

TOWN OF ROTTERDAM, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2020

TOWN OF ROTTERDAM, NEW YORK

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INDEPENDENT AUDITOR'S REPORT

To the Supervisor and Members of
the Town Board of the
Town of Rotterdam, New York

Report on the Financial Statements

We have audited the accompanying financial statements of all fund types and the non-current governmental liabilities account group of the Town of Rotterdam, New York (the "Town") as of and for the year ended December 31, 2020, and the related notes to the financial statements as listed in the table of contents, which collectively comprise the Town's basic financial statements.

Management's Responsibility for the Financial statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Unmodified Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of all fund types and the non-current governmental liabilities account group for the Town of Rotterdam, New York, as of December 31, 2020, and the changes in its financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present all fund types and the non-current governmental liabilities account group, and do not purport to, and do not present fairly the financial position of the Town as of December 31, 2020, or the changes in its government-wide financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Additionally, we were not engaged to perform an audit of capital assets. Our opinion is not modified with respect to these matters.

As discussed in Note 1, the Town adopted the Governmental Accounting Standards Board's Statement No. 84, *Fiduciary Activities*, as of and for the year ended December 31, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information (pages 26-29), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
December 14, 2021

TOWN OF ROTTERDAM, NEW YORK

BALANCE SHEETS

ALL FUND TYPES AND NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP

DECEMBER 31, 2020

Assets	Governmental Fund Types									Non-Current Governmental Liabilities Account Group
	General	Highway	Water	Sewer	Drainage	Fire Protection	Lighting	Special Grant	Capital Projects	
Cash	\$ 3,581,495	\$ 1,033,136	\$ 1,664,221	\$ 1,776,789	\$ 31,389	\$ 9,803	\$ 145,315	\$ 182,447	\$ 2,965,882	\$ -
Due from other governments	1,134,344	310,224	247,133	-	-	-	-	-	-	-
Prepaid expenditures	362,206	48,485	11,886	8,500	-	-	-	-	-	-
Other receivables	902,212	7,248	526,236	405,355	-	-	-	650	-	-
Inventory	16,011	-	-	-	-	-	-	-	-	-
Due from other funds	35,974	-	44,547	-	-	-	-	-	-	-
Cash restricted	1,121,455	650,884	1,310,080	198,208	-	-	-	-	-	-
Provisions to be made in future budgets	-	-	-	-	-	-	-	-	-	93,516,303
Total assets	\$ 7,153,697	\$ 2,049,977	\$ 3,804,103	\$ 2,388,852	\$ 31,389	\$ 9,803	\$ 145,315	\$ 183,097	\$ 2,965,882	\$ 93,516,303
Liabilities, Deferred Inflows of Resources and Fund Equity (Deficit)										
Liabilities:										
Accounts payable	\$ 432,406	\$ 80,413	\$ 152,769	\$ 132,531	\$ 1,967	\$ -	\$ 22,066	\$ -	\$ 1,032,289	\$ -
Accrued liabilities	256,098	26,369	-	-	-	-	-	91,517	-	-
Due to retirement system	-	-	-	-	-	-	-	-	-	11,207,167
Due to other funds	-	-	-	-	-	-	-	-	80,521	-
Other post-employment benefits	-	-	-	-	-	-	-	-	-	74,421,117
Compensated absences	-	-	-	-	-	-	-	-	-	2,929,224
Landfill closure	-	-	-	-	-	-	-	-	-	68,795
BANS and bonds payable	-	-	-	-	-	-	-	-	5,226,520	4,890,000
Total liabilities	688,504	106,782	152,769	132,531	1,967	-	22,066	91,517	6,339,330	93,516,303
Deferred Inflows of Resources	-	-	117,974	119,938	-	-	-	-	-	-
Fund Equity (Deficit):										
Nonspendable	378,217	48,485	11,886	8,500	-	-	-	-	-	-
Restricted	1,121,455	650,884	1,310,080	198,208	-	-	-	-	-	-
Assigned	1,847,958	1,243,826	2,211,394	1,929,675	29,422	9,803	123,249	91,580	-	-
Unassigned (deficit)	3,117,563	-	-	-	-	-	-	-	(3,373,448)	-
Total fund equity (deficit)	6,465,193	1,943,195	3,533,360	2,136,383	29,422	9,803	123,249	91,580	(3,373,448)	-
Total liabilities, deferred inflows of resources and fund equity (deficit)	\$ 7,153,697	\$ 2,049,977	\$ 3,804,103	\$ 2,388,852	\$ 31,389	\$ 9,803	\$ 145,315	\$ 183,097	\$ 2,965,882	\$ 93,516,303

TOWN OF ROTTERDAM, NEW YORK
STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020

Governmental Fund Types

	<u>General</u>	<u>Highway</u>	<u>Water</u>	<u>Sewer</u>	<u>Drainage</u>	<u>Fire Protection</u>	<u>Lighting</u>	<u>Special Grant</u>	<u>Capital Projects</u>
Revenue									
Real property taxes	\$ 6,496,785	\$ 3,949,225	\$ 1,102,324	\$ 1,500,347	\$ 7,360	\$ 42,480	\$ 177,618	\$ -	\$ -
Real property tax items	822,355	298,723	-	-	-	-	-	-	-
Non-property tax items	4,354,590	-	-	-	-	-	-	-	-
Departmental income	372,851	-	1,196,086	325,194	-	-	-	-	-
Intergovernmental charges	217,273	-	347,133	-	-	-	-	-	-
Use of money and property	6,543	2,322	230,151	3,042	22	14	147	-	-
Licenses and permits	48,569	7,700	-	300	-	-	-	-	-
Fines and forfeitures	295,705	-	-	-	-	-	-	-	-
Sale of property and compensation for loss	265,723	31,608	-	-	-	-	-	-	-
Miscellaneous local sources	216,380	3,424	7,811	8,983	-	-	-	263,007	-
Interfund revenue	25,000	-	-	-	-	-	-	-	-
State aid	1,054,593	310,224	111,930	-	-	-	-	-	3,401,019
Federal aid	2,029	-	-	-	-	-	-	1,793,207	-
Total revenue	<u>14,178,396</u>	<u>4,603,226</u>	<u>2,995,435</u>	<u>1,837,866</u>	<u>7,382</u>	<u>42,494</u>	<u>177,765</u>	<u>2,056,214</u>	<u>3,401,019</u>
Expenditures									
General governmental support	2,545,197	-	-	-	-	-	-	-	18,002
Public safety	6,386,885	-	-	-	-	42,000	-	-	-
Public health	3,400	-	-	-	-	-	-	-	-
Transportation	224,121	2,864,642	-	-	-	-	162,003	-	519,811
Economic assistance and opportunity	986,148	-	-	-	-	-	-	-	-
Culture and recreation	463,157	-	-	-	-	-	-	-	184,495
Home and community services	491,404	-	1,559,381	938,345	9,455	-	-	1,978,088	4,076,864
Employee benefits	4,714,482	1,128,149	278,221	201,528	-	-	-	-	-
Debt service (principal and interest)	157,485	437,088	142,479	426,635	-	-	-	-	-
Total expenditures	<u>15,972,279</u>	<u>4,429,879</u>	<u>1,980,081</u>	<u>1,566,508</u>	<u>9,455</u>	<u>42,000</u>	<u>162,003</u>	<u>1,978,088</u>	<u>4,799,172</u>
Other Changes									
Proceeds of serial bonds	-	-	-	-	-	-	-	-	709,144
BANs redeemed	-	-	-	-	-	-	-	-	283,310
Operating transfers - in	349,497	36,896	-	-	-	-	-	-	876,985
Operating transfers - out	(569,977)	(60,000)	(503,255)	(125,746)	(400)	(1,000)	(3,000)	-	-
Total other changes	<u>(220,480)</u>	<u>(23,104)</u>	<u>(503,255)</u>	<u>(125,746)</u>	<u>(400)</u>	<u>(1,000)</u>	<u>(3,000)</u>	<u>-</u>	<u>1,869,439</u>
Excess (deficiency) of revenue over expenditures	(2,014,363)	150,243	512,099	145,612	(2,473)	(506)	12,762	78,126	471,286
Fund balance (deficit) at beginning of year	<u>8,479,556</u>	<u>1,792,952</u>	<u>3,021,261</u>	<u>1,990,771</u>	<u>31,895</u>	<u>10,309</u>	<u>110,487</u>	<u>13,454</u>	<u>(3,844,734)</u>
Fund balance (deficit) at end of year	<u>\$ 6,465,193</u>	<u>\$ 1,943,195</u>	<u>\$ 3,533,360</u>	<u>\$ 2,136,383</u>	<u>\$ 29,422</u>	<u>\$ 9,803</u>	<u>\$ 123,249</u>	<u>\$ 91,580</u>	<u>\$ (3,373,448)</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Rotterdam, New York (the “Town”), is governed by its Town Charter, other general laws of the State of New York and various local laws. The Town Board, which is the governing body of the Town, consists of the Supervisor and four voting Council members, all elected. The Town Supervisor serves as the chief executive officer and chief fiscal officer. The Town provides the following basic services: public safety, health services, maintenance of Town roads, recreation, home and community service, economic assistance and other general services.

The Town of Rotterdam, New York has prepared all fund types and non-current governmental liabilities account group financial statements in accordance with accounting principles generally accepted in the United States of America as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretation).

The Town does not comply with GASB Statement No. 34, which requires the Town to present the government-wide financial statements on a full accrual government-wide basis as well as the fund basis. The financial statements present only all fund types and the non-current governmental liabilities account group, and do not purport to, and do not present fairly the government-wide financial position or changes in financial position of the Town.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying governmental funds financial statements follows.

A. Financial Reporting Entity

GASB Statement No. 61 defines the financial reporting entity for the Town to include all funds, account groups, agencies, boards, commissions, and authorities where the elected officials (the Supervisor and/or the Town Board, respectively) are financially accountable. The following terms are used to describe the components of a reporting entity:

- Primary Government

A legally separate state, general purpose local or special purpose government with a separately elected governing body. It must be fiscally independent of other primary governments.

- Component Unit

A legally separate organization for which the elected officials are financially accountable. Also the primary government is able to impose its will on the component unit or there is a potential for the component unit to provide a financial benefit or incur a financial burden on the primary government. The Town has no component units.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The accounts of the Town are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following fund types and account groups are used.

Governmental Fund Types

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

- a. General Fund - The general fund is the principal fund and includes all operations not required to be recorded in other funds.
- b. Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Special Revenue Funds are:

- Highway
- Water
- Sewer
- Drainage
- Fire Protection
- Lighting
- Special Grant

- c. Capital Projects Fund - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- d. Account Groups

Used to establish accounting control and accountability for general fixed assets and general long-term debt. The two account groups are not "funds." They are concerned with measurement of financial position and not results of operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Governmental Fund Types (Continued)

d. Account Groups (Continued)

1. The Non-Current Governmental Assets Account Group - used to account for land, buildings, improvements other than buildings and equipment utilized for general government purposes. The Town does not maintain subsidiary records to support the amounts recorded in the non-current governmental assets account group.
2. The Non-Current Governmental Liabilities Account Group - used to account for all long-term obligations.

C. 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 financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus. Measurement focus is the determination of what should be measured.

Modified Accrual Basis - All Governmental Funds are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter, within 60 days, to be used to pay liabilities of the current period.

Material revenues that are accrued include state and federal aid and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made unless it is not anticipated to be received within one year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting/Measurement Focus (Continued)

Expenditures are recorded when the fund liability is incurred except that:

- a. Principal and interest on indebtedness are recognized as an expenditure when due.
- b. Compensated absences, such as vacation and sick leave which vest or accumulate, are charged as an expenditure when paid.
- c. Inventory is valued at cost utilizing the first-in, first-out method.

D. Property Taxes and Collections

Town real property taxes are levied together with Schenectady County property taxes annually no later than January 1, and become a lien on January 1. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the Town.

E. Budgetary Data

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

- a. No later than September 30, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds, except for the Special Grant Fund.
- b. After public hearings are conducted to obtain taxpayer comments, but no later than November 20, the governing board adopts the budget.
- c. All modifications of the budget must be approved by the governing board. However, the comptroller is authorized to transfer certain budget amounts within the departments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. *Budgetary Data (Continued)*

2. Encumbrances

Encumbrances are reservations of fund balance for outstanding purchase commitments. Expenditures for such commitments are recorded in the period in which the liability is incurred.

3. Budget Basis of Accounting

- a. Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior years.
- b. Budgetary controls for the Special Grant Fund are established in accordance with applicable grant agreements which covers a period other than the Town's fiscal year.

F. *Allowance for Uncollectible Receivables*

An allowance for uncollectible receivables is maintained at a level which, in management's judgment, is adequate to absorb uncollectible amounts. The allowance for uncollectible receivables was \$0 at December 31, 2020.

G. *Inventory*

Inventory consists of gasoline and diesel fuel recorded at cost using the first-in, first-out basis.

H. *Interfund Transactions*

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

I. *Departure from the Basis of Accounting*

The Town does not maintain subsidiary records to support the amounts recorded in the general fixed assets account group for land, buildings and improvements. The correct carrying values of these fixed assets at December 31, 2020 is not known.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows and Inflows of Resources

In addition to assets, a separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time in the government wide financial statements. In addition to liabilities, a separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time in the government wide financial statements. The Town has two deferred outflows and inflows of resources. The first relates to the effect of the change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension system not included in pension expense. The second relates to the effect of the net change in the actual and expected expense in reporting OPEB.

K. Deferred Compensation Plan

Employees of the Town may elect to participate in the Town's Deferred Compensation Plan created in accordance with Internal Revenue Code §457. The Plan, available to all employees, permits them to defer a portion of their salary until future years, usually after retirement.

Under the terms of the amended Plan agreement, these monies are not subject to the claims of the Town's general creditors after they are paid to the Plan's Trustee.

L. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates. Significant estimates include compensated absences, postemployment benefits and pension liabilities.

M. Self-Insurance

The Town has retained a portion of the liability to cover losses under §207-C of the Workers' Compensation Law of police officers. Officers are entitled to their full pay when out on leave. The Town is required to cover any amount of losses not reimbursed by Workers' Compensation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. *Compensated Absences*

Town employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. The liability for accumulated vacation and related benefits has been recorded in the respective governmental fund type in accordance with GASB 16. Payment of accumulated sick leave and related benefits is reflected in the non-current government liabilities account group since it is anticipated that none of the liability will be liquidated with expendable financial resources. However, management believes that sufficient resources will be made available for payment of accumulated sick leave and related benefits when such payments become due.

O. *Postemployment Health Insurance Benefits*

In addition to providing pension benefits, the Town provides certain health benefits for retired employees, their spouses and certain survivors. All of the Town's employees may become eligible for these benefits if they reach normal retirement age. Those and similar benefits for active employees are provided through payments to New York State Government Employees' Health Insurance Program.

P. *New Accounting Pronouncements*

GASB Statement No. 84

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This statement describes four fiduciary funds that should be reported, if applicable. (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

2. STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY

Expenditures for employee benefits and home and community services in the highway fund and sewer fund, respectively, exceeded appropriations by \$49,612 and \$62,023, respectively, resulting from expenditures being made without budgetary authorizations.

The Capital Project Fund has a deficit totaling \$3,373,448 at December 31, 2020. This deficit is caused by allowing contracts for projects funded with Bond Anticipation Notes. The deficit will be eliminated when serial bonds are issued.

3. CASH AND INVESTMENTS

The Town's investment policies are governed by state statutes. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The comptroller is authorized to use demand accounts, certificates of deposit, obligations of the United States of America, New York State and local municipalities and school districts, certificates of participation and repurchase agreements with certain restrictions.

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

During 2020, cash and investments were either insured by Federal Depository Insurance or collateralized by assets of the Town's agent in the Town's name.

4. CASH RESTRICTED

Cash restricted consists of the following:

General Fund

Parkland Deposits	\$ 138,341
Employee Benefit Reserve	134,367
Asset Forfeiture Reserve	46,417
Capital Reserve	99,301
Reserve for Repairs	<u>703,029</u>
	<u>\$ 1,121,455</u>

Highway Fund

Reserve for Repairs	<u>\$ 650,884</u>
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Water Fund

Reserve for Repairs	<u>\$ 1,310,080</u>
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Sewer Fund

Reserve for Repairs	<u>\$ 198,208</u>
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5. DUE FROM OTHER GOVERNMENTS AND OTHER RECEIVABLE

Due from other governments consist of the following:

	General Fund	Highway Fund	Water Fund
Sales Tax	\$ 419,634	\$ -	\$ -
Economic Development Tax	505,368	-	-
Schenectady County - Parks	125,000	-	-
Uniform Communication Center	56,450	-	-
CHIPS	-	310,224	-
Town of Guilderland	-	-	247,133
Other	27,892	-	-
	<u>\$ 1,134,344</u>	<u>\$ 310,224</u>	<u>\$ 247,133</u>

Other receivables consist of the following:

	General Fund	Highway Fund	Water Fund	Sewer Fund
Charter Franchise Fee	\$ 549,606	\$ -	\$ -	\$ -
Town Justice	76,144	-	-	-
Insurance Refund	242,806	-	-	-
Water/Sewer Rents	-	-	518,965	392,656
Other	33,656	7,248	7,271	12,699
	<u>\$ 902,212</u>	<u>\$ 7,248</u>	<u>\$ 526,236</u>	<u>\$ 405,355</u>

6. BOND ANTICIPATION NOTES

Liabilities for bond anticipation notes (BANs) issued for capital projects that are one year in duration are accounted for in the Capital Projects Fund.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. The changes in the Town's BANs outstanding during the year were as follows:

BANs Outstanding January 1, 2020	\$ 5,581,380
Repayments	(733,310)
New Debt	378,450
BANs Outstanding December 31, 2020	<u>\$ 5,226,520</u>

6. BOND ANTICIPATION NOTES (CONTINUED)

BANs outstanding at December 31, 2020 were as follows:

<u>Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance December 31, 2020</u>
Helderberg/Highbridge Sewers	11/12/21	.57%	\$ 122,250
Emergency Sewer Repairs	03/02/21	1.43%	168,000
Emergency Sewer Repairs	09/24/21	.85%	98,420
Hamburg Street Sewer	06/18/21	.85%	3,611,400
Highway Equipment	10/20/21	.62%	528,000
Well Water Project	09/24/21	.85%	320,000
Highbridge Upgrades	12/16/21	.58%	378,450
			<u>\$ 5,226,520</u>

7. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both recognition criteria are met, the deferred inflows of resources is reduced and revenue is recognized.

Deferred inflows consist of the following:

Water Fund - Water Rents not available	<u>\$ 117,974</u>
Sewer Fund - Sewer Rents not available	<u>\$ 119,938</u>

8. LONG-TERM INDEBTEDNESS

The changes in the Town's long-term indebtedness during the year are summarized as follows:

	Payable at January 1, <u>2020</u>	<u>Additions</u>	<u>Decreases</u>	Payable at December 31, <u>2020</u>
Landfill Postclosure Costs	\$ 136,494	\$ -	\$ 67,699	\$ 68,795
Bonds	5,480,500	-	590,500	4,890,000
Compensated Absences	2,629,740	299,484	-	2,929,224
Postemployment Benefits	68,529,592	5,891,525	-	74,421,117
Net Pension Liability	3,367,774	7,839,393	-	11,207,167
Total	<u>\$ 80,144,100</u>	<u>\$ 14,030,402</u>	<u>\$ 658,199</u>	<u>\$ 93,516,303</u>

A. *Claims and Judgments*

There were several tax review cases pending against the Town for a reduction in the assessed value of property. The petitions were for taxes collected in 2005 through 2018. The Town believes that the likelihood of a reduction is remote and therefore no provision for loss has been recorded in the non-current governmental liabilities account group at December 31, 2020.

B. *Landfill Postclosure Costs*

The Town entered into an Order of Consent with the New York State Department of Environmental Conservation (DEC) on April 17, 1990 for the purpose of ensuring the proper maintenance and future closure of the Town's landfill. The order includes specific requirements and deadlines for the Town to follow and meet or they could be subject to penalties. The status of compliance with the consent order is subject to review by the Department of Environmental Conservation. The Town has been served with a number of additional consent orders in 1996, 1997 and 1998.

The closure of the landfill was substantially completed in 1995. The remaining cost of the required maintenance, closure and postclosure monitoring costs of the landfill is estimated to be \$68,795 at December 31, 2020. The Town has recorded this estimate in the non-current governmental liabilities account group.

8. LONG-TERM INDEBTEDNESS (CONTINUED)

C. Bonds

The following is a summary and description of the serial bonds outstanding at December 31, 2020:

<u>Description</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Outstanding at December 31, 2020</u>
Tax Certiorari	08/15/02	\$ 3,250,000	08/15/22	4.0%	\$ 460,000
Water Drainage	11/05/03	\$ 442,585	11/05/32	0.0%	180,000
General Improvement	05/15/09	\$ 2,327,000	05/15/22	3.33%	335,000
Water Tank	10/15/09	\$ 1,400,000	10/15/29	3.766%	750,690
Drainage	10/15/09	\$ 1,500,000	10/15/29	3.766%	804,310
General Public Improvement	11/13/19	\$ 2,410,500	07/19/23	1.67%	<u>2,360,000</u>
					<u>\$ 4,890,000</u>
Drinking Water Facility *	07/19/18	\$ 2,100,000		2.625%-2.750%	<u>\$ 709,144</u>

* EFC Bond was issued, with \$709,144 drawdowns at December 31, 2020. It is anticipated that when the project is complete, these notes will be converted to long-term.

The following is a summary of maturity of debt service requirements for general obligation bonds:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 610,000	\$ 93,945
2022	635,000	70,895
2023	235,000	50,250
2024	240,000	43,850
2025	245,000	37,250
2026-2030	1,145,000	78,200
2031-2032	<u>1,780,000</u>	-
	<u>\$ 4,890,000</u>	<u>\$ 374,390</u>

D. Compensated Absences

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

Payment of accumulated and unused vacation, holiday, sick leave and compensatory absences recorded in the non-current governmental liabilities account group is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of vacation, holiday, sick leave and compensatory absences when such amounts become due.

8. LONG-TERM INDEBTEDNESS (CONTINUED)

D. *Compensated Absences (Continued)*

The Town recognizes a liability for vacation, holiday and compensatory absences and additional salary-related payments as the benefits are earned by the employees, based on the rendering of past service and the probability that the employees will be compensated for the benefits through paid time off or some other means. This includes vacation, holiday and compensatory absences that were earned but not used during the current or prior periods and of which employees can receive compensation in a future period.

In addition, the Town recognizes a liability for vesting sick leave and additional salary-related payments as employees earn benefits and to the extent it is probable that the Town will compensate the employees for the benefits through cash payments, rather than be taken as absences due to illness or other contingencies for employees who, at the balance sheet date, currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

E. *Postemployment Benefits*

Plan Description

GASB Statement 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefits.

Funding Policy

The Town currently funds the Plan to satisfy current obligations on a pay-as-you-go basis. During the year ended December 31, 2020 approximately \$1,925,000 was paid on behalf of 135 retirees.

Benefits Provided

The Town provides postemployment healthcare benefits for certain eligible retirees.

8. LONG-TERM INDEBTEDNESS (CONTINUED)

E. *Postemployment Benefits (Continued)*

Employees Covered by Benefit Terms

As of December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	156
Active employees	<u>121</u>
Total participants covered by OPEB Plan	<u><u>277</u></u>

Total OPEB Liability

The Town's total OPEB liability of \$74,421,117 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Inflation	2.5%
Discount Rate	2.12%
Healthcare Cost Trend Rates	5.7% for 2020 and 2021 to 4.04% in 2075
Salary Increases	Vary by year of service

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligation Index* based on the 20 year AA municipal bond rate as of December 31, 2020.

Mortality rates were based on the April 1, 2010 - March 31, 2015 New York State Employees Retirement System expense with adjustments for mortality improvements based in Society for Actuaries Scale MP-2014.

8. LONG-TERM INDEBTEDNESS (CONTINUED)

E. Postemployment Benefits (Continued)

Changes in the Total OPEB Liability

OPEB Liability Beginning of Year	\$ 68,529,592
Changes for the Year:	
Service Cost	2,368,620
Interest	1,912,779
Assumption Changes and Differences	3,802,435
Benefit Payments	<u>(2,192,309)</u>
OPEB Liability End of Year	<u>\$ 74,421,117</u>

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

The following presents the Town's total OPEB Liability calculated using a discount rate of 2.74%, 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 1 percentage point higher than the current rate:

	Discount Rate		
	<u>1% Decrease</u>	<u>% Baseline</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 89,913,441</u>	<u>\$ 74,421,117</u>	<u>\$ 62,466,531</u>

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

The following presents the Town's total OPEB Liability calculated using a healthcare cost trend rate of 5.7%, as well as what the Town's total OPEB Liability would be if it were calculated using a healthcare trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Healthcare Cost Trend Rate		
	<u>1% Decrease</u>	<u>% Baseline</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 61,039,606</u>	<u>\$ 74,421,117</u>	<u>\$ 92,193,464</u>

8. LONG-TERM INDEBTEDNESS (CONTINUED)

E. *Postemployment Benefits (Continued)*

OPEB Expense

For the year ended December 31, 2020, the Town recognized an OPEB expense as follows:

	<u>2020</u>
Service Cost	\$ 2,368,620
Interest	1,912,779
Changes of Assumptions or Other Inputs	<u>1,983,964</u>
 Net OPEB Expense	 <u><u>\$ 6,265,363</u></u>

At December 31, 2020, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual expense	\$ -	\$ (4,705,850)
Change in assumptions and other inputs	<u>17,398,186</u>	<u>(3,092,057)</u>
	<u><u>\$ 17,398,186</u></u>	<u><u>\$ (7,797,907)</u></u>

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

December 31, 2021	\$ 1,983,964
December 31, 2022	1,983,964
December 31, 2023	1,983,962
December 31, 2024	3,014,649
December 31, 2025	<u>633,740</u>
	<u><u>\$ 9,600,279</u></u>

Covered payroll was \$7,744,940 for the year ended December 31, 2020.

9. PENSION PLAN

General Information

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and New York State and Local Police and Fire Retirement System ("PFRS"). The Systems are cost sharing multiple-employer, public employee retirement systems. The Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Description and Benefits Provided

The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the Systems. The Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the Systems. System benefits are established under provisions of the New York State Retirement and Social Security Laws ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for ERS employees who joined the System after July 27, 1976 who contribute 3% of their salary, for the first ten years of membership and employees who joined on or after January 1, 2010 who generally must contribute 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>PFRS</u>
March 31, 2021	\$ 613,702	\$ 1,110,604
March 31, 2020	\$ 601,685	\$ 1,013,994
March 31, 2019	\$ 612,901	\$ 983,254

Chapter 260 of the laws of 2014 of the State of New York allows local employers to bond or amortize a portion (limitations established by fiscal year) of their retirement bill up to 10 years for fiscal years ended March 31, 2005 through 2008. Chapter 57 of the laws of 2010 of the State of New York allows local employers to amortize a portion (limitations established by fiscal year) of their retirement bill for 10 years for fiscal years ended March 31, 2013 and forward.

9. PENSION PLAN

Plan Description and Benefits Provided (Continued)

These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts. The Town has not bonded or amortized any portion of their retirement obligations.

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

At December 31, 2020, the Town reported a liability of \$3,964,211 for ERS and \$7,242,956 for PFRS for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2020, the Town's proportion was .0150% percent ERS and .1355% PFRS.

At December 31, 2020, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 715,615	\$ (121,319)
Changes in assumptions	698,917	(68,924)
Net difference between projected and actual earnings on pension plan investments	5,293,978	-
Changes in proportion	142,087	(522,478)
Contributions subsequent to the measurement date	<u>1,293,229</u>	<u>-</u>
	<u>\$ 8,143,826</u>	<u>\$ (712,721)</u>

9. PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions (Continued)

The net amount of the employer's balances of deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2021	\$	2,443,467
2022		1,473,182
2023		1,909,803
2024		1,582,673
2025		21,980
		\$ 7,431,105

ERS Actuarial Assumptions

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions.

	<u>ERS</u>	<u>PFRS</u>
Interest rate	6.8%	6.8%
Salary increase	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustment	1.3%	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2015 valuation are based on the results of an actuarial experience study for the period August 1, 2010 - March 31, 2015.

The long term expected 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 the target asset allocation percentage and by adding expected inflation.

9. PENSION PLAN (CONTINUED)

ERS Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 were as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.05%
International equity	6.15%
Private equity	6.75%
Real estate	4.95%
Absolute return strategies	3.25%
Opportunistic portfolio	4.65%
Real assets	5.95%
Bonds and mortgages	.75%
Cash	.50%

Discount Rate

The discount rate used to calculate the total pension liability was 6.8% for ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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.

9. PENSION PLAN (CONTINUED)

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

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Town’s proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
<u>ERS</u>			
Town’s proportionate share of the net pension asset (liability)	\$ <u>(7,275,446)</u>	\$ <u>(3,964,211)</u>	\$ <u>(914,549)</u>

<u>PFRS</u>			
Town’s proportionate share of the net pension asset (liability)	\$ <u>(12,950,552)</u>	\$ <u>(7,242,956)</u>	\$ <u>(2,131,674)</u>

Pension Plan Fiduciary Net Position

The components of the net pension liability of the fiduciary as of March 31, 2020 was as follows (in thousands):

	<u>ERS</u>	<u>PFRS</u>
Fiduciary total pension liability	\$ (194,596,261)	\$ (35,309,017)
Fiduciary net position	<u>168,115,682</u>	<u>29,964,080</u>
Fiduciary net pension liability	<u>\$ (26,480,579)</u>	<u>\$ (5,344,937)</u>
Ratio of fiduciary net position to the fiduciary total pension liability	<u>86.39%</u>	<u>84.86%</u>

10. FUND BALANCE

The Town implemented GASB 54 “Fund Balance Reporting and Governmental Fund Type Definitions.”

GASB 54 defines five categories of fund balances as follows:

1. **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town’s nonspendable fund balance consists of inventories and prepaid expenses at December 31, 2020.

10. FUND BALANCE (CONTINUED)

2. **Restricted** fund balance includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. Restricted fund balance includes the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Capital Reserve	\$ 99,301	\$ -	\$ -	\$ -
Parkland Reserve	138,341	-	-	-
Employee Benefit Reserve	134,367	-	-	-
Assets Forfeiture Reserve	46,417	-	-	-
Repair Reserve	703,029	650,884	1,310,080	198,208
	<u>\$ 1,121,455</u>	<u>\$ 650,884</u>	<u>\$ 1,310,080</u>	<u>\$ 198,208</u>

3. **Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Board. The Town had no committed fund balances at December 31, 2020.
4. **Assigned** fund balance includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the Town or designated by the Town for ensuing year's budget. Assigned fund balance includes the following:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
Assigned for Encumbrances	\$ 157,147	\$ 268,969	\$ 82,966	\$ 203,888
Assigned for Tax Certiorari	81,164	43,701	-	-
Assigned for Ensuing Year's Budget	1,609,647	200,000	150,000	363,000
Assigned for Special Revenue	-	731,156	1,978,428	1,362,787
Total	<u>\$ 1,847,958</u>	<u>\$ 1,243,826</u>	<u>\$ 2,211,394</u>	<u>\$ 1,929,675</u>

5. **Unassigned** fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund.

The Town Board determines whether restricted, committed, assigned or unassigned amounts are considered to have been spent first when resources are available from multiple constraint levels. The default policy is that resources are spent first from the highest constraint level.

11. TAX ABATEMENT

The Town enters into Payment in Lieu of Taxes (“PILOTS”) agreements with some local businesses. PILOTS are often included as part of an Industrial Development Agency (“IDA”) agreement with a commercial or industrial development for the purpose of attracting or retaining business within their jurisdictions. PILOT agreements normally provide for payments of amount lesser than would have been collected for real estate taxes for a number of years.

For the year ended December 31, 2020, the Town recognized \$989,723 in PILOT revenue under PILOT agreements. Abated property taxes amounted to approximately \$121,000 under this program.

12. INTERFUND BALANCES AND TRANSFERS

Interfund balances and transfers were as follows:

	<u>Due From</u>	<u>Due To</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 35,974	\$ -	\$ 349,497	\$ 569,977
Highway	-	-	36,896	60,000
Water	44,547	-	-	503,255
Sewer	-	-	-	125,746
Drainage	-	-	-	400
Fire Protection	-	-	-	1,000
Lighting	-	-	-	3,000
Capital Projects	-	80,521	876,985	-
Total	<u>\$ 80,521</u>	<u>\$ 80,521</u>	<u>\$ 1,263,378</u>	<u>\$ 1,263,378</u>

Administrative changes to other funds by the general fund were \$349,497. The remaining transfers were to fund capital projects.

13. COMMITMENTS AND CONTINGENCIES

Litigation

Several claims against the Town are presently pending for various reasons including condemnation and personal injuries. Although the final outcome of these matters cannot be predicted, management of the Town, based on the advice of the Town’s legal counsel, does not believe that the final settlement of these matters will have a material adverse effect on the financial condition of the Town.

13. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant Programs

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

Environmental Concerns

The Town is engaged in many activities (*e.g.*, water and sewer service, refuse collection, gasoline storage), in the normal course of operations, that are potentially hazardous to the environment. As of December 31, 2020, the Town is not aware of any significant environmental problems that should be disclosed in the Financial statements.

Water Sale Agreement

The Town signed a five year agreement (with an additional five year option) with the Town of Guilderland to sell water at an annual rate of \$3 per thousand gallons for the first 45 million gallons and \$2.75 per thousand gallons thereafter. Water sales began in June 2020 and totaled \$347,133 for the year ended December 31, 2020.

Union Contracts

Police and general city employees are each represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
C.S.E.A., Local 1000	December 31, 2020
Rotterdam Patrolmen's Benevolent Association	December 31, 2020

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through December 14, 2021, the date the financial statements were available to be issued. No such events or transactions were identified.

15. UNCERTAINTY

The United States is presently in the midst of a national health emergency related to a virus commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the Town and its future financial position and results of operations is not presently determinable.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Real property taxes	\$ 6,496,785	\$ 6,496,785	\$ 6,496,785	\$ -	\$ -
Real property tax items	861,217	861,217	822,355	-	(38,862)
Non-property tax items	4,275,000	4,275,000	4,354,590	-	79,590
Departmental income	253,000	253,000	372,851	-	119,851
Intergovernmental charges	207,293	207,293	217,273	-	9,980
Use of money and property	12,925	12,925	6,543	-	(6,382)
Licenses and permits	41,250	41,250	48,569	-	7,319
Fines and forfeitures	720,400	720,400	295,705	-	(424,695)
Sale of property and compensation for loss	28,015	263,208	265,723	-	2,515
Miscellaneous local sources	6,000	6,000	42,935	-	36,935
Interfund revenues	25,000	25,000	25,000	-	-
State aid	843,230	843,230	1,228,038	-	384,808
Federal aid	5,000	5,000	2,029	-	(2,971)
Total revenues	<u>13,775,115</u>	<u>14,010,308</u>	<u>14,178,396</u>	<u>-</u>	<u>168,088</u>
Expenditures					
General governmental support	2,338,950	2,622,116	2,545,197	37,004	39,915
Public safety	6,693,245	6,803,813	6,386,885	113,195	303,733
Public Health	3,400	3,400	3,400	-	-
Transportation	301,975	223,431	224,121	-	(690)
Economic assistance and opportunity	224,660	1,028,632	986,148	6,758	35,726
Culture and recreation	621,550	567,788	463,157	190	104,441
Home and community services	502,270	523,117	491,404	-	31,713
Employee benefits	5,127,415	5,135,555	4,714,482	-	421,073
Debt service	157,600	157,600	157,485	-	115
Total expenditures	<u>15,971,065</u>	<u>17,065,452</u>	<u>15,972,279</u>	<u>157,147</u>	<u>936,026</u>
Other Financing Sources (Uses)					
Operating transfers - in	349,950	349,950	349,497	-	(453)
Operating transfers - out	-	(39,897)	(569,977)	-	(530,080)
Total other changes	<u>349,950</u>	<u>310,053</u>	<u>(220,480)</u>	<u>-</u>	<u>(530,533)</u>
Appropriated fund balance	<u>1,846,000</u>	<u>2,745,091</u>	<u>-</u>	<u>-</u>	<u>(2,745,091)</u>
Excess of expenditures and other financing sources over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,014,363)</u>	<u>\$ (157,147)</u>	<u>\$ (2,171,510)</u>

(1) AIM revenue of \$173,445 reclassified from miscellaneous revenue to state aid to conform to budgetary basis.

TOWN OF ROTTERDAM, NEW YORK
 BUDGETARY COMPARISON STATEMENT - HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Real property taxes	\$ 3,949,225	\$ 3,949,225	\$ 3,949,225	\$ -	\$ -
Real property tax items	313,190	313,190	298,723	-	(14,467)
Use of money and property	3,500	3,500	2,322	-	(1,178)
Licenses and permits	3,000	3,000	7,700	-	4,700
Sale of property and compensation for loss	6,000	6,000	31,608	-	25,608
Miscellaneous local sources	-	-	3,424	-	3,424
State aid	230,871	230,871	310,224	-	79,353
Total revenues	<u>4,505,786</u>	<u>4,505,786</u>	<u>4,603,226</u>	<u>-</u>	<u>97,440</u>
Expenditures					
Transportation	2,838,506	3,476,925	2,864,642	268,969	343,314
Employee benefits	1,297,480	1,078,537	1,128,149	-	(49,612)
Debt service	449,400	437,088	437,088	-	-
Total expenditures	<u>4,585,386</u>	<u>4,992,550</u>	<u>4,429,879</u>	<u>268,969</u>	<u>293,702</u>
Other Financing Sources (Uses)					
Operating transfers - in	-	-	36,896	-	36,896
Operating transfers - out	(60,000)	(60,000)	(60,000)	-	-
Total other changes	<u>(60,000)</u>	<u>(60,000)</u>	<u>(23,104)</u>	<u>-</u>	<u>36,896</u>
Appropriated fund balance	<u>139,600</u>	<u>546,764</u>	<u>-</u>	<u>-</u>	<u>(546,764)</u>
Excess of revenue and other finding sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,243</u>	<u>\$ (268,969)</u>	<u>\$ (118,726)</u>

TOWN OF ROTTERDAM, NEW YORK
BUDGETARY COMPARISON STATEMENT - WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Real property taxes	\$ 1,102,555	\$ 1,102,555	\$ 1,102,324	\$ -	\$ (231)
Departmental income	1,193,100	1,193,100	1,196,086	-	2,986
Intergovernmental charges	100,000	100,000	347,133	-	247,133
Use of money and property	242,200	242,200	230,151	-	(12,049)
Sale of property and compensation for loss	3,250	3,250	-	-	(3,250)
Miscellaneous local sources	-	-	7,811	-	7,811
State aid	-	-	111,930	-	111,930
Total revenues	<u>2,641,105</u>	<u>2,641,105</u>	<u>2,995,435</u>	<u>-</u>	<u>354,330</u>
Expenditures					
Home and community services	1,908,145	1,940,454	1,559,381	82,966	298,107
Employee benefits	379,635	379,635	278,221	-	101,414
Debt service	429,000	429,000	142,479	-	286,521
Total expenditures	<u>2,716,780</u>	<u>2,749,089</u>	<u>1,980,081</u>	<u>82,966</u>	<u>686,042</u>
Other Financing Uses					
Operating transfers - out	<u>(29,350)</u>	<u>(29,350)</u>	<u>(503,255)</u>	<u>-</u>	<u>(473,905)</u>
Appropriated fund balance					
	<u>105,025</u>	<u>137,334</u>	<u>-</u>	<u>-</u>	<u>(137,334)</u>
Excess of revenue over expenses and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512,099</u>	<u>\$ (82,966)</u>	<u>\$ 429,133</u>

TOWN OF ROTTERDAM, NEW YORK
 BUDGETARY COMPARISON STATEMENT - SEWER FUND
 FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Adopted Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues					
Real property taxes	\$ 1,517,359	\$ 1,500,336	\$ 1,500,347	\$ -	\$ 11
Departmental income	321,551	321,551	325,194	-	3,643
Use of money and property	3,055	3,055	3,042	-	(13)
Licenses and permits	400	400	300	-	(100)
Sale of property and compensation for loss	500	500	-	-	(500)
Miscellaneous local sources	24,000	24,000	8,983	-	(15,017)
Total revenues	<u>1,866,865</u>	<u>1,849,842</u>	<u>1,837,866</u>	<u>-</u>	<u>(11,976)</u>
Expenditures					
Home and community services	1,126,535	1,080,209	938,345	203,888	(62,023)
Employee benefits	264,930	264,930	201,528	-	63,402
Debt service	404,210	437,644	426,635	-	11,009
Total expenditures	<u>1,795,675</u>	<u>1,782,783</u>	<u>1,566,508</u>	<u>203,888</u>	<u>12,388</u>
Other Financing Uses					
Operating transfers - out	<u>(126,200)</u>	<u>(125,747)</u>	<u>(125,746)</u>	<u>-</u>	<u>-</u>
Appropriated fund balance	<u>55,010</u>	<u>58,688</u>	<u>-</u>	<u>-</u>	<u>(58,688)</u>
Excess of revenues over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,612</u>	<u>\$ (203,888)</u>	<u>\$ (58,276)</u>