been no significant reductions in the levels of commercial insurance from the prior year.

Judgments and Claims—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. The Town reports all of its risk management activities in its Internal Service Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

At December 31, 2022, the judgments and claims liability and the workers' compensation liability are recorded within the Town's Internal Service Fund. This liability is the Town's best estimate based on available information. Changes in the reported liabilities since January 1, 2021 resulted from the following:

	Liability, 1/1/2022	Claims	Payments	Liability, 12/31/2022
Judgments and claims	\$ -	\$ 119,508	\$ -	\$ 119,508
Workers' compensation	3,356,580	1,332,390	2,608,296	2,080,674

	Liability, 1/1/2021	Claims	Payments	Liability, 12/31/2021
Judgments and claims	\$ 748,663	\$ -	\$ 748,663	\$ -
Workers' compensation	3,632,010	1,040,368	1,315,798	3,356,580

There are outstanding claims in the range of \$200,000 to \$300,000 which are classified as reasonably possible.

10. SHORT-TERM DEBT

Liabilities for bond anticipation notes ("BANs") are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs used for assessable improvement projects may be renewed for periods equivalent to the life of the permanent financing provided that annual reductions of principal are made. The table below is a summary of the Town's short-term debt for the year ended December 31, 2022:

	Issued	Maturity	Interest Rate	Balance 1/1/2022	Issues	Redemptions	Balance 12/31/2022
Bond anticipation notes:							
Various capital projects	10/26/21	11/4/22	1.50%	\$ 34,295,023	-	\$ 34,295,023	-
Various capital projects	10/25/22	11/3/23	4.75%	-	58,606,800	-	58,606,800
Total				<u>\$ 34,295,023</u>	<u>\$ 58,606,800</u>	<u>\$ 34,295,023</u>	<u>\$ 58,606,800</u>

The BANs issued on October 25, 2022 included a premium of \$696,838 included within governmental activities.

11. LONG-TERM LIABILITIES

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

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The Town's outstanding long-term liabilities include bonds payable, compensated absences, judgments and claims, workers' compensation, OPEB obligation and net pension liabilities. The serial bonds of the Town are secured by its general credit and revenue raising powers, as per State statute.

A summary of the Town's long-term debt at December 31, 2022 is presented below.

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Governmental activities:					
Serial bonds	\$ 93,691,000	\$ 18,040,050	\$ 9,130,000	\$ 102,601,050	\$ 7,985,050
Premium on serial bonds	5,990,503	798,109	356,375	6,432,237	370,611
Net bonds payable	99,681,503	18,838,159	9,486,375	109,033,287	8,355,661
Compensated absences	16,698,143	558,369	831,743	16,424,769	1,307,691
Judgements and claims	-	119,508	-	119,508	119,508
Workers' compensation	3,356,580	1,332,390	2,608,296	2,080,674	1,040,337
OPEB obligation	230,830,195	13,999,680	5,521,637	239,308,238	-
Net pension liability*	8,528,807	-	5,759,952	2,768,855	-
Total pension liability—LOSAP	24,483,949	912,341	899,645	24,496,645	-
Total governmental activities	<u>\$ 383,579,177</u>	<u>\$ 35,760,447</u>	<u>\$ 25,107,648</u>	<u>\$ 394,231,976</u>	<u>\$ 10,823,197</u>

(*Reductions to the net pension liability are shown net of additions.)

Serial Bonds—The Town issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In the current year, the Town issued \$18,040,050 in Public Improvement Serial Bonds for various purposes and received a premium of \$798,109. The interest rate ranges between 4.0% and 5.0% and the bonds will mature on October 15, 2042.

A summary of bonded indebtedness transactions for the year ended December 31, 2022 is presented below:

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2022	Issues	Redemptions	Principal Outstanding 12/31/2022
General Fund:						
Central Alarm Voice Recording Equipment	2011/2022	2.000-5.000%	\$ 19,111	\$ -	\$ 19,111	\$ -
Traffic Signals	2011/2022	2.000-5.000%	4,447	-	4,447	-
Amherst Park Master Plan	2011/2022	2.000-5.000%	12,996	-	12,996	-
Local Waterfront Rev Plan	2011/2022	2.000-5.000%	4,218	-	4,218	-
Veterans Canal Park Improvements	2014/2039	2.000-5.000%	15,000	-	5,000	10,000
Dellwood Park Improvements	2014/2039	2.000-5.000%	13,000	-	6,000	7,000
Golf Course Improvements	2014/2039	2.000-5.000%	217,000	-	73,000	144,000
Youth and Community Center Improvements	2015/2030	2.000-3.000%	42,500	-	22,500	20,000
Traffic Signals	2015/2030	2.000-3.000%	27,000	-	3,000	24,000
Replacement of Traffic Signal Equipment at Various Intersections	2015/2030	2.000-3.000%	32,000	-	4,000	28,000
Various Improvements to Fetto Park	2015/2030	2.000-3.000%	23,482	-	6,000	17,482
Ice Rink Acquisition, G.O. Refunding 2007 Series B (taxable)	2007/2022	5.630%	95,000	-	95,000	-
2016A Refunding Bonds Acquisition (2007)	2016/2022	2.000-5.000%	40,000	-	40,000	-
2016A Refunding Bonds Improvements (2007)	2016/2022	2.000-5.000%	40,000	-	40,000	-
Recreation Dept. Facility and Park Improvements	2016/2039	3.000-3.125%	94,000	-	13,000	81,000
HVAC North Amherst Rec Center	2016/2039	3.000-3.125%	25,000	-	13,000	12,000
Parking Lot Improvements	2016/2039	3.000-3.125%	118,000	-	60,000	58,000
Recreation Dept. Facility and Park Improvements	2016/2039	3.000-3.125%	94,000	-	13,000	81,000
Central Fire Radio Repeater System Upgrade	2016/2039	3.000-3.125%	41,000	-	21,000	20,000
Various Traffic Signal Upgrades	2016/2039	3.000-3.125%	64,000	-	5,000	59,000
North Amherst Rec Center Garage B Roof Replacement	2016/2039	3.000-3.125%	21,000	-	12,000	9,000

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2022	Issues	Redemptions	Principal Outstanding 12/31/2022
Northtown Center Dasher Board Replacements	2016/2039	3.000-3.125%	151,000	-	20,000	131,000
Town Facility Park Lot Improvements 2013	2016/2039	3.000-3.125%	121,000	-	62,000	59,000
Harlem Rd. Community Center Building Improvements	2016/2039	3.000-3.125%	72,000	-	10,000	62,000
Bike Path and Trailway Repaving	2016/2039	3.000-3.125%	54,000	-	7,000	47,000
Improvements to Service Lifts HWY Garage A5132	2016/2039	3.000-3.125%	75,000	-	8,000	67,000
Town Parking Lot Improvements	2016/2039	3.000-3.125%	184,000	-	62,000	122,000
Traffic Signal Controls Replacements	2016/2039	3.000-3.125%	32,000	-	8,000	24,000
Town Park Improvements	2016/2039	3.000-3.125%	256,000	-	30,000	226,000
Amherst Justice Facility Addition	2016/2039	3.000-3.125%	801,000	-	37,000	764,000
Clearfield Pool Liner Replacement	2016/2039	3.000-3.125%	42,000	-	5,000	37,000
2007 Series A Ice Rink Refunding Federally Taxable	2016/2022	1.320-2.000%	1,110,000	-	1,110,000	-
Northtown Center Ice Resurfacers	2016/2039	3.000-3.125%	84,000	-	12,000	72,000
Ballfield Canopy Backstops	2016/2022	2.000-3.000%	58,000	-	6,000	52,000
Police Secure Storage Building	2017/2035	2.000-3.000%	286,000	-	18,000	268,000
Veterans Park Improvements	2017/2035	2.000-3.000%	37,000	-	4,000	33,000
HRCC AUD HVAC Replacement	2017/2035	2.000-3.000%	113,000	-	38,000	75,000
Maplemere Traffic Signal	2017/2035	2.000-3.000%	87,000	-	6,000	81,000
Egbertsville Youth Center Gym Roof Replacement	2017/2035	2.000-3.000%	19,000	-	5,000	14,000
Parking Lot Maintenance	2017/2035	2.000-3.000%	175,000	-	58,000	117,000
Recreation & Park Area Improvements	2017/2035	2.000-3.000%	22,000	-	2,000	20,000
Bike Path & Trailway Repaving Phase II	2017/2035	2.000-3.000%	65,000	-	8,000	57,000
Maple & Culpepper Traffic Signal Installation	2017/2035	2.000-3.000%	105,000	-	7,000	98,000
Highway HVAC Improvements	2017/2035	2.000-3.000%	89,000	-	21,000	68,000
Amherst State Park Improvements	2018/2040	4.0000%	181,000	-	16,000	165,000
Town Park Shelter Improvements	2018/2040	4.0000%	12,000	-	3,000	9,000
Amherst Sidewalks for Safety Transportation Enhancement	2018/2040	4.0000%	90,000	-	17,000	73,000
Central Amherst Little League Parking Lot Reconstruction	2018/2040	4.0000%	34,000	-	7,000	27,000
Northtown Center at Amherst Safety Updates	2018/2040	4.0000%	44,000	-	8,000	36,000
Amherst Police / Court ADA Restrooms & Entranceway	2018/2040	4.0000%	93,000	-	9,000	84,000
Town Facility Parking Lot Maintenance	2018/2040	4.0000%	301,000	-	56,000	245,000
Police & Court HVAC Systems Improvements	2018/2040	4.0000%	338,000	-	63,000	275,000
Bassett Park Accessibility & Pond Improvements	2018/2040	4.0000%	100,000	-	9,000	91,000
Northtown Center Softball Field Improvements	2018/2040	4.0000%	73,000	-	6,000	67,000
Traffic Signal Controls	2018/2040	4.0000%	59,000	-	4,000	55,000
Recreational Facility and Park Area Improvements	2018/2040	4.0000%	92,000	-	9,000	83,000
Police, Fire & Emergency Operations Center Radio	2018/2040	4.0000%	393,000	-	74,000	319,000
Museum Buildings & Grounds Improvements	2018/2040	4.0000%	51,000	-	10,000	41,000
Amherst State Park Improvements II	2019/2037	3.0000%	109,000	-	16,000	93,000
Police Court emergency Generator	2019/2037	3.0000%	89,000	-	13,000	76,000
Police Court HVAC & Lighting Phase II	2019/2037	3.0000%	235,000	-	35,000	200,000
Town Parking Lots	2019/2037	3.0000%	244,000	-	37,000	207,000
Pool Improvements	2019/2037	3.0000%	155,000	-	13,000	142,000
Recreation Equipment B	2019/2037	3.0000%	60,000	-	5,000	55,000
Engineering Equipment B	2019/2037	3.0000%	5,000	-	2,000	3,000
Highway Building Improvements	2019/2037	3.0000%	345,000	-	27,000	318,000
Amherst State Park Stairway Restoration	2019/2037	3.0000%	117,000	-	10,000	107,000
Bassett Park Accessibility & Pond Improvements II	2019/2037	3.0000%	78,000	-	6,000	72,000
Dann Lake Park Improvements	2019/2037	3.0000%	170,000	-	13,000	157,000
Traffic Signal Improvements	2019/2037	3.0000%	54,000	-	3,000	51,000
Harlem Rd. Community Center Improvements	2019/2037	3.0000%	113,000	-	17,000	96,000
General Fund Equipment B	2019/2037	3.0000%	34,922	-	5,218	29,704
Northtown Center Ice Resurfacers	2019/2037	3.0000%	217,000	-	18,000	199,000
ADP Interior Space Reallocation	2020/2043	2.000-5.000%	514,000	-	36,000	478,000
Police Court HVAC & Lighting Phase III	2020/2043	2.000-5.000%	99,000	-	12,000	87,000
Town Parking Lot Maintenance	2020/2043	2.000-5.000%	208,000	-	27,000	181,000
ECO Park Improvements	2020/2043	2.000-5.000%	59,000	-	4,000	55,000
Building Maintenance Equipment	2020/2043	2.000-5.000%	22,000	-	3,000	19,000
Highway Equipment	2020/2043	2.000-5.000%	35,662	-	2,530	33,132
NARC Roof Replacement	2020/2043	2.000-5.000%	154,000	-	20,000	134,000
Police - Court Security & Building Improvements	2020/2043	2.000-5.000%	78,000	-	6,000	72,000
HRCC Building Improvements	2020/2043	2.000-5.000%	103,000	-	13,000	90,000
West Royal Park Rehabilitation	2020/2043	2.000-5.000%	210,000	-	10,000	200,000
Renewable Energy Town Building	2020/2043	2.000-5.000%	38,000	-	3,000	35,000

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Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2022	Issues	Redemptions	Principal Outstanding 12/31/2022
Playground Safety Surface Improvements	2020/2043	2.000-5.000%	66,000	-	5,000	61,000
Acquisition of 4220 Bailey Ave A	2020/2043	2.000-5.000%	280,000	-	20,000	260,000
Acquisition of 4220 Bailey Ave B	2020/2043	2.000-5.000%	1,448,000	-	55,000	1,393,000
Highway Building Improvements	2020/2043	2.000-5.000%	172,000	-	9,000	163,000
Bassett Park Accessibility and Pond Improvements II	2021/2039	2.000-5.000%	46,000	-	3,000	43,000
Northtown Center Improvements	2021/2039	2.000-5.000%	90,000	-	10,000	80,000
Pathway Safety Enhancement	2021/2039	2.000-5.000%	80,000	-	9,000	71,000
Steffen Building Improvements	2021/2039	2.000-5.000%	79,000	-	4,000	75,000
Youth & Recreation Equipment A	2021/2039	2.000-5.000%	18,000	-	2,000	16,000
Youth & Recreation Equipment B	2021/2039	2.000-5.000%	37,000	-	3,000	34,000
Building Vehicles	2021/2039	2.000-5.000%	49,000	-	5,000	44,000
Town Parking Lots	2021/2039	2.000-5.000%	110,000	-	12,000	98,000
Booking Safety and Improvements	2021/2039	2.000-5.000%	473,000	-	30,000	443,000
Town Hall Generator	2021/2039	2.000-5.000%	106,000	-	11,000	95,000
Pool Heaters Replacement	2021/2039	2.000-5.000%	87,000	-	6,000	81,000
Town Guide Rail Replacements	2021/2039	2.000-5.000%	82,000	-	9,000	73,000
Radio System Upgrades	2021/2039	2.000-5.000%	366,000	-	37,000	329,000
Town Athletic Facility Improvements - Parking & Signage	2021/2039	2.000-5.000%	262,000	-	27,000	235,000
Billy Wilson Park Improvements	2021/2039	2.000-5.000%	110,000	-	7,000	103,000
Reconstruction of 5005 Sheridan Drive	2021/2039	2.000-5.000%	184,000	-	12,000	172,000
Purchase of 5005 Sheridan Drive	2021/2039	2.000-5.000%	641,000	-	29,000	612,000
Traffic Signals	2021/2039	2.000-5.000%	91,000	-	5,000	86,000
Playground Safety Surface Improvements	2021/2039	2.000-5.000%	68,000	-	5,000	63,000
NARC Roof Restoration	2021/2039	2.000-5.000%	305,000	-	18,000	287,000
Police Headquarters Roof Restoration	2021/2039	2.000-5.000%	380,000	-	22,000	358,000
Police Training Center Improvements	2021/2039	2.000-5.000%	153,000	-	9,000	144,000
Police Radio Systems Upgrades	2021/2039	2.000-5.000%	264,000	-	24,000	240,000
Town Parking Lot Maintenance	2021/2039	2.000-5.000%	147,000	-	14,000	133,000
Fire Radio Simplex Upgrade & Microwave Equipment	2022/2042	4.000-5.000%	-	340,000	-	340,000
Facility & Park Area Improvements	2022/2042	4.000-5.000%	-	52,000	-	52,000
Clearfield Splash Park Replacement	2022/2042	4.000-5.000%	-	509,000	-	509,000
Police & Court HVAC System Improvements Phase VI	2022/2042	4.000-5.000%	-	435,000	-	435,000
Police Training Center Shooting Range	2022/2042	4.000-5.000%	-	2,290,000	-	2,290,000
Townwide Signal Upgrades	2022/2042	4.000-5.000%	-	875,000	-	875,000
Playground Safety Surface Improvements	2022/2042	4.000-5.000%	-	95,000	-	95,000
Main Library Expansion Phase 2	2022/2042	4.000-5.000%	-	759,000	-	759,000
Dann Lake Improvements	2022/2042	4.000-5.000%	-	45,000	-	45,000
Townwide Tree Planting & Restoration	2022/2042	4.000-5.000%	-	73,600	-	73,600
Golf Course Maintenance Equipment	2022/2042	4.000-5.000%	-	368,750	-	368,750
Total General Fund			<u>16,682,337</u>	<u>5,842,350</u>	<u>3,125,022</u>	<u>19,458,668</u>
Highway Fund:						
Highway Equipment - Highway	2011/2022	2.000-5.000%	13,680	-	13,680	-
Various Town Road Pavements	2016/2039	3.000-3.125%	525,000	-	70,000	455,000
Higway Dept. Asphalt Paver	2016/2039	3.000-3.125%	178,000	-	24,000	154,000
Various Town Road Pavements 2013	2016/2039	3.000-3.125%	619,000	-	83,000	536,000
Paving & Curbing Improvements	2016/2039	3.000-3.125%	621,000	-	71,000	550,000
Improvements to Kings Highway	2016/2039	3.000-3.125%	170,000	-	19,000	151,000
Rehab Northledge Drive	2017/2035	2.000-3.000%	132,000	-	15,000	117,000
Town Road & Curbing Improvements	2017/2035	2.000-3.000%	632,000	-	72,000	560,000
Ditch 5 Culvert at Flint Road	2017/2035	2.000-3.000%	29,000	-	10,000	19,000
Town Road Pavement & Curbing Improvements	2018/2040	4.0000%	1,434,000	-	128,000	1,306,000
Town Paving and Curbing	2019/2037	3.0000%	1,601,000	-	126,000	1,475,000
Highway Equipment	2019/2037	3.0000%	431,000	-	34,000	397,000
Townwide Guide Rail Replacement	2019/2037	3.0000%	62,000	-	9,000	53,000
Highway Equipment A	2019/2037	3.0000%	460,242	-	36,365	423,877
Highway Equipment B	2019/2037	3.0000%	32,851	-	4,909	27,942
Pedestrian Safety Improvements at Signalized Intersections	2020/2043	2.000-5.000%	97,000	-	5,000	92,000
Town Road Pavement & Curbing Improvements	2020/2043	2.000-5.000%	1,577,000	-	112,000	1,465,000
Guide Rail Replacement	2020/2043	2.000-5.000%	71,000	-	9,000	62,000
Highway Equipment	2020/2043	2.000-5.000%	543,995	-	38,587	505,408
Highway Equip Snow Relief Districts	2020/2043	2.000-5.000%	49,000	-	3,500	45,500

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal	Issues	Redemptions	Principal
			Outstanding 1/1/2022			Outstanding 12/31/2022
Highway Equip Snow Relief Districts	2020/2043	2.000-5.000%	49,000	-	3,500	45,500
JJ Audubon Bridge Replacement	2021/2039	2.000-5.000%	201,000	-	10,000	191,000
Highway Vehicles	2021/2039	2.000-5.000%	826,000	-	52,000	774,000
2019 Paving & Curbing	2021/2039	2.000-5.000%	1,643,000	-	111,000	1,532,000
Amherst Canalway Trail Pedestrian Bridge	2021/2039	2.000-5.000%	322,000	-	15,000	307,000
Ditch 5 Culvert Extension	2021/2039	2.000-5.000%	163,000	-	17,000	146,000
Highway Building Improvements	2021/2039	2.000-5.000%	252,000	-	16,000	236,000
JJ Audubon Bridge Replacement	2021/2039	2.000-5.000%	145,000	-	7,000	138,000
Town Road Paving & Curbing	2021/2039	2.000-5.000%	1,721,000	-	99,000	1,622,000
Townwide Guide Rails	2022/2042	4.000-5.000%	-	45,000	-	45,000
Dann Road Reconstruction	2022/2042	4.000-5.000%	-	399,000	-	399,000
ADA Transition Plan	2022/2042	4.000-5.000%	-	180,000	-	180,000
Flashing Warning Beacon Installation & Replacement	2022/2042	4.000-5.000%	-	95,000	-	95,000
Town Road Paving & Curbing Improvements	2022/2042	4.000-5.000%	-	1,743,600	-	1,743,600
Town Road Pavement Improvements	2022/2042	4.000-5.000%	-	2,000,000	-	2,000,000
Morningside Subdivision Roadway Reconstruction	2022/2042	4.000-5.000%	-	224,700	-	224,700
Townwide Curbing Replacement	2022/2042	4.000-5.000%	-	75,000	-	75,000
Total Highway Fund			14,551,768	4,762,300	1,188,041	18,103,027
Sewer District Fund:						
SSD #1 & 16 WWTP Roofs (Phase II)	2011/2022	2.500-5.000%	25,612	-	25,612	-
SSD #1 Lafayette Blvd.	2011/2022	2.500-5.000%	8,551	-	8,551	-
SSD # 16 N. French	2011/2022	2.500-5.000%	58,064	-	58,064	-
SSD #1 & 16 Transformer Rehab Study	2011/2022	2.500-5.000%	6,840	-	6,840	-
SSD #1 & 16 Pelletizer Bagging Facility	2011/2022	2.500-5.000%	17,747	-	17,747	-
SSD #1 & 16 Centrifuge #5 Replacement	2011/2022	2.500-5.000%	17,063	-	17,063	-
SSD #1 & 16 Scum Removal System Replacement	2011/2022	2.500-5.000%	10,944	-	10,944	-
SSD #1 & 16 Elect System Load Curtailment	2011/2022	2.500-5.000%	17,747	-	17,747	-
SSD #1 & 16 Sand Filter Replacement	2011/2022	2.500-5.000%	40,660	-	40,660	-
Grit Collector/ Plant 16 Equipment	2014/2039	2.000-5.000%	100,000	-	5,000	95,000
Sewage Pump Motor Replacement	2014/2039	2.000-5.000%	283,000	-	15,000	268,000
Oxygen Deck Stage II Repairs	2014/2039	2.000-5.000%	134,000	-	7,000	127,000
Lift Station Control Panel	2014/2039	2.000-5.000%	54,000	-	3,000	51,000
Pump House Recovery	2014/2039	2.000-5.000%	75,000	-	5,000	70,000
Sanitary Sewers 16 Generators	2014/2039	2.000-5.000%	130,000	-	7,000	123,000
New Motor Control Center	2014/2039	2.000-5.000%	102,000	-	5,000	97,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	251,000	-	26,000	225,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	22,000	-	3,000	19,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	211,000	-	22,000	189,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	114,000	-	12,000	102,000
SS Dist. No. 1 & 16 WPCF Digester Rehab	2015/2030	2.000-3.000%	96,000	-	10,000	86,000
Incr. and Impr. of Sanitary Sewer District 1	2015/2030	2.000-3.000%	163,183	-	18,237	144,946
Incr. and Impr. of Sanitary Sewer District 1	2015/2030	2.000-3.000%	76,000	-	8,000	68,000
Incr. and Impr. of Sanitary Sewer District 16	2015/2030	2.000-3.000%	185,000	-	17,000	168,000
2016A Refunding Sewer District No.1 Harlem & Kensington (2007)	2016/2022	2.000-5.000%	20,000	-	20,000	-
2016A Refunding Sand Filtration System Improvements (2007)	2016/2022	2.000-5.000%	390,000	-	390,000	-
2016A Refunding Various Plant 16 Improvements (2007)	2016/2022	2.000-5.000%	135,000	-	135,000	-
2016A Refunding LeBrun Storm Sewer (2007)	2016/2022	2.000-5.000%	20,000	-	20,000	-
Main Sewage Pump Motors	2016/2039	3.000-3.125%	342,000	-	32,000	310,000
Oxygen Plant Optimization	2016/2039	3.000-3.125%	132,000	-	14,000	118,000
WPCF Solids Handling	2016/2039	3.000-3.125%	570,000	-	51,000	519,000
Switchgear Replacement	2016/2039	3.000-3.125%	164,000	-	85,000	79,000
Underground Feeders / MMC	2016/2039	3.000-3.125%	93,000	-	19,000	74,000
HVAC Facility Improvements	2016/2039	3.000-3.125%	270,000	-	52,000	218,000
Hydraulic Actuators & Valve Replacement	2016/2039	3.000-3.125%	168,000	-	32,000	136,000
Scum Systems Replacement	2016/2039	3.000-3.125%	135,000	-	33,000	102,000
WPCF Basic, Scum System, Polymer, Hydraulic	2016/2039	3.000-3.125%	2,161,000	-	105,000	2,056,000
WPCF Roof Replacement	2016/2039	3.000-3.125%	56,000	-	8,000	48,000
WPCF Multiple Project Upgrades Phase II	2016/2039	3.000-3.125%	972,000	-	47,000	925,000
Allenhurst, Eggertsville, Capin Sanitary Sewer II & III	2016/2039	3.000-3.125%	844,000	-	41,000	803,000
WPCF EQ Basic	2016/2039	3.000-3.125%	449,000	-	22,000	427,000

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Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2022	Issues	Redemptions	Principal Outstanding 12/31/2022
	WPCF Multiple Projects	2016/2039	3.000-3.125%	5,367,000	-	259,000
Brantwood, N. French, Harlem, Hancock Sanitary Sewer	2016/2039	3.000-3.125%	801,000	-	39,000	762,000
WPCF Oxygen System Rehabilitation	2016/2039	3.000-3.125%	2,286,000	-	111,000	2,175,000
WPCF Electric Upgrades Phase 5	2016/2039	3.000-3.125%	507,000	-	25,000	482,000
WPCF HVAC Facility Improvements	2016/2039	3.000-3.125%	172,000	-	9,000	163,000
WPCF Building Infrastructure Reconstruction	2016/2039	3.000-3.125%	188,000	-	10,000	178,000
Sanitary Sewer Lift Station Reconstruction	2016/2039	3.000-3.125%	28,000	-	7,000	21,000
WPCF Stage 1 & 2 Activated Sludge	2016/2039	3.000-3.125%	1,717,000	-	83,000	1,634,000
WPCF Dewatering Process Phase II	2016/2039	3.000-3.125%	877,000	-	43,000	834,000
Delta Rd./ Eggert Rd., Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	904,000	-	57,000	847,000
Chestnut Ridge Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	173,000	-	11,000	162,000
Capen Blvd Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	58,000	-	4,000	54,000
WPCF Lift Station Pump Control Improvements	2017/2035	2.000-3.000%	270,000	-	17,000	253,000
WPCF Asset Management	2017/2035	2.000-3.000%	110,000	-	7,000	103,000
WPCF Air Scrubber Building No. 4	2017/2035	2.000-3.000%	46,000	-	3,000	43,000
WPCF Claridier Grit Air Rehab	2017/2035	2.000-3.000%	4,391,000	-	279,000	4,112,000
Sanitary Sewer Bondcroft / Danebrock	2018/2040	4.0000%	645,000	-	31,000	614,000
WPCF RAS/WAS System Rehab, Phase II	2018/2040	4.0000%	606,000	-	27,000	579,000
WPCF Facility Various Projects	2018/2040	4.0000%	4,266,000	-	192,000	4,074,000
Maple Road Sanitary Sewer Upgrades	2018/2040	4.0000%	337,000	-	16,000	321,000
Maple Road Sanitary Sewer Upgrades II	2019/2037	3.0000%	96,000	-	8,000	88,000
Engineering Sewer Equipment A	2019/2037	3.0000%	231,000	-	19,000	212,000
Water Pollution Control Facility Multiple Projects	2019/2037	3.0000%	3,804,000	-	205,000	3,599,000
Sewer Equipment A	2019/2037	3.0000%	220,158	-	17,395	202,763
Sewer Equipment B	2019/2037	3.0000%	19,227	-	2,873	16,354
Maple Road Sanitary Trunk Sewer Upgrades II	2020/2043	2.000-5.000%	77,000	-	6,000	71,000
Maple Road SS Trunk Sewer Upgrades 1B	2020/2043	2.000-5.000%	479,000	-	24,000	455,000
Engineering Equipment A	2020/2043	2.000-5.000%	62,000	-	8,000	54,000
Engineering Equipment B	2020/2043	2.000-5.000%	340,000	-	25,000	315,000
Eggert LeBrun Sanitary Sewer	2020/2043	2.000-5.000%	184,000	-	9,000	175,000
Ransom Oaks Lift Station	2020/2043	2.000-5.000%	59,000	-	3,000	56,000
WPCF Clarifier - Grit System Rehab	2021/2039	2.000-5.000%	74,000	-	4,000	70,000
ENG Facilities Rehabilitation	2021/2039	2.000-5.000%	62,000	-	4,000	58,000
2018 WPCF Multiple Project Bond	2021/2039	2.000-5.000%	1,747,000	-	98,000	1,649,000
Engineering HVAC Improvements	2021/2039	2.000-5.000%	146,000	-	15,000	131,000
Engineering Roof Replacement	2021/2039	2.000-5.000%	82,000	-	9,000	73,000
WPCF - Solids Handling Study	2021/2039	2.000-5.000%	249,000	-	16,000	233,000
WPCF - Micro screen Additions	2021/2039	2.000-5.000%	1,498,000	-	79,000	1,419,000
2019 Sanitary Sewer Upgrades and Rehabilitation Projects	2021/2039	2.000-5.000%	243,000	-	11,000	232,000
Engineering Vehicles	2021/2039	2.000-5.000%	255,000	-	15,000	240,000
WPCF Laboratory Equipment	2022/2042	4.000-5.000%	-	64,000	-	64,000
WPCF Multiple Project Bond	2022/2042	4.000-5.000%	-	1,825,000	-	1,825,000
Sanitary Sewer Upgrades and Rehab	2022/2042	4.000-5.000%	-	668,000	-	668,000
Sanitary Sewer Vehicles	2022/2042	4.000-5.000%	-	33,300	-	33,300
Sanitary Sewer Equipment	2022/2042	4.000-5.000%	-	191,200	-	191,200
Sanitary Sewer Rehabilitation Projects	2022/2042	4.000-5.000%	-	603,900	-	603,900
Total Sewer District Fund			<u>42,796,794</u>	<u>3,385,400</u>	<u>3,252,728</u>	<u>42,901,463</u>
Town Outside Village Fund						
Highway Equipment - Part Town	2011/2022	2.000-5.000%	875	-	875	-
Highway Equipment	2020/2043	2.000-5.000%	35,662	-	2,530	33,132
Highway Equipment	2020/2043	2.000-5.000%	63,495	-	4,560	58,935
Total Town Outside Village Fund			<u>100,032</u>	<u>-</u>	<u>7,965</u>	<u>92,068</u>
Lighting Fund:						
Niagara Falls Blvd Lighting	2021/2039	2.000-5.000%	239,000	-	25,000	214,000
Total Lighting Fund			<u>239,000</u>	<u>-</u>	<u>25,000</u>	<u>214,000</u>

(continued)

(concluded)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2022	Issues	Redemptions	Principal Outstanding 12/31/2022
Community Environment Fund:						
Highway Equipment - Community Environment	2011/2022	2.000-5.000%	13,680	-	13,680	-
2016A Refunding Bonds Residential Refuse Containers (2007)	2016/2022	2.000-5.000%	135,000	-	135,000	-
Highway Equipment	2016/2022	2.000-5.000%	103,679	-	7,353	96,326
Totes	2022/2042	4.000-5.000%	-	140,000	-	140,000
Total Community Environment Fund			<u>252,359</u>	<u>140,000</u>	<u>156,033</u>	<u>236,326</u>
Water District Fund:						
Waterline Country Pkwy	2011/2022	2.000-5.000%	35,112	-	35,112	-
Water District 15 Improvements	2014/2039	2.000-5.000%	1,038,000	-	51,000	987,000
Improvement of Facilities of Water District No. 15	2015/2030	2.000-3.000%	602,835	-	61,263	541,572
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	417,000	-	42,000	375,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	204,000	-	21,000	183,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	35,000	-	5,000	30,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	425,000	-	44,000	381,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	165,000	-	17,000	148,000
2016A Refunding Bonds Willowridge Road (2007)	2016/2022	2.000-5.000%	50,000	-	50,000	-
2016A Refunding Bonds Haussauer Road (2007)	2016/2022	2.000-5.000%	40,000	-	40,000	-
2016A Refunding Bonds Greengage Circle Phase II (2007)	2016/2022	2.000-5.000%	10,000	-	10,000	-
Indian Trail Waterline Replacement	2016/2039	3.000-3.125%	113,000	-	12,000	101,000
Indian Lakeside Drive Waterline	2016/2039	3.000-3.125%	61,000	-	6,000	55,000
Indian Smith Road Waterline	2016/2039	3.000-3.125%	145,000	-	15,000	130,000
2012 Waterline Replacement Projects	2016/2039	3.000-3.125%	907,000	-	44,000	863,000
Waterline Replacements	2016/2039	3.000-3.125%	2,298,000	-	112,000	2,186,000
Sheridan Dr. & Transit Waterline Ext./ Connection	2016/2039	3.000-3.125%	55,000	-	4,000	51,000
Muegel Rd. Waterline Replacement	2016/2039	3.000-3.125%	334,000	-	17,000	317,000
Meadowview Lane Waterline Replacements	2016/2039	3.000-3.125%	404,000	-	20,000	384,000
Presidents Walk Waterline Replacement	2016/2039	3.000-3.125%	315,000	-	16,000	299,000
Dodge Road Waterlines	2017/2035	2.000-3.000%	110,000	-	7,000	103,000
Waterline Replacement Robin Hill Road	2017/2035	2.000-3.000%	381,000	-	25,000	356,000
Waterline Replacement Northington Drive	2017/2035	2.000-3.000%	230,000	-	15,000	215,000
Waterline Replacement Clearfield Drive	2017/2035	2.000-3.000%	197,000	-	12,000	185,000
Waterline Replacement Odessa Srive & Lily Brooke Ct.	2017/2035	2.000-3.000%	232,000	-	15,000	217,000
Various Waterlines	2018/2040	4.0000%	1,447,000	-	65,000	1,382,000
Old Oak Post, Millbrook, & Park	2019/2037	3.0000%	1,727,000	-	92,000	1,635,000
2018 Waterlines - Maple Rd II	2020/2043	2.000-5.000%	1,813,000	-	90,000	1,723,000
2019 Waterlines Replacements	2021/2039	2.000-5.000%	1,623,000	-	84,000	1,539,000
Red Oak Drive Waterlines	2022/2042	4.000-5.000%	-	660,000	-	660,000
Red Oak/Robin Hill & Swanson Terrace/Sweet Home Waterlines	2022/2042	4.000-5.000%	-	995,000	-	995,000
2019 Waterlines Replacements	2022/2042	4.000-5.000%	-	410,000	-	410,000
Total Water District Fund			<u>15,413,947</u>	<u>2,065,000</u>	<u>1,027,375</u>	<u>16,451,572</u>
Drainage Fund:						
Highway Equipment - Drainage	2011/2022	2.500-5.000%	23,903	-	23,903	-
Storm Drain #4 McKinley / Harding	2011/2022	2.500-5.000%	31,692	-	31,692	-
Storm Drain #16 Eggerts / Bailey	2011/2022	2.500-5.000%	17,063	-	17,063	-
Drainage 16 Harding/McKinley/Caesar	2014/2039	2.000-5.000%	329,000	-	17,000	312,000
Drainage 26 Rambling Culvert	2014/2039	2.000-5.000%	102,000	-	5,000	97,000
Drainage 16 Bassett Park	2014/2039	2.000-5.000%	317,000	-	16,000	301,000
Drainage 26 Chapel Wood Culvert	2014/2039	2.000-5.000%	191,000	-	10,000	181,000
Improv. of SWD District 4, 16 & 26	2015/2030	2.000-3.000%	93,000	-	23,000	70,000
2016A Refunding Various Drainage Improvements (2007)	2016/2022	2.000-5.000%	40,000	-	40,000	-
Amherston, Oakwood, Bellingham Drainage	2016/2039	3.000-3.125%	150,000	-	29,000	121,000
Oakwood, Amherston, Bellingham Improve Phase II	2016/2039	3.000-3.125%	512,000	-	26,000	486,000
Ditch 9-A Weir Replacement	2016/2039	3.000-3.125%	58,000	-	3,000	55,000
Oakwood, Amherston, Bellingham Improve Phase III	2016/2039	3.000-3.125%	359,000	-	18,000	341,000
Bramblewood Lane Drainage Stormwater	2016/2039	3.000-3.125%	260,000	-	13,000	247,000
Ditch 26D-1 Culvert Replacement	2016/2039	3.000-3.125%	3,000	-	3,000	-
Glenn Oak Culvert Replacement	2017/2035	2.000-3.000%	279,000	-	18,000	261,000
Drainage Equipment A	2019/2037	3.0000%	129,600	-	10,240	119,360
Highway Equipment	2020/2043	2.000-5.000%	117,506	-	8,440	109,066
Longmeadow Dr Drainage Improvements	2020/2043	2.000-5.000%	502,000	-	35,000	467,000
Sattler Dellwood Park Stormwater Project	2021/2039	2.000-5.000%	91,000	-	5,000	86,000
Longmeadow Dellwood Drainage	2022/2042	4.000-5.000%	-	590,000	-	590,000
Drainage Improvements	2022/2042	4.000-5.000%	-	380,000	-	380,000
Sattler Dellwood Park Stormwater Project	2022/2042	4.000-5.000%	-	875,000	-	875,000
Total Drainage Fund			<u>3,605,763</u>	<u>1,845,000</u>	<u>352,337</u>	<u>5,098,426</u>
Total governmental activities			<u>\$ 93,691,000</u>	<u>\$ 18,040,050</u>	<u>\$ 9,130,000</u>	<u>\$ 102,601,050</u>

Premiums on Serial Bonds—Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental activities.

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022
Premium on Serial Bonds	\$ 5,990,503	\$ 798,109	\$ 356,375	\$ 6,432,237

Compensated Absences—As explained in Note 1, the Town records the value of governmental fund type compensated absences. The annual budgets of the operating funds provide funding for these benefits as they become payable. The value recorded in the financial statements at December 31, 2022, for governmental activities is \$16,424,769. Management estimates that \$1,307,691 is due within one year. Since payments of compensated absences are dependent upon many factors, the timing of future payments is not readily determinable.

Judgments and Claims—As explained in Note 9, the Town considers a liability for general liability claims in the government-wide financial statements. The Town’s outstanding judgments and claims liability as of the year ended December 31, 2022, totals \$119,508.

Workers’ Compensation—Accrued workers’ compensation, which totals \$2,080,674 represents the Town’s estimate of both asserted and unasserted workers’ compensation losses. The payments related to these liabilities are dependent upon many factors and, therefore, timing of future payments are not readily determinable. The Town has estimated that \$1,040,337 will be paid in the next fiscal year. Refer to Note 9 for additional information related to workers’ compensation.

OPEB Obligation—As explained in Note 8, the Town provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee’s total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Town’s annual postemployment benefit (“OPEB”) cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability). The long-term OPEB obligation is estimated to be \$239,308,238 at December 31, 2022.

Net Pension Liability—The Town reports a liability for its proportionate share of the net pension liability for the Police and Fire Retirement System. The total net pension liability is estimated to be \$2,768,855 in the governmental activities. Refer to Note 6 additional information related to the Town’s net pension liability.

Total Pension Liability—LOSAP—The Town reports a liability for the Length of Service Awards Program. The pension liability is estimated to be \$24,496,645 in the governmental activities. Refer to Note 7 additional information related to the Town’s net pension liability.

A maturity schedule of the Town's indebtedness is shown below.

Year Ending December 31,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	Judgments and Claims	Workers' Compensation	OPEB Obligation	Net Pension Liability	Total Pension Liability LOSAP	Total
2023	\$ 7,985,050	\$ 370,611	\$ 1,307,691	\$ 119,508	\$ 1,040,337	\$ -	\$ -	\$ -	\$ 10,823,197
2024	7,860,000	368,533	-	-	-	-	-	-	8,228,533
2025	7,775,000	368,533	-	-	-	-	-	-	8,143,533
2026	7,805,000	368,533	-	-	-	-	-	-	8,173,533
2027	7,440,000	368,533	-	-	-	-	-	-	7,808,533
2028-2032	33,065,000	1,832,682	-	-	-	-	-	-	34,897,682
2033-2037	23,106,000	1,812,079	-	-	-	-	-	-	24,918,079
2038-2042	7,505,000	899,895	-	-	-	-	-	-	8,404,895
2043-thereafter	60,000	42,838	15,117,078	-	1,040,337	239,308,238	2,768,855	24,496,645	282,833,991
Total	\$ 102,601,050	\$ 6,432,237	\$ 16,424,769	\$ 119,508	\$ 2,080,674	\$ 239,308,238	\$ 2,768,855	\$ 24,496,645	\$ 394,231,976

Interest requirements on serial bonds are as follows:

Year ending December 31,	Interest
2023	\$ 2,777,372
2024	2,538,872
2025	2,303,672
2026	2,074,259
2027	1,842,153
2028-2032	6,028,057
2033-2037	2,338,352
2038-2042	286,488
2043-thereafter	1,425
Total	\$ 20,190,650

Discretely Presented Component Unit

Town of Amherst Industrial Development Agency

The Agency's mortgage with KeyBank amounted to \$295,456 and \$306,395 at December 31, 2022 and 2021, respectively. The mortgage is a direct borrowing. The original mortgage agreement stated that the mortgage bore interest at 6% per year and was payable in 60 monthly installments of \$6,225 comprising of principal and interest through December 31, 2014. At January 1, 2015, the interest rate adjusted daily to 2% above the Regular Fixed Advance Rate offered by the Federal Home Loan Bank of New York for instruments having a term of five years. The rate was never to fall below 6%. Payments were to be made in 60 monthly installments based on a 10-year amortization of the outstanding balance at January 1, 2015. A balloon payment for the remaining balance was due in January 2020 per the original agreement; however, in January 2020, the Agency refinanced its mortgage, extending the maturity date to January 1, 2040 with the remaining balance to be paid in 240 monthly installments of \$2,121 comprising both principal and interest. The interest rate is 4.75% until January 1, 2025, the first adjustment date, upon which time the interest rate will be adjusted.

The terms of the mortgage require the Agency to maintain a restricted deposit with the bank which amounted to \$66,369 and \$66,312 at December 31, 2022 and 2021.

12. NET POSITION AND FUND BALANCE

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

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

Capital assets, net of accumulated depreciation		\$ 293,711,447
Related debt:		
Serial bonds issued	\$ (102,601,050)	
Unamortized bond issue premium	(6,432,237)	
Bond anticipation notes issued for capital assets	(58,606,800)	
Unspent proceeds from debt	<u>15,759,031</u>	
Debt issued and used for capital assets		<u>(151,881,056)</u>
Net investment in capital assets		<u>\$ 141,830,391</u>

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

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Town at December 31, 2022 includes:

	General Fund	Highway Fund	Sewer Fund	Special Grant Fund	Nonmajor Funds	Total
Prepaid items	<u>\$ 6,906,059</u>	<u>\$ 785,115</u>	<u>\$ 902,089</u>	<u>\$ 6,127</u>	<u>\$ 1,093,711</u>	<u>\$ 9,693,101</u>

- **Prepaid Items**—Represents the portion of fund balance composed of prepaid assets. This balance is nonspendable as the asset does not represent an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balances of the Town at December 31, 2022 are as follows:

	General Fund	Highway Fund	Fire Protection Fund	Sewer Fund	Special Grant Fund	Nonmajor Funds	Total
Loans receivable	\$ -	\$ -	\$ -	\$ -	\$ 6,940,729	\$ -	\$ 6,940,729
LOSAP	-	-	15,299,550	-	-	-	15,299,550
Special purpose	212,640	-	-	-	-	3,682,462	3,895,102
Debt service	<u>927,701</u>	<u>510,939</u>	<u>-</u>	<u>724,539</u>	<u>-</u>	<u>809,468</u>	<u>2,972,647</u>
Total	<u>\$ 1,140,341</u>	<u>\$ 510,939</u>	<u>\$ 15,299,550</u>	<u>\$ 724,539</u>	<u>\$ 6,940,729</u>	<u>\$ 4,491,930</u>	<u>\$ 29,108,028</u>

- **Restricted for Loans Receivable**—Represent community development loans within the Special Grant Fund, which are required to be maintained intact.
- **Restricted for LOSAP**—Represents monies, \$15,299,550, held in trust for the administration of the Town’s LOSAP.
- **Restricted for Special Purpose**—Represents tree planting deposits, ditch escrows and public improvement permit deposits within the General Fund and monies for various purposes as accounted for in special purpose special revenue funds.
- **Restricted for Debt Service**—Represents resources within the General Fund, Highway Fund, Sewer Fund and Nonmajor Funds legally restricted for the payment of debt service.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Town’s highest level of decision-making authority, or by its designated body or official. As of December 31, 2022, the Town had no committed fund balance.

In the fund financial statements, assignments are not legally required segregations, but are segregated for a specific purpose by the Town. At December 31, 2022, the following balances were considered to be assigned:

	General Fund	Highway Fund	Fire Protection Fund	Sewer Fund	Nonmajor Funds	Total
Subsequent year's expenditures	\$ 6,600,000	\$ 950,000	\$ -	\$ -	\$ 1,255,000	\$ 8,805,000
Encumbrances	1,153,545	-	-	270,899	105,037	1,529,481
Community benefits	875,000	-	-	-	-	875,000
Specific use:						
Highway expenditures	-	3,608,393	-	-	-	3,608,393
Fire protection expenditures	-	-	161,508	-	-	161,508
Sewer expenditures	-	-	-	3,133,705	-	3,133,705
Town outside village expenditures	-	-	-	-	1,344,980	1,344,980
Lighting expenditures	-	-	-	-	178,728	178,728
Community environment expenditures	-	-	-	-	1,078,592	1,078,592
Water district expenditures	-	-	-	-	30,316	30,316
Drainage district expenditures	-	-	-	-	640,510	640,510
Total assigned fund balance	<u>\$ 8,628,545</u>	<u>\$ 4,558,393</u>	<u>\$ 161,508</u>	<u>\$ 3,404,604</u>	<u>\$ 4,633,163</u>	<u>\$ 21,386,213</u>

- **Assigned to Subsequent Year’s Expenditures**—Represents funds to be used to assist in supporting the subsequent year’s authorized appropriations.
- **Assigned to Encumbrances**—Represents authorizations related to unperformed contracts or purchase orders for goods or services.
- **Assigned for community benefits**—Represents funds set aside to be used for costs of providing public services to new developments benefitting the community.
- **Assigned for Specific Use**—Represents remaining fund balance of special revenue funds to be used for each fund’s specific use.

Unassigned fund balance represents the residual classification of the government’s General Fund surplus, and Special Grant Fund and Capital Projects Fund deficits.

The Town will spend the most restricted dollars before less restricted where such spending is appropriate and the legal restriction does not limit the use of such restricted amount for the particular purpose in question in the following order: 1) nonspendable (if funds become spendable), 2) restricted, 3) committed, 4) assigned, and 5) unassigned.

13. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables of the Town at December 31, 2022 consisted of the following:

Fund	Interfund Receivables	Interfund Payables
Governmental funds:		
General Fund	\$ 442,857	\$ -
Highway Fund	-	13,909
Sewer Fund	-	170,916
Capital Projects Fund	-	16,846
Capital Projects Fund	62,949	-
Other nonmajor funds	-	91,495
Subtotal governmental funds	<u>505,806</u>	<u>293,166</u>
Fiduciary funds	-	212,640
Total	<u>\$ 505,806</u>	<u>\$ 505,806</u>

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

The Town made the following transfers during the year ended December 31, 2022:

Fund	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 3,427,895	\$ 1,276,839
Highway Fund	4,995	346,653
Sewer Fund	176,331	2,471,977
Capital Projects Fund	1,886,945	192,066
Nonmajor funds	19,234	1,227,865
Total	<u>\$ 5,515,400</u>	<u>\$ 5,515,400</u>

Transfers are used primarily to pay debt service expenditures, charge back allocations and to support capital projects.

A summary of the transfers out made during the year ended December 31, 2022 is follows:

	BAN Redemption	Capital and Other	Total
Governmental funds:			
General Fund	\$ 1,199,230	\$ 77,609	\$ 1,276,839
Highway Fund	167,716	178,937	346,653
Sewer Fund	273,225	2,198,752	2,471,977
Capital Projects Fund	-	192,066	192,066
Nonmajor funds	185,512	1,042,353	1,227,865
Total	<u>\$ 1,825,683</u>	<u>\$ 3,689,717</u>	<u>\$ 5,515,400</u>

14. LABOR RELATIONS

Town employees are represented by five bargaining units with the balance governed by Town Board rules and regulations. All bargaining unit contracts were settled as of December 31, 2022.

15. COMMITMENTS

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

The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. Significant encumbrances as of December 31, 2022, are as listed below:

<u>Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	Public safety vehicles	\$ 130,205
General	Assessment services	100,000
General	Repairs	499,286
Sewer	Wastewater operations	99,726
Nonmajor	Building department vehicles	74,696

16. SERVICE CONCESSION ARRANGEMENT

The Town has a contract for services that meets the criteria of a service concession arrangement (“SCA”) per GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. In accordance with the contract entered into during March 2021, Antares Golf, LLC (the “Operator”) will manage and operate all golf related aspects of the Courses; Audubon, Par 3, and Oakwood Golf Courses. The agreement expires in five years during March 2026, with an option for renewal for two successive period of three years. The agreement stipulates that the Operator will provide operational services related to the Courses including, without limitation the following; hiring of employees, inventory for re-sale, equipment, consultation to the Town, marketing, accounting and reporting, annual budgeting, payment of vendors and IT services. The Town maintains certain responsibilities such as overseeing significant purchases through our procurement policy, and reviewing capital improvements through the Town’s capital improvement plan process. The Town also approves the annual budget, along with the golf and cart fees. The Operator will be compensated monthly from golf fees and has an incentive fee on positive net operating income. Any balance of operating income shall be retained by the Town.

During fiscal year 2022, the Operator’s monthly fees totaled \$87,000 and a year-end incentive fee of \$43,500. The Town recognized net golf revenue from this agreement of \$205,972. This revenue is included in departmental income within the General Fund on the statement of revenues, expenditures, and changes in fund balances (deficit), governmental funds.

17. TAX ABATEMENTS

The Town is subject to tax abatements granted by the Amherst Industrial Development Agency (“AIDA”) and the Town of Amherst under New York State private housing finance law. These programs have the stated purpose of increasing business activity and employment in the region and providing housing for senior citizens and disabled citizens with low to moderate income. Economic development agreements entered into by the AIDA includes the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the Town the abatements have resulted in reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by the AIDA and the Town, the Town collected \$903,323 during 2022 in payments in lieu of taxes (“PILOT”); these collections were made in lieu of \$1,243,177 in property taxes.

18. CONTINGENCIES

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

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

Pollution Remediation Obligations—On February 13, 2007, the Town was issued a consent order by the New York State Department of Environmental Conservation. As part of the consent order the Town submitted a plan for the abatement of the overflow of sanitary sewer discharge in February 2011. The NYSDEC approved the plan in September 2011. As of December 31, 2022, the Town has issued debt to remediate the notice of consent and additional liabilities will be financed as remediation progresses.

19. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 1, 2023, which is the date the financial statements are available for issuance, and have determined that, other than the items disclosed below, there are no subsequent events that require disclosure under generally accepted accounting principles.

- On April 12, 2023, the Town acquired the former Westwood County Club comprised of 171 acres to create Amherst Central Park. The Town Board authorized the issuance of \$7,850,000 in serial bonds for property acquisition and related closing costs.
- On April 28, 2023, the Town acquired 30 S. Cayuga and select renovations to improve building functionality in preparation for Town use to accommodate a growing need for office space, meeting rooms, and parking. The Town Board authorized the issuance of \$1,500,000 in serial bonds for the property acquisition and related closing costs.

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REQUIRED SUPPLEMENTARY INFORMATION

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TOWN OF AMHERST, NEW YORK
Schedule of the Town's Proportionate Share of the Net Pension Liability—
Police and Fire Retirement System
Last Nine Fiscal Years*

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Town's proportion of the net pension liability	0.4874363%	0.4860308%	0.5009199%	0.5124932%	0.5318793%	0.5764179%	0.5741059%	0.5128572%	0.5128572%
Town's proportionate share of the net pension liability	<u>\$ 2,768,855</u>	<u>\$ 8,438,836</u>	<u>\$ 26,773,857</u>	<u>\$ 8,594,835</u>	<u>\$ 5,376,006</u>	<u>\$ 11,325,341</u>	<u>\$ 16,998,055</u>	<u>\$ 1,411,688</u>	<u>\$ 2,135,073</u>
Town's covered payroll	\$ 18,843,762	\$ 17,715,872	\$ 17,411,186	\$ 16,851,145	\$ 16,614,053	\$ 16,834,399	\$ 17,032,680	\$ 16,342,612	\$ 14,344,572
Town's proportionate share of the net pension liability as a percentage of its covered payroll	14.7%	47.6%	153.8%	51.0%	32.4%	67.3%	99.8%	8.6%	14.9%
Plan fiduciary net position as a percentage of the total pension liability	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%	98.5%

*Information prior to the year ended December 31, 2014 is not available.

TOWN OF AMHERST, NEW YORK
Schedule of the Town's Contributions—
Police and Fire Retirement System
Last Nine Fiscal Years*

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,802,111	\$ 5,646,272	\$ 4,887,906	\$ 4,619,015	\$ 4,607,107	\$ 4,805,801	\$ 4,975,907	\$ 5,090,970	\$ 4,776,310
Contributions in relation to the contractually required contribution	<u>(5,802,111)</u>	<u>(5,646,272)</u>	<u>(4,887,906)</u>	<u>(4,619,015)</u>	<u>(4,607,107)</u>	<u>(4,805,801)</u>	<u>(4,975,907)</u>	<u>(5,090,970)</u>	<u>(4,776,310)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 18,379,031	\$ 18,264,626	\$ 18,032,773	\$ 17,358,513	\$ 16,761,253	\$ 16,465,208	\$ 16,072,173	\$ 16,616,683	\$ 16,330,150
Contributions as a percentage of covered payroll	31.6%	30.9%	27.1%	26.6%	27.5%	29.2%	31.0%	30.6%	29.2%

*Information prior to the year ended December 31, 2014 is not available.

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

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Town's proportion of the net pension liability/(asset)	0.0935539%	0.0903560%	0.0931356%	0.0947778%	0.1002319%	0.0924143%	0.0964040%	0.1006434%	0.1006434%
Town's proportionate share of the net pension liability/(asset)	\$ (7,647,643)	\$ 89,971	\$ 24,662,836	\$ 6,715,292	\$ 3,234,929	\$ 8,683,451	\$ 15,473,115	\$ 3,399,979	\$ 4,547,932
Town's covered payroll	\$ 31,415,158	\$ 30,254,567	\$ 29,834,281	\$ 29,718,225	\$ 29,546,930	\$ 30,348,302	\$ 27,434,989	\$ 27,210,703	\$ 27,768,404
Town's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(25.3%)	0.3%	82.7%	22.6%	10.9%	28.6%	56.4%	12.5%	16.4%
Plan fiduciary net position as a percentage of the total pension liability	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

*Information prior to the year ended December 31, 2014 is not available.

TOWN OF AMHERST, NEW YORK
Schedule of the Town's Contributions—
Employees' Retirement System
Last Nine Fiscal Years*

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 3,773,027	\$ 4,581,512	\$ 4,352,120	\$ 4,330,347	\$ 4,411,549	\$ 4,220,001	\$ 4,794,259	\$ 4,947,837	\$ 6,019,128
Contributions in relation to the contractually required contribution	<u>(3,773,027)</u>	<u>(4,581,512)</u>	<u>(4,352,120)</u>	<u>(4,330,347)</u>	<u>(4,411,549)</u>	<u>(4,220,001)</u>	<u>(4,794,259)</u>	<u>(4,947,837)</u>	<u>(6,019,128)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 30,449,103	\$ 29,092,410	\$ 29,977,061	\$ 30,328,975	\$ 29,505,213	\$ 29,362,605	\$ 28,857,463	\$ 27,606,404	\$ 27,664,705
Contributions as a percentage of covered payroll	12.4%	15.7%	14.5%	14.3%	15.0%	14.4%	16.6%	17.9%	21.8%

*Information prior to the year ended December 31, 2014 is not available

TOWN OF AMHERST, NEW YORK
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios
Last Five Fiscal Years*

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 6,274,941	\$ 5,480,388	\$ 3,472,989	\$ 4,289,006	\$ 3,862,403
Interest	4,968,100	6,447,225	7,365,643	7,536,995	7,580,098
Changes of assumptions	2,756,639	21,612,724	48,894,293	(31,665,697)	12,614,433
Differences between expected and actual experience	-	(29,411,867)	-	(8,315,741)	-
Change in benefit terms	-	-	-	(4,527,725)	-
Benefit payments	<u>(5,521,637)</u>	<u>(6,236,109)</u>	<u>(5,943,820)</u>	<u>(5,955,612)</u>	<u>(5,877,430)</u>
Net change in total OPEB liability	<u>8,478,043</u>	<u>(2,107,639)</u>	<u>53,789,105</u>	<u>(38,638,774)</u>	<u>18,179,504</u>
Total OPEB liability—beginning	<u>230,830,195</u>	<u>232,937,834</u>	<u>179,148,729</u>	<u>217,787,503</u>	<u>199,607,999</u>
Total OPEB liability—ending	<u>\$ 239,308,238</u>	<u>\$ 230,830,195</u>	<u>\$ 232,937,834</u>	<u>\$ 179,148,729</u>	<u>\$ 217,787,503</u>
Plan Fiduciary Net Position					
Contributions—employer	\$ 5,521,637	\$ 6,236,109	\$ 5,943,820	\$ 5,955,612	\$ 5,877,430
Benefit payments	<u>(5,521,637)</u>	<u>(6,236,109)</u>	<u>(5,943,820)</u>	<u>(5,955,612)</u>	<u>(5,877,430)</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's net OPEB liability—ending	<u>\$ 239,308,238</u>	<u>\$ 230,830,195</u>	<u>\$ 232,937,834</u>	<u>\$ 179,148,729</u>	<u>\$ 217,787,503</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 3,882,082	\$ 4,199,999	\$ 3,780,650	\$ 3,316,459	N/A
Town's net OPEB liability as a percentage of covered-employee payroll	6164%	5496%	6161%	5402%	N/A

*Information prior to the year ended December 31, 2018 is not available.

The notes to the Required Supplementary Information are an integral part of this schedule.

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

	Year Ended December 31,					
	2022	2021	2020	2019	2018	2017
Total Pension Liability						
Service cost	\$ 440,358	\$ 321,154	\$ 290,864	\$ 372,403	\$ 338,367	\$ 397,324
Interest	471,983	639,874	670,885	613,353	645,513	587,498
Changes of assumptions or other inputs	(1,120,698)	4,334,843	1,006,261	(1,285,680)	1,448,727	(1,314,183)
Differences between expected and actual experience	82,987	323,690	58,451	211,783	300,779	148,264
Plan change	1,076,497	-	-	-	-	-
Benefit payments	(938,431)	(884,937)	(834,306)	(784,284)	(729,348)	(710,703)
Net changes in total pension liability	<u>12,696</u>	<u>4,734,624</u>	<u>1,192,155</u>	<u>(872,425)</u>	<u>2,004,038</u>	<u>(891,800)</u>
Total pension liability—beginning	<u>24,483,949</u>	<u>19,749,325</u>	<u>18,557,170</u>	<u>19,429,595</u>	<u>17,425,557</u>	<u>18,317,357</u>
Total pension liability—ending	<u>\$ 24,496,645</u>	<u>\$ 24,483,949</u>	<u>\$ 19,749,325</u>	<u>\$ 18,557,170</u>	<u>\$ 19,429,595</u>	<u>\$ 17,425,557</u>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

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

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Real property taxes	\$ 31,708,977	\$ 31,708,977	\$ 31,708,977	\$ -
Other property tax items	1,337,303	1,337,303	1,351,763	14,460
Non property tax items	24,600,000	24,600,000	24,667,664	67,664
Departmental income	4,660,993	4,433,108	4,857,447	424,339
Use of money and property	275,000	289,400	794,732	505,332
Licenses and permits	-	-	40	40
Fines and forfeitures	1,500,000	1,500,000	1,208,647	(291,353)
Sale of property and compensation for loss	-	128,966	172,008	43,042
Miscellaneous	1,285,887	1,301,752	2,256,153	954,401
State aid	4,410,988	5,403,583	6,524,605	1,121,022
Federal aid	1,851,296	2,576,550	2,271,514	(305,036)
Total revenues	<u>71,630,444</u>	<u>73,279,639</u>	<u>75,813,550</u>	<u>2,533,911</u>
EXPENDITURES				
Current:				
General government support	14,799,735	15,411,693	14,102,908	1,308,785
Public safety	43,131,739	43,843,096	42,036,993	1,806,103
Transportation	2,071,208	2,098,530	2,092,547	5,983
Economic assistance and opportunity	2,750,855	2,802,187	2,529,354	272,833
Culture and recreation	9,508,564	10,018,160	9,347,419	670,741
Home and community services	1,198,780	1,530,799	1,425,572	105,227
Debt service:				
Principal	2,753,022	3,125,022	3,125,022	-
Interest and other fiscal charges	828,539	945,945	927,316	18,629
Total expenditures	<u>77,042,442</u>	<u>79,775,432</u>	<u>75,587,131</u>	<u>4,188,301</u>
Excess (deficiency) of revenues over expenditures	<u>(5,411,998)</u>	<u>(6,495,793)</u>	<u>226,419</u>	<u>6,722,212</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,709,000	3,714,665	3,427,895	(286,770)
Transfers out	(1,906,098)	(1,588,655)	(1,276,839)	311,816
Premium on serial bonds	-	-	258,472	258,472
Total other financing sources (uses)	<u>1,802,902</u>	<u>2,126,010</u>	<u>2,409,528</u>	<u>283,518</u>
Net change in fund balances*	(3,609,096)	(4,369,783)	2,635,947	7,005,730
Fund balances—beginning	24,125,703	24,125,703	24,125,703	-
Fund balances—ending	<u>\$ 20,516,607</u>	<u>\$ 19,755,920</u>	<u>\$ 26,761,650</u>	<u>\$ 7,005,730</u>

* The net change in fund balances was included in the budget as an appropriation of fund balance and a re-appropriation of prior year encumbrances.

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

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Highway Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUE				
Real property taxes	\$ 10,481,847	\$ 10,481,847	\$ 10,481,847	\$ -
Departmental income	445,848	445,848	461,701	15,853
Use of money and property	5,000	5,000	39,569	34,569
Sale of property and compensation for loss	50,000	50,000	104,102	54,102
Miscellaneous	998,307	1,012,307	1,271,031	258,724
State aid	<u>753,900</u>	<u>1,370,445</u>	<u>1,118,512</u>	<u>(251,933)</u>
Total revenues	<u>12,734,902</u>	<u>13,365,447</u>	<u>13,476,762</u>	<u>111,315</u>
EXPENDITURES				
Current:				
General government support	120	120	120	-
Transportation	12,146,359	12,759,118	11,141,431	1,617,687
Debt service:				
Principal	884,041	1,188,041	1,188,041	-
Interest and other fiscal charges	<u>481,112</u>	<u>568,452</u>	<u>568,452</u>	<u>-</u>
Total expenditures	<u>13,511,632</u>	<u>14,515,731</u>	<u>12,898,044</u>	<u>1,617,687</u>
Excess (deficiency) of revenues over expenditures	<u>(776,730)</u>	<u>(1,150,284)</u>	<u>578,718</u>	<u>1,729,002</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,995	4,995
Transfers out	(723,270)	(349,716)	(346,653)	3,063
Premium on serial bonds	<u>-</u>	<u>-</u>	<u>210,689</u>	<u>210,689</u>
Total other financing sources (uses)	<u>(723,270)</u>	<u>(349,716)</u>	<u>(130,969)</u>	<u>218,747</u>
Net change in fund balances*	(1,500,000)	(1,500,000)	447,749	1,947,749
Fund balances—beginning	<u>5,406,698</u>	<u>5,406,698</u>	<u>5,406,698</u>	<u>-</u>
Fund balances—ending	<u>\$ 3,906,698</u>	<u>\$ 3,906,698</u>	<u>\$ 5,854,447</u>	<u>\$ 1,947,749</u>

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

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

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Fire Protection Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 6,330,307	\$ 6,330,307	\$ 6,330,307	\$ -
Use of money and property	300	300	211	(89)
Miscellaneous	<u>30,067</u>	<u>85,587</u>	<u>875,788</u>	<u>790,201</u>
Total revenues	<u>6,360,674</u>	<u>6,416,194</u>	<u>7,206,306</u>	<u>790,112</u>
EXPENDITURES				
Current:				
Public safety	<u>6,402,099</u>	<u>6,457,619</u>	<u>6,436,357</u>	<u>21,262</u>
Total expenditures	<u>6,402,099</u>	<u>6,457,619</u>	<u>6,436,357</u>	<u>21,262</u>
Net change in fund balances*	(41,425)	(41,425)	769,949	811,374
Fund balances—beginning	<u>14,691,109</u>	<u>14,691,109</u>	<u>14,691,109</u>	<u>-</u>
Fund balances—ending	<u>\$ 14,649,684</u>	<u>\$ 14,649,684</u>	<u>\$ 15,461,058</u>	<u>\$ 811,374</u>

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

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

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Sewer Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUE				
Real property taxes	\$ 18,648,128	\$ 18,648,128	\$ 18,648,128	\$ -
Departmental income	498,652	498,652	461,135	(37,517)
Intergovernmental revenues	2,550,000	2,550,000	3,383,883	833,883
Use of money and property	8,500	8,500	36,079	27,579
Sale of property and compensation for loss	5,000	5,000	18,469	13,469
Miscellaneous	<u>578,589</u>	<u>578,588</u>	<u>304,853</u>	<u>(273,735)</u>
Total revenues	<u>22,288,869</u>	<u>22,288,868</u>	<u>22,852,547</u>	<u>563,679</u>
EXPENDITURES				
Current:				
Home and community services	16,653,597	16,668,291	16,501,326	166,965
Debt service:				
Principal	3,029,729	3,252,728	3,252,728	-
Interest and other fiscal charges	<u>1,327,693</u>	<u>1,424,827</u>	<u>1,424,827</u>	<u>-</u>
Total expenditures	<u>21,011,019</u>	<u>21,345,846</u>	<u>21,178,881</u>	<u>166,965</u>
Excess of revenues over expenditures	<u>1,277,850</u>	<u>943,022</u>	<u>1,673,666</u>	<u>730,644</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	476,834	176,331	(300,503)
Transfers out	(2,931,243)	(3,126,353)	(2,471,977)	654,376
Premium on serial bonds	<u>-</u>	<u>-</u>	<u>149,773</u>	<u>149,773</u>
Total other financing sources (uses)	<u>(2,931,243)</u>	<u>(2,649,519)</u>	<u>(2,145,873)</u>	<u>503,646</u>
Net change in fund balances*	(1,653,393)	(1,706,497)	(472,207)	1,234,290
Fund balances—beginning	<u>5,503,439</u>	<u>5,503,439</u>	<u>5,503,439</u>	<u>-</u>
Fund balances—ending	<u>\$ 3,850,046</u>	<u>\$ 3,796,942</u>	<u>\$ 5,031,232</u>	<u>\$ 1,234,290</u>

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

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

TOWN OF AMHERST, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2022

1. OPEB LIABILITY

Changes of Assumptions—The actuarial cost method used as of January 1, 2022 was the Entry Age Normal Level Percent of Pay method as prescribed under GASB Statement No. 75. The rate used to discount future plan cash flows decreased from 2.12% to 2.06% as of January 1, 2022 based on a review of a 20-year high-quality tax-exempt municipal bond index as of each measurement date. The mortality assumption was revised as of January 1, 2022 to the RPH-2014 Mortality Table, with generation mortality, using scale MP-2014 and projected forward using scale MP-2020, for males and females.

2. PENSION LIABILITY—LOSAP

Changes of Assumptions or Other Inputs—The discount rate used to measure the total pension liability was based on yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2021	2.24%
December 31, 2020	1.93%

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

3. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Special Grant Fund, the Special Purpose Fund, and the Capital Projects Fund. The Special Grant Fund, the Special Purpose Fund and the Capital Projects Fund appropriations are not included in the Town’s annual budget. Instead appropriations are approved through a Town Board resolution at the grant/funding/project’s inception and lapse upon completion/termination of the grant/funding/project.

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

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

SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS OF NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Purpose Special Revenue Fund—maintains funds that are handled by the Town, deposited on behalf of another party and designated for a specified purpose.

Town Outside Village Special Revenue Fund—accounts for selected services which by New York State statute cannot be charged to residents of the Village located within the Town.

Nonmajor Special Districts Special Revenue Funds—funds that maintain various systems throughout the Town but are not considered a major fund.

- **Lighting District**—accounts for lighting services provided to areas within the Town.
- **Community Environment**—accounts for sanitation services provided within the Town.
- **Water District**—accounts for water services provided to areas within the Town.
- **Drainage District**—accounts for drainage services provided to areas within the Town.

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TOWN OF AMHERST, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2022

	<u>Special Revenue</u>			<u>Total Nonmajor Funds</u>
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>	
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,468,509	\$ 3,350,101	\$ 5,818,610
Restricted cash and cash equivalents	3,838,391	43,408	804,299	4,686,098
Receivables	6,591	131,283	278,084	415,958
Intergovernmental receivables	-	5,363	-	5,363
Prepaid items	-	510,854	582,857	1,093,711
Total assets	<u>\$ 3,844,982</u>	<u>\$ 3,159,417</u>	<u>\$ 5,015,341</u>	<u>\$ 12,019,740</u>
LIABILITIES				
Accounts payable	162,520	93,937	\$ 1,016,139	\$ 1,272,596
Accrued liabilities	-	79,581	41,365	120,946
Due to other funds	-	2,650	88,845	91,495
Unearned revenue	-	-	38,239	38,239
Total liabilities	<u>162,520</u>	<u>176,168</u>	<u>1,184,588</u>	<u>1,523,276</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue—Grant funding	-	3,651	-	3,651
Mortgage receivable	-	-	274,009	274,009
Total deferred inflows of resources	<u>-</u>	<u>3,651</u>	<u>274,009</u>	<u>277,660</u>
FUND BALANCES				
Nonspendable	-	510,854	582,857	1,093,711
Restricted	3,682,462	43,408	766,060	4,491,930
Assigned	-	2,425,336	2,207,827	4,633,163
Total fund balances	<u>3,682,462</u>	<u>2,979,598</u>	<u>3,556,744</u>	<u>10,218,804</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,844,982</u>	<u>\$ 3,159,417</u>	<u>\$ 5,015,341</u>	<u>\$ 12,019,740</u>

TOWN OF AMHERST, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended December 31, 2022

	<u>Special Revenue</u>			<u>Total Nonmajor Funds</u>
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>	
REVENUES				
Real property taxes	\$ 44,951	\$ 1,915,514	\$19,139,683	\$21,100,148
Departmental income	50,642	16,800	416,341	483,783
Use of money and property	12,185	14,457	87,260	113,902
Licenses and permits	-	4,533,254	-	4,533,254
Sale of property and compensation for loss	19,550	700	70,408	90,658
Miscellaneous	760,530	129,585	466,674	1,356,789
State aid	-	15,720	-	15,720
Total revenues	<u>887,858</u>	<u>6,626,030</u>	<u>20,180,366</u>	<u>27,694,254</u>
EXPENDITURES				
Current:				
General government support	-	-	207	207
Public safety	-	3,855,762	428,108	4,283,870
Health	-	-	27,433	27,433
Transportation	53,318	-	3,792,149	3,845,467
Culture and recreation	1,794,122	-	-	1,794,122
Home and community services	170,726	1,370,486	12,009,488	13,550,700
Debt service:				
Principal	3,500	7,964	1,552,745	1,564,209
Interest and other fiscal charges	1,960	7,327	654,075	663,362
Total expenditures	<u>2,023,626</u>	<u>5,241,539</u>	<u>18,464,205</u>	<u>25,729,370</u>
Excess (deficiency) of revenues over expenditures	<u>(1,135,768)</u>	<u>1,384,491</u>	<u>1,716,161</u>	<u>1,964,884</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	405	14,000	4,829	19,234
Transfers out	-	(111,742)	(1,116,123)	(1,227,865)
Premium on serial bonds	-	-	179,175	179,175
Total other financing sources (uses)	<u>405</u>	<u>(97,742)</u>	<u>(932,119)</u>	<u>(1,029,456)</u>
Net change in fund balances	(1,135,363)	1,286,749	784,042	935,428
Fund balances—beginning	<u>4,817,825</u>	<u>1,692,849</u>	<u>2,772,702</u>	<u>9,283,376</u>
Fund balances—ending	<u>\$ 3,682,462</u>	<u>\$ 2,979,598</u>	<u>\$ 3,556,744</u>	<u>\$ 10,218,804</u>

TOWN OF AMHERST, NEW YORK
Combining Balance Sheet—Nonmajor Special District Funds
December 31, 2022

	<u>Special Revenue</u>				Total Nonmajor Special Districts
	<u>Lighting District</u>	<u>Community Environment</u>	<u>Water District</u>	<u>Drainage District</u>	
ASSETS					
Cash and cash equivalents	\$ 472,392	\$ 1,957,253	\$ 118,482	\$ 801,974	\$ 3,350,101
Restricted cash and cash equivalents	315,085	53,116	271,892	164,206	804,299
Receivables	-	277,724	-	360	278,084
Prepaid items	<u>22,964</u>	<u>128,793</u>	<u>-</u>	<u>431,100</u>	<u>582,857</u>
Total assets	<u>\$ 810,441</u>	<u>\$ 2,416,886</u>	<u>\$ 390,374</u>	<u>\$ 1,397,640</u>	<u>\$ 5,015,341</u>
LIABILITIES					
Accounts payable	293,002	605,758	85,297	32,082	\$ 1,016,139
Accrued liabilities	-	6,306	1,180	33,879	41,365
Due to other funds	662	15,312	1,325	71,546	88,845
Unearned revenue	<u>-</u>	<u>38,239</u>	<u>-</u>	<u>-</u>	<u>38,239</u>
Total liabilities	<u>293,664</u>	<u>665,615</u>	<u>87,802</u>	<u>137,507</u>	<u>1,184,588</u>
DEFERRED INFLOWS OF RESOURCES					
Mortgage receivable	<u>-</u>	<u>274,009</u>	<u>-</u>	<u>-</u>	<u>274,009</u>
Total deferred inflows of resources	<u>-</u>	<u>274,009</u>	<u>-</u>	<u>-</u>	<u>274,009</u>
FUND BALANCES					
Nonspendable	22,964	128,793	-	431,100	582,857
Restricted	315,085	14,877	271,892	164,206	766,060
Assigned	<u>178,728</u>	<u>1,333,592</u>	<u>30,680</u>	<u>664,827</u>	<u>2,207,827</u>
Total fund balances	<u>516,777</u>	<u>1,477,262</u>	<u>302,572</u>	<u>1,260,133</u>	<u>3,556,744</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 810,441</u>	<u>\$ 2,416,886</u>	<u>\$ 390,374</u>	<u>\$ 1,397,640</u>	<u>\$ 5,015,341</u>

TOWN OF AMHERST, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Special District Funds
Year Ended December 31, 2022

	<u>Special Revenue</u>				<u>Total Nonmajor Special Districts</u>
	<u>Lighting District</u>	<u>Community Environment</u>	<u>Water District</u>	<u>Drainage District</u>	
REVENUES					
Real property taxes	\$ 3,444,556	\$ 7,955,511	\$ 1,588,606	\$ 6,151,010	\$ 19,139,683
Departmental income	-	416,341	-	-	416,341
Use of money and property	5,535	46,502	7,856	27,367	87,260
Sale of property and compensation for loss	-	62,423	-	7,985	70,408
Miscellaneous	319,113	25,134	1	122,426	466,674
Total revenues	<u>3,769,204</u>	<u>8,505,911</u>	<u>1,596,463</u>	<u>6,308,788</u>	<u>20,180,366</u>
EXPENDITURES					
Current:					
General government support	-	207	-	-	207
Public safety	-	428,108	-	-	428,108
Health	-	-	-	27,433	27,433
Transportation	3,534,399	-	257,750	-	3,792,149
Home and community services	-	7,513,198	-	4,496,290	12,009,488
Debt service:					
Principal	-	156,034	1,027,375	369,336	1,552,745
Interest and other fiscal charges	-	10,251	503,064	140,760	654,075
Total expenditures	<u>3,534,399</u>	<u>8,107,798</u>	<u>1,788,189</u>	<u>5,033,819</u>	<u>18,464,205</u>
Excess (deficiency) of revenues over expenditures	<u>234,805</u>	<u>398,113</u>	<u>(191,726)</u>	<u>1,274,969</u>	<u>1,716,161</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	4,829	-	4,829
Transfers out	(8,520)	(70,455)	(54,006)	(983,142)	(1,116,123)
Premium on serial bonds	-	6,194	91,358	81,623	179,175
Total other financing sources (uses)	<u>(8,520)</u>	<u>(64,261)</u>	<u>42,181</u>	<u>(901,519)</u>	<u>(932,119)</u>
Net change in fund balances	226,285	333,852	(149,545)	373,450	784,042
Fund balances—beginning	<u>290,492</u>	<u>1,143,410</u>	<u>452,117</u>	<u>886,683</u>	<u>2,772,702</u>
Fund balances—ending	<u>\$ 516,777</u>	<u>\$ 1,477,262</u>	<u>\$ 302,572</u>	<u>\$ 1,260,133</u>	<u>\$ 3,556,744</u>

TOWN OF AMHERST, NEW YORK
Combining Statement of Net Position—Internal Service Funds
December 31, 2022

	Governmental Activities— Internal Service Funds		
	Self Insurance Fund	Workers Compensation Fund	Total
ASSETS			
Current assets:			
Restricted cash and cash equivalents	\$ 592,367	\$ 312,483	\$ 904,850
Prepaid items	-	100,000	100,000
Total current assets	592,367	412,483	1,004,850
LIABILITIES			
Current liabilities:			
Accounts payable	317,171	116,059	433,230
Accrued liabilities	119,508	2,080,674	2,200,182
Total current liabilities	436,679	2,196,733	2,633,412
NET POSITION			
Unrestricted	155,688	(1,784,250)	(1,628,562)
Net position	\$ 155,688	\$ (1,784,250)	\$ (1,628,562)

TOWN OF AMHERST, NEW YORK
Combining Statement of Revenues, Expenses, and
Changes in Net Position—Internal Service Funds
Year Ended December 31, 2022

	Governmental Activities— Internal Service Funds		
	Self Insurance Fund	Workers Compensation Fund	Total
Operating revenues:			
Contributions	\$ 2,436,830	\$ 2,925,276	\$ 5,362,106
Total operating revenues	2,436,830	2,925,276	5,362,106
Operating expenses:			
Administrative expenses	549,860	53,400	603,260
Judgments and claim expenses	791,224	1,332,391	2,123,615
Total operating expenses	1,341,084	1,385,791	2,726,875
Operating income	1,095,746	1,539,485	2,635,231
Nonoperating revenues:			
Interest income	737	515	1,252
Total nonoperating revenues	737	515	1,252
Change in net position	1,096,483	1,540,000	2,636,483
Net position—beginning	(940,795)	(3,324,250)	(4,265,045)
Net position—ending	\$ 155,688	\$ (1,784,250)	\$ (1,628,562)

TOWN OF AMHERST, NEW YORK
Combining Statement of Cash Flows—Internal Service Funds
Year Ended December 31, 2022

	Governmental Activities— Internal Service Funds		
	Self Insurance Fund	Workers Compensation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from participating funds	\$ 2,436,830	\$ 2,925,276	\$ 5,362,106
Payments for administrative fees, supporting services and judgments and claims	<u>(991,578)</u>	<u>(2,708,968)</u>	<u>(3,700,546)</u>
Net cash provided by operating activities	<u>1,445,252</u>	<u>216,308</u>	<u>1,661,560</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loan repayment	<u>(900,000)</u>	<u>-</u>	<u>(900,000)</u>
Net cash (used for) noncapital financing activities	<u>(900,000)</u>	<u>-</u>	<u>(900,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest earnings	<u>737</u>	<u>515</u>	<u>1,252</u>
Net cash provided by investing activities	<u>737</u>	<u>515</u>	<u>1,252</u>
Net change in cash and cash equivalents	545,989	216,823	762,812
Cash and cash equivalents—beginning	<u>46,378</u>	<u>95,660</u>	<u>142,038</u>
Cash and cash equivalents—ending	<u>\$ 592,367</u>	<u>\$ 312,483</u>	<u>\$ 904,850</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,095,746	\$ 1,539,485	\$ 2,635,231
Adjustments to reconcile operating income to net cash provided by operations:			
Increase (decrease) in accounts payable	229,998	(47,271)	182,727
(Decrease) in accrued liabilities	<u>119,508</u>	<u>(1,275,906)</u>	<u>(1,156,398)</u>
Total adjustments	<u>349,506</u>	<u>(1,323,177)</u>	<u>(973,671)</u>
Net cash provided by operating activities	<u>\$ 1,445,252</u>	<u>\$ 216,308</u>	<u>\$ 1,661,560</u>

OTHER INFORMATION

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Town Outside Village Fund
Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Real property taxes	\$ 1,915,514	\$ 1,915,514	\$ 1,915,514	\$ -
Departmental income	12,000	12,000	16,800	4,800
Use of money and property	1,600	1,600	14,457	12,857
Licenses and permits	3,461,000	3,498,395	4,533,254	1,034,859
Sale of property and compensation for loss	-	-	700	700
Miscellaneous	118,915	118,915	129,585	10,670
State aid	-	22,291	15,720	(6,571)
Total revenues	5,509,029	5,568,715	6,626,030	1,057,315
EXPENDITURES				
Current:				
Public safety	4,033,759	4,095,687	3,855,762	239,925
Home and community services	1,478,817	1,489,651	1,370,486	119,165
Debt service:				
Principal	7,964	7,964	7,964	-
Interest and other fiscal charges	7,524	7,327	7,327	-
Total expenditures	5,528,064	5,600,629	5,241,539	359,090
Excess (deficiency) of revenues over expenditures	(19,035)	(31,914)	1,384,491	1,416,405
OTHER FINANCING SOURCES (USES)				
Transfers in	-	14,000	14,000	-
Transfers out	(114,375)	(114,659)	(111,742)	2,917
Total other financing sources (uses)	(114,375)	(100,659)	(97,742)	2,917
Net change in fund balances*	(133,410)	(132,573)	1,286,749	1,419,322
Fund balances—beginning	1,692,849	1,692,849	1,692,849	-
Fund balances—ending	\$ 1,559,439	\$ 1,560,276	\$ 2,979,598	\$ 1,419,322

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

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Lighting District Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Real property taxes	\$ 3,444,556	\$ 3,444,556	\$ 3,444,556	\$ -
Use of money and property	1,200	1,200	5,535	4,335
Miscellaneous	<u>3,623</u>	<u>3,623</u>	<u>319,113</u>	<u>315,490</u>
Total revenues	<u>3,449,379</u>	<u>3,449,379</u>	<u>3,769,204</u>	<u>319,825</u>
EXPENDITURES				
Current:				
Home and community services	<u>3,440,379</u>	<u>3,440,379</u>	<u>3,534,399</u>	<u>(94,020)</u>
Total expenditures	<u>3,440,379</u>	<u>3,440,379</u>	<u>3,534,399</u>	<u>(94,020)</u>
Excess of revenues over expenditures	<u>9,000</u>	<u>9,000</u>	<u>234,805</u>	<u>225,805</u>
OTHER FINANCING USES				
Transfers out	<u>(9,000)</u>	<u>(9,000)</u>	<u>(8,520)</u>	<u>480</u>
Total other financing uses	<u>(9,000)</u>	<u>(9,000)</u>	<u>(8,520)</u>	<u>480</u>
Net change in fund balances	-	-	226,285	226,285
Fund balances—beginning	<u>290,492</u>	<u>290,492</u>	<u>290,492</u>	<u>-</u>
Fund balances—ending	<u>\$ 290,492</u>	<u>\$ 290,492</u>	<u>\$ 516,777</u>	<u>\$ 226,285</u>

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Community Environment Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 7,955,511	\$ 7,955,511	\$ 7,955,511	\$ -
Departmental income	15,500	99,408	416,341	316,933
Use of money and property	13,700	13,700	46,502	32,802
Sale of property and compensation for loss	69,818	69,818	62,423	(7,395)
Miscellaneous	25,495	25,495	25,134	(361)
Total revenues	<u>8,080,024</u>	<u>8,163,932</u>	<u>8,505,911</u>	<u>341,979</u>
EXPENDITURES				
Current:				
General government support	207	207	207	-
Public safety	385,053	394,291	428,108	(33,817)
Home and community services	7,468,187	7,534,808	7,513,198	21,610
Debt service:				
Principal	156,034	156,034	156,034	-
Interest and other fiscal charges	10,432	10,432	10,251	181
Total expenditures	<u>8,019,913</u>	<u>8,095,772</u>	<u>8,107,798</u>	<u>(12,026)</u>
Excess of revenues over expenditures	<u>60,111</u>	<u>68,160</u>	<u>398,113</u>	<u>329,953</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(75,111)	(86,448)	(70,455)	15,993
Premium on serial bonds	-	-	6,194	6,194
Total other financing sources (uses)	<u>(75,111)</u>	<u>(86,448)</u>	<u>(64,261)</u>	<u>22,187</u>
Net change in fund balances*	(15,000)	(18,288)	333,852	352,140
Fund balances—beginning	<u>1,143,410</u>	<u>1,143,410</u>	<u>1,143,410</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,128,410</u>	<u>\$ 1,125,122</u>	<u>\$ 1,477,262</u>	<u>\$ 352,140</u>

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

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Water District Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real property taxes	\$ 1,588,606	\$ 1,588,606	\$ 1,588,606	\$ -
Use of money and property	1,300	1,300	7,856	6,556
Miscellaneous	<u>112,733</u>	<u>112,733</u>	<u>1</u>	<u>(112,732)</u>
Total revenues	<u>1,702,639</u>	<u>1,702,639</u>	<u>1,596,463</u>	<u>(106,176)</u>
EXPENDITURES				
Current:				
Home and community services	209,260	214,571	257,750	(43,179)
Debt service:				
Principal	943,375	1,027,375	1,027,375	-
Interest and other fiscal charges	<u>481,741</u>	<u>503,064</u>	<u>503,064</u>	<u>-</u>
Total expenditures	<u>1,634,376</u>	<u>1,745,010</u>	<u>1,788,189</u>	<u>(43,179)</u>
Excess (deficiency) of revenues over expenditures	<u>68,263</u>	<u>(42,371)</u>	<u>(191,726)</u>	<u>(149,355)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	4,829	4,829
Transfers out	(173,263)	(67,940)	(54,006)	13,934
Premium on serial bonds	<u>-</u>	<u>-</u>	<u>91,358</u>	<u>91,358</u>
Total other financing sources (uses)	<u>(173,263)</u>	<u>(67,940)</u>	<u>42,181</u>	<u>110,121</u>
Net change in fund balances*	(105,000)	(110,311)	(149,545)	(39,234)
Fund balances—beginning	<u>452,117</u>	<u>452,117</u>	<u>452,117</u>	<u>-</u>
Fund balances—ending	<u>\$ 347,117</u>	<u>\$ 341,806</u>	<u>\$ 302,572</u>	<u>\$ (39,234)</u>

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

TOWN OF AMHERST, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Drainage District Fund
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUE				
Real property taxes	\$ 6,151,010	\$ 6,151,010	\$ 6,151,010	\$ -
Use of money and property	2,700	2,700	27,367	24,667
Sale of property and compensation for loss	-	-	7,985	7,985
Miscellaneous	146,095	146,095	122,426	(23,669)
State aid	-	-	-	-
Total revenues	<u>6,299,805</u>	<u>6,299,805</u>	<u>6,308,788</u>	<u>8,983</u>
EXPENDITURES				
Current:				
Health	26,000	29,076	27,433	1,643
Home and community services	4,680,682	4,711,698	4,496,290	215,408
Debt service:				
Principal	347,336	369,336	369,336	-
Interest and other fiscal charges	<u>136,772</u>	<u>140,760</u>	<u>140,760</u>	<u>-</u>
Total expenditures	<u>5,190,790</u>	<u>5,250,870</u>	<u>5,033,819</u>	<u>217,051</u>
Excess of revenues over expenditures	<u>1,109,015</u>	<u>1,048,935</u>	<u>1,274,969</u>	<u>226,034</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,109,015)	(1,083,027)	(983,142)	99,885
Premium on serial bonds	<u>-</u>	<u>-</u>	<u>81,623</u>	<u>81,623</u>
Total other financing sources (uses)	<u>(1,109,015)</u>	<u>(1,083,027)</u>	<u>(901,519)</u>	<u>181,508</u>
Net change in fund balances	-	(34,092)	373,450	407,542
Fund balances—beginning	<u>886,683</u>	<u>886,683</u>	<u>886,683</u>	<u>-</u>
Fund balances—ending	<u>\$ 886,683</u>	<u>\$ 852,591</u>	<u>\$ 1,260,133</u>	<u>\$ 407,542</u>

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FEDERAL AWARDS INFORMATION

TOWN OF AMHERST, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed- Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture:				
<i>Passed through the County of Erie, New York:</i>				
Child and Adult Care Food Program	10.558	1150, 1199, 2020	\$ -	\$ 5,649
Total U.S. Department of Agriculture			-	5,649
Department of Housing and Urban Development:				
<i>Direct Programs:</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	251,260	564,185
Home Investment Partnerships Program	14.239	N/A	556,315	598,877
<i>Section 8 Project-Based Cluster:</i>				
<i>Lower Income Housing Assistance Program - Section 8</i>				
Moderate Rehabilitation	14.856	N/A	-	690,884
Total Section 8 Project-Based Cluster			-	690,884
<i>Housing Voucher Cluster:</i>				
Section 8 Housing Choice Vouchers	14.871	N/A	-	31,214,269
Mainstream Vouchers	14.879	N/A	-	954,238
Total Housing Voucher Cluster			-	32,168,507
<i>Public Housing Family Self-Sufficiency under</i>				
Resident Opportunity and Supportive Services	14.896	N/A	-	172,245
Emergency Housing Vouchers	14.EHV	N/A	-	356,217
Total U.S. Department of Housing and Urban Development			807,575	34,550,915
U.S. Department of Interior:				
<i>Passed through the NYS Office of Parks Recreation & Historic Preservation:</i>				
Historic Preservation Fund Grants-In-Aid	15.904	PRK01-T62002GG-1290000	-	14,100
Total U.S. Department of Interior			-	14,100
U.S. Department of Justice:				
<i>Passed through the City of Buffalo:</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	O-BJA-2021-135004	-	11,964
<i>Direct Program:</i>				
Equitable Sharing Program	16.922	N/A	-	68,401
Total U.S. Department of Justice			-	80,365
U.S. Department of Transportation				
<i>Passed through the NYS Department of Transportation:</i>				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	D036000	-	18,336
Total Highway Planning and Construction Cluster			-	18,336
Total U.S. Department of Transportation			-	18,336
U.S. Department of Treasury				
<i>Direct Program:</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	2,100,630
Total U.S. Department of Treasury			-	2,100,630
U.S. Department of Health and Human Services:				
<i>Passed through the County of Erie, New York:</i>				
<i>Aging Cluster:</i>				
<i>Special Programs for the Aging—Title III</i>				
Part C Nutrition Services	93.045	III C-1 2022	-	62,994
Total Aging Cluster			-	62,994
<i>Direct Program:</i>				
Drug-Free Communities Support Program Grants	93.276	N/A	-	72,368
Total U.S. Department of Health and Human Services			-	135,362
U.S. Department of Homeland Security:				
<i>Passed through New York State Division of Homeland Security and Emergency Services:</i>				
Homeland Security Grant Program	97.067	T180206	-	3,809
Total U.S. Department of Homeland Security			-	3,809
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 807,575</u>	<u>\$ 36,909,166</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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TOWN OF AMHERST, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Town under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (“CFR”) 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 of the Town. The following notes were identified on the schedule of expenditures of federal awards:

- (a) Includes all federal award programs of the Town of Amherst, New York. The Amherst Industrial Development Agency and Amherst Development Corporation did not report any federal awards.
- (b) Source: Assistance Listing Numbers, previously known as the Catalog of Federal Domestic Assistance.
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principle contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

3. MATCHING COSTS

Matching costs, i.e., the Town’s share of certain program costs, are not included in the reported expenditures.

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Certified Public Accountants

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

Honorable Town Board
Town of Amherst, 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 activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Amherst, New York (the "Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 1, 2023. Our report includes a reference to other auditors who audited the financial statements of the Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation, as described in our report on the Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

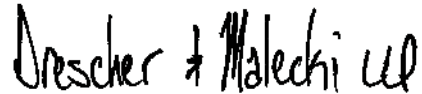
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Handwritten signature in black ink that reads "Drescher & Malecki LLP".

May 1, 2023

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Town Board
Town of Amherst, New York:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Amherst, New York's (the "Town") 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 the Town's major federal programs for the year ended December 31, 2022. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Town's basic financial statements include the operations of the Town of Amherst Industrial Development Agency (the "Agency") and the Town of Amherst Industrial Development Corporation (the "Corporation"), which expended \$0 in federal awards, and are not included on the Town's Schedule of Expenditures of Federal Awards for the year ended December 31, 2022. Our audit, described below, did not include the operations of the Agency and the Corporation.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

The Town's 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 the Town's federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control Over Compliance

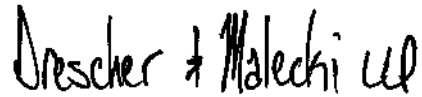
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement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

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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

Handwritten signature in black ink that reads "Drescher & Malecki LLP". The signature is written in a cursive, slightly slanted style.

May 1, 2023

TOWN OF AMHERST, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of report the auditor issued: Unmodified*
 (* which report includes a reference to other auditors)

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported
Noncompliance material to the financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported

Type of report the auditor issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes No

Identification of major federal programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.218	Community Development Block Grants/Entitlement Grants Cluster
14.871/14.879	Housing Vouchers Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs? \$ 1,120,038

Auditee qualified as low-risk auditee? _____ Yes _____ No

TOWN OF AMHERST, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

TOWN OF AMHERST, NEW YORK
Summary Schedule of Prior Audit Findings
and Corrective Action Plan
Year Ended December 31, 2022
(Follow-up of December 31, 2021 findings)

No findings noted.

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