

TOWN OF NORTH GREENBUSH, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2020

TOWN OF NORTH GREENBUSH, NEW YORK

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DECEMBER 31, 2020*

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Supervisor and Members of
the Town Board of the Town of North Greenbush
North Greenbush, New York

We have reviewed the accompanying financial statements of the governmental and fiduciary fund types of the Town of North Greenbush, New York (the "Town"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements and other information in order for them to be 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 only the governmental and fiduciary fund types 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 financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
February 19, 2021

TOWN OF NORTH GREENBUSH, NEW YORK
BALANCE SHEETS - GOVERNMENTAL AND FIDUCIARY FUND TYPES
DECEMBER 31, 2020

	Governmental Fund Types							Total	Total
Assets	General	Highway	Water	Sewer	Lighting	Capital Projects	Governmental Fund Type	Governmental Fund Type	Fiduciary Fund Type
Cash	\$ 578,584	\$ 604,405	\$ 1,511,888	\$ 731,235	\$ 25,735	\$ 1,587,070	\$ 5,038,917	\$ 133,571	
Cash - restricted	1,881,327	120,904	-	-	-	-	2,002,231	-	
Due from other governments	683,125	30,092	-	-	-	641,252	1,354,469	-	
Prepaid expenditures	146,097	-	-	-	-	-	146,097	-	
Other receivables	98,829	-	156,106	-	-	-	254,935	-	
Total assets	<u>\$ 3,387,962</u>	<u>\$ 755,401</u>	<u>\$ 1,667,994</u>	<u>\$ 731,235</u>	<u>\$ 25,735</u>	<u>\$ 2,228,322</u>	<u>\$ 8,796,649</u>	<u>\$ 133,571</u>	
Liabilities and Fund Equity									
Liabilities									
Accounts payable	\$ 10,213	\$ 31,219	\$ 2,362	\$ 900	\$ 1,970	\$ -	\$ 46,664	\$ -	
Accrued liabilities	36,878	10,057	2,875	1,226	-	-	51,036	133,571	
Due to other governments	8,506	-	-	-	-	-	8,506	-	
BAN payable	-	-	-	-	-	455,311	455,311	-	
Total liabilities	<u>\$ 55,597</u>	<u>\$ 41,276</u>	<u>\$ 5,237</u>	<u>\$ 2,126</u>	<u>\$ 1,970</u>	<u>\$ 455,311</u>	<u>\$ 561,517</u>	<u>\$ 133,571</u>	
Fund Equity									
Fund balances									
Nonspendable	146,097	-	-	-	-	-	146,097	-	
Restricted	1,881,327	120,904	-	-	-	-	2,002,231	-	
Assigned	24,534	593,221	1,662,757	729,109	23,765	1,773,011	4,806,397	-	
Unassigned	1,280,407	-	-	-	-	-	1,280,407	-	
Total fund equity	<u>\$ 3,332,365</u>	<u>\$ 714,125</u>	<u>\$ 1,662,757</u>	<u>\$ 729,109</u>	<u>\$ 23,765</u>	<u>\$ 1,773,011</u>	<u>\$ 8,235,132</u>	<u>\$ -</u>	
Total liabilities and fund equity	<u>\$ 3,387,962</u>	<u>\$ 755,401</u>	<u>\$ 1,667,994</u>	<u>\$ 731,235</u>	<u>\$ 25,735</u>	<u>\$ 2,228,322</u>	<u>\$ 8,796,649</u>	<u>\$ 133,571</u>	

TOWN OF NORTH GREENBUSH, NEW YORK
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Governmental Fund Types							Total Governmental Fund Type
	General	Highway	Water	Sewer	Lighting	Ambulance	Capital Projects	
Revenue	\$ 1,342,174	\$ 1,791,659	\$ 1,737,884	\$ 318,914	\$ 38,369	\$ 305,000	\$ -	\$ 5,534,000
Real property taxes	457,095	-	-	-	-	-	-	457,095
Real property tax items	2,190,145	-	-	-	-	-	-	2,190,145
Non property tax items	101,624	3,000	1,505,494	48,850	-	-	-	1,658,968
Departmental income	39,779	11	-	-	-	-	-	39,790
Use of money and property	86,275	17,250	-	-	-	-	-	103,525
Licenses and permits	90,788	-	-	-	-	-	-	90,788
Fines and forfeitures	42,063	-	-	-	-	-	-	42,063
Sale of property and compensation for loss	187,429	-	-	-	-	-	-	187,429
Miscellaneous local sources	74,757	-	-	-	-	-	-	74,757
Interfund revenues	484,477	171,742	-	-	-	-	-	656,219
State aid	11,747	-	-	-	-	-	641,252	652,999
Federal aid	5,108,353	1,983,662	3,243,378	367,764	38,369	305,000	641,252	11,687,778
Total revenue								
Expenditures	1,116,541	-	43,626	31,131	-	-	-	1,191,298
General governmental support	2,069,385	-	-	-	-	305,000	-	2,374,385
Public safety	8,877	-	-	-	-	-	-	8,877
Public health	95,832	1,156,634	-	-	37,849	-	784,690	2,075,005
Transportation	10,000	-	-	-	-	-	-	10,000
Economic assistance and opportunity	89,319	-	-	-	-	-	-	89,319
Culture and recreation	63,627	-	1,423,656	130,475	-	-	-	1,617,758
Home and community services	1,090,115	346,038	63,994	37,585	-	-	-	1,537,732
Employee benefits	106,352	183,950	1,233,340	74,477	-	-	-	1,598,119
Debt service (principal and interest)	4,650,048	1,686,622	2,764,616	273,668	37,849	305,000	784,690	10,502,493
Total expenditures								
Excess (deficiency) of revenue over expenditures	458,305	297,040	478,762	94,096	520	-	(143,438)	1,185,285
Other financing sources	-	-	-	-	-	-	24,158	24,158
BANS redeemed								
Excess (deficiency) of revenue and other sources over expenditures	458,305	297,040	478,762	94,096	520	-	(119,280)	1,209,443
Fund balance, beginning of year	2,874,060	417,085	1,183,995	635,013	23,215	-	1,892,291	7,025,659
Fund balance, end of year	\$ 3,332,365	\$ 714,125	\$ 1,662,757	\$ 729,109	\$ 23,735	\$ -	\$ 1,773,011	\$ 8,235,102

See accompanying notes and independent accountant's review report.

TOWN OF NORTH GREENBUSH, NEW YORK

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of North Greenbush, New York (the "Town"), which was established in 1855 in Rensselaer County, 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 basic services including public safety, health services, maintenance of Town roads, recreation, home and community service, economic assistance and other general services.

The Town has prepared its governmental funds, custodial fund 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 Interpretations).

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 the governmental and fiduciary fund types and do not purport to, and do not present fairly the financial position or changes in financial position of the Town.

The following is a summary of significant policies:

- (a) Financial Reporting Entity: The financial reporting entity consists of (a) the primary government which is the Town of North Greenbush, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 61.

The decision to include a potential component unit in the Town reporting entity is based on several criteria set forth in GASB 61 including legal standing, fiscal dependency and financial accountability. Based on the application of these criteria, the following is a brief review of certain entities considered in determining the Town's reporting entity.

Excluded from the financial reporting entity:

North Greenbush Industrial Development Agency - This potential component unit has a separate appointed board. It is excluded from the reporting entity because the government does not have the ability to exercise influence or control their daily operations, approve budgets or provide funding.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (b) *Basis of Presentation - Fund Accounting:* 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 balances, revenues and expenditures. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Town.

GOVERNMENTAL FUND TYPES

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

- General Fund - is the primary operating fund of the Town. It is used to account for all general financial resources except those to be accounted for in other Town funds.
- Highway Fund - established pursuant to Highway Law to account for revenues and expenditures related to highway repairs and improvements, bridges, machinery, snow removal and miscellaneous highway related items.
- Water District Fund - to account for water district revenues and expenditures.
- Sewer District Fund - to account for sewer district revenues and expenditures.
- Lighting District Fund - to account for lighting district revenues and expenditures.
- Ambulance Fund - to account for rescue squad revenues and expenditures.
- Capital Projects Fund - The capital projects fund is used to account for financial resources used for the acquisition or construction of major capital expenditures.

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the Town as an agent for individuals, private organizations or other governmental units.

ACCOUNT GROUPS

Account groups are used to establish accounting controls and accountability for general fixed assets and general long-term debt. The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) *Basis of Presentation - Fund Accounting (Continued):*

NON-CURRENT GOVERNMENTAL ASSETS GROUP

This account group is established to account for all non-current assets, including all fixed assets of the Town. The Town has not maintained an inventory of fixed assets.

NON-CURRENT GOVERNMENTAL LIABILITIES GROUP

This account group is used to record all long-term obligations of the Town, such as compensated absences, bonds, other postemployment benefit liability and the net pension liability.

- (c) *Basis of Accounting:* The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred, if measurable, except that interest on long-term debt is not recognized as an expenditure until due.

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

The primary non-property tax item is sales tax which is recorded as revenue in the general fund when it is received by Rensselaer County and available for distribution to the Town. Other revenues are recorded when received in cash because they are generally not measurable until actually received.

(d) *Budgetary Data:*

General Budget Process - Prior to October 1 of each year, the Budget Officer submits to the Town Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to November 20, the budget is adopted by the Town Board. The Town Board must approve all modifications to the budget.

Budget Basis of Accounting - Budgets are adopted annually on a basis consistent with generally accepted accounting principles. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- (e) *Encumbrances*: Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year end are reported as reservations of fund balances since the commitments do not constitute expenditure or liabilities.
- (f) *Fixed Assets*: Acquisition of equipment and capital facilities are appropriately recorded as expenditures in the various governmental funds of the Town. These acquisitions should also be recorded in the balance sheet in a general fixed assets account group, as required by accounting principles, to account for all land, buildings, improvements and equipment utilized by the Town. The Town does not maintain a general fixed assets account group and the amount that should be recorded in this account group is not known.
- (g) *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 leave at various rates subject to certain maximum limitations. The liability for accumulated vacation and for accumulated sick time has been recorded in the general long-term debt account group.
- (h) *Property Taxes*: Real property tax levies are fully accrued at the beginning of the fiscal year. The current year's property taxes are levied no later than January 1 based upon the full assessed value of real property within the Town. The taxes are collected by the Town Tax Collector during the period January 1 through March 31. On March 31, settlement proceedings take place whereby the County of Rensselaer, New York becomes the tax collecting agent for the Town. All real property tax enforcement action becomes the duty of the County of Rensselaer, New York.
- (i) *Postemployment Benefits*: In addition to providing pension benefits, the Town also provides certain health care benefits for retired employees. Substantially all the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town.

Effective for the year ended December 31, 2020, Governmental Accounting Standards Board Statement No. 75 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions" ("GASB 75") requires the Town to recognize the cost of other postemployment benefits ("OPEB") in the financial statements in the periods in which the exchange occurs rather than in the periods when the benefits are paid. GASB 75 requires the services of an actuary to calculate current OPEB costs. The expense recognized under this policy would be significantly larger than prior practice which recognized expense on a pay-as-you-go basis.

OPEB costs on a pay-as-you-go basis were approximately \$107,000 in 2020 for 19 retirees.

- (j) *Future Changes in Accounting Standards*: GASB has issued Statement No. 87 Leases, effective for the year ended December 31, 2022. The Town will evaluate the impact of this pronouncement on the financial statements and, if material, will implement it as applicable.

2. CASH AND INVESTMENTS

The Town's written investment policy was adopted by the Town Board and is governed by State statutes. Town monies must be deposited in FDIC insured commercial banks or trust companies designated by the Town Board. New York State statutes and guidelines authorize the Town to invest in obligations of the U.S. Government and its agencies, certificates of deposit, repurchase agreements and obligations of the State of New York.

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, obligations issued, fully insured, or guaranteed by New York State and obligations issued by any municipality or school district of New York State. Restrictions may apply to some of the above categories.

During 2020, cash and investments were either insured by federal depository insurance or collateralized by assets of the Town's custodial bank in the Town's name.

3. POOLED BANK ACCOUNTS

Separate bank accounts are not maintained for each of the Town's funds. Instead, cash is pooled and deposited in pooled bank accounts with accounting records maintained to show the portion of the balance attributable to each fund. At December 31, 2020 the Town's funds had the following book balances in the pooled bank account:

Unrestricted	
General	\$ 578,584
Highway	604,405
Water	1,511,888
Sewer	731,235
Lighting	25,735
Capital Projects	1,587,070
Custodial	<u>133,571</u>
	<u>5,172,488</u>
Restricted	
General Fund - Tax Stabilization	1,597,870
General Fund - Greenspace	255,339
General Fund - Police Funds	28,118
Highway Fund - Traffic Mitigation	3,000
Highway Fund - Tax Stabilization	<u>117,904</u>
	<u>2,002,231</u>
	<u>\$ 7,174,719</u>

4. OTHER RECEIVABLES

Other receivables consist of the following:

General Fund

Charter Communications Franchise Fee	\$ 67,881
Town Justices December 2020 Fines	10,417
Host Benefit Agreement S.A. Dunn	<u>20,531</u>
	<u>\$ 98,829</u>

Water Fund

Water Relevy	\$ 132,389
Water Rents Receivable	<u>23,717</u>
	<u>\$ 156,106</u>

5. SHORT-TERM DEBT

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter.

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 following is a summary of changes in BANs for the year ended December 31, 2020:

BANs Outstanding , January 1, 2020	\$ 479,469
BANs Redeemed	<u>(24,158)</u>
BANs Outstanding, December 31, 2020	<u>\$ 455,311</u>

BANs at December 31, 2020 consist of a Water District No. 3 BAN, bearing interest at .78% and maturing December 23, 2021.

TOWN OF NORTH GREENBUSH, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

6. LONG-TERM DEBT

The following is a summary of changes in long-term liabilities for the year ended December 31, 2020:

	<u>Balance</u> <u>January 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>December 31, 2020</u>
Bonds Payable (Note 7)	\$ 11,295,000	\$ -	\$ 1,190,000	\$ 10,105,000
Compensated Absences	649,338		56,540	592,798
Retirement System (Note 8)	34,287	-	34,287	-
Due to City of Rensselaer (Note 9)	193,832	-	7,179	186,653
Workers Compensation (Note 10)	222,587	54,461	-	277,048
Other Postemployment Benefits (Note 11)	2,700,871	-	-	2,700,871
Pension Liability - Net (Note 12)	941,378	2,556,105	-	3,497,483
	<u>\$ 16,037,293</u>	<u>\$ 2,610,566</u>	<u>\$ 1,288,006</u>	<u>\$ 17,359,853</u>

7. BONDS PAYABLE

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

<u>Issue</u> <u>Date</u>	<u>Original</u> <u>Issue</u>	<u>Maturity</u>	<u>Interest</u> <u>Rates</u>	<u>Outstanding at</u> <u>December 31, 2020</u>
10/15/2002	\$ 4,481,232	10/15/2022	1.533-5.123%	\$ 580,000
9/1/2003	\$ 1,902,000	9/1/2022	4.4-5.0%	180,000
7/26/2001	\$ 2,788,984	11/15/2021	4.334-5.154%	100,000
6/1/2009	\$ 370,000	6/1/2023	6.75%	60,000
5/23/2013	\$ 1,930,000	5/15/2025	1-2%	865,000
4/10/2014	\$ 10,473,629	4/1/2035	3.125-4.0%	8,320,000
				<u>\$ 10,105,000</u>

7. BONDS PAYABLE (CONTINUED)

Future maturities of bonds payable and the related interest expense are as follows:

	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,095,000	\$ 333,462
2022	1,025,000	302,313
2023	655,000	274,719
2024	655,000	255,269
2025	675,000	235,875
2026-2030	2,720,000	908,966
2031-2035	3,280,000	338,400
	<u>\$ 10,105,000</u>	<u>\$ 2,649,004</u>

8. DUE TO RETIREMENT SYSTEM

Due to Retirement System consists of a past service costs adjustment and were totally repaid in 2020.

9. DUE TO CITY OF RENSSELAER

In accordance with an inter-municipal cooperation agreement, the Town will reimburse the City of Rensselaer for water line expenditures within the Town in the amount of \$7,179 annually for thirty years, maturing in 2046.

10. WORKERS' COMPENSATION

The Town participates in a self-insurance plan for workers' compensation under Local Law No. 1 and 2, 1956, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality or public entity for participation. The County of Rensselaer, New York is responsible for administration of the plan and its reserves. The Town's contribution to the plan was \$166,694 for the year ended December 31, 2020.

The third party administrator provides an estimate of claims payable. At December 31, 2020, \$277,048 has been reflected in the non-current governmental liabilities account group for workers' compensation payable.

11. OTHER 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 a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The Town has not had a recent actuarial report on the plan recently, and as a result no changes in the liability have been reported.

12. PENSION PLANS

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>
2020	\$ 235,876	\$ 348,510
2019	\$ 230,974	\$ 319,611
2018	\$ 239,172	\$ 337,013

Chapter 260 of the laws of 2004 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, 2011 and forward.

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.

12. PENSION PLANS (CONTINUED)

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

At December 31, 2020, the Town reported a liability of \$1,462,105 for ERS and \$2,035,378 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 that date. 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 .0055% ERS and .0058% PFRS.

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

	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual experience	\$ 221,586	\$ (34,092)
Changes in assumptions	203,416	(25,421)
Net difference between projected and actual earnings on pension plan investments	1,666,141	-
Changes in proportion	142,747	(78,820)
Contributions subsequent to the measurement date	438,289	-
	\$ 2,672,179	\$ (138,333)

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:

December 31, 2021	\$ 852,013
December 31, 2022	503,532
December 31, 2023	635,104
December 31, 2024	523,245
December 31, 2025	19,952
	\$ 2,533,846

ERS and PFRS 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.

	ERS	PFRS
Interest rate	6.8%	6.8%
Salary increase	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

12. PENSION PLANS (CONTINUED)

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2018.

The actuarial assumptions used in the April 1, 2019 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.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 for ERS and PFRS 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	- %
Inflation-indexed bonds	.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.

12. PENSION PLANS (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>			
Employers' proportionate share of the net pension asset (liability)	\$ <u>(2,683,376)</u>	\$ <u>(1,462,105)</u>	\$ <u>(337,310)</u>
<u>PFRS</u>			
Employers' proportionate share of the net pension asset (liability)	\$ <u>(3,639,297)</u>	\$ <u>(2,035,378)</u>	\$ <u>(599,032)</u>

Pension Plan Fiduciary Net Position

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

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

13. 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. The Town's only deferred inflows relates to pension accounting.

14. FUND BALANCES

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

GASB 54 defines five categories of fund balances as follows:

- **Non-spendable** 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 non-spendable fund balance consists of prepaid expenditures at December 31, 2020.
- **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>
Tax Stabilization	\$ 1,597,870	\$ 117,904
Greenspace Fund	255,339	-
Police Funds	28,118	-
Traffic Mitigation	-	3,000
	<u>\$ 1,881,327</u>	<u>\$ 120,904</u>

- **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 has no committed fund balances at December 31, 2020.
- **Assigned** fund balance includes amounts that are constrained by the Town Board 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.
- **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 first spent from the highest constraint level.

The Town has a fund balance policy which targets unassigned fund balance to be at least 12% and no more than 17% of expenditures. The goal is that unassigned fund balance should approximate two months expenditures. Balances in excess of 17% are normally restricted to stabilize property tax.

In 2020, unassigned fund balances were allowed to exceed 17% due to the uncertain budget conditions for 2021 as a result of COVID-19.

15. TAX ABATEMENTS

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 amounts 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 \$447,042 in PILOT revenue under PILOT agreements expiring through 2033. Abated property taxes amounted to \$69,908 under this program.

16. INTERFUND REVENUES AND ADMINISTRATIVE CHARGES

The Town records the estimated cost of administrative charges to the highway, water and sewer funds. Interfund revenues and charges arising from these transactions for the year ended December 31, 2020 were as follows:

	<u>Interfund Revenue</u>	<u>Administrative Charge</u>
General	\$ 74,757	\$ -
Water	-	43,626
Sewer	-	31,131
	<u>\$ 74,757</u>	<u>\$ 74,757</u>

17. COMMITMENTS AND CONTINGENCIES

Litigation: The Town is a defendant in lawsuits arising in the normal course of business. In the opinion of the Town, after considering all relevant facts, the ultimate losses not covered by insurance resulting from such litigation would be immaterial in relation to the financial statements taken as a whole.

Environmental Concerns: The Town is engaged in many activities (i.e., highway maintenance, salt and gasoline storage), in the normal course of operations that are potentially hazardous to the environment. Policies, procedures and safeguards have been implemented by the Town to assist in the protection of 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.

Host Benefit Agreement: The Town signed a host benefit agreement with a local company in 2012. The thirty year agreement requires quarterly payments of forty cents per ton of construction and debris disposed on site. For the year ended December 31, 2020, the Town recognized \$77,254 as miscellaneous revenue in the general fund.

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Water Purchase Contracts: The Town has contracts to purchase water from the City of Troy, the City of Rensselaer and the Town of East Greenbush. The contract with Troy expires in 2036 while the contract with Rensselaer and East Greenbush expired in 2004, but continue to be honored. Water purchases for the year ended December 31, 2020 were as follows:

City of Troy	\$ 719,454
City of Rensselaer	199,993
Town of East Greenbush	<u>199,993</u>
	<u>\$ 1,119,440</u>

Lease Obligations: The Town leases property and has an operating lease expiring November 30, 2023 for its Police Station. Future minimum lease payments are:

2021	\$	150,540
2022		150,941
2023		<u>143,320</u>
	\$	<u>444,801</u>

Union Contracts: Police and highway Town 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>
Civil Service Employees Association - DPW	December 31, 2025
North Greenbush Town Employees	December 31, 2024
Town Police	December 31, 2021

Capital Projects: The Town has \$7.9 million in state and federal funding for a \$9.8 million project to improve Route 4 safety, and a \$3.1 million grant from NYS Environmental Facilities Corporation for a Town-wide drinking water improvement project along Route 43.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events or transactions as to any potential material impact on operations or financial position occurring through February 19, 2021, the date the financial statements were available to be issued. No such events or transactions were identified.

19. 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.

OTHER INFORMATION

TOWN OF NORTH GREENBUSH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Real property taxes	\$ 1,342,174	\$ 1,344,303	\$ (2,129)
Real property tax items	457,095	459,291	(2,196)
Non property tax items	2,190,145	2,073,182	116,963
Departmental income	101,624	157,305	(55,681)
Use of money and property	39,779	41,300	(1,521)
Licenses and permits	86,275	122,500	(36,225)
Fines and forfeitures	90,788	165,000	(74,212)
Sale of property and compensation for loss	42,063	10,500	31,563
Miscellaneous local sources	187,429	213,036	(25,607)
Interfund revenues	74,757	68,000	6,757
State aid	484,477	465,516	18,961
Federal aid	11,747	-	11,747
Total revenue	<u>5,108,353</u>	<u>5,119,933</u>	<u>(11,580)</u>
Expenditures			
General governmental support	1,116,541	1,217,511	100,970
Public safety	2,069,385	2,195,641	126,256
Public health	8,877	9,305	428
Transportation	95,832	98,402	2,570
Economic assistance and opportunity	10,000	10,000	-
Culture and recreation	89,319	233,733	144,414
Home and community services	63,627	62,380	(1,247)
Employee benefits	1,090,115	1,154,108	63,993
Debt service (principal and interest)	106,352	138,853	32,501
Total expenditures	<u>4,650,048</u>	<u>5,119,933</u>	<u>469,885</u>
Excess of revenue over expenditures	<u>\$ 458,305</u>	<u>\$ -</u>	<u>\$ 458,305</u>

TOWN OF NORTH GREENBUSH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Real property taxes	\$ 1,791,659	\$ 1,794,135	\$ (2,476)
Departmental income	3,000	-	3,000
Use of money and property	11	19,700	(19,689)
Licenses and permits	17,250	6,000	11,250
Sale of property and compensation for loss	-	4,000	(4,000)
State aid	<u>171,742</u>	<u>120,000</u>	<u>51,742</u>
Total revenue	<u>1,983,662</u>	<u>1,943,835</u>	<u>39,827</u>
Expenditures			
Transportation	1,156,634	1,352,619	195,985
Employee benefits	346,038	407,266	61,228
Debt service (principal and interest)	<u>183,950</u>	<u>183,950</u>	<u>-</u>
Total expenditures	<u>1,686,622</u>	<u>1,943,835</u>	<u>257,213</u>
Excess of revenue over expenditures	<u>\$ 297,040</u>	<u>\$ -</u>	<u>\$ 297,040</u>

TOWN OF NORTH GREENBUSH, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Revenue			
Real property taxes	\$ 1,737,884	\$ 1,737,884	\$ -
Departmental income	<u>1,505,494</u>	<u>1,407,618</u>	<u>97,876</u>
Total revenue	<u>3,243,378</u>	<u>3,145,502</u>	<u>97,876</u>
Expenditures			
General governmental support	43,626	43,626	-
Home and community services	1,423,656	1,842,727	419,071
Employee benefits	63,994	77,695	13,701
Debt service (principal and interest)	<u>1,233,340</u>	<u>1,234,208</u>	<u>868</u>
Total expenditures	<u>2,764,616</u>	<u>3,198,256</u>	<u>433,640</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 478,762</u>	<u>\$ (52,754)</u>	<u>\$ 531,516</u>