

TOWN OF ULYSSES

Trumansburg, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2022**



TOWN OF ULYSSES

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INDEPENDENT AUDITORS' REPORT

To the Town Board
Town of Ulysses
Trumansburg, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ulysses (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, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ulysses as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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; Budgetary Comparison Schedules; Schedule of Changes in the Town's Total OPEB Liability and Related Ratios; Schedule of Town's Contributions - NYSLRS Pension Plan; Schedule of the Town's Proportionate Share of the Net Pension (Asset)/Liability; and related notes be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 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 Town's internal control over financial reporting and compliance.

Respectfully submitted,



Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 30, 2023

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Our discussion and analysis of the Town of Ulysses' (the Town) financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2022. The results of the current year are discussed in comparison with the prior year, with an emphasis placed on the current year. Please read it in conjunction with the Town's financial statements, which begin on page 5.

USING THIS ANNUAL REPORT

This annual report consists of a series of basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 5 and 6) provide information about the Town as a whole and present a longer-term view of the Town's finances. Governmental Fund financial statements start on page 7. For Governmental Activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Governmental Fund financial statements also report the Town's operations in more detail than the Government-wide financial statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside the government. Following these statements are notes that provide additional information that is essential to a full understanding of the data provided in the financial statements.

In addition to the basic financial statements, the annual report contains budgetary comparison schedules for the General, General Part-Town, Highway, Highway Part-Town, Ambulance and Consolidated Water Funds; Schedules of Changes in the Town's Total OPEB Liability and Related Ratios; Schedules of the Town's Contributions - NYSLRS Pension Plan; Schedules of the Town's Proportionate Share of the Net Pension (Asset)/Liability; notes to required supplementary information; and statements for those funds that are not considered major funds.

Reporting the Town as a Whole

Our analysis of the Town as a whole begins on page 5, with the Government-wide financial statements. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer the question of whether the Town as a whole is better or worse off as a result of the year's activities. These statements include *all* assets and liabilities, as well as deferred outflows and inflows of resources, using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the Town's net position and changes in them. One can think of the Town's net position, the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources as one way to measure the Town's financial health or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's infrastructure, to assess the overall health of the Town.

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

In the Statement of Net Position and the Statement of Activities, all of the Town's activities, which are governmental in nature, are reported in one column, including public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, and general administration. Property and sales taxes, charges for service, and state and federal grants finance most of these activities.

Reporting the Town's Most Significant Funds

Governmental Fund Financial Statements

Analysis of the Town's Major Funds begins on page 7. The Governmental Fund financial statements provide detailed information about the most significant funds, not on the Town as a whole. Some funds are required to be established by New York State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show it is meeting legal responsibilities for using certain taxes and grants. The Town's Governmental funds use the following accounting approach.

All of the Town's services are reported in the Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund financial statements provide a detailed short-term view of the Town's general governmental operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between Governmental *Activities* (reported in the Government-wide financial statements) and Governmental *Funds* is explained in a reconciliation following the Governmental Fund financial statements.

THE TOWN AS A WHOLE

The Town's *combined* net position for fiscal year ended December 31, 2022 increased by 13.2%. A portion of the Town's net position, \$3,249,370, reflects its net investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided by other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

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MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Our analysis below focuses on the net position (*Figure 1*), and changes in net position (*Figure 2*), of the Town's Governmental Activities.

Figure 1 - Net Position

<i>Condensed Statement of Net Position</i>	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2022</i>	<i>2021</i>		
<i>Current Assets</i>	\$ 2,595,419	\$ 2,562,876	\$ 32,543	1.3%
<i>Capital Assets, Net</i>	3,580,370	3,356,831	223,539	6.7%
<i>Noncurrent Assets</i>	1,306,002	993,453	312,549	31.5%
<i>Total Assets</i>	7,481,791	6,913,160	568,631	8.2%
<i>Total Deferred Outflows of Resources</i>	544,533	670,917	(126,384)	(18.8)%
<i>Current Liabilities</i>	539,923	529,610	10,313	1.9%
<i>Noncurrent Liabilities</i>	1,598,221	1,730,419	(132,198)	(7.6)%
<i>Total Liabilities</i>	2,138,144	2,260,029	(121,885)	(5.4)%
<i>Total Deferred Inflows of Resources</i>	686,161	730,370	(44,209)	(6.1)%
<i>Net Investment in Capital Assets</i>	3,249,370	2,856,831	392,539	13.7%
<i>Restricted</i>	1,153,706	993,453	160,253	16.1%
<i>Unrestricted</i>	798,943	743,394	55,549	7.5%
<i>Total Net Position (Deficit)</i>	\$ 5,202,019	\$ 4,593,678	\$ 608,341	13.2%

Significant changes from the prior year are as follows:

- Capital outlay exceeded depreciation expense and net book value of disposals, resulting in increases in both capital assets, net, and net investment in capital assets.
- Noncurrent assets increased largely due to the conversion of the New York State Local Retirement System (NYSLRS) net pension liability in the prior year to a net pension asset in the current year. This is also attributable to the reduction in noncurrent liabilities.
- Changes in total deferred inflows and outflows of resources relate to changes in actuarial assumptions for the NYSLRS pension plan, as well as the Town's other postemployment benefits plan, as well as differences between expected and actual earnings on the NYSLRS pension plan.

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MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Figure 2 demonstrates the operations of the Town's activities.

Figure 2 - Changes in Net Position

Changes in Net Position	Governmental Activities and Total Government		Dollar Change	Percent Change
	2022	2021		
REVENUES				
<i>Program Revenues:</i>				
<i>Charges for Services</i>	\$ 519,608	\$ 475,530	\$ 44,078	9.3%
<i>Operating Grants and Contributions</i>	196,388	169,064	27,324	16.2%
<i>General Revenues:</i>				
<i>Real Property Taxes</i>	1,273,967	1,241,080	32,887	2.6%
<i>Real Property Tax Items</i>	239,817	235,760	4,057	1.7%
<i>Nonproperty Tax Items</i>	793,827	775,587	18,240	2.4%
<i>Use of Money and Property</i>	5,954	10,054	(4,100)	(40.8)%
<i>Sale of Property and Compensation for Loss</i>	8,049	10,685	(2,636)	(24.7)%
<i>State Sources</i>	177,864	152,146	25,718	16.9%
<i>Federal Sources</i>	7,950	847,452	(839,502)	(99.1)%
<i>Miscellaneous Local Sources</i>	46,793	103,241	(56,448)	(54.7)%
Total Revenues	\$ 3,270,217	\$ 4,020,599	\$ (750,382)	(18.7)%
PROGRAM EXPENSES				
<i>General Governmental Support</i>	\$ 665,574	\$ 669,916	\$ (4,342)	(0.6)%
<i>Public Safety</i>	316,426	311,119	5,307	1.7%
<i>Public Health</i>	415,238	418,900	(3,662)	(0.9)%
<i>Transportation</i>	864,837	1,626,353	(761,516)	(46.8)%
<i>Economic Assistance and Opportunity</i>	7,175	6,575	600	9.1%
<i>Culture and Recreation</i>	228,730	204,874	23,856	11.6%
<i>Home and Community Services</i>	163,608	229,326	(65,718)	(28.7)%
<i>Interest on Long-Term Debt</i>	288	433	(145)	(33.5)%
Total Expenses	\$ 2,661,876	\$ 3,467,496	\$ (805,620)	(23.2)%
CHANGE IN NET POSITION	\$ 608,341	\$ 553,103	\$ 55,238	10.0%

Governmental Activities

Significant changes from prior year are as follows:

- Revenues relating to federal sources and miscellaneous local sources decreased primarily due to reaching the maximum amount of funding for the Cemetery Bridge Capital Project in the current year.
- The Town experienced an increase in charges for services due to an increase charge for snow and ice removal as well as an increase in recreation fees.
- The Town had an increase in operating grants related to an increase in funding from New York State CHIPS.

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

- Real property taxes increased slightly based on the Town's tax levy.
- The Town experienced a large decrease in transportation expenses relating to the completion of the Cemetery Bridge Project from the prior year.
- Culture and recreation increased from the prior year as many of the Town's recreational programs were suspended in the prior year due to the pandemic.
- Home and community services decreased due to less contractual expenditures related to source of supply.

The cost of all Governmental Activities this year was \$2,661,876. However, as shown in the Statement of Activities, the amount ultimately financed for these activities through Town real property taxes, real property tax items, state revenues, and other local sources was \$1,945,880, because some of the cost was paid by those who directly benefited from the programs or by other governments and organizations that subsidized certain programs with grants and contributions. Overall, the Town's governmental program revenues, including fees for services and grants, were \$715,996. The Town paid for the remaining "public benefit" portion of Governmental Activities with taxes and other revenues.

THE TOWN'S FUNDS

As the Town completed the year, its Governmental Funds, as presented in the Balance Sheet on page 7, reported a combined fund balance of \$3,381,202, which increased by \$185,483 from last year. This increase stems mainly from revenue exceeding expenditures in the General, Ambulance, and Water Funds.

Figure 3 shows the fund balances for the year for the Town's major funds.

**Figure 3
Governmental Funds
Fund Balance at Year Ended December 31,**

Governmental Fund Balance	Governmental Funds and Total Government		Dollar Change	Percent Change
	2022	2021		
<i>Major Funds:</i>				
<i>General Fund</i>	\$ 1,175,588	\$ 1,114,130	\$ 61,458	5.52%
<i>General Fund Part Town</i>	488,081	406,956	81,125	19.93%
<i>Highway Fund Town-Wide</i>	1,073,367	1,125,253	(51,886)	(4.61)%
<i>Highway Fund Part Town</i>	328,266	285,123	43,143	15.13%
<i>Ambulance Fund</i>	141,644	127,268	14,376	11.30%
<i>Consolidated Water Fund</i>	174,256	150,743	23,513	15.60%
<i>Non-Major Funds</i>	-	(13,754)	13,754	100.00%
Totals	\$ 3,381,202	\$ 3,195,719	\$ 185,483	5.80%

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MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

General Fund Budgetary Highlights

Over the course of the year, the Town Board and management of the Town revised the Town budget several times. These budget amendments consisted of transfers between functions and did not increase the overall budget for unanticipated revenues and expenditures.

Resources available for appropriation (revenues and other financing sources) were \$65,098 above the final General Fund budgeted amount. The actual charges to appropriations (expenditures and other financing uses) were below the final General Fund budgeted amount by \$186,727.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2022, the Town had \$9,151,573, net of accumulated depreciation of \$5,571,203, invested in a broad range of capital assets, including buildings, machinery and equipment, and roads and bridges. *Figure 4* shows the changes in the Town's capital assets.

*Figure 4
Capital Assets, Net*

<i>Changes in Capital Assets, Net</i>	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2022</i>	<i>2021</i>		
<i>Land</i>	\$ 173,569	\$ 173,569	\$ -	0.0%
<i>Buildings</i>	522,256	456,048	66,208	14.5%
<i>Equipment</i>	537,240	443,531	93,709	21.1%
<i>Infrastructure</i>	2,347,305	2,283,683	63,622	2.8%
<i>Totals</i>	\$ 3,580,370	\$ 3,356,831	\$ 223,539	6.7%

Debt

Debt (bond anticipation notes, bonds, and installment purchase debt), considered liabilities of Governmental Activities, decreased as shown in *Figure 5*. Of the total indebtedness of the Town, \$16,000 was subject to the constitutional debt limit and represented approximately 0.03% of the Town's statutory debt limit. The Town does not have a current bond rating.

*Figure 5
Major Outstanding Debt for the Years Ended December 31,*

<i>Outstanding Debt</i>	<i>Governmental Activities and Total Government</i>		<i>Dollar Change</i>	<i>Percent Change</i>
	<i>2022</i>	<i>2021</i>		
<i>Serial Bonds</i>	\$ 331,000	500,000	(169,000)	(33.8)%
<i>Totals</i>	\$ 331,000	\$ 500,000	\$ (169,000)	(33.8)%

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

FUTURE ECONOMIC FACTORS

The following is a summary of currently known facts, decisions, or conditions that are expected to have a significant effect on the Town's financial position.

The Town's Finance Committee is now in its second year of operation. The Committee consists of two Town Board members, the Town Bookkeeper, and the Town Budget Officer.

- The New York State Office of the State Comptroller is suggesting that we prepare for and expect an economic downturn in the near future.
 - This will affect a major source of Town revenue: Sales Tax distributed by Tompkins County
 - Personnel related factors
 - COLA increases as it pertains to annual raises
 - Employee retention considerations
 - Cost of benefits: NYSLRS, health insurance, etc.
- Total Assessed Valuation (TAV)/ Tax Levy Considerations
 - TAV annual increases
 - 2020 census provided data regarding demographics
 - The largest age group in Ulysses is 65-74, assuming fixed income
 - Considerations regarding tax levy and cost of living for this age group
- Ulysses capital planning is in development and will inform reserve target funding
 - Large known asset maintenance and replacement is documented in capital plan drafts; notable upcoming expenses include:
 - Large culvert replacement
 - Town Hall maintenance
 - Water District 3 capital maintenance and investments
- Other major upcoming projects that will affect the Town's budget
 - IT and cybersecurity modernization
 - An update to the Town's Comprehensive Plan
 - Other municipal water related projects
- Fund balance
 - Overall use of fund balance in the budgeting process: seeking long term budgeting practices that connect use of fund balance to one-time appropriations.
 - Updated fund balance policy informed by the above
- Possible increase in subdivisions and related development
- Jacksonville area development planning
- Water District 3 debt payments end in 2024
- Assessing grant writing capacity to fund larger projects
- Storm water and financial impact of increased intensity of weather events

TOWN OF ULYSSES

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. Users of this financial statement may address inquiries to the Town Supervisor or the Town Clerk at the following address: Town of Ulysses, 10 Elm Street, Trumansburg, New York 14886.

TOWN OF ULYSSES

STATEMENT OF NET POSITION DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash and Cash Equivalents - Unrestricted	\$ 1,811,370
Investments - Unrestricted	322,323
Due from State and Federal Governments	18,482
Due from Other Governments	154,141
Other Receivables	33,913
Prepaid Expenses	255,190
Total Current Assets	2,595,419
Noncurrent Assets	
Cash and Cash Equivalents - Restricted	184,493
Investments - Restricted	969,213
Net Pension Asset - Proportionate Share	152,296
Land and Other Nondepreciable Capital Assets	173,569
Depreciable Capital Assets	3,406,801
Total Noncurrent Assets	4,886,372
Total Assets	7,481,791
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	286,230
Other Postemployment Benefits	258,303
Total Deferred Outflows of Resources	544,533
LIABILITIES	
Current Liabilities	
Accounts Payable	40,509
Accrued Liabilities	2,134
Unearned Revenue	313,998
Other Liabilities	11,282
Current Portion of Long-Term Liabilities:	
Bonds Payable	172,000
Total Current Liabilities	539,923
Noncurrent Liabilities	
Bonds Payable	159,000
Compensated Absences	89,928
Other Postemployment Benefits Liability	1,349,293
Total Noncurrent Liabilities	1,598,221
Total Liabilities	2,138,144
DEFERRED INFLOWS OF RESOURCES	
Pensions	548,733
Other Postemployment Benefits	137,428
Total Deferred Outflows of Resources	686,161
NET POSITION	
Net Investment in Capital Assets	3,249,370
Restricted	1,153,706
Unrestricted	798,943
Total Net Position	\$ 5,202,019

See Notes to Financial Statements

TOWN OF ULYSSES

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Government	
FUNCTIONS/PROGRAMS					
Government Activities					
General Governmental Support	\$ 665,574	\$ 145,573	\$ -	\$ -	\$ (520,001)
Public Safety	316,426	25,487	-	-	(290,939)
Public Health	415,238	-	-	-	(415,238)
Transportation	864,837	78,608	196,388	-	(589,841)
Economic Assistance and Opportunity	7,175	-	-	-	(7,175)
Culture and Recreation	228,730	269,940	-	-	41,210
Home and Community Services	163,608	-	-	-	(163,608)
Interest on Long-Term Debt	288	-	-	-	(288)
Total Primary Government	\$ 2,661,876	\$ 519,608	\$ 196,388	\$ -	(1,945,880)
GENERAL REVENUES					
Real Property Taxes					1,273,967
Real Property Tax Items					239,817
Nonproperty Tax Items					793,827
Use of Money and Property					5,954
Sale of Property and Compensation for Loss					8,049
State Sources					177,864
Federal Sources					7,950
Miscellaneous Local Sources					46,793
Total General Revenues					2,554,221
Change in Net Position					608,341
Net Position - Beginning					4,593,678
Net Position - Ending					\$ 5,202,019

See Notes to Financial Statements

TOWN OF ULYSSES

BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2022

	Major Funds						Total Non-Major Governmental Funds	Total Governmental Funds
	Special Revenue Funds					Consolidated Water Fund		
	General Fund	General Fund Part-Town	Highway Fund Town-Wide	Highway Fund Part-Town	Ambulance Fund			
ASSETS								
Cash and Cash Equivalents - Unrestricted	\$ 597,050	\$ 338,039	\$ 303,640	\$ 142,352	\$ 131,140	\$ 91,259	\$ 207,890	\$ 1,811,370
Cash and Cash Equivalents - Restricted	67,902	12,732	23,806	50,869	-	29,184	-	184,493
Investments - Unrestricted	322,323	-	-	-	-	-	-	322,323
Investments - Restricted	208,758	77,834	559,440	82,714	-	40,467	-	969,213
Due from Other Funds	226,372	4,231	-	-	-	-	-	230,603
Due from State and Federal Governments	-	-	-	-	-	-	18,482	18,482
Due from Other Governments	35,012	38,538	27,851	42,236	10,504	-	-	154,141
Other Receivables, Net	4,036	13,150	-	-	-	16,727	-	33,913
Prepaid Expenses	55,012	7,959	178,847	11,447	-	1,925	-	255,190
Total Assets	\$ 1,516,465	\$ 492,483	\$ 1,093,584	\$ 329,618	\$ 141,644	\$ 179,562	\$ 226,372	\$ 3,979,728
LIABILITIES								
Accounts Payable	\$ 13,463	\$ 4,402	\$ 20,217	\$ 1,352	\$ -	\$ 1,075	\$ -	\$ 40,509
Accrued Liabilities	2,134	-	-	-	-	-	-	2,134
Due to Other Funds	-	-	-	-	-	4,231	226,372	230,603
Unearned Revenues	313,998	-	-	-	-	-	-	313,998
Other Liabilities	11,282	-	-	-	-	-	-	11,282
Total Liabilities	340,877	4,402	20,217	1,352	-	5,306	226,372	598,526
FUND BALANCES								
Nonspendable	55,012	7,959	178,847	11,447	-	1,925	-	255,190
Restricted	198,117	90,566	583,246	133,583	-	69,651	-	1,075,163
Committed	78,543	-	-	-	-	-	-	78,543
Assigned	410,891	389,556	311,274	183,236	141,644	102,680	-	1,539,281
Unassigned	433,025	-	-	-	-	-	-	433,025
Total Fund Balances	1,175,588	488,081	1,073,367	328,266	141,644	174,256	-	3,381,202
Total Liabilities and Fund Balances	\$ 1,516,465	\$ 492,483	\$ 1,093,584	\$ 329,618	\$ 141,644	\$ 179,562	\$ 226,372	\$ 3,979,728

See Notes to Financial Statements

TOWN OF ULYSSES

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION DECEMBER 31, 2022

Total Governmental Fund Balances **\$ 3,381,202**

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

Capital assets, net of accumulated depreciation, used in Governmental Activities are not financial resources and, therefore, are not reported in the funds.

Historical Cost	\$ 9,151,573	
Accumulated Depreciation	<u>(5,571,203)</u>	3,580,370

The Town's proportion of the collective net pension (asset)/liability is not reported in the funds.

Net Pension Asset - Proportionate Share	152,296
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Deferred outflows of resources represents a consumption of net position that applies to future periods and, therefore, is not reported in the funds. Deferred inflows of resources presents an acquisition of net position that applies to future periods and, therefore, is not reported in the funds.

Deferred Inflows of Resources - Pension	\$ (548,733)	
Deferred Inflows of Resources - Other Postemployment Benefits	(137,428)	
Deferred Outflows of Resources - Pension	286,230	
Deferred Outflows of Resources - Other Postemployment Benefits	<u>258,303</u>	(141,628)

Outstanding debt is not considered a liability in the funds, as it is not a current obligation.

Bonds Payable	(331,000)
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Certain accrued obligations and expenses reported in the Statement of Net Position do not require the use of current financial resources and, therefore, are not reported as liabilities in the funds.

Compensated Absences	\$ (89,928)	
Other Postemployment Benefits Liability	<u>(1,349,293)</u>	<u>(1,439,221)</u>

Net Position of Governmental Activities **\$ 5,202,019**

See Notes to Financial Statements

TOWN OF ULYSSES

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Major Funds						Total Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Special Revenue Funds						
		General Fund Part-Town	Highway Fund Town-Wide	Highway Fund Part-Town	Ambulance Fund	Consolidated Water Fund		
REVENUES								
Real Property Taxes	\$ 412,936	\$ -	\$ 291,669	\$ -	\$ 339,937	\$ -	\$ 229,425	\$ 1,273,967
Real Property Tax Items	3,631	-	-	-	-	236,186	-	239,817
Nonproperty Tax Items	203,128	209,571	151,451	229,677	-	-	-	793,827
Departmental Income	151,478	1,000	78,608	-	89,677	120,435	-	441,198
Use of Money and Property	1,509	688	2,847	667	-	243	-	5,954
Licenses and Permits	8,175	24,982	-	-	-	505	-	33,662
Fines and Forfeitures	21,648	13,000	-	-	-	-	-	34,648
Sale of Property and Compensation for Loss	-	-	8,049	-	-	-	-	8,049
Miscellaneous Local Sources	31,673	-	-	-	-	5,201	9,919	46,793
Interfund Revenues	10,100	-	-	-	-	-	-	10,100
State Sources	130,840	-	-	196,388	-	-	47,024	374,252
Federal Sources	-	-	-	-	-	7,950	-	7,950
Total Revenues	975,118	249,241	532,624	426,732	429,614	370,520	286,368	3,270,217
EXPENDITURES								
Current:								
General Governmental Support	451,436	31,548	-	-	-	-	-	482,984
Public Safety	18,134	52,020	-	-	-	-	229,425	299,579
Public Health	-	-	-	-	415,238	-	-	415,238
Transportation	102,697	-	517,292	334,807	-	-	-	954,796
Economic Assistance and Opportunity	7,175	-	-	-	-	-	-	7,175
Culture and Recreation	201,849	-	-	-	-	-	-	201,849
Home and Community Services	7,724	45,721	50	-	-	173,339	-	226,834
Employee Benefits	124,645	38,827	67,168	48,782	-	4,380	-	283,802
Debt Service:								
Principal	-	-	-	-	-	169,000	-	169,000
Interest	-	-	-	-	-	288	-	288
Capital Outlay	-	-	-	-	-	-	43,189	43,189
Total Expenditures	913,660	168,116	584,510	383,589	415,238	347,007	272,614	3,084,734
Excess of Revenues over (Expenditures)	61,458	81,125	(51,886)	43,143	14,376	23,513	13,754	185,483
Fund Balances, Beginning of Year	1,114,130	406,956	1,125,253	285,123	127,268	150,743	(13,754)	3,195,719
Fund Balances, End of Year	\$ 1,175,588	\$ 488,081	\$ 1,073,367	\$ 328,266	\$ 141,644	\$ 174,256	\$ -	\$ 3,381,202

See Notes to Financial Statements

TOWN OF ULYSSES

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances - Total Governmental Funds **\$ 185,483**

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

Governmental Funds report purchases of capital assets as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized.

Capital Outlay	\$ 519,812	
Depreciation Expense	<u>(296,273)</u>	223,539

Long-term debt proceeds provide current financial resources to Governmental Funds, but issuing debt increase long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Repayment of Bond Principal		169,000
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Changes in long-term obligations, including related deferred inflows and deferred outflows of resources, associated with employee benefits, are reported in the Statement of Activities as increases or decreases in expenses. Such changes are not reflected in the Governmental Fund financial statements. The following are the changes reported in the Statement of Activities for these net liabilities.

Compensated Absences	\$ 16,061	
Other Postemployment Benefits Liability	(57,757)	
Net Pension (Asset)/ Liability - Proportionate Share	154,190	
Deferred Outflows of Resources - OPEB	(17,994)	
Deferred Inflows of Resources - OPEB	16,214	
Deferred Outflows of Resources - Pensions	(108,390)	
Deferred Inflows of Resources - Pensions	27,995	<u>30,319</u>

Change in Net Position of Governmental Activities **\$ 608,341**

See Notes to Financial Statements

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies**

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

Financial Reporting Entity

The Town of Ulysses, located in Tompkins County, New York, is governed by Town Law and other general laws of New York State. The Town Council is the legislative body responsible for overall operations, and the Town Supervisor serves as Chief Executive Officer and Chief Fiscal Officer.

The Town provides the following basic services: street maintenance, justice court services, licensing and permits, law enforcement, planning and zoning, recreation, water facilities, community development, emergency management services, and fire protection.

All governmental activities and functions performed for the Town of Ulysses are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of the following:

- The primary government, which is the Town;
- Organizations for which the primary government is financially accountable; and
- Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a component unit in the Town's reporting entity is based on several criteria set forth in GASB Statement No. 14, as amended. Based on the application of these criteria, no component units have been included in the Town's reporting entity.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Basic Financial Statements - Government-Wide Financial Statements

The Government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of activities for the primary government. The focus of the Government-wide financial statements addresses the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

In the Government-wide Statement of Net Position, the Governmental Activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets, restricted, and unrestricted. The Town first utilizes restricted resources to finance qualifying activities.

The Statement of Activities reports both the gross and net cost for each of the Town's functions and programs. Gross expenses are direct expenses, including depreciation, that are specifically associated with a service, program or department and are, therefore, clearly identifiable to a particular function. These expenses are offset by program revenues: charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the program or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions. The net cost represents the extent to which each function or program is self-financing or draws from the general revenues of the Town.

Basic Financial Statements - Governmental Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the Governmental Fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows of resources, reserves, fund equity, revenues and expenditures or expenses. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Governmental Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources, and the related liabilities, are accounted for through Governmental Funds. The measurement focus of Governmental Funds is based upon determination of financial position and changes in financial position under the modified accrual basis of accounting. The following are the Town's Governmental Funds:

Major Funds

- General Fund - Principal operating funds which includes all operations not required to be recorded in other funds. There are two general funds: one accounting for activity affecting the entire Town (General Town-Wide) and a second which accounts for activity outside the Village of Trumansburg (General Part-Town).
- Special Revenue Funds - Used to account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes.

The following Special Revenue Funds are utilized:

- Highway Town-Wide Fund - Used to account for revenues and expenditures for highway purposes, authorized by §114 of the Highway Law.
- Highway Part-Town Fund - Used to account for revenues and expenditures for highway purposes outside of the Village of Trumansburg, authorized by §114 of the Highway Law.
- Ambulance Fund - Used to account for revenues derived from property taxes assessed in these special districts and the application of such revenues toward related operations and maintenance of the ambulance districts.
- Consolidated Water Fund - Accounts for revenues derived from charges for water consumption and benefited assessments, as well as the application of such revenues toward related operating expenses and debt retirement.

Non-Major Funds

- Special Revenue Fund
 - Fire Protection Fund - Used to account for revenues derived from property taxes assessed in these special districts and the application of such revenues toward related operations and maintenance of the fire protection districts.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Non-Major Funds - Continued

- Capital Projects Fund - WD3 Aerator Project - Used to account for financial resources to be used for the Water District #3 Aerator.
- Capital Projects Fund - Cemetery Road Bridge Repair Fund - Used to account for financial resources to be used for the repair of the Cemetery Road Bridge.

Basis of Accounting/Measurement Focus

Basis of accounting refers to when revenues and expenditures and the related assets and liabilities are recognized in the accounts and reported in the basic financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, such as expenditures or expenses.

Accrual Basis

The Government-wide financial statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual Basis

The Governmental Fund financial statements are prepared using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. The Town considers property tax receivables collected within 60 days after year end to be available and recognizes them as revenues of the current year. All other revenues that are deemed collectible within one year after year end are recognized as revenues in the current year. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred. The cost of capital assets is recognized as an expenditure when the asset is received. Exceptions to this general rule are 1) principal and interest on indebtedness are not recognized as an expenditure until due; and 2) compensated absences, such as vacation and sick leave, which vest or accumulate, are charged as an expenditure when paid.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Budget Policies

No later than September 30, a tentative budget is submitted by the budget officer to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.

All modifications of the budget must be approved by the governing board.

Budgetary Basis of Accounting

Budgets are adopted annually on a basis consistent with its prescribed fund's basis of accounting. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Cash and Investments

For financial statement purposes, all highly liquid investments having maturities of three months or less are considered cash equivalents.

Investments

Investments are stated at fair value.

Receivables

Amounts due from state and federal governments represent amounts owed to the Town to reimburse it for expenditures incurred pursuant to state and federal programs. Other receivables represent amounts owed to the Town, which include assessments, sales tax, and other miscellaneous charges. No provision has been made for uncollectible accounts for amounts due from the state and federal governments and other receivables, as it is believed that such amounts would be immaterial.

Capital Assets

All capital assets are valued at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the assets. Governmental capital assets purchased or acquired with an original cost of at least \$5,000 and having a useful life of greater than two years are capitalized.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 1 Summary of Significant Accounting Policies - Continued

Capital Assets - Continued

Estimated useful lives for governmental capital assets are as follows:

Buildings	20-45 Years
Machinery and Equipment	5-45 Years
Infrastructure	20-40 Years

Unearned and Unavailable Revenues

Unearned revenues arise when resources are received by the Town before it has legal claim to them, as when grant monies are received prior to the incidence of qualifying expenditures. In subsequent periods, when the Town has legal claim to the resources, the liability for unearned revenues is removed and revenues are recorded.

The Governmental Fund financial statements also report unavailable revenues as a deferred inflow of resources when potential revenues do not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the liability for unavailable revenues is removed and revenues are recorded.

Accrued Liabilities and Long-Term Obligations

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

Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported in the Statement of Net Position.

Vacation, Sick Leave, and Compensatory Absences

Town employees are granted vacation, sick leave benefits and earn compensated absences in varying amounts to specified maximums, depending on tenure with the Town. In the event of termination or upon retirement, an employee is entitled to payment of their accumulated leave days up to a maximum of 25 vacation days depending on their employee agreements. Up to 120 sick days may be accrued and applied toward the cost of retiree health insurance if the retiree is eligible. In the event that the employee is terminated due to disciplinary action, the employee will not receive the payment. Vacation and compensatory leave is accrued when incurred in the Statement of Net Position and is reported as a liability in the Government-Wide Financial Statements.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Retirement Plans

The Town provides retirement benefits for all of its full-time employees and part-time employees who opt to enroll through contributions to the New York State and Local Retirement System. This retirement system is noncontributory except for employees who joined their respective systems after July 27, 1976 and must contribute a percentage of their annual salary. The member contributions are deducted by the Town from the employees' paychecks and are sent monthly to the system. The retirement system computes the cost of retirement benefits based on its respective fiscal year - April 1 through March 31.

Postemployment Benefits.

The Town provides certain health care benefits for retired employees of the Town. The Town administers the Retirement Benefits Plan (the "Retirement Plan") as a single employer defined benefit Other Postemployment Benefit Plan (OPEB). In general, the Town provides health insurance coverage for retired employees and their survivors. Substantially all the Town's employees may become eligible for this benefit if they retire with at least 20 years of service to the Town. On the Government-wide statements, amounts attributable to past service have been recorded as a liability.

Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions and Other Postemployment Benefits (OPEB) plans in the Statement of Net Position. The types of deferred outflows of resources related to pensions and OPEB plans are described in Notes 7 and 8, respectively.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflows of resources related to pensions and OPEB plans which are further described in Notes 7 and 8, respectively.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Government-Wide Financial Statements

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

- **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, payables, or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- **Restricted** - Consists of net resources with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted** - Consists of all other net resources that do not meet the definition of “restricted” or “net investment in capital assets.”

Equity Classifications - Governmental Fund Financial Statements

In the fund statements there are five classification of fund balance:

- **Nonspendable** - Consists of assets inherently nonspendable in the current period either because of their form or because they must be maintained intact; including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale, and endowment principal.
- **Restricted** - Consists of amounts subject to legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and enforced externally; or through constitutional provisions or enabling legislation.
- **Committed** - Consists of amounts subject to a purpose constraint imposed by formal action of the government’s highest level of decision-making authority prior to the end of the fiscal year and requires the same level of formal action to remove said constraint.
- **Assigned** - Consists of amounts subject to a purpose constraint representing an intended use established by the government’s highest level of decision-making authority (or their designated body or official). The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.
- **Unassigned** - Represents the residual classification of the government’s General Fund and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should only be used to report a deficit balance resulting from overspending amounts restricted, committed, or assigned for specific purposes.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications - Governmental Fund Financial Statements - Continued

The Town Board may adopt resolutions to commit or assign fund balance. By resolution, fund balance of the Town may be committed for a specific source by formal action of the Town Board. The Town Board, by resolution, approves fund balance appropriations for next year's budget. The Town applies expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. All interfund activities between governmental activities are eliminated on the Statement of Net Position and the Statement of Activities.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed for the General and Special Revenue Funds. Encumbrances are reported as assignments of fund balance, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

Property Taxes

Real property taxes are levied annually by the Town no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to March 31. County and Town taxes are levied together, and the Town retains its share before turning the remainder to the County. The Town is therefore assured of collection of the total amount of the levy.

Property tax revenues are recognized as revenues in the year they are levied and collected. Property taxes not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

Property Taxes - Continued

In June 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of real property taxes that may be levied by the Town in a particular year, beginning with the 2012-2013 fiscal year. The growth in annual levy is limited to the lesser of 2% or annual change in the national unadjusted Consumer Price Index for All Urban Consumers - All Items (CPI-U), subject to certain limited exceptions and adjustments.

Tax Levy

The Town is authorized by New York State General Municipal Law (GML) §3-c to increase its tax levy by a statutorily defined percentage. The Town has the ability to exceed that percentage upon the vote of sixty percent of the Town Board. The Town has not exceeded this limit for the year ended December 31, 2022.

Sales Tax

The County of Tompkins currently imposes a sales and use tax. Based on a complex formula, a portion of total revenue collected is allocated annually to the Town in twelve monthly installments.

Use of Estimates

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

Restricted Resources

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Town's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 1* Summary of Significant Accounting Policies - Continued**

New Accounting Standard

The Town adopted and implemented the following current Statement of the GASB effective for the year ended December 31, 2022:

- GASB Statement No. 87, “Leases.” The Town has evaluated the pronouncement and determined there is no material impact on its financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending December 31, 2023.
- GASB has issued Statement No. 101, “Compensated Absences,” effective for the year ending December 31, 2024.

The Town will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

***Note 2* Cash and Investments**

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

Collateral is required for demand and time deposits and certificates of deposit at 100% of all deposits not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, as well as obligations of New York State, its municipalities, and its school districts.

Deposits and investments are categorized as either (1) insured and for which the securities are held by the Town’s agent in the Town’s name; (2) collateralized, and for which the securities are held by the pledging financial institution’s trust department or agent in the Town’s name or; (3) uncollateralized.

Total financial institution (bank) balances at December 31, 2022, per the bank, were \$1,998,817. These deposits are either insured or collateralized in accordance with state statutes and Town investment policies.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 2 Cash and Investments - Continued

The Town categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

At December 31, 2022, the Town had the following investments and fair value measurements:

<u>Description</u>	<u>Fund Type</u>	<u>Level</u>	<u>Amount</u>
U.S. Treasury Bills	General Fund	(1)	\$ 531,081
U.S. Treasury Bills	General Fund Part-Town	(1)	77,834
U.S. Treasury Bills	Highway Fund Town-Wide	(1)	559,440
U.S. Treasury Bills	Highway Fund Part-Town	(1)	82,714
U.S. Treasury Bills	Consolidated Water Funds	(1)	40,467

The Town does not typically purchase investments for a duration long enough to cause it to believe it is exposed to any material interest rate risk.

The Town does not typically purchase investments denominated in a foreign currency and is not exposed to foreign currency risk.

Restricted Cash and Investments

Restricted cash and investments of \$1,153,706 consists of funds restricted and committed in the Town's reserves.

Note 3 Property Taxes

The 2022 real property tax levy for Town purposes totaled \$1,273,967. The Town is permitted by the constitution of New York State to levy taxes up to 2% of the five year average for assessed valuation for general governmental services other than the payment of debt service and capital expenditures.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 4 Capital Assets

The following is a summary of changes in capital assets for the year ended December 31, 2022:

	<u>Balance at December 31, 2021</u>	<u>Additions</u>	<u>Disposals & Reclassifications</u>	<u>Balance at December 31, 2022</u>
Governmental Activities				
Non-Depreciable Capital Assets				
Land	\$ 173,569	\$ -	\$ -	\$ 173,569
Total Non-Depreciable Capital Assets	<u>173,569</u>	<u>-</u>	<u>-</u>	<u>173,569</u>
Depreciable Capital Assets				
Buildings	822,525	109,660	-	932,185
Machinery and Equipment	1,298,153	213,764	(12,500)	1,499,417
Infrastructure	6,350,014	196,388	-	6,546,402
Total Depreciable Capital Assets	<u>8,470,692</u>	<u>519,812</u>	<u>(12,500)</u>	<u>8,978,004</u>
Total Historical Cost	<u>8,644,261</u>	<u>519,812</u>	<u>(12,500)</u>	<u>9,151,573</u>
Less Accumulated Depreciation				
Buildings	(366,477)	(43,452)	-	(409,929)
Machinery and Equipment	(854,622)	(120,055)	12,500	(962,177)
Infrastructure	(4,066,331)	(132,766)	-	(4,199,097)
Total Accumulated Depreciation	<u>(5,287,430)</u>	<u>(296,273)</u>	<u>12,500</u>	<u>(5,571,203)</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,356,831</u>	<u>\$ 223,539</u>	<u>\$ -</u>	<u>\$ 3,580,370</u>

Depreciation expense was allocated to the following functions.

Governmental Activities	
General Governmental Support	\$ 36,436
Transportation	241,967
Culture and Recreation	171
Home and Community Services	<u>17,699</u>
Depreciation Expense	<u><u>\$ 296,273</u></u>

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 5 Long-Term Debt

At December 31, 2022, the total outstanding indebtedness of the Town aggregated to \$331,000. Of this amount, \$16,000 was subject to the Town's constitutional debt limit, and represented approximately 0.03% of its debt limit.

Serial Bonds and Installment Purchase Debt

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the local government, are recorded in the Statement of Net Position. The provision to be made in future budgets for capital indebtedness represents the amount, exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of long-term liabilities.

Summary of Long-Term Debt

The following is a summary of changes in serial bonds for the year ended December 31, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Serial Bonds	\$ 500,000	\$ -	\$ (169,000)	\$ 331,000	\$ 172,000
Total	\$ 500,000	\$ -	\$ (169,000)	\$ 331,000	\$ 172,000

The following is a summary of the Town's long-term debt from the year ended December 31, 2022:

Description of Issue	Date of Issuance	Original Amount	Final Maturity	Interest Rate	Outstanding December 31, 2022
Serial Bonds					
Water Bond Series	April 1, 2004	\$ 2,650,000	May 30, 2024	1.000 - 4.000%	\$ 315,000
Interfund Bond	September 1, 2020	48,120	September 1, 2023	1.000 - 4.000%	16,000
Total Bonds					331,000
Total					\$ 331,000

Interest paid on long-term debt during the year was:

Interest Paid	\$ 288
Total	\$ 288

Interest paid on the serial bonds varies from year to year, in accordance with the interest rates specified in the bond agreements.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 5 Long-Term Debt - Continued

The following is a summary of maturing debt service requirements for serial bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 172,000	\$ 144	\$ 172,144
2024	159,000	-	159,000
Total	\$ 331,000	\$ 144	\$ 331,144

Note 6 Compensated Absences

Compensated Absences - Represents unpaid accumulated sick leave, vacation, and sabbatical time. This liability is liquidated from the General, Highway, and Water Funds.

Activity for the year ended December 31, 2022 consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Compensated Absences	\$ 105,989	\$ -	\$ (16,061)	\$ 89,928

Changes to long-term compensated absences are reported net, as it is impractical to individually determine the amount of additions and deletions during the fiscal year.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

***Note 7* Pension Obligations - New York State and Local Retirement System (ERS) (the System)**

Employees' Retirement System (ERS)

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

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the System. As a result of Article 19 of the RSSL, eligible Tier 3 and 4 employees, with a membership date on or after July 27, 1973, who have ten or more years of membership or credited service with the System, are not required to contribute. Members cannot be required to begin making contributions or to make increased contributions beyond what was required when membership began. For Tier 6 members, the contribution rate varies from 3% to 6% depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service.

Summary of Significant Accounting Policies

The System's financial statements from which the System's fiduciary respective net position is determined are prepared using the accrual basis of accounting. Plan member contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Plan investments are reported at fair value. For detailed information on how investments are valued, please refer to the System's annual reports.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Pension Obligations - New York State and Local Retirement System (ERS) (the System) - Continued

Contributions

Contributions for the current year and two preceding Plan years were equal to 100% of the contributions required under the Program, and were as follows:

	<u>ERS</u>
2022	\$ 70,981
2021	71,444
2020	71,505

Pension (Asset)/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Town reported the following (asset)/liability for its proportionate share of the net pension (asset)/liability for the System. The net pension (asset)/liability was measured as of March 31, 2022. The total pension liability used to calculate the net pension (asset)/liability was determined by an actuarial valuation. The Town's proportionate share of the net pension (asset)/liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was derived from a report provided to the Town by the ERS System.

	<u>ERS</u>
Actuarial Valuation Date	4/1/2021
Net Pension (Asset)/Liability	\$ (8,174,858,678)
Town's Proportionate Share of the Plan's Total Net Pension (Asset)/Liability	(152,296)
Town's Share of the Plan's Total Net Pension (Asset)/Liability	0.0018630%

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Pension Obligations - New York State and Local Retirement System (ERS) (the System) - Continued

Pension (Asset)/Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Continued

For the year ended December 31, 2022, the Town recognized pension expense of \$2,474 for ERS in the Government-wide financial statements. At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences Between Expected and Actual Experience	\$ 11,534	\$ 14,960
Changes of Assumptions	254,164	4,289
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	498,704
Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	2,446	30,780
Town's Contributions Subsequent to the Measurement Date	18,086	-
Total	\$ 286,230	\$ 548,733

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

Year Ended	ERS
2023	\$ (48,057)
2024	(64,430)
2025	(137,554)
2026	(30,548)
2027	-
Thereafter	-

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the System) - Continued

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS
Measurement Date	March 31, 2022
Actuarial Valuation Date	April 1, 2021
Investment Rate of Return	5.9%
Salary Increases	4.4%
Cost of Living Adjustments	1.4%
Inflation Rate	2.7%

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 as follows:

	NYSLRS
Measurement Date	March 31, 2022
Asset Class	
Domestic Equity	3.30%
International Equity	5.85%
Real Estate	5.00%
Private Equity	6.50%
Opportunistic/Absolute Return	4.10%
Real Assets	5.58%
Cash	(1.00)%
Credit	3.78%

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the System) - Continued

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension (Asset)/Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension (asset)/liability calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current rate:

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ 392,007	\$ (152,296)	\$ (607,578)

Pension Plan Fiduciary Net Position

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

	Dollars in Thousands
	ERS
Measurement Date	March 31, 2022
Employers' Total Pension Liability	\$ 223,874,888
Plan Net Position	(232,049,473)
Employers' Net Pension (Asset)/Liability	\$ (8,174,585)
Ratio of Plan Net Position to the Employers' Total Pension (Asset)/Liability	103.7%

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 7 Pension Obligations - New York State and Local Retirement System (ERS and PFRS) (the System) - Continued

Payable to the Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31. Employee contributions are remitted monthly. Accrued retirement contributions as of December 31, 2022 represent the projected employer contribution for the period of April 1, 2022 through December 31, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2022 amounted to \$-0-.

Current Year Activity

The following is a summary of current year activity:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
ERS			
Net Pension (Asset)/Liability	\$ 1,894	\$ (154,190)	\$ (152,296)
Deferred Outflows of Resources	(394,620)	108,390	(286,230)
Deferred Inflows of Resources	576,728	(27,995)	548,733
Total Effect on Net Position	<u>\$ 184,002</u>	<u>\$ (73,795)</u>	<u>\$ 110,207</u>

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 8 Postemployment Benefits Other Than Pensions (OPEB)

General Information About the OPEB Plan

Plan Description - The Town's defined OPEB plan provides medical benefits to eligible retirees and their spouses in accordance with various employment contracts. The plan is a single-employer defined benefit healthcare plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Plan does not issue separate financial statements because there are no assets legally segregated for the sole purpose of paying benefits under the plan.

Benefits Provided - The Town provides healthcare benefits for eligible retirees and their spouses. Benefit terms are dependent on which contract each employee falls under.

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	7
Inactive Employees Entitled to	
But Not Yet Receiving Benefit Payments	-
Active Employees	<u>10</u>
Total	<u>17</u>

Total OPEB Liability

The Town's total OPEB liability of \$1,349,293 was measured as of January 1, 2022 and was determined by an actuarial valuation as of January 1, 2022.

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Long-Term Bond Rate	2.06%
Salary Scale	2.50%
Inflation Rate	2.50%
Marriage Rate	75.00%
Participation Rate	100.00%
Healthcare Cost Trend Rates	7.80% for 2023, decreasing to an ultimate rate of 3.94% for 2092 and later years
Cost Method	Entry Age Normal

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date (or the nearest business day thereto).

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

Total OPEB Liability - Continued

The salary scale was based on the rate at which payroll amounts are expected to increase over time for purposes of attributing liabilities under entry age normal and level percent of pay actuarial cost method.

Mortality rates were based on the Pub-2010 Mortality Table for employees, and adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis.

Termination and retirement rates are based on the New York State and Local Retirement System experience study released by the Retirement Systems Actuary and published in their August 2020 report.

Healthcare Cost Trend Rates were based on the SOA Long-Run Medical Cost Trend Model. The SOA Long-Run Medical Cost Trend Model and its baseline projections are based on an econometric analysis of historical US medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of an SOA Project Oversight Group.

The actuarial assumptions used in the January 1, 2022 valuation were consistent with the requirements of GASB Statement No. 75 and Actuarial Standards of Practice (ASOPs).

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% percent in 2021 to 2.06% in 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2021	<u>\$ 1,291,536</u>
Changes for the Year	
Service Cost	59,894
Interest Cost	28,171
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	(25,787)
Changes in Assumptions	40,800
Benefit Payments	(45,321)
Net Change	<u>57,757</u>
Balance at December 31, 2022	<u><u>\$ 1,349,293</u></u>

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

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

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

	1% Decrease (1.06%)	Discount Rate (2.06%)	1% Increase (3.06%)
Total OPEB Liability	\$ 1,567,468	\$ 1,349,293	\$ 1,171,769

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

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

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 1,161,992	\$ 1,349,293	\$ 1,582,947

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

For the year ended December 31, 2022, the Town recognized OPEB expense of \$100,210.

At December 31, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ -	\$ 94,816
Changes in Assumptions or Other Inputs	211,875	42,612
Contributions Subsequent to Measurement Date	46,428	-
Total	\$ 258,303	\$ 137,428

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 8 Postemployment Benefits Other Than Pensions (OPEB) - Continued

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

Town contributions subsequent to the measurement date, reported as deferred outflows of resources, are recognized as a reduction of the net OPEB liability for the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	Amount
<u>Ending December 31,</u>	
2023	\$ 17,900
2024	17,226
2025	11,756
2026	21,730
2027	5,835
Thereafter	-

Current Year Activity

The following is a summary of current year activity:

	<u>Beginning Balance</u>	<u>Change</u>	<u>Ending Balance</u>
OPEB Liability	\$ 1,291,536	\$ 57,757	\$ 1,349,293
Deferred Outflows of Resources	(276,297)	17,994	(258,303)
Deferred Inflows of Resources	153,642	(16,214)	137,428
Total	<u><u>\$ 1,168,881</u></u>	<u><u>\$ 59,537</u></u>	<u><u>\$ 1,228,418</u></u>

Note 9 Deferred Compensation Plan

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

Note 10 Risk Management

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

The Town of Ulysses owns a landfill that was closed in June 1984. New York State and federal laws and regulations require the Town to place final covers on the Town of Ulysses Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for 30 years after closure. The Town performs annual soil tests and has noted no environmental issues as a result of monitoring.

TOWN OF ULYSSES

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 11 Interfund Transactions

During the course of normal operations, the Town has transactions between funds including expenditures and transfers of resources primarily to provide services. The Governmental Funds' financial statements generally reflect such transactions as transfers, whereas the proprietary funds record such transactions as non-operating revenues or expenses. Additionally, the Town generally maintains its cash in few accounts, whereby the Town pools its cash to provide both cash flow and interest income maximization across the Town as a whole.

Note 12 Fund Balance

Nonspendable, restricted, and assigned fund balance at December 31, 2022 are as follows:

	General Fund	General Fund Part-Town	Highway Fund Town-Wide	Highway Fund Part-Town	Ambulance Fund	Consolidated Water Fund	Non-Major Funds
Nonspendable							
Prepaid Expenses	\$ 55,012	\$ 7,959	\$ 178,847	\$ 11,447	\$ -	\$ 1,925	\$ -
Total Nonspendable	55,012	7,959	178,847	11,447	-	1,925	-
Restricted							
Retirement Contribution Reserve	36,108	-	-	-	-	-	-
Capital Projects Reserve	50,520	40,674	532,608	73,527	-	22,000	-
Equipment Reserve		18,151					
Employee Benefits Accrued Liability Reserve	21,267	20,986	-	-	-	5,129	-
Repairs Reserve	49,109	-	50,638	60,056	-	42,522	-
Unemployment Insurance Reserve	37,010	10,755	-	-	-	-	-
Tax Stabilization Reserve	4,103	-	-	-	-	-	-
Remaining Fund Balance	-	-	-	-	-	-	-
Total Restricted	198,117	90,566	583,246	133,583	-	69,651	-
Committed							
Committed Fund Balance	78,543	-	-	-	-	-	-
Total Committed	78,543	-	-	-	-	-	-
Assigned							
Fund Balance Appropriated for Next Year's Budget	410,891	161,601	183,692	42,958	8,240	31,241	-
Remaining Fund Balance	-	227,955	127,582	140,278	133,404	71,439	-
Total Assigned	410,891	389,556	311,274	183,236	141,644	102,680	-
Total Unassigned Fund Balance	433,025	-	-	-	-	-	-
Total	\$ 1,175,588	\$ 488,081	\$ 1,073,367	\$ 328,266	\$ 141,644	\$ 174,256	\$ -

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE GENERAL FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Real Property Taxes	\$ 412,578	\$ 412,578	\$ 412,936	\$ -	\$ 358
Real Property Tax Items	2,435	2,435	3,631	-	1,196
Nonproperty Tax Items	170,303	170,303	203,128	-	32,825
Departmental Income	149,670	149,670	151,478	-	1,808
Use of Money and Property	1,500	1,500	1,509	-	9
Licenses and Permits	9,000	9,000	8,175	-	(825)
Fines and Forfeitures	15,000	15,000	21,648	-	6,648
Miscellaneous Local Sources	33,545	33,545	31,673	-	(1,872)
Interfund Revenues	10,100	10,100	10,100	-	-
State Sources	105,889	105,889	130,840	-	24,951
Total Revenues	910,020	910,020	975,118	-	65,098
EXPENDITURES					
Current:					
General Governmental Support	601,123	600,967	451,436	-	149,531
Public Safety	18,134	18,134	18,134	-	-
Transportation	106,602	106,602	102,697	-	3,905
Economic Assistance and Opportunity	7,175	7,175	7,175	-	-
Culture and Recreation	211,742	211,898	201,849	-	10,049
Home and Community Services	10,188	10,188	7,724	-	2,464
Employee Benefits	145,423	145,423	124,645	-	20,778
Total Expenditures	1,100,387	1,100,387	913,660	-	186,727
Excess of Revenues Over (Expenditures)	(190,367)	(190,367)	61,458	\$ -	\$ 251,825
Additions to Reserves	(58,322)	(58,322)			
Additions to Board Restricted Funds	(2,500)	(2,500)			
Appropriated Fund Balance	251,189	251,189			
Net Increase (Decrease)	\$ -	\$ -	61,458		
Fund Balance, Beginning of Year			1,114,130		
Fund Balance, End of Year			\$ 1,175,588		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE GENERAL FUND PART-TOWN - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Fav. (Unfav.) Variance</u>
REVENUES					
Nonproperty Tax Items	\$ 174,249	\$ 174,249	\$ 209,571	\$ -	\$ 35,322
Departmental Income	2,000	2,000	1,000	-	(1,000)
Use of Money and Property	500	500	688	-	188
Licenses and Permits	21,600	21,600	24,982	-	3,382
Fines and Forfeitures	-	-	13,000	-	13,000
Federal Sources	40,000	40,000	-	-	(40,000)
Total Revenues	<u>238,349</u>	<u>238,349</u>	<u>249,241</u>	<u>-</u>	<u>10,892</u>
EXPENDITURES					
Current:					
General Governmental Support	114,300	114,300	31,548	-	82,752
Public Safety	75,735	75,735	52,020	-	23,715
Home and Community Services	106,852	106,852	45,721	-	61,131
Employee Benefits	77,228	77,228	38,827	-	38,401
Total Expenditures	<u>374,115</u>	<u>374,115</u>	<u>168,116</u>	<u>-</u>	<u>205,999</u>
Excess of Revenues Over (Expenditures)	<u>(136,366)</u>	<u>(136,366)</u>	<u>81,125</u>	<u>\$ -</u>	<u>\$ 217,491</u>
Additions to Reserves	(11,623)	(11,623)			
Appropriated Fund Balance	127,689	127,689			
Appropriated Reserves	20,300	20,300			
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>81,125</u>		
Fund Balance, Beginning of Year			<u>406,956</u>		
Fund Balance, End of Year			<u>\$ 488,081</u>		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE HIGHWAY FUND TOWN-WIDE - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Real Property Taxes	\$ 291,669	\$ 291,669	\$ 291,669	\$ -	\$ -
Nonproperty Tax Items	125,925	125,925	151,451	-	25,526
Departmental Income	78,607	78,607	78,608	-	1
Use of Money and Property	-	-	2,847	-	2,847
Sale of Property and Compensation for Loss	10,500	10,500	8,049	-	(2,451)
Total Revenues	506,701	506,701	532,624	-	25,923
EXPENDITURES					
Current:					
Transportation	757,486	757,486	517,292	-	240,194
Home and Community Services	2,000	2,000	50	-	1,950
Employee Benefits	82,657	82,657	67,168	-	15,489
Total Expenditures	842,143	842,143	584,510	-	257,633
Excess of Revenues Over (Expenditures)	(334,842)	(334,842)	(51,886)	\$ -	\$ 282,956
Additions to Reserves	(73,373)	(73,373)			
Appropriated Fund Balance	250,000	250,000			
Appropriated Reserves	73,293	73,293			
Carryforward Encumbrances	84,922	84,922			
Net Increase (Decrease)	\$ -	\$ -	(51,886)		
Fund Balance, Beginning of Year			1,125,253		
Fund Balance, End of Year			\$ 1,073,367		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE HIGHWAY FUND PART-TOWN - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Nonproperty Tax Items	190,967	190,967	229,677	-	38,710
Departmental Income	630	630	-	-	(630)
Use of Money and Property	-	-	667	-	667
State Sources	169,628	217,722	196,388	-	(21,334)
Total Revenues	361,225	409,319	426,732	-	17,413
EXPENDITURES					
Current:					
Transportation	329,068	377,162	334,807	-	42,355
Employee Benefits	55,600	55,600	48,782	-	6,818
Total Expenditures	384,668	432,762	383,589	-	49,173
Excess of Revenues Over (Expenditures)	(23,443)	(23,443)	43,143	\$ -	\$ 66,586
Additions to Reserves	(49,600)	(49,600)			
Appropriated Fund Balance	73,043	73,043			
Net Increase (Decrease)	\$ -	\$ -	43,143		
Fund Balance, Beginning of Year			285,123		
Fund Balance, End of Year			\$ 328,266		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE AMBULANCE FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Encumbrances	Fav. (Unfav.) Variance
REVENUES					
Real Property Taxes	\$ 339,937	\$ 339,937	\$ 339,937	\$ -	\$ -
Departmental Income	67,077	67,077	89,677	-	22,600
Total Revenues	407,014	407,014	429,614	-	22,600
EXPENDITURES					
Current:					
Public Health	415,238	415,238	415,238	-	-
Total Expenditures	415,238	415,238	415,238	-	-
Excess of Revenues Over (Expenditures)	(8,224)	(8,224)	14,376	\$ -	\$ 22,600
Appropriated Fund Balance	8,224	8,224			
Net Increase (Decrease)	\$ -	\$ -	14,376		
Fund Balance, Beginning of Year			127,268		
Fund Balance, End of Year			\$ 141,644		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

BUDGETARY COMPARISON SCHEDULE CONSOLIDATED WATER FUND - NON-U.S. GAAP BUDGET BASIS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Fav. (Unfav.) Variance</u>
REVENUES					
Real Property Tax Items	236,186	236,186	236,186	-	-
Departmental Income	121,900	126,573	120,435	-	(6,138)
Use of Money and Property	-	-	243	-	243
Licenses and Permits	720	720	505	-	(215)
Miscellaneous Local Sources	-	-	5,201	-	5,201
Interfund Revenues	180	180	-	-	(180)
Federal Sources	55,350	55,350	7,950	-	(47,400)
Total Revenues	<u>414,336</u>	<u>419,009</u>	<u>370,520</u>	<u>-</u>	<u>(48,489)</u>
EXPENDITURES					
Current:					
General Governmental Support	7,000	3,200	-	-	3,200
Home and Community Services	231,543	245,016	173,339	-	71,677
Employee Benefits	5,503	5,503	4,380	-	1,123
Debt Service:					
Principal	169,553	169,120	169,000	-	120
Interest	-	433	288	-	145
Total Expenditures	<u>413,599</u>	<u>423,272</u>	<u>347,007</u>	<u>-</u>	<u>76,265</u>
Excess of Revenues Over (Expenditures)	<u>737</u>	<u>(4,263)</u>	<u>23,513</u>	<u>\$ -</u>	<u>\$ 27,776</u>
Additions to Reserves	<u>(28,623)</u>	<u>(23,623)</u>			
Appropriated Fund Balance	<u>27,886</u>	<u>27,886</u>			
Net Increase (Decrease)	<u>\$ -</u>	<u>\$ -</u>	<u>23,513</u>		
Fund Balance, Beginning of Year			<u>150,743</u>		
Fund Balance, End of Year			<u>\$ 174,256</u>		

See Notes to Required Supplementary Information

TOWN OF ULYSSES

SCHEDULES OF THE TOWN'S CONTRIBUTIONS NYSLRS PENSION PLAN FOR THE LAST SIX FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 70,981	\$ 71,444	\$ 71,505	\$ 72,462	\$ 69,754	\$ 69,229
Contributions in Relation to the Contractually Required Contribution	70,981	71,444	71,505	72,462	69,754	69,229
Contribution Deficiency (Excess)	-	-	-	-	-	-
Town's Covered Employee Payroll for Year Ended December 31,	530,609	537,959	548,905	549,831	555,747	527,993
Contributions as a Percentage of Covered Employee Payroll for the Year Ended December 31,	13.4%	13.3%	13.0%	13.2%	12.6%	13.1%

As information becomes available, this schedule will contain ten years of information.

See Notes to Required Supplementary Information

TOWN OF ULYSSES

SCHEDULES OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/ LIABILITY NYSLRS PENSION PLAN FOR THE YEARS ENDED DECEMBER 31,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Town's Proportion of the Net Pension (Asset)/Liability	0.0018630%	0.0019020%	0.0020350%	0.0019364%	0.0020047%	0.0018366%
Town's Proportionate Share of the Net Pension (Asset)/Liability	\$ (152,296)	\$ 1,894	\$ 538,881	\$ 137,202	\$ 64,700	\$ 172,574
Town's Covered Employee Payroll During the Measurement Period	513,462	546,125	549,831	555,747	527,993	527,993
Town's Proportionate Share of the Net Pension (Asset)/Liability as a Percentage of its Covered Employee Payroll	29.7%	0.3%	98.0%	24.7%	12.3%	32.7%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%
The Following is a Summary of Changes of Assumptions:						
Inflation	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%
Salary Increases	4.40%	4.40%	4.20%	4.20%	3.80%	3.80%
Cost of Living Adjustments	1.40%	1.40%	1.30%	1.30%	1.30%	1.30%
Investment Rate of Return	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
Discount Rate	5.90%	5.90%	6.80%	7.00%	7.00%	7.00%
Society of Actuaries' Mortality Scale	MP-2020	MP-2020	MP-2018	MP-2018	MP-2014	MP-2014

Schedule is intended to show information for 10 years.

Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

TOWN OF ULYSSES

SCHEDULES OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS FOR THE LAST 10 FISCAL YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total OPEB Liability										
Service Cost	\$ 59,894	\$ 53,131	\$ 39,083	\$ 48,904	\$ 43,188	\$ *	\$ *	\$ *	\$ *	\$ *
Interest Cost	28,171	32,117	44,414	39,611	39,680	*	*	*	*	*
Changes of Benefit Terms	-	-	-	(8,147)	-	*	*	*	*	*
Differences Between Expected and Actual Experience	(25,787)	-	(141,008)	-	-	*	*	*	*	*
Changes in Assumptions or Other Inputs	40,800	108,850	172,091	(101,188)	51,574	*	*	*	*	*
Benefit Payments	(45,321)	(43,182)	(36,324)	(38,799)	(38,004)	*	*	*	*	*
	57,757	150,916	78,256	(59,619)	96,438	*	*	*	*	*
Total OPEB Liability - Beginning	1,291,536	1,140,620	1,062,364	1,121,983	1,025,545	*	*	*	*	*
Total OPEB Liability - Ending	\$ 1,349,293	\$ 1,291,536	\$ 1,140,620	\$ 1,062,364	\$ 1,121,983	\$ 1,025,545	\$ *	\$ *	\$ *	\$ *
Covered Employee Payroll	\$ 549,254	\$ 603,775	\$ 442,879	\$ 530,232	\$ 522,146	\$ *	\$ *	\$ *	\$ *	\$ *
Liability as a % of Covered Payroll	246%	214%	258%	200%	215%	*	*	*	*	*
The Following is a Summary of Changes of Assumptions										
Healthcare Cost Trend Rates	7.8% - 3.94%	6.5% - 3.94%	6.5% - 3.94%	5.0% - 3.94%	5.0% - 3.94%	*	*	*	*	*
Salary Increases	2.50%	2.50%	2.50%	2.50%	2.50%	*	*	*	*	*
Inflation Rate	2.50%	2.20%	2.20%	2.50%	2.20%	*	*	*	*	*
Discount Rate	2.06%	2.12%	2.74%	4.10%	3.44%	*	*	*	*	*
Society of Actuaries' Mortality Scale	MP-2021	MP-2019	MP-2019	MP-2018	MP-2018	*	*	*	*	*

* Information for periods prior to implementation of GASB Statement No. 75 is unavailable and will be completed as it becomes available.

See Notes to Required Supplementary Information

TOWN OF ULYSSES

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION DECEMBER 31, 2022

***Note 1* Budget Basis of Accounting**

Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America (U.S. GAAP). Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year. Encumbrances are not considered a disbursement in the financial plan or expenditure in U.S. GAAP based financial statements. Encumbrances reserve a portion of the applicable appropriation for purchase orders, contracts, and other commitments not expended at year end, thereby ensuring that appropriations are not exceeded.

***Note 2* Budget Policies**

The budget policies are as follows:

- No later than September 30, a tentative budget is submitted by the budget officer to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
- After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- All modifications of the budget must be approved by the governing board.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed for the General and Special Revenue Funds. Encumbrances are reported as assigned fund balances, as they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

***Note 3* Reconciliation of the Budget Basis to U.S. GAAP**

No adjustment is necessary to convert the General Fund's excess of revenues and other sources over expenditures and other uses on the U.S. GAAP basis to the budget basis. Encumbrances, if present, are shown in a separate column and are not included in the actual results at December 31, 2022.

TOWN OF ULYSSES

BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2022

	<u>Special Revenue Fund</u>		<u>Capital Projects Fund - Cemetery Bridge Replacement</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Fire Protection Fund</u>	<u>Capital Projects Fund - WD3 Aerator Project</u>		
Assets				
Cash and Cash Equivalents - Unrestricted	\$ -	\$ -	\$ 207,890	\$ 207,890
Due From State and Federal Governments	-	-	18,482	18,482
Total Assets	\$ -	\$ -	\$ 226,372	\$ 226,372
Liabilities				
Due to Other Funds	\$ -	\$ -	\$ 226,372	\$ 226,372
Total Liabilities	\$ -	\$ -	\$ 226,372	\$ 226,372
Total Liabilities and Fund Balances	\$ -	\$ -	\$ 226,372	\$ 226,372

TOWN OF ULYSSES

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Special Revenue Funds</u>			
	Fire Protection Fund	Capital Projects Fund - WD3 Aerator Project	Capital Projects Fund - Cemetery Bridge Replacement	Total Non-Major Governmental Funds
REVENUES				
Real Property Taxes	\$ 229,425	\$ -	\$ -	\$ 229,425
Miscellaneous Local Sources	-	-	9,919	9,919
State Sources	-	47,024	-	47,024
Total Revenues	229,425	47,024	9,919	286,368
EXPENDITURES				
Current:				
Public Safety	229,425	-	-	229,425
Capital Outlay	-	33,349	9,840	43,189
Total Expenditures	229,425	33,349	9,840	272,614
Excess of Revenues Over (Expenditures)	-	13,675	79	13,754
Fund Balances, Beginning of Year	-	(13,675)	(79)	(13,754)
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

**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***

To the Town Board
Town of Ulysses
Trumansburg, New York

We have audited, in accordance with the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Ulysses' (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 30, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 were not 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 Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
May 30, 2023