



TOWN OF WHITESTOWN,
NEW YORK

MANAGEMENT'S
DISCUSSION AND
ANALYSIS

AND

BASIC FINANCIAL
STATEMENTS

For the Year Ended
December 31, 2020

**TOWN OF WHITESTOWN, NEW YORK
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Independent Auditor's Report

Town Board
Town of Whitestown, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Whitestown, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements which collectively comprise the Town of Whitestown's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The Town of Whitestown's 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 opinions 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 Town'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 Town'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 (1) qualified audit opinion on each major fund and aggregate remaining fund information; and (2) qualified audit opinion on the governmental activities fund.

Basis for Qualified Opinion on Governmental Activities

Our audit did not include the substantiation of fixed assets. We were unable to obtain sufficient appropriate audit evidence to support the fixed assets. Complete fixed asset records were not maintained by the Town which would affect the assets, net position, and the expenses for the governmental activities. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Opinion on Governmental Activities

In our opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph on the governmental activities fund the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities fund of the Town of Whitestown as of December 31, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on the Major Funds, Aggregate Discretely Presented Component Units and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major funds, the aggregate discretely presented component unit, and the aggregate remaining fund information for the Town of Whitestown, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

New Accounting Standard

As discussed in Note 1 to the financial statements, the Town changed accounting policies related to the accounting and reporting of fiduciary activities by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*. The new pronouncement changes the criteria used to determine which government activities are considered fiduciary and provides guidance on accounting and reporting for the fiduciary activities identified. As discussed in Note 10 to the financial statements, a prior period adjustment was made to increase the Government-wide net position and Miscellaneous Special Revenue fund balance due to the implementation of GASB 84. 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 management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Whitestown's basic financial statements. The combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor governmental fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021 on our consideration of the Town of Whitestown's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Whitestown, New York's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

October 27, 2021

Rome, New York

D'Arcangelo & Co., LLP

Certified Public Accountants & Consultants

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Town Board

Town of Whitestown, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Whitestown, New York, as of, and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Town of Whitestown, New York's basic financial statements, and have issued our report thereon dated October 27, 2021.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and recommendations, we did identify certain deficiencies in internal control that we consider to be either a material weakness and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2018-1 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2020-1, 2019-1, and 2018-2 through 2018-6 to be significant deficiencies.

Compliance and Other Matters

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

Purpose of this Report

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

D'Arcangelo + Co., LLP

October 27, 2021

Rome, New York

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
For the Year Ended December 31, 2020

I. Material Weakness

See status of prior year findings.

II. Significant Deficiencies

2020-1 Implementation of GASB 84

Condition: Although GASB No. 84, *Fiduciary Activities* was implemented for financial statement purposes, the Town's accounting software has not been updated to include the creation of the new funds and general ledger accounts.

Criteria: In order to properly implement GASB No. 84, *Fiduciary Activities*, the Town is required to create a new Miscellaneous Special Revenue Fund and a new fiduciary Custodial Fund, as well as several new general ledger accounts.

Cause: Under GASB 84, the Trust & Agency fund no longer exists. The activity that the Town had previously accounted for in the Trust & Agency fund needs to be assessed under the new fiduciary activity guidelines and accounted for in the Custodial fund or moved to the governmental funds.

Effect or Potential Effect: The Town could be at risk for not complying with the GASB.

Known Questioned Costs: None noted.

Recommendations: In order to fully implement GASB 84, management should create the proper funds and accounts in the General Ledger within the Town's accounting software.

Response: Also, see status of prior year findings in the following pages.

In order to adequately address the significant deficiencies noted, the Town of Whitestown intends to purchase new financial software, with implementation scheduled to begin in January 2022 and full implementation scheduled to be achieved by the end of 2022.

TOWN OF WHITESTOWN, NEW YORK
STATUS OF PRIOR YEAR'S FINDINGS AND RECOMMENDATIONS
For the Year Ended December 31, 2020

I. Material Weaknesses

2018-1 Fixed Assets

Condition: The Town has no formal inventory or capitalization policy. Our audit report has been qualified because we were unable to audit fixed assets.

Criteria: The Town's department heads must ensure that capital assets are protected from loss, that their value is maintained, and that they are used effectively. In addition, generally accepted accounting standards require that the cost of fixed assets be properly capitalized and depreciated. Generally fixed assets include land, building and improvements, equipment, vehicles, and infrastructure.

Status: Not corrected.

Response: At the time of this response, the Town intends to purchase an Accounting Suite that incorporates the capitalization and depreciation of fixed assets with an implementation date of 2022 to address both Auditor and Management concerns.

II. Significant Deficiencies

2018-2 Use of Purchase Orders

Condition: The purchasing function for the Town's operations is presently performed by each department. There is no formal approval process for initial purchases. Departments can make purchases, and then complete the vouchers after the fact. Any employee is able to purchase at a store where the Town has a charge account. Purchase Orders are not used. Department Heads are responsible for monitoring their own budgets and the Finance Department is not able to review budgets until after the purchases have been made.

Criteria: Proper budgetary controls require that purchase orders be utilized to ensure that available appropriations are present before procurement.

Status: Not corrected.

Response: At the time of this response, the Town intends to purchase an Accounting Suite that incorporates the use of purchase orders and the encumbrance of related purchases to ensure appropriations are available with an implementation date of 2022 to address both Auditor and Management concerns.

2018-3 Vendor Changes

Condition: During our testing of accounts payable, we noted that all of the employees involved in the accounts payable process have the ability to make changes to the vendor file in the system. These changes are not reviewed.

Criteria: As a best practice, vendor change reports should be reviewed on a regular basis to prevent unauthorized activity in a timely manner.

Status: Not corrected.

Response: At the time of this response, the Town intends to purchase an Accounting Suite that allows restricted access for vendor input and produces appropriate reports with an implementation date of 2022 to address both Auditor and Management concerns.

2018-4 Timely Posting of Cash Receipts

Condition: During our testing of cash receipts, we noted about a four-month delay in posting cash receipts to the general ledger.

Criteria: The integrity of accounting records and reconciliations is dependent on timely postings.

Status: Not corrected.

TOWN OF WHITESTOWN, NEW YORK
STATUS OF PRIOR YEAR'S FINDINGS AND RECOMMENDATIONS
For the Year Ended December 31, 2020

Response: Starting in 2020, the Town Board has begun to address the Auditor's concerns regarding accounting issues in the following way:

- Changed work schedule for a key employee in the Finance Department from 35 to 40 hours weekly;
- Intends to purchase an Accounting Suite with an implementation date of 2022 to address both Auditor and Management concerns.
- Contracted services with MRB Group to alleviate the added work load due to grant awards and large capital projects.

2018-5 Segregation of Duties over Cash Receipts

Condition: During our testing of cash receipts at the Finance Office, the Recreation Department, Tax Collector's Office, and Town Clerk's Office, we noted inadequate segregation of duties over the cash receipts process.

Criteria: The objective of internal control over cash receipts is to obtain control over amounts received at the time of receipt. To achieve this control, certain duties involving receipts should be handled by more than one member of the Town's personnel.

Status: Starting in January 2020, the Finance Office began utilizing a receipt log. The Cemetery caretakers provide the Finance Office with a monthly report of the cemetery activity so that the Finance Office can reconcile the money received to the report. The comment was not addressed by the other departments.

Response: The Finance Office will organize and host a training(s) to include the Recreation Department, Tax Department and Town Clerk's Department about the segregation of duties over cash receipts, with the intent of developing and implementing an adequate system in each department.

2018-6 Journal Entry Approval

Condition: During our testing, we noted that there is currently no process for approving journal entries.

Criteria: Effective internal controls need to segregate custody, posting, and reconciliation of activity.

Status: Not corrected.

Response: The Finance Office will report journal entries to the Town Supervisor on a monthly basis.

2018-7 Computer Controls

Condition: During the course of our audit, we noted the following:

- Employees are not required to change their passwords periodically;
- Multiple users share the same password, instead of each user having their own unique password;
- There is no "lock-out" after multiple failed attempts of an incorrect password;
- There is no automatic time out after a period of inactivity;
- The server room is not protected by a locked door;
- There is no written Disaster Recovery Plan.

In addition, we noted that there are several users that have excessive rights in the accounting software that are not needed for them to perform their job duties.

Criteria: Effective internal controls need to ensure that computer controls and safeguards facilitate the segregation of duties and the integrity and safeguarding of all electronic data files.

Status: Not corrected.

Response: The Town will contract with its computer software provider to address and resolve the computer control issues noted above. The Town's Buildings and Grounds Department will add a lock(s) to the server room door(s).

TOWN OF WHITESTOWN, NEW YORK
STATUS OF PRIOR YEAR'S FINDINGS AND RECOMMENDATIONS
For the Year Ended December 31, 2020

2019-1 General Accounting Issues

Condition: As part of our audit procedures, we proposed several reclassifying entries in order to properly present various accounts. During our audit, we noted the following accounting issues:

- A. Payroll accounting – Due to the transition to a new payroll service, there were significant delays in correctly posting the individual payrolls to the accounting records.
- B. Grant accounting – During 2019, the Town had various grants for the Sauquoit Creek Channel & Floodplain Restoration Project that were not reconciled to the postings to the general ledger. This resulted in issues with cash, interfund activity, grant revenues, and grant expenditures not being properly accounted for.
- C. Cash reconciliations – During the audit, we noted that although general cash receipts and disbursements are reconciled to the monthly bank statements, the delays in posting and closing each month reduces the accuracy of these reconciliations. In order to fully reconcile at the year end, there were adjustments required.
- D. The software's reporting capabilities appear to be limited. For example, the software is not capable of generating vendor change reports or individual general journal entries. The software is also not capable of exporting to a spreadsheet or csv file for additional analysis.

Criteria: Accounting tasks such as timely postings and monthly reconciliations play a key role in proving the accuracy of accounting data and information included in interim financial statements.

Status: There remains a need for improvement in this area. While we recognize the current economic challenges, we recommend that management consider its current staffing levels, staff training, and the adequacy of the capabilities of the current accounting software.

Response: Starting in 2020, the Town Board has begun to address the Auditor's concerns regarding accounting issues in the following way:

- Changed work schedule for a key employee in the Finance Department from 35 to 40 hours weekly;
- Intends to purchase an Accounting Suite with an implementation date of 2022 to address both Auditor and Management concerns.
- Contracted services with MRB Group to alleviate the added work load due to grant awards and large capital projects; and removed a key employee from the payroll department to focus on accounting tasks.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

The Town of Whitestown, New York's discussion and analysis of financial performance provides an overall review of the Town's financial activities for the fiscal year ended December 31, 2020. The intent of this discussion and analysis is to look at the Town's financial performance as a whole. This section will explain the differences between the current and prior-year assets, liabilities, and changes in net position. This should be read in conjunction with the financial statements, which immediately follow this section.

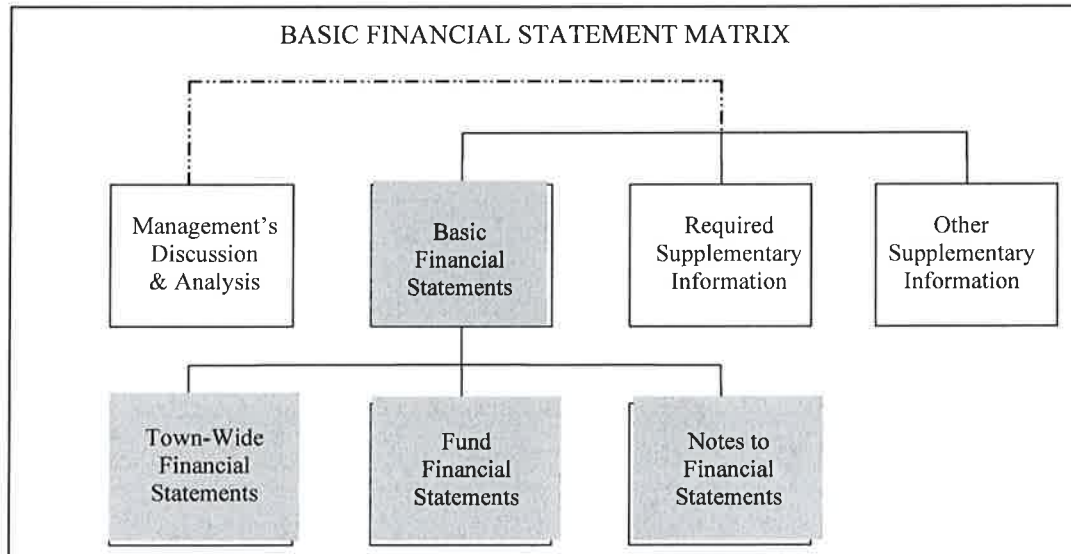
1. FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2020 are as follows:

- The Town's total Net Position, as reflected in the Town-wide financial statements, increased by \$296,845.
- The Town's expenses for the year, as reflected in the Town-wide financial statements, totaled \$7,765,435. This amount was directly offset by the following revenue sources: \$654,709 for charges for services, \$129,768 for operating grants, and \$163,895 for capital grants. General revenues of \$7,113,908 amount to 88.2% of total revenues.
- The General Whole Town Fund's total fund balance, as reflected in the fund financial statements on pages 22 and 24, increased by \$233,883 to a balance of \$1,470,510. This was primarily due to under budgeted revenues of \$326,080 and overexpended budget appropriations of \$64,705, as shown on page 50.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – Management's discussion and analysis (MD&A), the basic financial statements, required supplementary information, and other supplementary information. The basic financial statements consist of Town-wide financial statements, fund financial statements, and notes to the financial statements. A graphic display of the relationship of these statements follows:



TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020

A. Town-wide Financial Statements

The Town-wide financial statements are organized to provide an understanding of the fiscal performance of the Town as a whole in a manner similar to a private sector business. There are two Town-wide financial statements - the Statement of Net Position and the Statement of Activities. These statements provide both an aggregate and long-term view of the Town's finances.

These statements utilize the accrual basis of accounting. This basis of accounting recognizes the financial effects of events when they occur, without regard to the timing of cash flows related to the events.

The Statement of Net Position

The Statement of Net Position presents information on all of the Town's assets, deferred outflows, liabilities and deferred inflows, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating, respectively.

The Statement of Activities

The Statement of Activities presents information showing the change in net position during the fiscal year. All changes in net positions are recorded at the time the underlying financial event occurs. Therefore, revenues and expenses are reported in the statement for some items that will result in cash flow in future fiscal periods.

B. Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, not the Town as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town also uses fund accounting to ensure compliance with finance-related legal requirements. The funds of the Town are reported in the governmental funds and the fiduciary funds.

These statements utilize the modified accrual basis of accounting. This basis of accounting recognizes revenues in the period that they become measurable and available. It recognizes expenditures in the period that they become measurable, funded through available resources, and payable within a current period.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the Town-wide financial statements. However, the governmental fund financial statements focus on shorter term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Consequently, the governmental fund statements provide a detailed short-term view of the Town's operations and the services it provides.

Because the focus of governmental funds is narrower than that of Town-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Town-wide financial statements. By doing so, you may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains seven major individual governmental funds, General Whole Town, General Part Town, Highway Whole Town, Highway Part Town, Sewer, Water, and Capital funds, each of which is considered to be a major fund and is presented separately in the fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in its capacity as agent or trustee. All of the Town's fiduciary activities are reported in a Custodial Fund in a separate Statement of Fiduciary Net Position. The fiduciary activities have been excluded from the Town's Town-wide financial statements because the Town cannot use these assets to finance its operations.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

3. FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

A. Net Position

The Town's total net position increased between fiscal year 2020 and 2019. A summary of the Town's Statement of Net Position at December 31, 2020 and 2019, are as follows:

	2020	Restated 2019	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 5,360,267	\$ 4,975,355	\$ 384,912	7.7%
Capital Assets, (Net of Accumulated Depreciation)	11,214,611	10,796,190	418,421	3.9%
Total Assets	<u>\$ 16,574,878</u>	<u>\$ 15,771,545</u>	<u>\$ 803,333</u>	5.1%
Deferred Outflows	<u>\$ 4,748,360</u>	<u>\$ 1,539,767</u>	<u>\$ 3,208,593</u>	208.4%
Non-Current Liabilities	\$ 13,744,807	\$ 11,412,126	\$ 2,332,681	20.4%
Net Pension Liability - Proportionate Share	2,705,847	728,237	1,977,610	271.6%
Other Liabilities	1,296,320	1,249,837	46,483	3.7%
Total Liabilities	<u>\$ 17,746,974</u>	<u>\$ 13,390,200</u>	<u>\$ 4,356,774</u>	32.5%
Deferred Inflows	<u>\$ 2,440,477</u>	<u>\$ 3,082,170</u>	<u>\$ (641,693)</u>	(20.8%)
Net Position				
Net Investment in Capital Assets	\$ 9,188,277	\$ 8,341,479	\$ 846,798	10.2%
Restricted	154,014	136,155	17,859	13.1%
Unrestricted (Deficit)	<u>(8,206,504)</u>	<u>(7,638,692)</u>	<u>(567,812)</u>	(7.4%)
Total Net Position	<u>\$ 1,135,787</u>	<u>\$ 838,942</u>	<u>\$ 296,845</u>	35.4%

Current and other assets increased by \$384,912, as compared to the prior year. This increase was mainly due to an increase in amounts due from other Governments of \$504,834 caused by accruing both third and fourth quarter sales tax in the current year, and an increase in accounts receivable of \$360,758 due to the Oneida County mortgage tax distribution being delayed due to COVID. These increases were offset by the decrease in cash of \$443,355.

Capital assets increased by \$418,421, as compared to the prior year. This increase is primarily due to the capital outlay expense in 2020 exceeding depreciation.

Non-current liabilities increased by \$2,332,681 as compared to the prior year. This increase is mainly the result of the net increase in the total OPEB liability of \$2,751,983 primarily due to the changes in actuarial assumptions for the calculation. This increase was offset by the \$432,123 in principal payments for the Town's debt obligations made in the current year.

The accounting standards require the recognition of the Town's proportionate share of Net Pension Assets/Liabilities and Deferred Outflows/Inflows of Resources for the New York State Employees' Retirement System. The details of the above changes in the respective pension accounts are more fully described on page 40 of the financial statements.

Other liabilities increased by \$46,483. The increase is mainly due the acquisition of the Mauro property for \$324,768 to be funded by a DASNY grant, which was deferred in the current year since the award contract was delayed due to COVID.

The Net Position invested in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings and purchase vehicles, equipment and furniture to support Town operations.

The Restricted Net Position represents funds being held for the equipment reserves, sidewalk reserve and operation of the cemeteries.

The Unrestricted Net deficit at December 31, 2020, is \$8,206,504, which represents the amount by which the Town's liabilities, excluding debt related to capital construction, exceeded the Town's assets other than capital assets. This amount is primarily due to the OPEB liability in the amount of \$12,190,165 at December 31, 2020.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

B. Changes in Net Position

The results of this year's operations as a whole are reported in the Statement of Activities in a programmatic format in the accompanying financial statements. Nonproperty tax items primarily consist of New York State sales tax and franchise tax. A summary of this statement for the years ended December 31, 2020 and 2019, is as follows.

Revenues	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Program Revenues				
Charges for Services	654,709	\$ 759,971	\$ (105,262)	(13.9%)
Operating Grants	129,768	164,698	(34,930)	(21.2%)
Capital Grants	163,895	3,984,138	(3,820,243)	(95.9%)
General Revenues				
Property Taxes and Other Items	3,595,167	3,514,187	80,980	2.3%
Other Real Property Tax Items	82,079	125,440	(43,361)	(34.6%)
Nonproperty Tax	2,852,515	2,771,636	80,879	2.9%
Use of Money and Property	24,085	38,758	(14,673)	(37.9%)
Licenses	6,425	6,216	209	3.4%
Fines	7,714	58,227	(50,513)	(86.8%)
Sale of Property	120,024	31,341	88,683	283.0%
Insurance Recoveries	2,959		2,959	100.0%
Miscellaneous	48,804	54,886	(6,082)	(11.1%)
State Aid	374,136	302,511	71,625	23.7%
Total Revenues	<u>8,062,280</u>	<u>11,812,009</u>	<u>(3,749,729)</u>	<u>(31.7%)</u>
Expenses				
General Government Support	1,846,852	2,776,391	(929,539)	(33.5%)
Public Safety	1,767,733	1,660,682	107,051	6.4%
Public Health	2,376	1,969	407	20.7%
Transportation	3,038,237	2,877,624	160,613	5.6%
Social Services	8,805	30,044	(21,239)	(70.7%)
Home and Community Services	454,650	445,183	9,467	2.1%
Culture and Recreation	573,357	576,573	(3,216)	(0.6%)
Debt Service - Interest	73,425	80,352	(6,927)	(8.6%)
Total Expenses	<u>7,765,435</u>	<u>8,448,818</u>	<u>(683,383)</u>	<u>(8.1%)</u>
Total Change in Net Position	<u>\$ 296,845</u>	<u>\$ 3,363,191</u>	<u>\$ (3,066,346)</u>	

The increase in Property Taxes and Other items revenues are primarily due to budgeted tax rate increases.

Charges for Services decreased \$105,262 due to closures and restrictions caused by the COVID 19 pandemic.

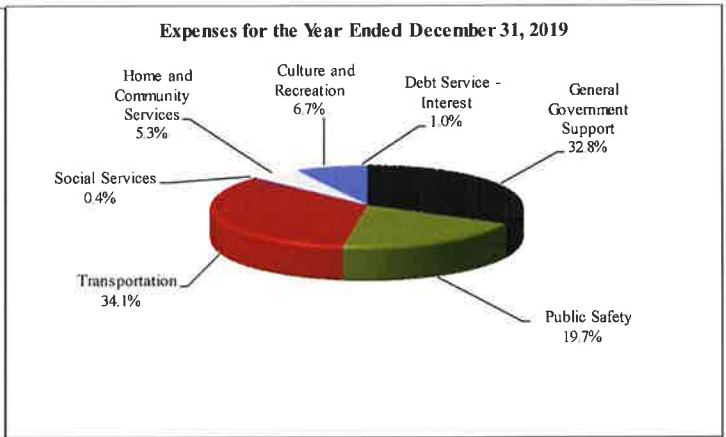
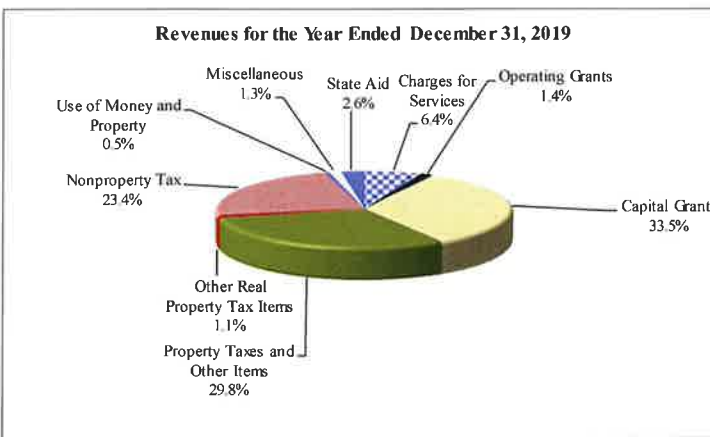
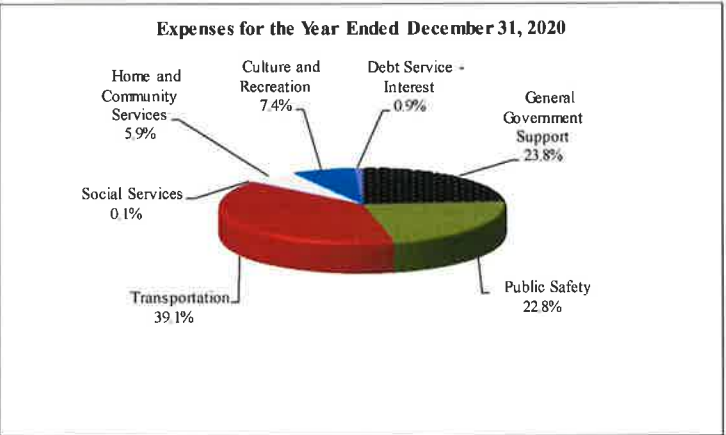
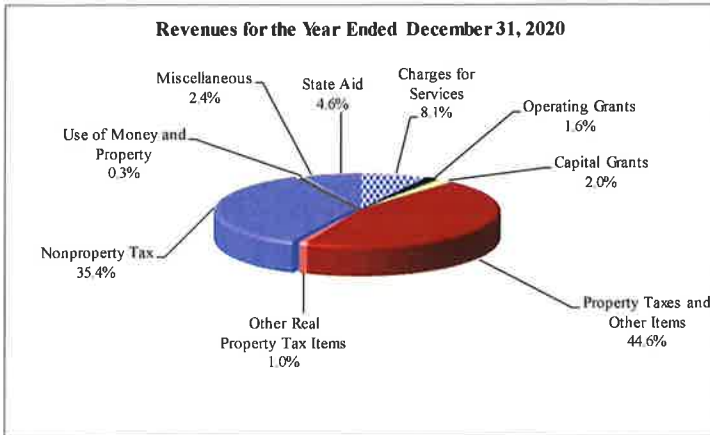
Nonproperty taxes mainly consist of sales tax. The sales tax increased \$80,879 or 2.9%.

Capital grants decreased \$3,820,243 due to State and local grants received in the prior year for the Sauquoit Creek Channel & Floodplain Restoration Project.

General Government Support expenses decreased by \$929,539 primarily due to the loss for the impairment of assets recorded in the prior year for the flood damage incurred to the Sauquoit Creek in the amount of \$650,000.

Transportation increased \$160,613 in the current year. The increase is primarily due to changes in allocations of depreciation and employee benefits.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**



**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

4. FINANCIAL ANALYSIS OF THE TOWN'S FUND BALANCES

At December 31, 2020, the Town's governmental funds reported a combined fund balance of \$4,065,507, which is an increase of \$337,943 from the prior year. This increase is mainly due to excess revenues over expenditures in the General, Highway, and Sewer funds for the year. A summary of the change in fund balance by fund is as follows:

	<u>2020</u>	(Restated) <u>2019</u>	Increase (Decrease)
General Whole Town			
Nonspendable	\$ 70,859	\$ 74,757	\$ (3,898)
Restricted	28,061	20,000	8,061
Assigned	27,492	27,492	
Unassigned	<u>1,344,098</u>	<u>1,114,378</u>	<u>229,720</u>
	<u>1,470,510</u>	<u>1,236,627</u>	<u>233,883</u>
General Part Town			
Nonspendable	52,801	46,347	6,454
Restricted	5,000	5,000	
Assigned	<u>425,198</u>	<u>383,647</u>	<u>41,551</u>
	<u>482,999</u>	<u>434,994</u>	<u>48,005</u>
Highway Whole Town			
Nonspendable	45,357	26,824	18,533
Assigned	<u>774,724</u>	<u>607,206</u>	<u>167,518</u>
	<u>820,081</u>	<u>634,030</u>	<u>186,051</u>
Highway Part Town			
Nonspendable	11,793	26,824	(15,031)
Assigned	<u>753,594</u>	<u>451,970</u>	<u>301,624</u>
	<u>765,387</u>	<u>478,794</u>	<u>286,593</u>
Sewer			
Assigned	<u>494,540</u>	<u>466,530</u>	<u>28,010</u>
	<u>494,540</u>	<u>466,530</u>	<u>28,010</u>
Water			
Assigned	<u>694,435</u>	<u>694,795</u>	<u>(360)</u>
Capital			
Unassigned (Deficit)	<u>(800,433)</u>	<u>(338,125)</u>	<u>(462,308)</u>
Non-Major			
Restricted	120,953	111,155	9,798
Assigned	<u>17,035</u>	<u>8,764</u>	<u>8,271</u>
	<u>137,988</u>	<u>119,919</u>	<u>18,069</u>
 Total Fund Balance	 <u>\$ 4,065,507</u>	 <u>\$ 3,727,564</u>	 <u>\$ 337,943</u>

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

5. GENERAL FUND BUDGETARY HIGHLIGHTS

A. Budget

The Town's adopted budgets for the year ended December 31, 2020, for the following funds was \$6,980,318. The budgets were adopted and amended as follows:

	<u>General Whole Town</u>	<u>General Part Town</u>	<u>Highway Whole Town</u>	<u>Highway Part Town</u>	<u>Sewer</u>	<u>Water</u>
Change from Adopted Budget to Revised Budget						
Adopted Budget	\$ 2,680,464	\$ 1,148,444	\$ 1,438,223	\$ 1,282,135	\$ 88,882	\$ 342,170
Add: Prior Year's Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Original and Adopted Budget	<u>2,680,464</u>	<u>1,148,444</u>	<u>1,438,223</u>	<u>1,282,135</u>	<u>88,882</u>	<u>342,170</u>
Final Budget	<u>\$ 2,680,464</u>	<u>\$ 1,148,444</u>	<u>\$ 1,438,223</u>	<u>\$ 1,282,135</u>	<u>\$ 88,882</u>	<u>\$ 342,170</u>

The majority of this funding source for the above budgets consisted of \$3,205,000 in property taxes, \$2,383,000 in non-property taxes that include sales and franchise taxes, and \$499,275 in State Aid.

6. CAPITAL ASSET AND DEBT ADMINISTRATION

A. Capital Assets

At December 31, 2020, the Town had invested in a broad range of capital assets, including land, buildings and improvements and equipment. The net increase in capital assets is due to capital outlays exceeding depreciation recorded for the year ended December 31, 2020. A summary of the Town's capital assets, net of depreciation at December 31, 2020 and 2019, is as follows:

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Land	\$ 1,381,818	\$ 1,057,050	\$ 324,768.00
Construction in Progress	3,808,179	3,234,374	573,805
Buildings	1,178,063	1,339,178	(161,115)
Infrastructure	1,895,614	2,061,596	(165,982)
Equipment	<u>2,950,937</u>	<u>3,103,992</u>	<u>(153,055)</u>
Capital Assets, Net	<u>\$ 11,214,611</u>	<u>\$ 10,796,190</u>	<u>\$ 418,421</u>

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

B. Debt Administration

At December 31, 2020, the Town had total outstanding debt of \$1,252,087. A summary of the outstanding debt at December 31, 2020 and 2019, is as follows:

Description	Date of Original Issue	Date of Final Maturity	Interest Rate (%)	Outstanding Amount		Increase (Decrease)
				2020	2019	
<u>Serial Bonds</u>						
General Fund-Whole Town						
Land, Town Bldg, Garage	12/15/2010	12/15/2023	3.428	\$ 150,000	\$ 200,000	\$ (50,000)
Water						
WD#1 Extension Improvements	6/15/2006	6/15/2024	4.3227	300,000	375,000	(75,000)
WD#25 Improvements	12/27/2016	12/15/2043	4.2249	390,000	400,000	(10,000)
Refunding-Variou	5/10/2012	12/15/2021	3.000	170,000	385,000	(215,000)
	Total Water Fund			860,000	1,160,000	(300,000)
	Total Serial Bonds			\$ 1,010,000	\$ 1,360,000	\$ (350,000)
<u>Installment Purchase Debt</u>						
General Fund-Whole Town						
	3/7/2016	3/7/2020	2.693	\$	\$ 5,719	\$ (5,719)
General Fund-Part Town						
	7/10/2018	7/10/2023	5.451	18,447	23,957	(5,510)
Highway - Whole Town						
	4/1/2016	4/1/2020	2.834		7,704	(7,704)
	Total Installment Purchase Debt			\$ 18,447	\$ 37,380	\$ (18,933)
<u>State Loan Payable</u>						
General Fund-Whole Town						
	3/31/2014	4/1/2024	2.79	\$ 223,640	\$ 286,831	\$ (63,191)

7. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

This component is a description of currently known facts, decisions or conditions that are expected to have a significant effect on financial position (net position) or results of operations (revenues, expenses and other changes in net position).

Population

According to the U.S. Census, the Town of Whitestown's population was 21,382 in 1970, but is estimated at 18,474 today. Population loss reduces the Town's tax base and can hamper economic growth.

Economic Development

New development in the Town of Whitestown, including home and business construction, has slowed in recent years. The decrease in growth can be attributed to a shortage of vacant land and shovel-ready sites - - the Town is running out of room to expand. Parts of the Town also do not have public water and sewer, impeding future growth.

The lack of new development is concerning because the Town's tax base will most likely remain stagnant as a result, despite variable costs continuing to increase. Consequently, the Town may be better served to focus on redevelopment and repurposing instead of new development.

The Town has also not had a Town-wide revaluation since the mid-1990s, mainly due to cost.

Over the last two years, there was a slight uptick in building permits and new home construction.

Sales Tax Revenue

Despite the COVID-19 pandemic, the Town's sales tax revenue remains strong. In fact, in the face of projections to the contrary, sales tax revenue increased in 2020 and 2021 sales tax revenue is on pace to surpass 2020 sales tax revenue. With that said, there are so many "unknowns" due to the COVID-19 pandemic, and another surge in cases could lead to an economic downturn in the near future. Inflation, rising interest rates and gas prices, along with slow job growth, could contribute to economic challenges. Consequently, continuing to conservatively budget sales tax revenue is imperative.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

Other Revenue

Most other sources of revenue in the Town, in addition to the tax levy, remained strong in 2020. Despite the COVID-19 pandemic, to date, several forms of revenue, including, but not limited to, NYS AIM funding, NYS CHIPS funding and mortgage tax revenue, have not decreased and, in some cases, have increased. Also - - despite the Town's Ice Rink/Community Center being forced to close for approximately four months (March 2020-July 2020) due to the COVID-19 pandemic - - Ice Rink/Community Center revenue came close to meeting projections in 2020.

New York State Property Tax Cap

Since its inception in 2011, the Town Board has not voted to override the "tax cap," a State law which limits the growth in property taxes to two-percent a year or the rate of inflation, whichever is lower. Yet, the desire to not overburden taxpayers carries a price tag and may not be sustainable long-term. While the Town has "held the line" on property taxes, variable costs like wages and health insurance continue to increase dramatically, becoming more and more difficult to pay for. As a result, employees will most likely have to contribute a higher monetary amount for health insurance coverage in order for current plans to stay in place. Staffing levels may also be affected.

Additionally, the Town of Whitestown supports legislation that would only subject a Town's four major funds - - General Whole and Part Town and Highway Whole and Part Town - - to the "tax cap." Currently, special districts, including water, sewer and lighting districts, are all subject to the "tax cap." Complying with the "tax cap" makes it difficult for a town, like Whitestown, to raise the sufficient amount of funds needed to routinely repair, upgrade and maintain critical infrastructure.

Consolidation/Sharing of Services

The Town of Whitestown includes the villages of Oriskany, Whitesboro and Yorkville, and part of New York Mills. The Town-Outside-Village population is approximately 8,000, while roughly 11,000 live in the four villages.

Although the Town and villages share some services, much potential remains to work together in a greater fashion. For example, the Town and each village have the following: executive, legislative body, police department, highway department, court, code enforcement officer, attorney, planning board and zoning board of appeals. Each village also has a volunteer fire department, collectively containing more apparatus per one-thousand people than the much larger cities of Utica and Rome.

In 2015, a proposal to create a town-wide fire district was defeated by voters. More recently, in 2017, the Town proposed a town-wide code enforcement department, but the plan was rejected by all four villages. The villages of Oriskany and Whitesboro also rejected proposals to dissolve their village courts in 2018.

It will become increasingly difficult for the Town and villages to each afford and maintain their own separate services. If properly studied and implemented, consolidation can help sustain services and eliminate duplicative costs.

Consolidation should be more strongly explored and considered before it perhaps becomes a necessity within the next 20 years.

Equipment/Vehicles

Since 2016, the Town's vehicles/equipment have been addressed, considerably.

Police Department

-Five of the Department's six vehicles have been replaced.

Codes Department

-The Department's vehicle was replaced with a vehicle previously used by the Police Department.

Buildings and Grounds Department

-Due to the acquisition of two cemeteries, the Department's fleet was increased from three to four vehicles. Three of the vehicles are new.

-New bobcat was purchased to replace older bobcat.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

Highway Department

- Two new plow trucks were purchased to replace two older plow trucks.
- Two new packer trucks were purchased for green waste collection to compliment two existing packer trucks.
- Five new pick-up trucks were purchased to replace five older pick-up trucks.
- New wheel loader was purchased to replace older wheel loader (was traded in before its useful life expired to maximize value).

However, despite this significant investment, a greater investment, along with more funding, is needed in the near future for the following:

Highway Department

- Additional vehicle/equipment replacement.
- The Town recently applied for \$451,113.46 in funding through the New York State DEC's Municipal Waste Reduction and Recycling Program for two leaf collection vehicles and a chipper. If awarded the funding, the Town is responsible for 50% of the total cost.
- New fuel tanks at the Highway Garage.

A town-wide vehicle replacement program/schedule would be beneficial.

Infrastructure

The Town's infrastructure also requires investment. According to the Superintendent of Highways, about 20 Town roads are in need of immediate repair. Additionally, the parking lots at the Town Hall, Town Community Center, Town Court and Town Park on Gibson Road need to be resurfaced, the Highway Department's roof and Salt Shed's roof need to be repaired/replaced and the Town's sidewalk/trail system necessitates consistent maintenance.

The "tax cap" makes it difficult to address infrastructure needs without increasing property taxes.

Cemeteries

State law requires a town to assume responsibility for a cemetery, within the town, that can no longer sustain itself financially. In 2010, the Town acquired Glenside Cemetery in the Village of New York Mills and in 2017, the Town acquired Grandview Cemetery in the Village of Whitesboro. Town forces operate and maintain both.

In addition to Glenside Cemetery and Grandview Cemetery, there are about 20 other cemeteries in the Town of Whitestown. If others fold due to financial constraints, the burden of maintaining them will be borne by taxpayers.

The State law mentioned above is an unfunded mandate.

Major Projects

Sauquoit Creek Channel & Floodplain Restoration Program

Since its inception in 2016, the Sauquoit Creek Channel & Floodplain Restoration Program – an on-going effort to determine and implement the improvements needed to alleviate historical flooding along the Sauquoit Creek in Whitestown – has evolved into the largest program of its kind in New York State. The program has four major components: Mitigation (Natural Approach); Adaptation (Property Buyouts); Infrastructure Improvements (Bridges and Culverts); and Floodplain Management (Smarter Development).

The mitigation component of the Sauquoit Creek Channel & Floodplain Restoration Program involves the construction of several floodplain benches, areas of bank stabilization, channel widening and the creation of a public access trail along a 1-plus mile corridor of the lower Sauquoit Creek in Whitestown on Commercial Drive/NYS Route 5A. The work will continue to stabilize the lower Sauquoit Creek while connecting it to its original floodplain.

In September 2019, Mitigation Project 1 involving the construction of two floodplain benches at Dunham Manor Park in Whitestown, was completed. The construction of Mitigation Project 2 commenced in June 2021. Mitigation Project 2 specifically includes the construction of a floodplain bench in the Village of Whitesboro south of the CSX Railroad Crossing with five additional culverts being installed underneath the CSX Rail Line. While constructing Mitigation Project 2, Whitestown is also in the process of designing Mitigation Project 3 and securing additional grant funds for Mitigation Project 4, which will include the construction of additional flood mitigation measures. At the end of Project 4, Whitestown will have completed its original

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

construction goal set in 2016 when it launched the mitigation component of the Sauquoit Creek Channel & Floodplain Restoration Program.

The adaptation component of the Sauquoit Creek Channel & Floodplain Restoration Program involves the potential buy-out of nearly 200 residential properties in the Village of Whitesboro impacted by the 2019 Halloween Storm/Flood.

In September 2020, Whitestown secured at least \$20 million from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Floodplain Easement Program for the buy-out of eligible residential properties. Ultimately, the buy-out of an approved property owner is achieved by NRCS purchasing a floodplain easement and the structures (house) within the easement area and Whitestown, as project sponsor, purchasing the remaining fee title (land). The value of the property is based on the appraised fair market value as of the day before the 2019 Halloween Storm/Flood. At the end of the process, Whitestown becomes the property owner, subject to a floodplain easement held by the United States. The land within the floodplain easement must remain forever "green" in accordance with NRCS regulations.

Whitestown and NRCS entered into a Cooperative Agreement in July 2021. The Agreement allows NRCS to provide funding to Whitestown to solicit and hire appraisers and title companies, a process that is currently underway. The goal is for some approved applicants to start receiving purchase offers by the end of this year/early next year.

The infrastructure improvements component of the Sauquoit Creek Channel & Floodplain Restoration Program involves the submittal of an application to the 2021 NY Bridge Grant Program for the replacement of the Main Street Bridge, which is owned by Whitestown and located near the border of the Village of Whitesboro and Village of Yorkville. This component also includes the submittal of an application to the 2021 BRIC/FEMA Grant Program for the replacement of the Oriskany Boulevard (Route 69) Bridge over Sauquoit Creek in Whitesboro by the New York State Department of Transportation. Such replacements, combined with current mitigation, adaptation and floodplain management efforts (i.e., "global approach"), will lead to the greatest reduction in flood stage during intense rainfall/flood events, minimizing damage to repetitive flood loss homes and businesses. More specifically, the replacement of the Main Street and Oriskany Boulevard (Route 69) Bridges will allow for water in the Sauquoit Creek to move more freely downstream and empty into the Mohawk River with less restriction and risk of "backing up."

The Sauquoit Creek Channel & Floodplain Restoration Program is an impressive collaboration among all levels of government - - federal, state and local - - and cannot be accomplished without an "all hands on deck" approach. It is an innovative, proactive and long-term attempt to prevent flooding, to the greatest extent possible, rather than a short-term fix.

Utica Street Bridge Rehabilitation Project

The Town was awarded a \$1.4 million grant from the BRIDGE NY Program in 2017 to significantly rehabilitate the Utica Street Bridge in the Village of Oriskany, which was completed in October 2018. As part of the project, the bridge deck was replaced, structural deficiencies were repaired and a new waterline underneath the bridge was installed.

The project is expected to extend the life of the bridge by at least 30 years.

There was a 5 percent local share, amounting to approximately \$70,000 in Town funding.

Wyman Park Project

The Town continues to work closely with the Deputy Wyman Foundation, Inc. to complete Wyman Park, an extension of the Town Park on Gibson Road named in honor of fallen Oneida County Sheriff Deputy Kurt B. Wyman.

Both multi-use fields at the park are now being used for practices and games.

A \$200,000 DASNY "SAM" grant will fund the construction of a comfort station containing a concession, bathrooms and storage space and additional parking, but additional investment by the Town may be necessary. Construction is scheduled to begin and be completed in 2022.

Outsourcing of Payroll

The Town outsourced payroll and related tasks to ADP in 2019.

Debt Service

A significant portion of the Town's debt service will be falling off within the next 5-10 years, making it an opportune time to enact a vehicle/equipment replacement program.

The Town bonded for two police vehicles and two plow trucks in 2018; a BAN was added to in late 2019.

Fund Balance

The Town's fund balance continues to experience steady growth.

**TOWN OF WHITESTOWN, NEW YORK
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2020**

Additional growth in fund balance is attainable if expenditures do not exceed revenues, but will become increasingly difficult due to vehicle, equipment and infrastructure needs.

In 2019, the Town Board implemented a new expenditure tracking system for all department heads to use.

8. CONTACTING THE TOWN

This financial report is designed to provide the Town's citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the:

**Town Supervisor
Town of Whitestown
8539 Clark Mills Road
Whitesboro, NY 13492**

TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF NET POSITION
December 31, 2020

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 3,041,323
Restricted Cash	159,771
Accounts Receivable	485,145
Due From Other Governments	1,493,218
Prepaid Expenses	180,810
Capital Assets (Net of Accumulated Depreciation)	<u>11,214,611</u>
Total Assets	16,574,878
Deferred Outflows of Resources	
Deferred Outflow - Pensions	2,038,129
Deferred Outflow - OPEB	<u>2,710,231</u>
Total Deferred Outflows of Resources	4,748,360
Total Assets and Deferred Outflows of Resources	<u>\$ 21,323,238</u>
Liabilities	
Accounts Payable	\$ 138,457
Accrued Liabilities	8,015
Payroll Withholdings Payable	24,900
Bid Deposits	10,874
Accrued Interest	1,560
Due To Other Governments	8,148
Bond Anticipation Notes Payable	774,246
Unearned Revenue	330,120
Net Pension Liability - Proportionate Share	2,705,847
Noncurrent Liabilities	
Due Within One Year	
State Loan Payable	64,924
Bonds Payable	305,000
Installment Purchase Debt	5,818
Due in More Than One Year	
State Loan Payable	158,716
Bonds Payable	705,000
Installment Purchase Debt	12,630
Compensated Absences Payable	302,554
OPEB	<u>12,190,165</u>
Total Liabilities	<u>17,746,974</u>
Deferred Inflows of Resources	
Deferred Inflow - Pensions	197,925
Deferred Inflow - OPEB	<u>2,242,552</u>
Total Deferred Inflows of Resources	<u>2,440,477</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,187,451</u>
Net Position	
Net Investment in Capital Assets	9,188,277
Restricted	154,014
Unrestricted (Deficit)	<u>(8,206,504)</u>
Total Net Position	<u>1,135,787</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 21,323,238</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General Government Support	\$ 1,846,852	\$ 149,877	\$	\$ 139,366	\$ (1,557,609)
Public Safety	1,767,733	3,583	13,752		(1,750,398)
Public Health	2,376	5,363			2,987
Transportation	3,038,237	187,442	116,016		(2,734,779)
Social Services	8,805				(8,805)
Home and Community Services	454,650			24,529	(430,121)
Culture and Recreation	573,357	308,444			(264,913)
Debt Service - Interest	73,425				(73,425)
Total Governmental Activities	\$ 7,765,435	\$ 654,709	\$ 129,768	\$ 163,895	(6,817,063)
General Revenues					
Real Property Tax					3,595,167
Other Real Property Tax Items					82,079
Nonproperty Tax					2,852,515
Use of Money and Property					24,085
Licenses					6,425
Fines					7,714
Sale of Property					120,024
Insurance Recoveries					2,959
State Aid					374,136
Miscellaneous					48,804
Total General Revenues					7,113,908
Change in Net Position					296,845
Net Position (Deficit), Beginning of Year					727,787
Cummulative Effect of Change in Accounting Principle					111,155
Net Position (Deficit), Beginning of Year (Restated)					838,942
Net Position, End of Year					\$ 1,135,787

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
December 31, 2020

	Governmental							Total Governmental Funds	
	General Whole Town	General Part Town	Highway Whole Town	Highway Part Town	Sewer	Water	Capital		Non-major Governmental
Assets									
Current Assets									
Unrestricted Cash	\$ 1,007,960	\$ 5,000	\$ 232,934	\$ 414,089	\$ 513,719	\$ 371,365	\$ 483,995	\$ 17,261	\$ 3,041,323
Restricted Cash	28,065	59,927						\$ 126,706	159,771
Accounts Receivable	425,218	38,388	731,357	348,832		323,070	79,565		485,145
Due from Other Funds	104,884	550,474	335,710	232,978					1,626,096
Due from Other Governments	374,056	52,801	45,357	11,793					1,493,218
Prepaid Expenditures	70,859								180,810
Total Current Assets	\$ 2,011,042	\$ 706,590	\$ 1,345,358	\$ 1,007,692	\$ 513,719	\$ 694,435	\$ 563,560	\$ 143,967	\$ 6,986,363
Liabilities and Fund Equity									
Current Liabilities									
Accounts Payable	\$ 58,762	\$ 4,217	\$ 64,124	\$ 54	\$ 5,321	\$	\$	\$ 5,979	\$ 138,457
Accrued Liabilities	2,590	2,690	2,735						8,015
Payroll Withholdings Payable	24,900								24,900
Bid Deposits	10,874				0				10,874
Due to Other Funds	106,542	216,684	457,014	242,251	13,858		589,747		1,626,096
Due to Other Governments	8,148			0			774,246		8,148
Bond Anticipation Notes Payable									774,246
Unearned Revenues	328,716		1,404						330,120
Total Current Liabilities	\$ 540,532	\$ 223,591	\$ 525,277	\$ 242,305	\$ 19,179		\$ 1,363,993	\$ 5,979	\$ 2,920,856
Fund Equity									
Non-spendable	70,859	52,801	45,357	11,793					180,810
Restricted	28,061	5,000						120,953	154,014
Assigned	27,492	425,198	774,724	753,594	494,540	694,435		17,035	3,187,018
Unassigned (Deficit)	1,344,098						(800,433)		543,665
Total Fund Equity (Deficit)	\$ 1,470,510	\$ 482,999	\$ 820,081	\$ 765,387	\$ 494,540	\$ 694,435	\$ (800,433)	\$ 137,988	\$ 4,065,507
Total Liabilities, Deferred Revenue, and Fund Equity	\$ 2,011,042	\$ 706,590	\$ 1,345,358	\$ 1,007,692	\$ 513,719	\$ 694,435	\$ 563,560	\$ 143,967	\$ 6,986,363

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
RECONCILIATION OF TOTAL GOVERNMENTAL FUND EQUITY TO NET POSITION OF GOVERNMENTAL ACTIVITIES
December 31, 2020

Governmental Fund Equity		\$ 4,065,507
<p>Amounts reported for governmental activities in the statement of Net Position are different due to the following:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
	Original Cost of Capital Assets	20,191,061
	Accumulated Depreciation	<u>(8,976,450)</u>
		11,214,611
Accrued Interest		(1,560)
<p>Proportionate share of long-term asset and liability associated with participation in state retirement system are not current financial resources or obligations and are not reported in the funds.</p>		
	Deferred Outflows - Pensions	2,038,129
	Net Pension Liability - Proportionate Share	(2,705,847)
	Deferred Inflows - Pensions	<u>(197,925)</u>
		(865,643)
<p>Long-term liabilities and OPEB Liability, are not due and payable in the current-period and therefore are not reported in the funds.</p>		
	State Loans Payable	(223,640)
	Bonds Payable	(1,010,000)
	Installment Purchase Debt	(18,448)
	Compensated Absences Payable	(302,554)
	OPEB Liability	(12,190,165)
	Deferred Outflows - OPEB	2,710,231
	Deferred Inflows - OPEB	<u>(2,242,552)</u>
		<u>(13,277,128)</u>
Net Position of Governmental Activities		\$ <u>1,135,787</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	Governmental							Total Governmental Funds	
	General Whole Town	General Part Town	Highway Whole Town	Highway Part Town	Sewer	Water	Capital		Non-major Governmental
Revenues									
Real Property Taxes	\$ 1,713,244	\$	\$ 984,139	\$	\$ 88,032	\$ 341,720	\$	\$ 468,032	\$ 3,595,167
Other Real Property Tax Items	82,079								82,079
Nonproperty Tax Items	342,507	1,024,694	288,596	1,196,718					2,852,515
Departmental Income	348,660	87,715							436,375
Service Revenue								15,900	15,900
Intergovernmental Charges			187,442	3,450					190,892
Use of Money and Property	21,712	1,553	173		120	89	306	131	24,084
Licenses and Permits	6,425	12,760							19,185
Fines and Forfeitures	7,714								7,714
Sale of Property and Compensation for Loss	570		4,473	3,893			117,938		126,874
Miscellaneous	144,492		4,910				33,660		183,062
State Aid	311,649	76,239		116,016					503,904
Federal Aid				24,529					24,529
Total Revenues	2,979,052	1,202,961	1,469,733	1,344,606	88,152	341,809	151,904	484,063	8,062,280
Expenditures									
General Government Support	1,515,389	121	397						1,997,719
Public Safety	58,439	604,454	335						1,130,264
Public Health		2,376							2,376
Transportation	110,512		844,261	757,000					2,001,962
Social Services	8,805								8,805
Home and Community Services	30,432	78,084			58,577				167,093
Culture and Recreation	232,885	14,191					23,169		270,245
Employee Benefits	623,950	407,590	305,990	301,013	1,296				1,639,839
Debt Service - Principal	147,395	45,229	121,500			300,000			614,124
Debt Service - Interest	17,362	2,911	11,199		269	42,169			73,910
Total Expenditures	2,745,169	1,154,956	1,283,682	1,058,013	60,142	342,169	796,212	465,994	7,906,337
Excess (Deficit) Revenues Over Expenditures	233,883	48,005	186,051	286,593	28,010	(360)	(644,308)	18,069	155,943
Other Financing Sources									
Bond Anticipation Notes Redeemed from Appropriations							182,000		182,000
Total Other Financing Sources							182,000		182,000
Excess (Deficit) Revenues Over Expenditures and Other Financing Sources	233,883	48,005	186,051	286,593	28,010	(360)	(462,308)	18,069	337,943
Fund Equity (Deficit), Beginning of Year	1,236,627	434,994	634,030	478,794	466,530	694,795	(338,125)	8,764	3,616,409
Cumulative Effect of Change in Accounting Principle								111,155	111,155
Fund Equity, Beginning of Year (Restated)	1,236,627	434,994	634,030	478,794	466,530	694,795	(338,125)	119,919	3,727,564
Fund Equity (Deficit), End of Year	1,470,510	482,999	820,081	765,387	494,540	694,435	(800,433)	137,988	4,065,507

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES AND
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Net Change in Fund Balance - Total Governmental Funds **\$ 337,943**

Capital Outlays to purchase or build capital assets are reported in Governmental Funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their useful lives as depreciation expense in the statement of activities. This is the amount by which capital outlays in the period exceeds depreciation.

Capital Outlays	1,174,397	
Depreciation	<u>(755,976)</u>	418,421

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

Principal Payments on Long Term Debt	432,123
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(Increases) Decreases in the proportionate share of the net pension liability reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the governmental funds.

Employees' Retirement System	(528,933)
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Certain expenses in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in Governmental Funds.

OPEB Liability	(350,374)	
Compensated Absences	(12,821)	
Accrued Interest	<u>486</u>	<u>(362,709)</u>

Change in Net Positions Governmental Activities **\$ 296,845**

TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

Assets

Unrestricted Cash	\$	3,866
Restricted Cash		148,572
		148,572
Total Assets	\$	152,438

Liabilities

Bail Deposits	\$	3,220
Court Liabilities		3,866
Other Liabilities		145,352
		145,352
Total Liabilities		152,438

Net Position

Total Liabilities and Net Position	\$	152,438
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TOWN OF WHITESTOWN, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2020

Additions

Fines Collected for Other Governments	\$	83,101
Fees Collected for Other Governments		2,284
Taxes Collected for Other Governments		50,090,733
		50,090,733
Total Additions		50,176,118

Deductions

Fines Remitted to the State		83,101
Fees Distributed to Other Governments		2,284
Taxes Distributed to Other Governments		50,090,733
		50,090,733
Total Deductions		50,176,118

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The Accompanying Notes are an Integral Part of These Financial Statements.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town have been prepared in conformity with U.S. generally accepted accounting principles (U.S. GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the primary standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared primarily from accounts maintained by the Town.

GASB is responsible for establishing U.S. GAAP for State and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies, established in U.S. GAAP and used by the Town, are discussed below.

Background

The Town of Whitestown, New York (the Town), was established in 1788 and operates under an elected Town Supervisor and four members of the Town Board. The Town Board is the elected legislative body. The Town Supervisor serves as the chief executive officer. The Town provides services of general government, public works, public safety, water, sewer, lighting, and community enrichment and economic development to its residents.

Financial Reporting Entity

The financial reporting entity consists of (a) the primary government which is the Town of Whitestown, (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.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, no other organizations have been included or excluded from the reporting entity.

Financial Statements - Government-Wide

The Town's financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Maintenance of roads, public works, social services, recreation and culture, and general administrative services are classified as governmental activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. All direct expenses incurred are charged to the corresponding function. Capital asset additions that cannot be identified to a specific function are allocated based on total expenses by program.

Employee benefits are reported as a separate function on the fund financial statements. These costs have been allocated for the government-wide financial statements based on the respective payroll for each function.

The net costs by function are normally covered by general revenues (property, non-property, or sales taxes, intergovernmental revenues, interest income, State Aid, etc.).

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Basic Financial Statements - Fund Financial Statements

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town reports the following major governmental funds:

(a) *Major Funds:*

The emphasis in the fund financial statements is on the major governmental fund categories. Non-major funds are summarized into a single column. The non-major funds consist of Fire, Lighting and Miscellaneous Special Revenue funds.

General Fund– this is the principal operating fund which is used to account for and report all operations not required to be recorded in other funds. This fund includes general whole-town and general part-town.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This fund is broken down into the following categories:

Highway - This fund is used to account for maintenance of the Town's streets and highways. This fund includes Highway Whole-Town and Highway Part-Town.

Sewer Fund - This fund is used to account for the Town's sewer operations in various districts.

Water Fund - This fund is used to account for the Town's sewer operations in various districts.

Miscellaneous – This fund is used to account for and report the Town's cemetery operations.

Capital Fund – This fund is used to account for financial resources to be used for the acquisition, construction, or renovation of major capital facilities or equipment. The principal sources of financing are from the sale of bonds or issuance of bond anticipation notes and state aid.

(b) *Fiduciary Fund Types* – Fiduciary funds are used to account for and report assets held in a trustee or custodial capacity for others and therefore, are not available to support Town programs. The Town's fiduciary fund consists only of the Custodial Fund. This Fund accounts for the collection and distribution of taxes, fines, and fees for other governments. Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, deferred compensation participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual – The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Nonexchange transactions are transactions in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, and donations. Nonexchange revenues are generally reported as nonoperating revenues. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Modified Accrual Basis - All governmental funds financial statements are reported for using the current financial resources measurement focus and the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town has defined the period of availability to be six months.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Material revenues that are accrued include real property taxes, Federal and State aid, sales tax, 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.

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

- a. Expenditures for inventory-type items are recognized at the time of the disbursements.
- b. Principal and interest on long-term indebtedness is not recognized as an expenditure until due.
- c. Compensated absences are not recognized as an expenditure until due.
- d. Capital fund expenditures are recorded when paid.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

Property Taxes

Taxes are collected by the receiver of taxes during the period January 1 to January 31 without penalty. Taxes are due by January 31. Late payments during the month of February must pay \$2.00 plus 1% of the amount due, in March the penalty changes to \$2.00 plus 1 1/2% of the amount due. After March 31, the unpaid amount is turned over to Oneida County. The County is responsible for collecting all taxes after April 1. The County pays the Town for the delinquent taxes and assumes enforcement responsibility for all taxes levied in the Town.

Capital Assets/Property, Plant, and Equipment

Capital assets purchased or acquired with an original cost of \$2,000 or more and a useful life of two years or more, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Infrastructure assets are capitalized on a prospective basis. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-30 Years
Machinery and Equipment	3-15 Years
Improvements (land and Building)	10-30 Years
Infrastructure	10-30 Years

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimate portion that is expected to be uncollectible. Estimated unbilled revenues are estimated at the end of each fiscal year. Sewer fund receivables are fully guaranteed by the General Fund of the Town. Therefore, no allowance for doubtful accounts has been established for these funds.

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. The first item is for the pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Insurance

The Town insures against liability for most risks including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or availability has been incurred and the amount of loss can be reasonably estimated.

Retirement Plan

The Town provides retirement benefits for substantially all of its regular, full-time employees through contributions to the New York State Employees' Retirement System. The System is a cost-sharing, multiple-employer, public employee retirement system. The System 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.

In addition to providing pension benefits, the Town provides post-employment health insurance coverage and survivor benefits for retired employees and their survivors. Collective bargaining agreements determine if Town employees are eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The cost of providing postemployment benefits is shared between the Town and the retired employee. Other postemployment benefit costs are measured and disclosed using the accrual basis of accounting.

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charged the appropriate benefiting fund and reduced its related cost as reimbursement. All other interfund transactions are treated as transfers.

Compensated Absences

Town employees are granted vacation and sick leave in varying amounts. In the event of retirement with 10 years of service, an employee is entitled to payment for accumulated sick at various rates subject to certain maximum limits. All vacation and personal leave is paid upon termination or retirement with at least 6 months of service.

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualifies for reporting in this category. The first item is related to pensions reported in the Town-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Cash and Cash Equivalents

State statutes require that collateral be pledged at 100 percent of all deposits not covered by Federal Deposit Insurance Corporation insurance for demand deposits, time deposits, repurchase agreements, and certificates of deposit. Obligations of the United States Treasury and its agencies as well as obligations of New York State and its municipalities and Towns may be pledged. Investments are carried at market value.

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the Town's investment policies. Resources must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Short-Term Debt

The Town may issue bond anticipation notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. State law requires that BAN's issued for capital purposes are converted to long-term financing within five years after the original issue date.

Equity classifications

(a) *Government-wide Financial Statements*

In the Government-wide statements there are three classes of net position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted Net Position – reports Net Position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – reports all other Net Positions that do not meet the definition of the above two classifications and are deemed to be available for general use by the Town.

(b) *Fund Statements*

The following classifications describe the relative strength of the spending constraints:

Non-spendable

This category includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. This category consists of the balances in prepaid expenditure and inventory accounts.

Restricted Resources

Amounts constrained by specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance

Amounts constrained to specific purposes by the Town itself, by vote of the Town Board, the Town's highest level of decision-making authority. The Town Board must approve the establishment (or modification) of any fund balance commitment.

Assigned fund balance

Amounts the Town intends to use for a specific purpose; intent for which must be expressed by the Town Board or Department management.

Unassigned fund balance

Amounts within the General Fund that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town and amounts in other funds with negative fund balances.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards

The Town changed accounting policies relating to identifying, accounting for, and reporting fiduciary activities with the adoption of Statement of Governmental Accounting Standards (GASB Statement) No. 84, *Fiduciary Activities*, effective January 1, 2020. The new pronouncement changes the criteria for identifying fiduciary activities and defines four types of fiduciary funds, with the previously known Trust & Agency Fund being eliminated. Some activities that were previously considered fiduciary in nature and reported in the Trust & Agency Fund no longer meet the fiduciary criteria and are now reported in the governmental funds, such as the construction bid deposits and payroll withholdings which are generated from the Town's own source revenue. In addition, activities that were previously not reported on the financial statements at all, such as taxes, fines, and fees collected for and distributed to other governments, and bail held on deposit, are now reported in the Town's financial statements in the Custodial Fund.

Future Changes in Accounting Standards

- GASB Statement No. 87 – Leases Effective for the year ended December 31, 2022

The Town will evaluate the impact this pronouncement may have on its financial statements and will implement it as applicable and when material.

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic resource management focus of the Statement of Activities, compared with the current financial resource management focus of the governmental funds.

Total Fund Balances of Governmental Funds Compared to Net Positions of Governmental Activities

Total fund balances of the Town's governmental funds differ from "net positions" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund Balance Sheet.

Statement of Revenues, Expenditures, and Changes In Fund Balance Compared To Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balance and the Statement of Activities fall into one of six broad categories. The amounts shown below represent:

(a) Long-Term Revenue Differences

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

(b) Capital Related Differences

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

(c) Long-Term Debt Transaction Differences

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

2. DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENTS
(Continued)

(d) *Employee Benefit Allocation*

Expenditures for employee benefits are not allocated to a specific function on the Statement of Revenues, Expenditures, and Changes in Fund Equity based on the requirements of New York State. These costs have been allocated based on total salary for each function on the Statement of Activities.

(e) *Pension Differences*

Pension differences occur as a result of changes in the Town's proportion of the collective net position, asset/liability and differences between the Town's contributions and its proportionate share of the total contributions to pension expense.

(f) *OPEB Differences*

OPEB differences occur as a result of changes in the Town's total OPEB liability and differences between the Town's contributions and OPEB expense.

Budgets and Budgetary Accounting

(a) *Budget Basis of Accounting*

The budget is adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

(b) *Budget Policies*

- Budgets are adopted annually on a basis consistent with U.S. generally accepted accounting principles.
- No later than October 5, the Town Supervisor 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 them.
- Public hearings are conducted to obtain taxpayer comments.
- The budget is legally enacted through passage of legislative resolution no later than Thursday after election date. Certified copies are filed no later than November 20 with the tax roll coordinator (Oneida County) for the purpose of preparing the tax levy.
- The Town Supervisor is authorized to transfer certain budgeted amounts within departments and/or individual funds.

(c) *Legally Adopted Budgets*

All of the Funds, except capital, have legally adopted budgets. The Funds' budgets are adopted on a departmental and object level of expenditure basis in which expenditures may not legally exceed appropriations on a departmental and object of expenditure level.

Individual governmental fund comparisons of budget and actual data at the legal level of control established by the adopted budget (i.e., minimally at the department and object level) are not presented in this report for those funds with annual adopted budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information.

3. ENCUMBRANCE ACCOUNTING

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

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

4. BUDGET LIMITATIONS AND SUPPLEMENTAL APPROPRIATIONS

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted.

There were no supplemental appropriations that occurred during the year:

	<u>General Whole Town</u>	<u>General Part Town</u>	<u>Highway Whole Town</u>	<u>Highway Part Town</u>	<u>Sewer</u>	<u>Water</u>
Change from Adopted Budget to Revised Budget						
Adopted Budget	\$ 2,680,464	\$ 1,148,444	\$ 1,438,223	\$ 1,282,135	\$ 88,882	\$ 342,170
Add: Prior Year's Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Original and Adopted Budget	<u>2,680,464</u>	<u>1,148,444</u>	<u>1,438,223</u>	<u>1,282,135</u>	<u>88,882</u>	<u>342,170</u>
Final Budget	<u>\$ 2,680,464</u>	<u>\$ 1,148,444</u>	<u>\$ 1,438,223</u>	<u>\$ 1,282,135</u>	<u>\$ 88,882</u>	<u>\$ 342,170</u>

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

Assets

(a) Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. While the Town does not have a specific policy for custodial credit risk, New York State statutes govern the Town's investment policies, as discussed previously in these notes.

As of December 31, 2020, of the Town's bank balances of \$3,231,714 were not exposed to custodial credit risk because the deposits were fully covered by FDIC and collateral pledged by financial institutions in the Town's name.

Restricted Cash and Cash Equivalents

1. Restricted cash of \$28,065 in the General Whole Town Fund represents the Central Garage Equipment Reserve, Sidewalk Reserve, and Recreation Facility Equipment Reserve.
2. Restricted cash of \$5,000 in the General Part Town Fund represents the Police Equipment reserve.
3. Restricted cash of \$126,706 in the Miscellaneous Special Revenue Fund represents amounts reserved to fund operations of the Town's cemeteries.

**TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020**

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(b) Capital Assets

Capital asset activity for the governmental activities for the year ended December 31, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Land	\$ 1,057,050	\$ 324,768	\$	\$ 1,381,818
Construction in Progress	<u>3,234,374</u>	<u>573,805</u>	<u></u>	<u>3,808,179</u>
Total	<u>4,291,424</u>	<u>898,573</u>	<u></u>	<u>5,189,997</u>
Capital Assets Being Depreciated				
Buildings	5,205,710			5,205,710
Infrastructure	2,581,825	39,004		2,620,829
Equipment	<u>6,937,705</u>	<u>236,820</u>	<u></u>	<u>7,174,525</u>
Total	<u>14,725,240</u>	<u>275,824</u>	<u></u>	<u>15,001,064</u>
Accumulated Depreciation				
Buildings	3,866,532	161,115		4,027,647
Infrastructure	520,229	204,986		725,215
Equipment	<u>3,833,713</u>	<u>389,875</u>	<u></u>	<u>4,223,588</u>
Total	<u>8,220,474</u>	<u>755,976</u>	<u></u>	<u>8,976,450</u>
Net Capital Assets Being Depreciated	<u>6,504,766</u>	<u>(480,152)</u>	<u></u>	<u>6,024,614</u>
Net Capital Assets	<u>\$ 10,796,190</u>	<u>\$ 418,421</u>	<u>\$</u>	<u>\$ 11,214,611</u>

Depreciation expense was charged to the functions/programs as follows:

Governmental Activities	
General Government Support	\$ 75,598
Public Safety	113,396
Transportation	226,793
Recreation	151,195
Home and Community Services	<u>188,994</u>
	<u>\$ 755,976</u>

Liabilities

(a) Bond Anticipation Notes (BANs)

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects funds and the enterprise 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.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Changes in the Town's short-term outstanding debt for the year ended December 31, 2020 is as follows:

Payable From/Description	Beginning Balance	Issued	Paid	Ending Balance
General - Part Town				
Police Vehicle - 2018	\$ 40,000	\$	\$	\$ 40,000
Equipment - 2019	34,000		34,000	
Highway - Whole Town				
Truck - 2018	350,000		121,500	228,500
Equipment - 2019	346,500		26,500	320,000
Truck - 2020		<u>185,746</u>		<u>185,746</u>
Total Governmental Activities	<u>\$ 770,500</u>	<u>\$ 185,746</u>	<u>\$ 182,000</u>	<u>\$ 774,246</u>

The following is a summary of the BAN's outstanding at December 31, 2020:

Payable From/Description	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Part-Town					
Police Vehicle - 2018	12/20	\$ 40,000	12/21	1.00%	\$ 40,000
Highway Whole-Town					
Truck - 2018	12/20	\$ 228,500	12/21	1.00%	228,500
Equipment - 2019	12/20	\$ 320,000	12/21	1.00%	320,000
Truck - 2020	12/20	\$ 185,746	12/21	1.00%	<u>185,746</u>
Total					<u>\$ 774,246</u>

(b) Long Term Debt

The Town borrows funds on a long-term basis for the purpose of financing acquisitions of land and equipment and construction of buildings and improvements. This policy enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities for governmental funds are maintained separately and represent a reconciling item between the fund and Town-wide statements. Interest associated with long-term debt is recorded as an expenditure when such amounts are due.

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

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Long-term liability balances and activity are as follows:

<u>Description</u>	Beginning	Change/		Ending	Due Within
	Balance	Issued	Paid	Balance	One Year
Governmental Activities					
Serial Bonds Payable	\$ 1,360,000	\$	\$ 350,000	\$ 1,010,000	\$ 305,000
State Loan Payable	286,831		63,191	223,640	64,924
Installment Purchase Debt	37,380		18,932	18,448	5,818
Compensated Absences Payable	289,733	12,821		302,554	
OPEB	9,438,182	3,036,494	284,511	12,190,165	
Total Governmental	<u>\$ 11,412,126</u>	<u>\$ 3,049,315</u>	<u>\$ 716,634</u>	<u>\$ 13,744,807</u>	<u>\$ 375,742</u>

Details relating to general obligation (serial) bonds of the Town outstanding at December 31, 2020, are summarized as follows:

<u>Description</u>	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund-Whole Town					
Land, Town Bldg, Garage	12/15/2010	\$ 830,000	12/15/2023	3.43	<u>\$ 150,000</u>
Water					
WD#1 Extension Improvements	6/15/2006	\$ 1,100,000	6/15/2024	4.32	300,000
WD#25 Improvements	12/27/2016	\$ 430,000	12/15/2043	4.22	390,000
Refunding-Variou	5/10/2012	\$ 2,375,000	12/15/2021	3.00	<u>170,000</u>
			Total Water Fund		<u>860,000</u>
			Total Serial Bonds		<u>\$ 1,010,000</u>

Details relating to installment purchase debt of the Town outstanding at December 31, 2020, are summarized as follows:

<u>Description</u>	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund-Part Town	7/10/2018	\$ 29,175	7/10/2023	5.45	<u>\$ 18,447</u>

Details relating to New York State Power Authority Loan Payable from the Town, for the purpose of installing energy efficient lighting in the Town, outstanding at December 31, 2020, is summarized as follows:

<u>Description</u>	Date of Original Issue	Original Amount	Date of Final Maturity	Interest Rate (%)	Outstanding Amount
General Fund-Whole Town	3/31/2014	\$ 641,557	4/1/2024	2.79	<u>\$ 223,640</u>

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

Future principal and interest payments due on serial bonds debt are as follows:

Fiscal Year Ended December 31,	Serial Bonds		Installment Purchase Debt		State Loan Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 305,000	\$ 37,956	\$ 5,818	\$ 1,031	\$ 64,924	\$ 5,414
2022	135,000	28,166	6,143	706	66,759	3,579
2023	135,000	22,472	6,487	363	68,646	1,692
2024	85,000	16,778			23,311	135
2025	15,000	14,725				
2026-2030	75,000	64,344				
2031-2035	85,000	48,669				
2036-2040	100,000	29,031				
2041-2043	<u>75,000</u>	<u>6,531</u>				
Total	<u>\$ 1,010,000</u>	<u>\$ 268,672</u>	<u>\$ 18,448</u>	<u>\$ 2,100</u>	<u>\$ 223,640</u>	<u>\$ 10,820</u>

Interest costs for long-term debt for the year ended December 31, 2020 were as follows:

Interest Paid	\$ 73,910
Less: Interest Accrued in the Prior Year	(2,046)
Plus: Interest Accrued in the Current Year	<u>1,561</u>
Total Interest Expense on Long-Term Debt	<u>\$ 73,425</u>

Debt Limit

The constitution of the State of New York limits the amount of indebtedness which may be issued by the Town. The Town may issue indebtedness to the extent that the aggregate outstanding debt issued, which is subject to such limit, does not exceed 7% of the average full valuation of taxable real estate within such Town. At December 31, 2020, the total outstanding indebtedness of the Town aggregated \$2,026,334, of this amount; \$1,166,334 was subject to the constitutional debt limit and represented approximately 1.6% of its statutory debt limit.

Remedies Upon Default

In the event of a default in the payment of the principal of and/or interest on the Bonds, the State Comptroller is required to withhold, under certain conditions prescribed by Section 99-b of the State Finance Law, state aid and assistance to the Town and to apply the amount thereof so withheld to the payment of such defaulted principal and/or interest, which requirement constitutes a covenant by the State with the holders from time to time of the Bonds.

Amendments to the Federal Bankruptcy Act have the effect of facilitating recourse to the protection of a Federal Court by public bodies for the purpose of adjusting outstanding indebtedness. Section 85.80 of the Local Finance Law contains specific authorization for any municipality in the State (including the Town) to file a petition with any United States District Court or Court of Bankruptcy under any provision of Federal law for the composition or adjustment of municipal indebtedness.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(c) Pension Plans

(a) Plan Description & Benefits Provided

The Town participates in the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) which are collectively referred to as New York State and Local Retirement System (the System). These are cost-sharing multiple-employer retirement systems. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. 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 percent of the contributions required, and were as follows:

For the Year Ended March 31,	ERS	PFRS
2021	\$ 242,734	\$ 128,053
2020	\$ 233,869	\$ 108,547
2019	\$ 248,959	\$ 98,493

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

At December 31, 2020, the Town reported a liability of \$2,705,847 (ERS \$1,760,966 and PFRS \$944,881) 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.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

At March 31, 2020 and 2019, the Town's proportion of the net pension liability was 0.0066500% and 0.0066056% for ERS and 0.0176780% and 0.0155157% for PFRS, respectively.

For the year ended December 31, 2020, the Town recognized pension expense of \$899,960 (ERS \$581,484 and PFRS \$318,476). At December 31, 2020, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 103,640	\$	\$ 62,919	\$ 15,827
Change of Assumptions	35,458	30,617	80,764	
Net Difference Between Projected and Actual Earnings on Pensions Plan Investments	902,757		425,509	
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	17,810	55,711	38,485	95,770
Contributions Subsequent to the Measurement Date	242,734		128,053	
Total	<u>\$ 1,302,399</u>	<u>\$ 86,328</u>	<u>\$ 735,730</u>	<u>\$ 111,597</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended March 31,</u>	ERS		PFRS	
2021	\$ 157,054		\$ 97,702	
2022	\$ 244,379		\$ 113,531	
2023	\$ 314,168		\$ 150,621	
2024	\$ 257,736		\$ 130,736	
2025	\$		\$ 3,490	

(d) 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.

Significant actuarial assumptions used in the April 1, 2019 valuation were as follows:

Investment Rate of Return (Net of Investment Expense, including Inflation)	6.80%
Salary Scale	4.2% ERS/5.0% PFRS
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience
Inflation Rate	2.50%

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, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

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 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	75.00%
Cash	1.00%	0.00%
Inflation-indexed bonds	4.00%	0.50%
	100.00%	

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 6.8%. 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 asset/liability.

(f) Sensitivity of the Proportionate Share of the Net Pension 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 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Proportionate Share of the Net Pension Liability (Assets)			
ERS	\$ 3,231,869	\$ 1,760,966	\$ 406,257
PFRS	1,689,466	944,881	278,088
Total	\$ 4,921,335	\$ 2,705,847	\$ 684,345

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued ERS financial report.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(d) *Other Postemployment Benefits (OPEB)*

(a) *Plan Description*

The Town administers the Medical Plan (the Plan) as a single-employer defined benefit Other Postemployment Benefit plan. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Town subject to applicable collective bargaining and employment agreements. Generally, employees may retire with benefits when they reach the minimum age of 55 and have 10 to 20 years of service with the Town, depending on the bargaining unit.

The Plan does not issue a stand-alone publicly available financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

(b) *Funding Policy*

The obligations of the Plan members, employers, and other entities are established by action of the Town pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement. For the year ended December 31, 2020, the Town's contributions to the Plan ranged from 0% to 30% of the required annual premiums. The retirees currently contribute enough money to the Plan to satisfy current obligations on a pay-as-you go basis. The costs of administering the Plan are paid by the Town.

The Town's other postemployment benefit (OPEB) cost for all employee health insurance benefits is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the Town's net OPEB obligation.

(c) *Employees Covered by Benefit Terms*

	Total
Inactive employees currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	37
Total	58

(d) *Total OPEB Liability*

The Town's total OPEB liability of \$12,190,165 was measured as of January 1, 2020, and was determined by an actuarial valuation as of January 1, 2020.

(e) *Changes in the Total OPEB Liability*

Changes in the Town's total OPEB liability were as follows:

	Total OPEB Liability
Balance, December 31, 2019	\$ 9,438,182
Changes recognized for the year:	
Service cost	301,555
Interest on Total OPEB Liability	393,497
Changes in assumptions and other inputs	2,341,442
Benefit payments	(284,511)
Net changes	2,751,983
Balance, December 31, 2020	\$ 12,190,165

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(f) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74 percent) or 1 percentage point higher (3.74 percent) than the current discount rate:

	1% Decrease (1.74%)	Current Assumption (2.74%)	1% Increase (3.74%)
Total OPEB liability	\$ 14,439,554	\$ 12,190,165	\$ 10,401,588

(g) Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease	Current Assumption	1% Increase
Total OPEB liability	\$ 10,034,338	\$ 12,190,165	\$ 15,042,902

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

(h) OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended December 31, 2020, the Town recognized OPEB expense of \$350,374. At December 31, 2020, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 1,122,421
Changes of assumptions or other inputs	2,405,818	1,120,131
Employer contributions subsequent to the measurement date (Expected employer contribution including implicit subsidy)	304,413	
Total	\$ 2,710,231	\$ 2,242,552

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

Year ended June 30:	Amount
2021	\$ (40,265)
2022	(40,265)
2023	(40,265)
2024	(40,265)
2025	64,164
2026 and Thereafter	260,162

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

5. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

(i) Actuarial Methods and Assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019 and a measurement date as of January 1, 2020. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Valuation Date	January 1, 2019
Measurement Date	January 1, 2020
Reporting Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal - Level Percentage of Salary
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.40%
Healthcare Cost Trend Rates	7.0% in 2020, decreasing 0.5% per year to an ultimate rate of 3.94% in 2023.
Discount Rate	2.74% Source: Bond Buyer Weekly 20-Bond GO Index
Rate of Compensation Increase	3.50%
Mortality - Actives	The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.
Mortality – Retirees	The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.
Valuation Date	January 1, 2019
Measurement Date	January 1, 2020
Reporting Date	December 31, 2020
Actuarial Cost Method	Entry Age Normal - Level Percentage of Salary
Plan Type	Single Employer Defined Benefit Plan
Inflation rate	2.40%
Healthcare Cost Trend Rates	7.0% in 2020, decreasing 0.5% per year to an ultimate rate of 3.94% in 2023.
Discount Rate	2.74% Source: Bond Buyer Weekly 20-Bond GO Index
Rate of Compensation Increase	3.50%
Mortality - Actives	The RPH-2014 Mortality Table for employees, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.
Mortality – Retirees	The RPH-2014 Mortality Table for Healthy Annuitants, sex distinct, with generational mortality adjusted to 2006 using scale MP-2014, and projected forward with scale MP-2019.

(j) Changes to Assumptions and Other Inputs

Changed the discount rate from 4.10% to 2.74%. The discount rates are inputs taken from the rate for a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

(e) Interfund Transactions

Interfund receivables and payables at December 31, 2020, were as follows:

Fund Type	Interfund	
	Receivables	Payables
General Whole Town	\$ 104,884	\$ 106,542
General Part Town	38,388	216,684
Highway Whole Town	731,357	457,014
Highway Part Town	348,832	242,251
Sewer		13,858
Water	323,070	
Capital	79,565	589,747
Total	\$ 1,626,096	\$ 1,626,096

All interfund receivables and payables are considered current. The purpose of the above receivables and payables was to provide cashflow for capital projects. During 2020, there were no interfund revenues and expenditures.

6. COMMITMENTS AND CONTINGENCIES

(a) Litigation

The Town has been named as a defendant in certain other actions. The Town intends to defend itself vigorously in each of these cases. Accordingly, no loss contingency has been accrued.

(b) Potential Grantor Liability

The Town has received proceeds from various state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that programs have been operated in accordance with grant agreements and any required refunds will be minimal. No provision has been made in the accompanying financial statements for the refund of grant monies.

7. FUND BALANCE

(a) The following is the disaggregation of the fund balance that is reported in summary on the Governmental Fund's Balance Sheet at December 31, 2020:

	General Whole Town	General Part Town	Highway Whole Town	Highway Part Town	Sewer	Water	Capital	Non-Major Governmental	Total
Nonspendable	\$ 70,859	\$ 52,801	\$ 45,357	\$ 11,793	\$	\$	\$	\$	\$ 180,810
Restricted									
Reserve for Central Garage Equipment	4,310								4,310
Reserve for Police Equipment		5,000							5,000
Sidewalk Reserve	17,000								
Reserve for Recreation Equipment	6,751								6,751
Operation of Cemeteries								120,953	120,953
Total Restricted	28,061	5,000						120,953	154,014
Assigned									
Public Safety		387,198							387,198
Transportation			774,724	715,594					1,490,318
Home and Community Services					494,540	694,435		17,035	1,206,010
Appropriated for Subsequent Year's Budget	27,492	38,000		38,000					103,492
Total Assigned	27,492	425,198	774,724	753,594	494,540	694,435		17,035	3,187,018
Unassigned	1,344,098						(800,433)		543,665
Total Fund Equity	\$ 1,470,510	\$ 482,999	\$ 820,081	\$ 765,387	\$ 494,540	\$ 694,435	\$ (800,433)	\$ 1,37,988	\$ 4,065,507

TOWN OF WHITESTOWN, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

(b) The following is a summary of the change in restricted reserve funds during the year ended December 31, 2020

	Beginning Balance	Additions	Disbursements	Ending Balance
General Fund				
Reserve for Central Garage Equipment	\$ 10,000	\$	\$ 5,690	\$ 4,310
Reserve for Recreation Equipment	10,000		3,249	6,751
Sidewalk Reserve		17,000		17,000
	<u>20,000</u>	<u>17,000</u>	<u>8,939</u>	<u>28,061</u>
General Part Town Fund				
Reserve for Police Equipment	5,000			5,000
Nonmajor- Miscellaneous Special Revenue Fund				
Restricted for Operation of Cemeteries	111,155	16,025	6,227	120,953
Total	<u>\$ 136,155</u>	<u>\$ 33,025</u>	<u>\$ 15,166</u>	<u>\$ 154,014</u>

8. UNRESTRICTED NET POSITION DEFICIT- GOVERNMENT WIDE

The Government-Wide Unrestricted Net Position had a deficit amount of \$8,206,504 at December 31, 2020. The deficit is primarily the result of the recognition of an unfunded OPEB liability as required by GASB Statement 75 of \$12,190,165 at December 31, 2020. Since New York State Laws provide no mechanism for funding the liability, the subsequent accruals are expected to increase the deficit in subsequent years.

9. FUND BALANCE DEFICIT- CAPITAL FUND

The Capital Fund had a fund balance deficit of \$800,433 at December 31, 2020. This deficit is due to the issuance of a bond anticipation note for \$774,246. As the BAN proceeds are expended the deficit will increase to the amount of the BAN. The deficit will be funded when the BAN is either redeemed through appropriations or permanently financed.

10. CUMULATIVE EFFECT OF IMPLEMENTING NEW ACCOUNTING STANDARD

The Government-wide and Miscellaneous Special Revenue Fund's prior year's net position and fund balance were increased by \$111,155 for amounts held by the Town for the operation of the Cemeteries previously accounted for in the Fiduciary Fund Trust and Agency fund, before the implementation of GASB 84.

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
For the Year Ended December 31, 2020

Measurement Date	1/1/2020	1/1/2019	1/1/2018 *
Total OPEB Liability			
Service cost	\$ 301,555	\$ 516,548	\$ 482,568
Interest on Total OPEB Liability	393,497	424,015	413,675
Changes in Benefit Terms		(8,637)	
Change in assumptions and other inputs	2,341,442	(1,591,765)	666,169
Differences between expected and actual experience in the measurement of the total OPEB liability		(1,595,019)	
Benefit payments	(284,511)	(232,871)	(195,404)
Net change in total OPEB Liability	2,751,983	(2,487,729)	1,367,008
Total OPEB Liability - Beginning	9,438,182	11,925,911	10,558,903
Total OPEB Liability - Ending	<u>\$ 12,190,165</u>	<u>\$ 9,438,182</u>	<u>\$ 11,925,911</u>
Covered payroll	\$ 2,533,841	\$ 2,075,359	\$ 2,372,772
Total OPEB Liability as a percentage of covered payroll	481.09%	454.77%	502.62%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

The Town does not currently maintain assets in an OPEB trust.

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 5 financial statements.

Changes to Assumptions

The discount rate changed from 4.10% to 2.74%, which is a prescribed discount rate under GASB 75, and based on the S&P Municipal Bond 20 Year High Grade Rate Index.

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended December 31, 2020

ERS Pension Plan

	2020	2019	2018	2017	2016	2015 *
Town's proportion of the net pension liability	0.0066500%	0.0066056%	0.0070745%	0.0063652%	0.0065793%	0.0065793%
Town's proportionate share of the net pension liability	\$ 1,760,966	\$ 468,030	\$ 228,327	\$ 598,091	\$ 1,055,991	\$ 218,089
Town's covered-employee payroll	\$ 1,686,215	\$ 1,752,744	\$ 1,729,805	\$ 1,628,451	\$ 1,564,622	\$ 1,601,541
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	104.4%	26.7%	13.2%	36.7%	67.5%	13.6%
Plan fiduciary net position as a percentage of total pension liability	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

PFRS Pension Plan

	2020	2019	2018	2017	2016	2015 *
Town's proportion of the net pension liability	0.0176780%	0.0155157%	0.0133397%	0.0149416%	0.0124457%	0.0124457%
Town's proportionate share of the net pension liability	\$ 944,881	\$ 260,207	\$ 134,832	\$ 309,687	\$ 368,490	\$ 32,628
Town's covered-employee payroll	\$ 523,021	\$ 469,315	\$ 393,160	\$ 400,081	\$ 350,181	\$ 427,071
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	180.7%	55.4%	34.3%	77.4%	105.2%	7.6%
Plan fiduciary net position as a percentage of total pension liability	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%

* Information is presented only for the years available.

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF TOWN'S PENSION CONTRIBUTIONS
For the Year Ended December 31, 2020

ERS Pension Plan

	2021	2020	2019	2018	2017	2016	2015 *
Contractually Required Contribution	\$ 242,734	\$ 233,869	\$ 248,959	\$ 252,559	\$ 242,991	\$ 263,612	\$ 329,326
Contributions in Relation to the Contractually Required Contribution	242,734	233,869	248,959	252,559	242,991	263,612	329,326
Contribution Deficiency (Excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Town's Covered-ERS Employee Payroll	\$ 1,719,018	\$ 1,686,215	\$ 1,752,744	\$ 1,729,805	\$ 1,628,451	\$ 1,564,622	\$ 1,601,541
Contributions as a Percentage of Covered-Employee Payroll	14.12%	13.87%	14.20%	14.60%	14.92%	16.85%	20.56%

PFRS Pension Plan

	2021	2020	2019	2018	2017	2016	2015 *
Contractually Required Contribution	\$ 128,053	\$ 108,547	\$ 98,493	\$ 88,614	\$ 90,073	\$ 73,353	\$ 121,095
Contributions in Relation to the Contractually Required Contribution	128,053	108,547	98,493	88,614	90,073	73,353	121,095
Contribution Deficiency (Excess)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Town's Covered-ERS Employee Payroll	\$ 587,152	\$ 523,021	\$ 469,315	\$ 393,160	\$ 400,081	\$ 350,181	\$ 427,071
Contributions as a Percentage of Covered-Employee Payroll	21.81%	20.75%	20.99%	22.54%	22.51%	20.95%	28.35%

* Information is presented only for the years available.

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - GENERAL WHOLE TOWN FUND
For the Year Ended December 31, 2020

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 1,713,244	\$ 1,713,244	\$ 1,713,244	\$
Other Real Property Tax Items	77,865	77,865	82,079	4,214
Nonproperty Tax Items	135,000	135,000	342,507	207,507
Departmental Income	377,900	377,900	348,660	(29,240)
Use of Money and Property	28,500	28,500	21,712	(6,788)
Licenses and Permits	5,900	5,900	6,425	525
Fines and Forfeitures	50,075	50,075	7,714	(42,361)
Sale of Property and Compensation for Loss			570	570
Miscellaneous	12,000	12,000	144,492	132,492
State Aid	252,488	252,488	311,649	59,161
Federal Aid				
Total Revenues	<u>2,652,972</u>	<u>2,652,972</u>	<u>2,979,052</u>	<u>326,080</u>
Expenditures				
General Government Support	1,382,110	1,388,051	1,515,389	(127,338)
Public Safety	48,000	61,512	58,439	3,073
Transportation	128,405	128,412	110,512	17,900
Social Services	32,905	26,956	8,805	18,151
Home and Community Services	54,500	36,080	30,432	5,648
Culture and Recreation	289,500	289,500	232,885	56,615
Employee Benefits	579,672	591,003	623,950	(32,947)
Debt Service - Principal	147,832	143,337	147,395	(4,058)
Debt Service - Interest	17,540	15,613	17,362	(1,749)
Total Expenditures	<u>2,680,464</u>	<u>2,680,464</u>	<u>2,745,169</u>	<u>(64,705)</u>
Excess Revenues Over Expenditures	<u>(27,492)</u>	<u>(27,492)</u>	<u>233,883</u>	<u>261,375</u>
Other Financing Sources (Uses)				
Appropriated Fund Balance	<u>27,492</u>	<u>27,492</u>		<u>(27,492)</u>
Excess Revenues Over Expenditures and Other Financing Sources (Uses)	<u>\$</u>	<u>\$</u>	<u>\$ 233,883</u>	<u>\$ 233,883</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - GENERAL PART TOWN FUND
For the Year Ended December 31, 2020

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Nonproperty Tax Items	\$ 926,622	\$ 926,622	\$ 1,024,694	\$ 98,072
Departmental Income	26,700	26,700	87,715	61,015
Use of Money and Property	200	200	1,553	1,353
Licenses and Permits	12,000	12,000	12,760	760
State Aid	<u>144,787</u>	<u>144,787</u>	<u>76,239</u>	<u>(68,548)</u>
Total Revenues	<u>1,110,309</u>	<u>1,110,309</u>	<u>1,202,961</u>	<u>92,652</u>
Expenditures				
General Government Support		121	121	
Public Safety	679,574	602,489	604,454	(1,965)
Public Health	2,453	2,452	2,376	76
Home and Community Services	82,899	77,888	78,084	(196)
Culture and Recreation	32,000	14,191	14,191	
Employee Benefits	302,585	407,425	407,590	(165)
Debt Service - Principal	45,225	45,076	45,229	(153)
Debt Service - Interest	<u>3,708</u>	<u>3,063</u>	<u>2,911</u>	<u>152</u>
Total Expenditures	<u>1,148,444</u>	<u>1,152,705</u>	<u>1,154,956</u>	<u>(2,251)</u>
Excess (Deficit) Revenues Over Expenditures	<u>(38,135)</u>	<u>(42,396)</u>	<u>48,005</u>	<u>90,401</u>
Other Financing Sources				
Appropriated Fund Balance	<u>38,135</u>	<u>42,396</u>		<u>(42,396)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 48,005</u>	<u>\$ 48,005</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - HIGHWAY WHOLE TOWN FUND
For the Year Ended December 31, 2020

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 984,139	\$ 984,139	\$ 984,139	\$
Nonproperty Tax Items	183,693	183,693	288,596	104,903
Intergovernmental Charges	187,000	187,000	187,442	442
Use of Money and Property	700	700	173	(527)
Sale of Property and Compensation for Loss	500	500	4,473	3,973
Miscellaneous			4,910	4,910
Total Revenues	<u>1,356,032</u>	<u>1,356,032</u>	<u>1,469,733</u>	<u>113,701</u>
Expenditures				
General Government Support		397	397	
Public Safety		335	335	
Transportation	968,850	992,741	844,261	148,480
Employee Benefits	272,075	307,452	305,990	1,462
Debt Service - Principal	120,500	121,500	121,500	
Debt Service - Interest	16,798	15,798	11,199	4,599
Total Expenditures	<u>1,378,223</u>	<u>1,438,223</u>	<u>1,283,682</u>	<u>154,541</u>
Excess (Deficit) Revenues Over Expenditures	<u>(22,191)</u>	<u>(82,191)</u>	<u>186,051</u>	<u>268,242</u>
Other Financing Sources				
Interfund Transfers To	(60,000)			
Appropriated Fund Balance	82,191	82,191		(82,191)
Total Other Financing Sources	<u>22,191</u>	<u>82,191</u>		<u>(82,191)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 186,051</u>	<u>\$ 186,051</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - HIGHWAY PART TOWN FUND
For the Year Ended December 31, 2020

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Nonproperty Tax Items	\$ 1,137,685	1,137,685	\$ 1,196,718	\$ 59,033
Intergovernmental Charges	3,400	3,400	3,450	50
Use of Money and Property	50	50		(50)
Sale of Property and Compensation for Loss	1,000	1,000	3,893	2,893
State Aid	102,000	102,000	116,016	14,016
Federal Aid			24,529	24,529
Total Revenues	<u>1,244,135</u>	<u>1,244,135</u>	<u>1,344,606</u>	<u>100,471</u>
Expenditures				
General Government Support				
Transportation	1,012,000	976,622	757,000	219,622
Employee Benefits	<u>270,135</u>	<u>305,513</u>	<u>301,013</u>	<u>4,500</u>
Total Expenditures	<u>1,282,135</u>	<u>1,282,135</u>	<u>1,058,013</u>	<u>224,122</u>
Excess (Deficit) Revenues Over Expenditures	<u>(38,000)</u>	<u>(38,000)</u>	<u>286,593</u>	<u>324,593</u>
Other Financing Sources				
Appropriated Fund Balance	<u>38,000</u>	<u>38,000</u>		<u>(38,000)</u>
Total Other Financing Sources	<u>38,000</u>	<u>38,000</u>		<u>(38,000)</u>
Excess Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 286,593</u>	<u>\$ 286,593</u>

TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - SEWER FUND
For the Year Ended December 31, 2020

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Current Year's Actual</u>	<u>Variance with Amended Budget</u>
Revenues				
Real Property Taxes	\$ 88,032	\$ 88,032	\$ 88,032	\$
Departmental Income	850	850		(850)
Use of Money and Property			120	120
Total Revenues	<u>88,882</u>	<u>88,882</u>	<u>88,152</u>	<u>(730)</u>
Expenditures				
Home and Community Services	86,948	86,948	58,577	28,371
Employee Benefits	1,534	1,534	1,296	238
Debt Service - Interest	<u>400</u>	<u>400</u>	<u>269</u>	<u>131</u>
Total Expenditures	<u>88,882</u>	<u>88,882</u>	<u>60,142</u>	<u>28,740</u>
(Deficit) Revenues Over Expenditures			<u>28,010</u>	<u>28,010</u>
(Deficit) Revenues Over Expenditures and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ 28,010</u>	<u>\$ 28,010</u>

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TOWN OF WHITESTOWN, NEW YORK
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - WATER FUND
For the Year Ended December 31, 2020

	Original Budget	Amended Budget	Current Year's Actual	Variance with Amended Budget
Revenues				
Real Property Taxes	\$ 341,720	\$ 341,720	\$ 341,720	\$
Use of Money and Property	450	450	89	(361)
Total Revenues	<u>342,170</u>	<u>342,170</u>	<u>341,809</u>	<u>(361)</u>
Expenditures				
Debt Service - Principal	300,000	300,000	300,000	
Debt Service - Interest	42,170	42,170	42,169	1
Total Expenditures	<u>342,170</u>	<u>342,170</u>	<u>342,169</u>	<u>1</u>
(Deficit) Revenues Over Expenditures			(360)	(360)
(Deficit) Revenues Over Expenditures and and Other Financing Sources	<u>\$</u>	<u>\$</u>	<u>\$ (360)</u>	<u>\$ (360)</u>

**TOWN OF WHITESTOWN, NEW YORK
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020**

	<u>Fire</u>	<u>Lighting</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Nonmajor Governmental Funds</u>
Assets				
Current Assets				
Unrestricted Cash	\$ 2,852	\$ 14,409	\$	\$ 17,261
Restricted Cash			126,706	126,706
Total Current Assets	<u>\$ 2,852</u>	<u>\$ 14,409</u>	<u>\$ 126,706</u>	<u>\$ 143,967</u>
Liabilities and Fund Equity				
Current Liabilities				
Accounts Payable	\$	\$ 226	\$ 5,753	\$ 5,979
Fund Equity				
Restricted for Cemetery			120,953	120,953
Assigned	2,852	14,183		17,035
Total Fund Equity	<u>2,852</u>	<u>14,183</u>	<u>120,953</u>	<u>137,988</u>
Total Liabilities and Fund Equity	<u>\$ 2,852</u>	<u>\$ 14,409</u>	<u>\$ 126,706</u>	<u>\$ 143,967</u>

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TOWN OF WHITESTOWN, NEW YORK
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND EQUITY
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	<u>Fire</u>	<u>Lighting</u>	<u>Miscellaneous Special Revenue</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues				
Real Property Taxes	\$ 434,076	\$ 33,956	\$	\$ 468,032
Service Revenue			15,900	15,900
Use of Money and Property		6	125	131
Total Revenues	<u>434,076</u>	<u>33,962</u>	<u>16,025</u>	<u>484,063</u>
Expenditures				
General Government Support			6,227	6,227
Public Safety	434,076			434,076
Transportation		25,691		25,691
Total Expenditures	<u>434,076</u>	<u>25,691</u>	<u>6,227</u>	<u>465,994</u>
(Deficit) Revenues Over Expenditures		<u>8,271</u>	<u>9,798</u>	<u>18,069</u>
Fund Equity, Beginning of Year	2,852	5,912		8,764
Cumulative Effect of Change in Accounting Principle			<u>111,155</u>	<u>111,155</u>
Fund Equity (Deficit), Beginning of Year (Restated)	<u>2,852</u>	<u>5,912</u>	<u>111,155</u>	<u>119,919</u>
Fund Equity, End of Year	<u>\$ 2,852</u>	<u>\$ 14,183</u>	<u>\$ 120,953</u>	<u>\$ 137,988</u>

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