

Agenda
January 17, 2023
at School
Town of Arietta

- Call to Order
- Roll Call
- Open Public Hearing Senior Tax Exemption
- Motion to approve minutes for the January 3, 2023 meeting
- Presentation:
 - Jim Basile Real Property Reassessment

- Resolutions:
 - 23-01-08 Review 2022 Books**
 - 23-01-09 Meal Reimbursement Policy**
 - 23-01-10 Deputies for Supervisor & Highway**
 - 23-01-11 Demolition Fees**
 - 23-01-12 Reappoint**
 - 23-01-13 Hire Audit Firm**

Snowmobile Trails –Grier
Town Buildings and Grounds - Stobo
Internal Management / Insurance,
Recreation, Website & Chamber- C Wilt
Finance / Airport-C. Rhodes
Lake / Dam / Invasive/campsite -Rudes

- **Old Business:**
 - NYMIR Letter PCH Use
 - Community Hall

New Business:

- Motion to accept the bills
- Motion to accept the financial statements
- Public Comment
- Close Public Hearing
- **23-01-14 Senior Tax Exemption**
- Designation of next Meeting February 6, 2023
- **Motion to adjourn**

TOWN OF ARIETTA

At a special meeting of the Arietta Town Board at the Piseco Common School on 1722 State Route 8, in the Town of Arietta, Hamilton County, New York on:

January 17, 2023

Resolution # 23-01-09

Subject: Resolution by the Town Board of the Town of Arietta to Establish a Meal Reimbursement Policy for Employees

Resolution Offered By: _____

WHEREAS: the Town Board of the Town of Arietta desires to establish a meal reimbursement policy when employees are traveling on behalf of the Town of Arietta, and

THEREFORE, LET IT BE RESOLVED that:

- I. Individual in-county (Hamilton County, NY) meals are not reimbursable, with the exception of training and conferences.
- II. Meals are reimbursable in conjunction with out-of-county travel as follows (including tax & tip):
 - A. With receipts, the Town will reimburse up to:
 - Breakfast - \$15.00
 - Lunch - \$20.00
 - Dinner - \$35.00
 - B. Without receipts, the Town will reimburse up to the per diem amounts (including tax & tip):
 - Breakfast - \$4.00
 - Lunch - \$6.00
 - Dinner - \$15.00
 - C. The guidelines for meal reimbursement will also include the following timing requirements which apply to day trips and the day of departure and the day of return for overnight travel:
 1. Breakfast is only reimbursable if the employee is required to leave home or work before 6:00 a.m. on the day for which reimbursement is sought.
 2. Lunch is only reimbursable if the employee is required to leave home or work before 11:00 a.m. and not able to return until after 2:00 p.m. on the day for which reimbursement is sought.
 3. Dinner is only reimbursable if the employee is required to leave home or work prior to 4:00 p.m. and not able to return until after 7:00 p.m. on the day for which reimbursement is sought.
 - D. All of the above guidelines refer to a necessity for the Town, and necessary and reasonable expense.
 - E. The Town is not responsible for any meal expenses which are in excess of the guidelines or that do not comply with the guidelines.
 - F. The Town will not reimburse for beverages with alcohol.
 - G. If meals are included in any conference fee, then the aforementioned caps do not apply, however, if the employee elects to eat food other than that which is provided, the Town will not reimburse that expense.
- III. Any travel which requires an employee to travel to New York City and the immediate area will be exempted from the meal caps, but only as a reimbursement with receipts.

TOWN OF ARIETTA

At a special meeting of the Arietta Town Board at the Piseco Common School on 1722 State Route 8, in the Town of Arietta, Hamilton County, New York on:

January 17, 2023 at 5:00pm

Resolution # 22 – 01 - 11

Subject: **Revise the Fee and Guidelines for the Disposal of Demolition Material**

Resolution Offered By: _____

WHEREAS: the current fee schedule and guidelines needs to be reviewed and updated for the disposal of demolition debris, and

WHEREAS: this fee will affect anyone with a demolition permit, contractors, and town residents for the removal of all building material, whose monthly accumulative excess weight of 500lbs or more, and

WHEREAS: the Town Board, Town of Arietta does approve establishing a new fee for all town residents, contractors, and demo permit holders whose monthly accumulative excess building material is over weight of 500lbs that is generated in the town. With a fee schedule as follows: \$71.00 per ton or amount as designated by Hamilton County Solid Waste, and

WHEREAS: additional guidelines are as follows:

1. Debris Fees will be paid by check and made payable to the Town of Arietta.
2. A Demo permit and fees will be issued by the Town of Arietta Zoning Officer
3. Transfer Station attendees will require a copy of Demo permit given by Zoning Officer before dumping any debris, or
4. Transfer Station Attendees will note the tare slip with the resident’s information and will be billed by the Town of Arietta accordingly per monthly accumulative excess weight of 500lbs or more that does not require a demo permit.

THEREFORE, LET IT BE RESOLVED: that the Town Board, Town of Arietta hereby rescinds all past resolutions for the fees set for Disposal of Demolition Material and guidelines and will approve and follow the above guidelines and fee for the disposal of debris to the Lake Pleasant Transfer station with a demolition permit.

Seconded by: _____ and put to a vote, which resulted as follows:

AYES:	NOES:	ABSTAIN	ABSENT:
Jacquelyn Grier _____	Jacquelyn Grier _____	Jacquelyn Grier ___	Jacquelyn Grier _____
Sarah Rudes _____	Sarah Rudes _____	Sarah Rudes ___	Sarah Rudes _____
Douglas Stobo _____	Douglas Stobo _____	Douglas Stobo ___	Douglas Stobo _____
Christy Wilt _____	Christy Wilt _____	Christy Wilt ___	Christy Wilt _____
Christian Rhodes _____	Christian Rhodes _____	Christian Rhodes ___	Christian Rhodes _____

Town Clerk

Date

TOWN OF ARIETTA

At a special meeting of the Arietta Town Board at the Piseco Common School, State Route 8, Piseco, NY, in the Town of Arietta, Hamilton County, New York on:

January 17, 2023 at 5:00pm

Resolution # 23-01-12

Subject: **Appointment Planning Board**

Resolution Offered By: _____

WHEREAS: it is necessary that the Arietta Town Board reappoint Bryan Rudes to the Arietta Planning Board because his term ends February 28, 2023, and

WHEREAS: the Town Board after review will reappoint him to a term of five (5) years on the Arietta Planning Board effective March 1, 2023 and ending February 29, 2028, and

THEREFORE, LET IT BE RESOLVED: that the Town Board, Town of Arietta, does hereby reappoint Bryan Rudes to the Arietta Planning Board for a term of five (5) years as outlined above.

Seconded by: _____ and put to a vote, which resulted as follows:

AYES:	NOES:	ABSTAIN	ABSENT:
Jacquelyn Grier _____	Jacquelyn Grier _____	Jacquelyn Grier _____	Jacquelyn Grier _____
Sarah Rudes _____	Sarah Rudes _____	Sarah Rudes _____	Sarah Rudes _____
Douglas Stobo _____	Douglas Stobo _____	Douglas Stobo _____	Douglas Stobo _____
Christy Wilt _____	Christy Wilt _____	Christy Wilt _____	Christy Wilt _____
Christian Rhodes _____	Christian Rhodes _____	Christian Rhodes _____	Christian Rhodes _____

Town Clerk

Date

TOWN OF ARIETTA

At a special meeting of the Arietta Town Board at the Piseco Common School on 1722 State Route 8, in the Town of Arietta, Hamilton County, New York on:

January 17, 2022 at 5:00pm

Resolution # 23 – 01 - 13

Subject: **Accept Independent Auditor**

Resolution Offered By: _____

WHEREAS: Town of Arietta, Town Board has received a new agreement from Drescher & Malecki, LLC. to provide professional auditing services for the year ending December 31, 2022, and

THEREFORE, LET IT BE RESOLVED: the Town Board of Arietta has reviewed and accepted the agreement from Drescher & Malecki, LLP for audit of the 2022 Annual Financial Reports required by the New York State Comptroller and authorizes the Supervisor to execute all documents to enter into said agreement.

Seconded by: _____ and put to a vote, which resulted as follows:

AYES:	NOES:	ABSTAIN	ABSENT:
Jacquelyn Grier _____	Jacquelyn Grier _____	Jacquelyn Grier ____	Jacquelyn Grier _____
Sarah Rudes _____	Sarah Rudes _____	Sarah Rudes _____	Sarah Rudes _____
Douglas Stobo _____	Douglas Stobo _____	Douglas Stobo _____	Douglas Stobo _____
Christy Wilt _____	Christy Wilt _____	Christy Wilt _____	Christy Wilt _____
Christian Rhodes _____	Christian Rhodes _____	Christian Rhodes _____	Christian Rhodes _____

Town Clerk

Date

Drescher & Malecki LLP
2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.565.2201



Certified Public Accountants

January 12, 2023

Honorable Chris Rhodes, Supervisor
Town of Arietta
1722 State Route 8
Piseco, New York 12139

Dear Supervisor Rhodes:

The following represents our understanding of the services we will provide the Town of Arietta, New York (the "Town").

You have requested that we audit the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2022, and for the year then ended and the related notes, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal award programs for the period ended December 31, 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 auditing standards generally accepted in the United States of America ("U.S. GAAS") and in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States of America, will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

The objectives of our compliance audits are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirements that are supplementary to U.S. GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America, ("US GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") require that supplementary information, such as management's discussion and analysis, the schedule of the local government's proportionate share of the net pension liability/(asset) – retirement system, the schedule of the local government's contributions – retirement system, and certain budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (“RSI”) in accordance with US GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management’s responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by US GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management’s Discussion and Analysis
- Schedule of the Local Government’s Proportionate Share of the Net Pension Liability/(Asset)—Employees’ Retirement System
- Schedule of Local Government Contributions—Employees’ Retirement System
- Schedule of Changes in the Local Government’s Total Pension Liability—LOSAP
- Required Supplementary Budgetary Comparison Schedule—General Fund and each major special revenue fund with a legally adopted budget

Supplementary information other than RSI will accompany the Town’s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Combining Balance Sheet—Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds

Schedules of Expenditures of Federal Awards

We will subject the Schedule of Expenditures of Federal Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on whether the Schedule of Expenditures of Federal Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management’s responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors’ reports or nine months after the end of the audit period, unless specifically waived by a federal

cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with US GAAS; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). As part of an audit in accordance with US GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 entity’s internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, 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 a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Town’s basic financial statements. Our report will be addressed to the governing body of the Town. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor’s report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the Town's major federal award programs compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and Uniform Guidance, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance require that we also plan and perform the audit to obtain reasonable assurance about whether material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audits. 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 U.S. GAAS, *Government Auditing Standards*, the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal award programs as a whole.

As part of a compliance audit in accordance with U.S. GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal award programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we consider necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management Responsibilities

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. 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;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the Schedule of Expenditures of Federal Awards in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal and statutes, regulations, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;
15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and

- c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - d. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
 17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
 20. For the accuracy and completeness of all information provided;
 21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
 22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the Schedule of Expenditures of Federal Awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the Schedule of Expenditures of Federal Awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the Schedule of Expenditures of Federal Awards, (c) to include our report on the Schedule of Expenditures of Federal Awards in any document that contains the Schedule of Expenditures of Federal Awards that indicates that we have reported on such schedule, and (d) to present the Schedule of Expenditures of Federal Awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the Schedule of Expenditures of Federal Awards no later than the date of issuance by you of the schedule and our report thereon.

As part of our audit process, we will request from management and those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

In addition to the audit services described above, based on information in the Town's trial balance, we will also provide certain nonattest services including:

- Propose adjusting or correcting journal entries to be reviewed and approved by the Town's management.

- Assist the Town in the preparation of the basic financial statements and federal awards schedule for the year ending December 31, 2022.
- Assist the Town in the preparation of the Statement of Changes in Cash Balances and Statement of Cash Receipts and Cash Disbursements for the Receiver of Taxes, Town Clerk and the Town Justices.
- Review and provide editorial comments to the Town's Management Discussion and Analysis.
- Address routine accounting and auditing inquiries through the year including applicability of GASB pronouncements to the Town.

We will not assume management responsibilities on behalf of the Town. However, we will provide advice and recommendations to assist management of the Town in performing its responsibilities.

The Town's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We also will issue a written report on the Statement of Changes in Cash Balances and Statement of Cash Receipts and Cash Disbursements for the Receiver of Taxes, Town Clerk, and the Town Justices upon completion of our audit.

Other

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows:

	<u>Begin</u>	<u>Targeted for Completion</u>
Audit Performance Schedule:		
Planning audit procedures	January 2023	January 2023
Year-end audit procedures	March 2023	April 2023
Audit Communications and Audit Report:		
Report on audit (including communications to the Town's Board)		May/June 2023
Significant deficiencies or material weaknesses, if any		May/June 2023
Other management comments		May/June 2023
Issue audit report		May/June 2023

The aforementioned schedule is based on our prior discussions, should you wish to schedule differently, we believe we can accommodate you. Assistance to be supplied by the Town's personnel, including preparation of schedules and analyses of accounts, will be described in a separate communication. Timely completion of the Town's work will facilitate the completion of our audit by the targeted completion dates. Appendix A provides a description of circumstances that could significant change the targeted completion dates.

Carl A. Widmer is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Drescher & Malecki, LLP's ("D&M") services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees will be billed as work progresses and are based on the anticipated amount of time required to complete. As per our proposal, our fees will be as follows:

Fiscal Year Ending December 31,	Financial Statement Audit	Single Audit	Departmental Audits (Per Dpt.)
2022	\$ 17,000	\$ 4,000	\$ 1,500

To the extent that certain circumstances, as listed in Appendix A, arise during the engagement, our fee estimate may be affected and additional fees may be necessary. Additional services provided beyond the described scope of services will be billed separately.

If it should be necessary for the Town to request D&M to render any additional services, such services would be submitted to the Town Treasurer for approval prior to D&M commencing such services. Our 2023 hourly rates for services would be as follows: Partner \$200/hr.; Manager \$175/hr.; Supervisory Staff \$125/hr.; and Professional Staff \$100/hr.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of the facts that may affect the financial statements of which you may be aware during the period from the date of the auditor's report to the date of the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Town Board the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of D&M and constitutes confidential information. However, we may be requested to make certain audit documentation available to a federal agency or the Comptroller General of the United States pursuant to authority given to them by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of D&M's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a federal agency or the Comptroller General of the United States. The federal agency or the Comptroller General of the United States may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Dresser & Malachuk LLP

* * * * *

RESPONSE:

This letter correctly sets forth our understanding.
Town of Arietta, New York
Acknowledged and agreed on behalf of the Town:

By: _____

Title: _____

Date: _____

APPENDIX A

Town of Arietta, New York Circumstances Affecting Timing and Fee Estimate Year Ending December 31, 2022

The estimate of our fees is based on certain assumptions. To the extent that certain circumstances as listed in this Appendix arise during the engagement, our fee estimate may be significantly affected and additional fees may be necessary. We will notify you of circumstances that we encounter that could significantly affect our estimate and discuss with you any additional fees, as necessary which would be subject to approval by the Town Board. Such circumstances include but are not limited to the following:

1. Changes to the timing of the engagement at the Town's request. Changes to the timing of the engagement usually require reassignment of personnel used by Drescher & Malecki LLP (D&M) in the performance of services hereunder. However, because it is often difficult to reassign individuals to other engagements, D&M may incur significant unanticipated costs.
2. All audit schedules are not (a) provided by the Town on the date requested, (b) completed in a format acceptable to D&M (c) mathematically correct, or (d) in agreement with the appropriate Town records (e.g., general ledger accounts). D&M will provide the Town with a separate listing of required schedules and deadlines.
3. Weaknesses in the internal control structure.
4. Significant new issues or changes as follows:
 - a. Significant new accounting issues that require an unusual amount of time to resolve.
 - b. Significant changes in accounting policies or practices from those used in prior years.
 - c. Significant changes or transactions that occur prior to the issuance of our reports.
 - d. Significant changes in the Town's accounting personnel, their responsibilities, or their availability.
 - e. Significant changes in auditing requirements set by regulators.
5. Significant delays in assistance in the Town's assistance in the engagement or delays by the Town in reconciling variances as requested by D&M. All invoices, contracts, and other documents, which we will identify for the Town, are not located by the Town's personnel or made ready for our easy access.
6. Deterioration in the quality of the Town's accounting records during the current-year engagement in comparison with the prior-year engagement.
7. The procedures necessary to adopt new Governmental Accounting Standards Board Statements have not been completed by Town personnel.
8. A significant level of proposed audit adjustments are identified during our audit.
9. Changes in audit scope caused by events that are beyond our control.



Jones, Nale & Mattingly PLC

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners
Drescher & Malecki LLP
and the Peer Review Committee of the Pennsylvania Institute of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Drescher & Malecki LLP (the firm) in effect for the year ended December 31, 2020. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Drescher & Malecki LLP in effect for the year ended December 31, 2020, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Drescher & Malecki LLP has received a peer review rating of *pass*.

Jones, Nale & Mattingly P.C.

Louisville, Kentucky
June 28, 2021



PROPOSED LOCAL LAW NO. 1 OF 2023

State of New York

Town of Arietta

A LOCAL LAW entitled “Senior Tax Exemption”, amending Local Law #1 of 2010, which amended Local Law #1 of 2009, which amended Local Law #2 of 2004, which amended Local Law #1 of 1982, which amended Local Law #1 of 1980, which amended Local Law #2 of 1977, which amended Local Law #2 of 1974

BE IT ENACTED, by the Town Board of the Town of Arietta as follows:

Section 1. The purpose of this Local Law is to permit partial exemption from real property taxation, real property owned by one or more persons, each of whom is 65 years of age or over, or real property owned by husband and wife, one of whom is 65 years of age or over and whose income or combined annual income does not exceed \$36,000.00 pursuant to §467 of Real Property Tax Law.

Section 2. Real Property situate in the Town of Arietta, Hamilton County, New York, owned by one or more persons, each of whom is sixty-five years of age or older, or real property owned by husband and wife, one of whom is sixty-five years of age or older, shall be exempt from taxation to the extent of fifty percent (50) of the assessed valuation thereof.

Section 3. No exemption shall be granted:

- (a) If the income of the owner or the combined income of the owners of the property for the income tax year immediately preceding the date of making application for exemption exceeds the sum of \$36,000.00 income tax year shall mean the 12-month period for which the owners filed a Federal Personal Income Tax Return, or if no such return is filed, the calendar year. Where title is vested in either the husband or wife, their combined income may not exceed such sum. Such income shall include social security and retirement benefits, interest, dividends, net rental income, salary of earnings and net income from self-employment, but shall not include gifts or inheritances;
- (b) Unless the title of the property shall have been vested in the owner or all of the owners of the property for at least sixty consecutive months prior to the date of making application for exemption, provided, however, that in the event of the death of either a husband or wife in whose name title of the property shall have been vested at the time of death and then becomes vested solely in the survivor by virtue of devise by or descent from the deceased husband or wife, the time of ownership of the property by the deceased husband or wife shall be deemed also a time of ownership by the survivor and such ownership shall be deemed continuance for the purposes of computing such period of sixty consecutive months provided further, that in the event of a transfer by either a husband or wife to the other spouse of all or part of the title to the property the time of ownership of the property by the transfer of spouse shall be deemed also a time of ownership by the transferee spouse and such ownership shall be deemed continuous for the purposes of computing such period of sixty consecutive months and provided further that where property of the owner or owners has been acquired to replace property formerly owned by such owner or owners and taken by eminent domain or other involuntary proceeding, except a tax sale, and further provided that where a residence is sold and replaced with another within one year and is in the same assessment unit the period of ownership of the former property shall be combined with the period of ownership of the property for which application is made for exemption and such periods of ownership shall be deemed to be consecutive for purposes of this section;
- (c) Unless the property is used exclusively for residential purposes;
- (d) Unless the real property is the legal residence of and is occupied in whole or in part by the owner or by all of the owners of the property.