

TOWN OF PLATTSBURGH, NEW YORK

Basic Financial Statements  
Supplementary Information and  
Independent Auditors' Report

December 31, 2020

TOWN OF PLATTSBURGH, NEW YORK

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## INDEPENDENT AUDITORS' REPORT

Town Board and Supervisor  
Town of Plattsburgh, New York:

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

### Management's Responsibility for the Financial Statements

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

### Auditors' 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 Governmental 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 audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information for the Town of Plattsburgh, New York, 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.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and additional information on pages 43 through 50 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 Plattsburgh, New York's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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. Such 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 14, 2021, on our consideration of the Town of Plattsburgh, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 14, 2021

## TOWN OF PLATTSBURGH, NEW YORK

### Management's Discussion and Analysis

December 31, 2020

As management of the Town of Plattsburgh (the Town), this narrative is an overview and analysis of the financial activities of the Town for the year ended December 31, 2020. This material is presented here in conjunction with additional information that the Town has furnished in the financial statement that follows this narrative.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$44,948,288; an increase of \$3,354,146 from 2019.
- At the close of the current year, the Town's funds reported a total ending fund balance of \$19,504,352, an increase of \$9,571,848 from the previous year. Approximately 85.6% is available for spending at the government's discretion (assigned-unappropriated and unassigned fund balance).
- At the end of the current year, the unassigned fund balance for the General Fund was \$2,831,333 for 2020. This represents a \$65,475 increase from 2019.
- The Town's total long-term liabilities increased by \$12,328,982 during the current year which consists of other postemployment benefits, net pension liability - proportionate share, bonds payable - long-term portion and compensated absences. The Town issued a serial bond in the amount of \$10,000,000 which included \$429,465 of bond premiums.

#### **Overview of the Financial Statements**

The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements and 3) notes to financial statements. The basic financial statements present two different views of the Town's fiscal positions through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the understanding of the financial condition of the Town.

#### **Basic Financial Statements**

The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long term information about the Town's financial status. The next statements are fund financial statements. These statements focus on the activities of the individual parts of the Town's government.

The next section of the basic financial statements are the notes. The notes to financial statements help explain the information contained in the statements.

TOWN OF PLATTSBURGH, NEW YORK  
Management's Discussion and Analysis, Continued

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole. The two government-wide statements report the Town's net position and how it has changed from the previous year. Net position is the difference between the total assets, deferred outflows of resources, liabilities and deferred inflows of resources. Measuring net position is one way to gauge the financial condition of the Town.

The government-wide financial statements are on pages 11 and 12 of this report.

**Fund Financial Statements**

The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The Town uses fund accounting to ensure and reflect compliance with finance related legal requirements such as General Statutes or Laws. All funds of the Town can be divided into two categories: governmental funds or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using the modified accrual method of accounting that provides a short term spending focus. As a result, the governmental fund financial statements give a detailed short term view that helps determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities reported in the government-wide financial statements and the fund financial statements is described in two reconciliations that are part of the basic financial statements.

The Town adopts an annual budget for its General Fund as required by General Statutes. The budget is a legally adopted document that incorporates input from the citizens, the management of the Town and the decisions of the Town Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund on page 43 demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting in the same format and classifications as the legal budget document.

TOWN OF PLATTSBURGH, NEW YORK  
Management's Discussion and Analysis, Continued

The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual revenue, expenditures and the ending fund balances; and 4) the difference between the final budget and the actual revenue or expenditures.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 20 through 42 of this report.

**Government-wide Financial Analysis**

| <u>Statements of Net Position</u>                                    |  | <u>2020</u>          | <u>2019</u>       |
|--|--|----------------------|-------------------|
| Current assets   |  | \$ 28,712,251        | 27,193,465        |
| Capital assets, net  |  | <u>46,112,471</u>    | <u>41,547,824</u> |
| Total assets   |  | 74,824,722           | 68,741,289        |
| Deferred outflows of resources                                       |  | <u>3,163,489</u>     | <u>1,163,773</u>  |
| Total assets and deferred outflows of resources                      |  | \$ <u>77,988,211</u> | <u>69,905,062</u> |
| Current liabilities  |  | 10,063,812           | 17,689,049        |
| Long-term liabilities  |  | <u>20,993,605</u>    | <u>8,664,623</u>  |
| Total liabilities  |  | <u>31,057,417</u>    | <u>26,353,672</u> |
| Deferred inflows of resources  |  | <u>1,982,506</u>     | <u>1,957,248</u>  |
| Net position:  |  |                      |                   |
| Net investment in capital assets                                     |  | 27,728,935           | 24,474,617        |
| Restricted   |  | 13,786,237           | 11,130,009        |
| Unrestricted   |  | <u>3,433,116</u>     | <u>5,989,516</u>  |
| Total net position   |  | <u>44,948,288</u>    | <u>41,594,142</u> |
| Total liabilities, deferred inflows of resources<br>and net position |  | \$ <u>77,988,211</u> | <u>69,905,062</u> |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources by \$44,948,288 as of December 31, 2020. The Town's net position increased by \$3,354,146 for the year ended December 31, 2020. However, the largest portion (61.7%) of net position reflects the Town's net investment in capital assets (e.g. land, buildings, machinery and equipment); less any related debt still outstanding that was issued to acquire those items. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's net investment in capital assets is reported net of the outstanding debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities.

TOWN OF PLATTSBURGH, NEW YORK  
Management's Discussion and Analysis, Continued

Several aspects of the Town's financial operations that positively influenced the total unrestricted governmental net position are:

- Sales tax revenues continue to remain steady despite the COVID-19 pandemic.
- Continued low cost of debt due to the current interest rate structure.
- Review by the Town Board of all expenditures to control unnecessary spending, including financial analysis of the town funds.

Below are comparative statements of activities for the Town's years ended December 2020 and 2019.

|   | <u>2020</u>          | <u>2019</u>        |
|---|----------------------|--------------------|
| <u>Statements of Activities</u>                         |                      |                    |
| Functions and programs:                                 |                      |                    |
| Program revenue:  |                      |                    |
| Charges for services                                    | \$ 3,730,922         | 3,644,359          |
| Operating grants and contributions                      | 474,813              | 503,532            |
| Capital grants and contributions                        | <u>-</u>             | <u>34,492</u>      |
|   | <u>4,205,735</u>     | <u>4,182,383</u>   |
| Program expenses:                                       |                      |                    |
| General government support                              | 4,527,828            | 4,002,911          |
| Public safety   | 33,708               | 26,810             |
| Health  | 478,307              | 463,769            |
| Transportation  | 2,940,526            | 3,099,301          |
| Economic assistance and development                     | 41,801               | 55,630             |
| Culture and recreation                                  | 262,338              | 276,032            |
| Home and community services                             | 3,209,774            | 3,109,528          |
| Interest  | <u>375,261</u>       | <u>304,792</u>     |
| Total expenses  | <u>11,869,543</u>    | <u>11,338,773</u>  |
| Total functions and programs,<br>net of program revenue | <u>(7,663,808)</u>   | <u>(7,156,390)</u> |
| General revenue:  |                      |                    |
| Real property taxes and related tax items               | 4,445,748            | 4,312,664          |
| Non-property tax items                                  | 4,042,661            | 4,233,750          |
| Mausoleum converted to Town                             | 1,785,000            | -                  |
| Use of money and property                               | 215,830              | 400,854            |
| Sale of property and compensation for loss              | 56,197               | 34,121             |
| Miscellaneous   | <u>472,518</u>       | <u>271,880</u>     |
| Total general revenue                                   | <u>11,017,954</u>    | <u>9,253,269</u>   |
| Change in net position                                  | <u>3,354,146</u>     | <u>2,096,879</u>   |
| Net position at beginning of year                       | <u>41,594,142</u>    | <u>39,497,263</u>  |
| Net position at end of year                             | <u>\$ 44,948,288</u> | <u>41,594,142</u>  |

TOWN OF PLATTSBURGH, NEW YORK  
Management's Discussion and Analysis, Continued

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental funds focus is to provide information on near term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town's financing requirements in the upcoming years. Specifically, unassigned fund balance can be useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the main operating fund of the Town. At the end of the current year, the unassigned fund balance of the General Fund was \$2,831,333. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 80.7% of the total General Fund expenditures.

At December 31, 2020, the governmental funds of the Town reported a combined fund balance of \$19,504,352; a (96.4%) increase over 2019. The change in fund balance is primarily due to issuance of long-term debt in the capital projects fund of \$10,000,000.

General Fund budgetary highlights: During the year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts; and 3) increases in appropriations that become necessary to maintain services.

**Capital Assets and Debt Administration**

The Town's net investment in capital assets for its governmental activities as of December 31, 2020 total \$46,112,471. In 2020, the Town took possession of a mausoleum recorded at estimated fair value of \$1,785,000. These assets include buildings, roads, land, machinery, equipment, park facilities and vehicles. Major transactions during the year include improvements in the Water and Sewer Districts and continuing road paving projects.

|                             | <u>Capital Assets, Net</u> |                   |
|-----------------------------|----------------------------|-------------------|
|                             | <u>2020</u>                | <u>2019</u>       |
| Land                        | \$ 1,019,224               | 1,019,224         |
| Construction in progress    | 3,931,249                  | 6,384,405         |
| Building and infrastructure | 39,312,804                 | 31,974,540        |
| Furniture and equipment     | <u>1,849,194</u>           | <u>2,169,655</u>  |
| Total capital assets, net   | \$ <u>46,112,471</u>       | <u>41,547,824</u> |

As of December 31, 2020 the Town had total bonded debt outstanding of \$13,058,536, an increase of \$9,985,329 in debt when compared to the end of 2019 of \$3,073,207. The general statutes limit the amount of general obligation debt that the Town can issue up to seven percent of the five-year average total assessed value taxable property located within that government's boundaries. The legal debt limit for the Town in 2020 was approximately \$81,257,821.

TOWN OF PLATTSBURGH, NEW YORK  
Management's Discussion and Analysis, Continued

|  | <u>Outstanding Debt</u> |                   |
|--|-------------------------|-------------------|
|  | <u>2020</u>             | <u>2019</u>       |
| Serial bonds outstanding including premium | \$ 13,058,536           | 3,073,207         |
| BANs outstanding                           | <u>5,325,000</u>        | <u>14,000,000</u> |
| Total outstanding debt                     | <u>\$ 18,383,536</u>    | <u>17,073,207</u> |

**Economic Factors and Next Year's Budget and Rates**

Budget highlights for the year ended December 31, 2020:

- Actual revenue in the general fund was \$329,033 more than budgeted mainly due to non-property tax items resulting from increases in sales tax revenue and \$240,000 from the dissolution of the Whispering Maples Mausoleum.
- General government support expenditures in the general fund were \$173,328 less than budgeted due to strong budgetary controls.
- Employee benefits in the general fund were \$89,908 less than budgeted due to retirement and health insurance costs being less than anticipated.
- Home and community services were \$229,987 less than budgeted.

Governmental Activities: Economic development in the Town continues to expand providing for economic growth in the Town. The Town is experiencing growth in both the residential and commercial sectors which will have a positive change in the Town's assessed property values. Sales tax revenues which make up a significant portion of the general fund revenues and a moderate portion of the highway revenues are expected to increase slightly due to the current economic trend. State Aid is expected to remain constant. Property taxes in the special districts continue to be supplemented with PILOT payments from Saranac Power Partners. The Highway Fund will continue to fund expenditures with a highway Town-wide real property tax and sales tax revenues. The Town will use these revenues to keep programs currently in place running.

Health insurance rates, NYS Retirement System employer contributions, fuel costs, road salt and the improvement and maintenance of infrastructure will be the major factors in any increases in the budget.

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

TOWN OF PLATTSBURGH, NEW YORK  
Management's Discussion and Analysis, Continued

After five years working with state representatives and consultants the Towns of Plattsburgh and Ellenburg have been assigned ownership of the former Whispering Maples Memorial Gardens, Inc. Under state law, abandoned cemeteries become the wards of the municipalities in which they are located. Whispering Maples had been declared abandoned by the state. Previous management's discussion and analysis' covers the history. We would like to express our deepest appreciation to Ms. Goedert for her service as the court appointed receiver during the transition. Thanks must also go to Senator Betty Little and Assemblywoman Billy Jones for securing critical funding for the project before the transition.

The Towns of Plattsburgh and Ellenburg have an intermunicipal contract for service. While administrative functions for the facility in our town (renamed: Plattsburgh Community Mausoleum) is the responsibility of the Office of Town Clerk.

The Town of Plattsburgh along with the City of Plattsburgh adopted the Plattsburgh Compact. The historic agreement was mutually beneficial. Resolving a number of items under litigation. The compact also includes a number of Memoranda of Agreements including topics of infrastructure, community development and planning. Adopted unanimously by the respective boards it will serve as model for communication, collaboration and compromise.

**Requests for Information**

This report is designed to provide an overview of the Town of Plattsburgh's finances for those with an interest in this area. Questions concerning any of the information should be direct to Patrick Bowen, Finance Manager, 151 Banker Road, Plattsburgh, New York 12901 or call 518-562-6825.

TOWN OF PLATTSBURG, NEW YORK  
Statement of Net Position - Governmental Activities  
December 31, 2020

|  |                      |
|--|----------------------|
| Assets:  |                      |
| Current assets:  |                      |
| Cash - unrestricted  | \$ 25,579,638        |
| Cash - restricted  | 347,850              |
| Receivables:   |                      |
| Due from fiduciary fund                                      | 186,738              |
| State and Federal aid  | 99,577               |
| Due from other governments                                   | 1,594,913            |
| Other  | 604,103              |
| Prepaid expenses   | <u>299,432</u>       |
| Total current assets   | <u>28,712,251</u>    |
| Capital assets:  |                      |
| Land   | 1,019,224            |
| Construction in progress                                     | 3,931,249            |
| Buildings  | 17,379,400           |
| Infrastructure   | 70,318,214           |
| Furniture and equipment                                      | <u>6,663,065</u>     |
|  | 99,311,152           |
| Less accumulated depreciation                                | <u>(53,198,681)</u>  |
| Capital assets, net  | <u>46,112,471</u>    |
| Total assets   | <u>74,824,722</u>    |
| Deferred outflows of resources:                              |                      |
| Pension  | 2,205,693            |
| Other postemployment benefits                                | <u>957,796</u>       |
| Total deferred outflows of resources                         | <u>3,163,489</u>     |
| Liabilities, deferred inflows of resources and net position: |                      |
| Current liabilities:   |                      |
| Accounts payable   | 3,573,024            |
| Accrued liabilities  | 203,249              |
| Due to other governments                                     | 84,124               |
| Bonds payable - current portion, including bond premium      | 878,415              |
| Bond anticipation notes                                      | <u>5,325,000</u>     |
| Total current liabilities                                    | <u>10,063,812</u>    |
| Long-term liabilities:                                       |                      |
| Other postemployment benefits                                | 4,829,973            |
| Net pension liability-proportionate share                    | 3,129,659            |
| Bonds payable - long-term portion, including bond premium    | 12,180,121           |
| Compensated absences   | <u>853,852</u>       |
| Total long-term liabilities                                  | <u>20,993,605</u>    |
| Total liabilities  | <u>31,057,417</u>    |
| Deferred inflows of resources:                               |                      |
| Unearned revenue   | 136,991              |
| Pension  | 99,182               |
| Other postemployment benefits                                | <u>1,746,333</u>     |
| Total deferred inflows of resources                          | <u>1,982,506</u>     |
| Net position:  |                      |
| Net investment in capital assets                             | 27,728,935           |
| Restricted   | 13,786,237           |
| Unrestricted   | <u>3,433,116</u>     |
| Total net position   | <u>\$ 44,948,288</u> |

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Statement of Activities - Governmental Activities  
Year ended December 31, 2020

| <u>Functions/Programs</u>           | <u>Expenses</u>      | <u>Program Revenue</u> |                      | <u>Net Revenue</u>   |
|-------------------------------------|----------------------|------------------------|----------------------|----------------------|
|                                     |                      | <u>Charges for</u>     | <u>Operating</u>     | <u>(Expense) and</u> |
|                                     |                      | <u>Services</u>        | <u>Grants and</u>    | <u>Changes in</u>    |
|                                     |                      |                        | <u>Contributions</u> | <u>Net Position</u>  |
| Governmental activities:            |                      |                        |                      |                      |
| General government support          | \$ 4,527,828         | 179,451                | 297,015              | (4,051,362)          |
| Public safety                       | 33,708               | -                      | -                    | (33,708)             |
| Health                              | 478,307              | -                      | -                    | (478,307)            |
| Transportation                      | 2,940,526            | 77,498                 | 177,798              | (2,685,230)          |
| Economic assistance and development | 41,801               | -                      | -                    | (41,801)             |
| Culture and recreation              | 262,338              | 14,760                 | -                    | (247,578)            |
| Home and community services         | 3,209,774            | 3,459,213              | -                    | 249,439              |
| Interest                            | <u>375,261</u>       | <u>-</u>               | <u>-</u>             | <u>(375,261)</u>     |
| Total governmental activities       | <u>\$ 11,869,543</u> | <u>3,730,922</u>       | <u>474,813</u>       | <u>(7,663,808)</u>   |
| General revenue:                    |                      |                        |                      |                      |
|                                     |                      |                        |                      | 4,445,748            |
|                                     |                      |                        |                      | 4,042,661            |
|                                     |                      |                        |                      | 1,785,000            |
|                                     |                      |                        |                      | 215,830              |
|                                     |                      |                        |                      | 56,197               |
|                                     |                      |                        |                      | <u>472,518</u>       |
|                                     |                      |                        |                      | 11,017,954           |
|                                     |                      |                        |                      | 3,354,146            |
|                                     |                      |                        |                      | <u>41,594,142</u>    |
|                                     |                      |                        |                      | <u>\$ 44,948,288</u> |

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Balance Sheet - Governmental Funds  
December 31, 2020

|  | Major Special Revenue |                     |                  |  |                  |                  | Nonmajor<br>Special<br>Revenue | Total<br>Governmental<br>Funds |
|--|-----------------------|---------------------|------------------|--|------------------|------------------|--------------------------------|--------------------------------|
|  | General               | Capital<br>Projects | Highway          | Water/Sewer<br>Administration<br>& Ambulance | Sewer            | Water            |                                |                                |
| <b>Assets:</b>   |                       |                     |                  |  |                  |                  |                                |                                |
| Cash - unrestricted  | \$ 2,808,216          | 10,502,662          | 1,044,806        | 952,251                                      | 4,668,268        | 4,446,348        | 1,157,087                      | 25,579,638                     |
| Cash - restricted  | 347,850               | -                   | -                | -  | -                | -                | -                              | 347,850                        |
| <b>Receivables:</b>  |                       |                     |                  |  |                  |                  |                                |                                |
| Due from other funds   | 8,940                 | -                   | 177,798          | -  | -                | -                | -                              | 186,738                        |
| State and Federal aid  | -                     | 99,577              | -                | -  | -                | -                | -                              | 99,577                         |
| Due from other governments   | 840,370               | -                   | 478,658          | 5,197  | 150,793          | 119,895          | -                              | 1,594,913                      |
| Other  | 156,160               | -                   | 6,450            | 54,450                                       | 199,424          | 180,000          | 7,619                          | 604,103                        |
| Prepaid expenses   | 99,219                | -                   | 119,243          | 77,538                                       | -                | -                | 3,432                          | 299,432                        |
| Total assets   | <u>\$ 4,260,755</u>   | <u>10,602,239</u>   | <u>1,826,955</u> | <u>1,089,436</u>                             | <u>5,018,485</u> | <u>4,746,243</u> | <u>1,168,138</u>               | <u>28,712,251</u>              |
| <b>Liabilities, deferred inflows of resources and fund balances:</b> |                       |                     |                  |  |                  |                  |                                |                                |
| <b>Liabilities:</b>  |                       |                     |                  |  |                  |                  |                                |                                |
| Accounts payable   | 142,043               | 3,211,334           | 21,070           | 8,738  | 151,165          | 29,058           | 9,616                          | 3,573,024                      |
| Accrued liabilities  | 25,848                | -                   | 31,472           | 24,764                                       | -                | -                | 1,371                          | 83,455                         |
| Due to other governments   | 84,124                | -                   | -                | -  | -                | -                | -                              | 84,124                         |
| Bond anticipation notes payable                                      | -                     | 5,325,000           | -                | -  | -                | -                | -                              | 5,325,000                      |
| Total liabilities  | <u>252,015</u>        | <u>8,536,334</u>    | <u>52,542</u>    | <u>33,502</u>                                | <u>151,165</u>   | <u>29,058</u>    | <u>10,987</u>                  | <u>9,065,603</u>               |
| <b>Deferred inflows of resources</b>                                 |                       |                     |                  |  |                  |                  |                                |                                |
| Unearned revenue   | 3,375                 | -                   | 16,616           | 16,250                                       | 12,220           | 88,530           | -                              | 136,991                        |
| Unavailable revenue  | 5,305                 | -                   | -                | -  | -                | -                | -                              | 5,305                          |
| Total deferred inflows of resources                                  | <u>8,680</u>          | <u>-</u>            | <u>16,616</u>    | <u>16,250</u>                                | <u>12,220</u>    | <u>88,530</u>    | <u>-</u>                       | <u>142,296</u>                 |
| <b>Fund balances:</b>  |                       |                     |                  |  |                  |                  |                                |                                |
| Nonspendable   | 99,219                | -                   | 119,243          | 77,538                                       | -                | -                | 3,432                          | 299,432                        |
| Restricted   | 347,850               | -                   | -                | -  | -                | -                | -                              | 347,850                        |
| Committed  | -                     | -                   | -                | -  | 125,000          | 125,000          | -                              | 250,000                        |
| Assigned - appropriated  | 721,658               | 583,459             | 560,443          | 419  | -                | 36,797           | 2,829                          | 1,905,605                      |
| Assigned - unappropriated  | -                     | 1,482,446           | 1,078,111        | 961,727                                      | 4,730,100        | 4,466,858        | 1,150,890                      | 13,870,132                     |
| Unassigned   | 2,831,333             | -                   | -                | -  | -                | -                | -                              | 2,831,333                      |
| Total fund balances  | <u>4,000,060</u>      | <u>2,065,905</u>    | <u>1,757,797</u> | <u>1,039,684</u>                             | <u>4,855,100</u> | <u>4,628,655</u> | <u>1,157,151</u>               | <u>19,504,352</u>              |
| Total liabilities, deferred inflows<br>and fund balances             | <u>\$ 4,260,755</u>   | <u>10,602,239</u>   | <u>1,826,955</u> | <u>1,089,436</u>                             | <u>5,018,485</u> | <u>4,746,243</u> | <u>1,168,138</u>               | <u>28,712,251</u>              |

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Reconciliation of the Balance Sheet - Governmental Funds  
to the Statement of Net Position  
December 31, 2020

|   |                             |
|---|-----------------------------|
| Total governmental fund balance   | \$ 19,504,352               |
| Amounts reported for governmental activities in the statement of net position are different because:  |                             |
| Capital assets are included as assets in the government-wide financial statements, net of accumulated depreciation.                                 | 46,112,471                  |
| Deferred outflows and inflows of resources related to the net pension liability are included in the government-wide financial statements.           | 2,106,511                   |
| Deferred outflows and inflows of resources related to OPEB are included in the government-wide financial statements.                                | (788,537)                   |
| Deferred revenue from receivables not available to pay for current period expenditures and is therefore deferred in the funds                       | 5,305                       |
| Long-term liabilities for bonded debt, including bond premiums, are included in the government-wide financial statements as liabilities.            | (13,058,536)                |
| Current liabilities for interest payable on long-term debt are included in the government-wide financial statements as liabilities.                 | (119,794)                   |
| Long-term liabilities for compensated absences are included in the government-wide financial statements as liabilities.                             | (853,852)                   |
| Long-term liabilities for other postemployment benefits are included in the government-wide financial statements as liabilities.                    | (4,829,973)                 |
| Long-term liabilities for the proportionate share of net pension liability are included in the government-wide financial statements as liabilities. | <u>(3,129,659)</u>          |
| Total net position - end of year  | <u><u>\$ 44,948,288</u></u> |

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Statement of Revenue, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year ended December 31, 2020

|   | <u>Major Special Revenue</u> |                             |                  |   |                  |                  | <u>Nonmajor<br/>Special<br/>Revenue</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|---|------------------------------|-----------------------------|------------------|---|------------------|------------------|---|---|
|   | <u>General</u>               | <u>Capital<br/>Projects</u> | <u>Highway</u>   | <u>Water/Sewer<br/>Administration<br/>&amp; Ambulance</u> | <u>Sewer</u>     | <u>Water</u>     |   |   |
| Revenue:                                      |                              |                             |                  |   |                  |                  |   |   |
| Real property taxes                           | \$ 42,358                    | -                           | 1,068,959        | 451,930   | 700,004          | 1,914,677        | 267,820                                 | 4,445,748                               |
| Non-property tax items                        | 2,941,326                    | -                           | 1,101,335        | -   | -                | -                | -                                       | 4,042,661                               |
| Departmental income                           | 48,394                       | -                           | -                | 91,332  | 1,569,153        | 1,327,120        | -                                       | 3,035,999                               |
| Charges for services                          | -                            | -                           | 77,498           | 228,443   | -                | -                | -                                       | 305,941                                 |
| Use of money and property                     | 27,004                       | 59,580                      | 4,947            | 6,086   | 17,819           | 98,328           | 2,066                                   | 215,830                                 |
| Licenses and permits                          | 170,267                      | -                           | -                | -   | -                | -                | -                                       | 170,267                                 |
| Fines and forfeitures                         | 218,715                      | -                           | -                | -   | -                | -                | -                                       | 218,715                                 |
| Sale of property and compensation for loss    | -                            | -                           | 17,120           | 50,147  | -                | -                | -                                       | 67,267                                  |
| State aid                                     | 297,015                      | -                           | 177,798          | -   | -                | -                | -                                       | 474,813                                 |
| Miscellaneous                                 | 354,045                      | -                           | -                | 1,362   | 61,771           | 54,331           | 4,241                                   | 475,750                                 |
| Total revenue                                 | <u>4,099,124</u>             | <u>59,580</u>               | <u>2,447,657</u> | <u>829,300</u>  | <u>2,348,747</u> | <u>3,394,456</u> | <u>274,127</u>                          | <u>13,452,991</u>                       |
| Expenditures:                                 |                              |                             |                  |   |                  |                  |   |   |
| General government support                    | 1,593,953                    | -                           | -                | 1,086,484   | -                | -                | -                                       | 2,680,437                               |
| Public safety                                 | 23,084                       | -                           | -                | -   | -                | -                | -                                       | 23,084                                  |
| Health  | 600                          | -                           | -                | 477,250   | -                | -                | -                                       | 477,850                                 |
| Transportation                                | 97,308                       | -                           | 1,378,811        | -   | -                | -                | 142,002                                 | 1,618,121                               |
| Economic opportunity and development          | 32,998                       | -                           | -                | -   | -                | -                | -                                       | 32,998                                  |
| Culture and recreation                        | 145,948                      | -                           | -                | -   | -                | -                | -                                       | 145,948                                 |
| Home and community services                   | 680,143                      | -                           | -                | -   | 916,956          | 335,284          | -                                       | 1,932,383                               |
| Employee benefits                             | 850,028                      | -                           | 484,738          | 474,314   | -                | -                | 28,445                                  | 1,837,525                               |
| Debt service:                                 |                              |                             |                  |   |                  |                  |   |   |
| Principal                                     | -                            | -                           | -                | -   | 190,131          | 929,005          | -                                       | 1,119,136                               |
| Interest                                      | -                            | -                           | -                | -   | 108,237          | 279,223          | -                                       | 387,460                                 |
| Capital outlay                                | 82,761                       | 4,229,586                   | 393,262          | 3,510   | 3,557            | 13,337           | 4,653                                   | 4,730,666                               |
| Total expenditures                            | <u>3,506,823</u>             | <u>4,229,586</u>            | <u>2,256,811</u> | <u>2,041,558</u>  | <u>1,218,881</u> | <u>1,556,849</u> | <u>175,100</u>                          | <u>14,985,608</u>                       |
| Excess (deficiency) revenue over expenditures | <u>592,301</u>               | <u>(4,170,006)</u>          | <u>190,846</u>   | <u>(1,212,258)</u>  | <u>1,129,866</u> | <u>1,837,607</u> | <u>99,027</u>                           | <u>(1,532,617)</u>                      |

(Continued)

TOWN OF PLATTSBURG, NEW YORK  
Statement of Revenue, Expenditures and Changes in Fund Balances  
Governmental Funds, Continued

|  | <u>General</u>      | <u>Capital<br/>Projects</u> | <u>Major Special Revenue</u> |   |                  |                  | <u>Nonmajor<br/>Special<br/>Revenue</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|---------------------|-----------------------------|------------------------------|---|------------------|------------------|---|---|
|  |                     |                             | <u>Highway</u>               | <u>Water/Sewer<br/>Administration<br/>&amp; Ambulance</u> | <u>Sewer</u>     | <u>Water</u>     |   |   |
| Other financing sources (uses):              |                     |                             |                              |   |                  |                  |   |   |
| Issuance of long-term debt                   | \$ -                | 10,000,000                  | -                            | -   | -                | -                | -                                       | 10,000,000                              |
| Premiums from long-term debt                 | -                   | -                           | -                            | -   | 60,662           | 368,803          | -                                       | 429,465                                 |
| BANS redeemed from appropriations            | -                   | 675,000                     | -                            | -   | -                | -                | -                                       | 675,000                                 |
| Transfers in                                 | 15,000              | -                           | -                            | 1,306,048   | -                | -                | -                                       | 1,321,048                               |
| Transfers out                                | -                   | -                           | -                            | (15,000)  | (406,051)        | (899,997)        | -                                       | (1,321,048)                             |
| Total other financing sources (uses)         | <u>15,000</u>       | <u>10,675,000</u>           | <u>-</u>                     | <u>1,291,048</u>  | <u>(345,389)</u> | <u>(531,194)</u> | <u>-</u>                                | <u>11,104,465</u>                       |
| Net change in fund balances                  | 607,301             | 6,504,994                   | 190,846                      | 78,790  | 784,477          | 1,306,413        | 99,027                                  | 9,571,848                               |
| Fund balances (deficit) at beginning of year | <u>3,392,759</u>    | <u>(4,439,089)</u>          | <u>1,566,951</u>             | <u>960,894</u>  | <u>4,070,623</u> | <u>3,322,242</u> | <u>1,058,124</u>                        | <u>9,932,504</u>                        |
| Fund balances at end of year                 | <u>\$ 4,000,060</u> | <u>2,065,905</u>            | <u>1,757,797</u>             | <u>1,039,684</u>  | <u>4,855,100</u> | <u>4,628,655</u> | <u>1,157,151</u>                        | <u>19,504,352</u>                       |

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances  
- Governmental Funds to the Statement of Activities  
Year ended December 31, 2020

|  |                     |
|--|---------------------|
| Net change in fund balance   | \$ 9,571,848        |
| Amounts reported for governmental activities in the statement of activities are different because:   |                     |
| Current year capital outlays reported as expenditures in the governmental fund financial statements are shown as increases in capital assets in the government-wide financial statements.  | 4,653,432           |
| The Town took possession of a mausoleum in 2020  | 1,785,000           |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.  | (10,000,000)        |
| Bond premiums provide current financial resources to governmental funds, however these are amortized over the life of the bond in the statement of net position.   | (429,465)           |
| Current year debt principal payments reported as expenditures in the governmental fund financial statements are shown as a reduction in debt in the government-wide financial statements.  | 444,136             |
| Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the governmental fund financial statements, an interest expenditure is reported when due.  | 12,199              |
| Compensated absences are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when compensated absences time is used.   | (91,680)            |
| Other postemployment benefits are expensed on the government-wide financial statements when earned, whereas in the governmental fund financial statements, an expenditure is reported when benefits are paid.  | (127,194)           |
| Current year change in proportionate share of net pension liability and the related deferred inflows and deferred outflows of resources on the government-wide financial statements is not recognized in governmental funds since it does not provide for current financial resources.   | (587,113)           |
| Some revenues are reported in the statement of activities that do not result in current financial resources and therefore are not reported as revenue in the governmental funds.   | (3,232)             |
| Current year loss on sale of capital assets is reported as an decrease in revenue on the government-wide financial statements and is not recorded on the governmental fund financial statements and the related proceeds are reported as a revenue on the governmental fund financial statements and are not reported on the government-wide financial statements. | (11,070)            |
| Depreciation is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The effect of the current year's depreciation is to decrease net position.  | <u>(1,862,715)</u>  |
| Change in net position of governmental activities  | <u>\$ 3,354,146</u> |

See accompanying notes to financial statements.

TOWN OF PLATTSBURG, NEW YORK  
Statement of Fiduciary Net Position - Fiduciary Funds  
December 31, 2020

|                                  | <u>Custodial<br/>Funds</u> |
|----------------------------------|----------------------------|
| Assets:                          |                            |
| Cash                             | \$ 282,142                 |
| Cash - escrow accounts           | <u>60,119</u>              |
| Total assets                     | 342,261                    |
| <br>                             |                            |
| Liabilities - due to other funds | <u>186,738</u>             |
| <br>                             |                            |
| Net position - restricted        | <u><u>\$ 155,523</u></u>   |

See accompanying notes to the financial statements.

TOWN OF PLATTSBURGH, NEW YORK  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
Year ended December 31, 2020

|   | <u>Custodial<br/>Funds</u> |
|---|----------------------------|
| Additions:                                  |                            |
| Property taxes collected:                   |                            |
| County                                      | \$ 7,736,624               |
| Fire districts                              | <u>1,965,585</u>           |
| Total property taxes collected              | <u>9,702,209</u>           |
| Health insurance premiums                   | 10,254                     |
| Escrow collections                          | 32,433                     |
| Parkland collections                        | <u>2,528</u>               |
| Total additions                             | <u>9,747,424</u>           |
| Deductions:                                 |                            |
| Payment of property taxes                   | 9,702,209                  |
| Health insurance premiums                   | 7,947                      |
| Escrow payments                             | <u>124,529</u>             |
| Total deductions                            | <u>9,834,685</u>           |
| Change in fiduciary net position            | (87,261)                   |
| Fiduciary net position at beginning of year | <u>242,784</u>             |
| Fiduciary net position at end of year       | <u><u>\$ 155,523</u></u>   |

See accompanying notes to the financial statements.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies

The financial statements of the Town of Plattsburgh, New York (the Town) have been prepared in accordance with generally accepted accounting principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB) which is the standard setting body for establishing governmental accounting and financial reporting principles. Certain significant accounting principles and policies utilized by the Town are described below.

(a) Financial Reporting Entity

The Town was incorporated in 1785, is governed by the town law and other general laws of the State of New York and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of the supervisor and five councilors. The supervisor serves as chief executive officer and the chief fiscal officer of the Town.

The following basic services are provided:

Highways and streets  
Water and sewage  
Street lighting  
Culture and recreation  
Planning and zoning  
General administrative services

The reporting entity of the Town is based upon criteria set forth by GASB Statement No. 14 - "The Financial Reporting Entity." The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the Town and any component unit or other organizational entity determined to be includable in the Town's financial reporting entity. The decision to include a potential component unit or other organizational entity in the Town's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. The Town does not have any reportable component units or other organizational entities for the year ended December 31, 2020. The Town is not a component unit of another reporting entity.

(b) Basis of Presentation

(i) Government-wide Statements

The Statement of Net Position and the Statement of Activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(i) Government-wide Statements, Continued

transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other exchange and non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function, and, therefore are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues are ancillary activities such as investment earnings. The Town had no proprietary funds for the year ended December 31, 2020.

(ii) Fund Financial Statements

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

The Town reports the following major governmental funds:

General Fund - This is the Town's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Capital Projects Funds - These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities.

Highway Special Revenue - This fund is used to account for revenues and expenditures for highway purposes in accordance with Section 141 of the Highway Law.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Presentation, Continued

(ii) Fund Financial Statements, Continued

Water/Sewer Administration & Ambulance Special Revenue Fund - This fund is used to account for revenues and expenditures for the administration of the Town's water and sewer departments as well as the Town's ambulance district.

Sewer Special Revenue - This fund is used to account for taxes or other revenues, which are raised or received to provide sewage disposal services to the Town's residents and businesses.

Water Special Revenue - This fund is used to account for taxes or other revenues, which are raised or received to provide water distribution services to the Town's residents and businesses.

The other funds, which do not meet the major fund criteria, are aggregated and reported as nonmajor Governmental Funds. The following are reported as nonmajor Governmental Funds:

Storm Drainage - This fund is used to account for revenues and expenditures for drainage purposes.

Street Lighting - This fund is used to account for revenues and expenditures for lighting purposes.

Fiduciary Funds - Fiduciary funds are used to account for assets held by the local government in a trustee or custodial capacity. The following are the Town's fiduciary funds.

Custodial Funds - Used to account for all other funds held by the Town in a custodial capacity.

(c) Measurement Focus and Basis of Accounting

(i) Government-wide Financial Statements

The Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. 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.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus and Basis of Accounting, Continued

(ii) Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year-end. A 90 day availability period is used for recognition of all other governmental fund revenues.

The revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are accrued based on anticipated sales tax revenue due to the Town.

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

Expenditures are recorded when the related liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

(d) Cash and Investments

The Town’s investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand and time deposits and certificates of deposits not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities and school districts.

At December 31, 2020, the carrying amount of the Town’s demand and savings deposits was \$26,269,749 and the bank balance was \$26,269,928. Of the bank balance, \$750,000 was covered by Federal depository insurance and \$25,519,928 was covered by collateral held by the pledging bank in the Town’s name. There were no uninsured deposits.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Cash and Investments, Continued

Cash and cash equivalents include cash on hand, demand deposits and short-term investments. The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

(e) Receivables

Receivables are shown gross, with uncollectible amounts written off under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

(f) Inventories and Prepaid Items

Purchases of inventorial items are recorded as expenditures at the time of purchase and are considered immaterial in amount. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used.

(g) Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than the capitalization thresholds below and an estimated useful life of two years or more. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. Donated assets are recorded at estimated fair market value at the date of donation.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|                           | <u>Capitalization<br/>Threshold</u> | <u>Depreciation<br/>Method</u> | <u>Estimated<br/>Useful Life</u> |
|---------------------------|-------------------------------------|--------------------------------|----------------------------------|
| Infrastructure            | \$ 1,000                            | Straight-line                  | 20 - 50 years                    |
| Building and improvements | 1,000                               | Straight-line                  | 20 - 40 years                    |
| Furniture and equipment   | 250 - 500                           | Straight-line                  | 5 - 25 years                     |

(h) Compensated Absences

The Town employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation is specified in negotiated labor contracts and Town policy.

Upon retirement, resignation or death, employees may receive a payment based on unused accumulated sick leave, based on contractual provisions.

Consistent with GASB Statement No. 16 - "Accounting for Compensated Absences," an accrual for accumulated sick leave calculated using the vesting method is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year-end.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(i) Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(j) Unearned Revenue

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Town has legal claim to the resources, the liability for unearned revenues is removed and revenues are recognized.

(k) Deferred Compensation

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

(l) Postemployment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees and their dependents. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age and retire under the New York State Employees Retirement System while working for the Town. The cost of providing postretirement benefits is shared between the Town and the retired employee. The Town recognizes the cost of providing health insurance by recording its share of insurance premiums for retirees and their dependents, as an expenditure in the year paid.

(m) Property Taxes

Real property taxes are collected solely through the Highway Fund and the Special Districts (ambulance, sewer, lighting, water and drainage). Other property tax items, such as penalties, are collected in the general fund. The tax rates are determined by dividing each district levy amount by its assessment value. Revenues for the Highway Fund are received from all Town residents and revenues for special districts are received from Town residents based on whether a particular service is available in their district. The taxes collected are used strictly to extinguish debt attributable to each district.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) Property Taxes, Continued

Real property taxes are levied annually by the Town no later than January 1. Taxes are collected during the period January 1 to April 30.

Uncollected real property taxes are subsequently enforced by the County of Clinton (the County) in which the Town is located. The County pays an amount representing uncollected real property taxes, transmitted to the County for enforcement, to the Town no later than the following April 1.

(n) Net Position/Fund Balances

Net position in government-wide financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. Special revenue funds fund balance is included in restricted net position on the government-wide financial statements.

In the governmental fund financial statements, fund balances, as required by GASB Statement No. 54, are classified as follows:

- Nonspendable - Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of Town law, state or federal laws, or externally imposed conditions by grantors or creditors.
- Committed - Amounts that can be used only for specific purposes determined by formal action by Town ordinance or resolution.
- Assigned - Amounts that are designated by the Town for a particular purpose but do not meet the criteria to be classified as restricted or committed.
- Unassigned - All amounts not included in other spendable classifications.

For the year ended December 31, 2020, the Town committed fund balance of \$125,000 each from the sewer fund and the water fund through Town Board resolution for infrastructure at the Old County Airport.

The purpose of GASB Statement No. 54 is to improve the usefulness, including the understandability, of governmental fund balance information by establishing criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Budgetary Procedures and Accounting

(i) General Budget Policies - No later than September 30, the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the general and special revenue funds. After public hearings are conducted to obtain taxpayer comments, but no later than November 20, the Town Board adopts the Town budget. Any revisions that alter total appropriations of any department or fund must be approved by the Town Board. Budgetary controls are established for the capital projects fund through resolutions authorizing individual projects, which remain in effect for the life of the project.

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

(iii) Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. For budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Open encumbrances at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

(p) Deferred Outflows and Inflows of Resources

The financial statements reports 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 four items that qualify for reporting in this category. The first item is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item relates to the Town's contributions to the pension systems subsequent to the measurement date. The third item is related to other postemployment benefits reported in the Statement of Net Position. This represents changes of assumptions in the calculation of the liability. The fourth item relates to the Town's contributions of other postemployment benefits subsequent to the measurement date.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Deferred Outflows and Inflows of Resources, Continued

The financial statements reports 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 four items that qualify for reporting in this category. The first is related to pensions reported in the Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportional share of total contributions to the pension systems not included in the pension expense. The second item represents differences between expected and actual experience related to the other postemployment liability. The third is reported in the Statement of Net Position and the Balance Sheet - Governmental Funds and relates to unearned revenue. The fourth item is reported on the Balance Sheet - Governmental Funds and relates to unavailable revenue for receivables not collected within 90 days of year end.

(q) Use of Estimates

The preparation of financial statements in accordance 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. Accordingly, actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including compensated absences, other postemployment benefits, potential contingent liabilities and useful lives of long-lived assets.

(r) Impact of Recently Issued Accounting Pronouncements

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(r) Impact of Recently Issued Accounting Pronouncements, Continued

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-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 focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

(a) Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of governmental funds vs. net position of governmental activities: Total fund balances of the Town's governmental funds differ from net position 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.

(b) Statement of Revenue, Expenditures and Changes in Fund Balances vs. Statement of Activities

Differences between governmental funds Statement of Revenue, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of three broad categories:

(i) 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.

(ii) 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.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements, Continued

(b) Statement of Revenue, Expenditures and Changes in Fund Balances vs. Statement of Activities, Continued

(iii) 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. Also, additions to long-term debt are recorded as revenue in the governmental fund statements and increases in liabilities in the Statement of Net Position.

(3) Capital Assets

A summary of capital asset balances and activity for the year ended December 31, 2020 is as follows:

|  | Balance<br>January 1,<br><u>2020</u> | <u>Additions</u>  | <u>Deletions</u>   | Balance<br>December 31,<br><u>2020</u> |
|--|--------------------------------------|-------------------|--------------------|--|
| Governmental activities:                       |                                      |                   |                    |  |
| Capital assets, not being depreciated:         |                                      |                   |                    |  |
| Land   | \$ 1,019,224                         | -                 | -                  | 1,019,224                              |
| Construction in progress                       | <u>6,384,405</u>                     | <u>4,578,162</u>  | <u>(7,031,318)</u> | <u>3,931,249</u>                       |
| Total nondepreciable,<br>historical cost       | <u>7,403,629</u>                     | <u>4,578,162</u>  | <u>(7,031,318)</u> | <u>4,950,473</u>                       |
| Capital assets, being depreciated:             |                                      |                   |                    |  |
| Buildings and improvements                     | 8,871,121                            | 8,508,279         | -                  | 17,379,400                             |
| Infrastructure                                 | 70,010,175                           | 308,039           | -                  | 70,318,214                             |
| Furniture and equipment                        | <u>7,005,242</u>                     | <u>75,270</u>     | <u>(417,447)</u>   | <u>6,663,065</u>                       |
| Total depreciable<br>historical cost           | <u>85,886,538</u>                    | <u>8,891,588</u>  | <u>(417,447)</u>   | <u>94,360,679</u>                      |
| Less accumulated depreciation:                 |                                      |                   |                    |  |
| Buildings, infrastructure and<br>improvements  | 46,906,756                           | 1,478,054         | -                  | 48,384,810                             |
| Furniture and equipment                        | <u>4,835,587</u>                     | <u>384,661</u>    | <u>(406,377)</u>   | <u>4,813,871</u>                       |
| Total accumulated depreciation                 | <u>51,742,343</u>                    | <u>1,862,715</u>  | <u>(406,377)</u>   | <u>53,198,681</u>                      |
| Net depreciable historical cost                | <u>34,144,195</u>                    | <u>7,028,873</u>  | <u>(11,070)</u>    | <u>41,161,998</u>                      |
| Governmental activities<br>capital assets, net | \$ <u>41,547,824</u>                 | <u>11,607,035</u> | <u>(7,042,388)</u> | <u>46,112,471</u>                      |

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(3) Capital Assets, Continued

Included as an addition is a mausoleum recorded at estimated fair value of \$1,785,000 in 2020.

Depreciation expense was charged to governmental functions as follows:

|                             |                     |
|-----------------------------|---------------------|
| General government support  | \$ 249,856          |
| Transportation              | 632,301             |
| Culture and recreation      | 22,326              |
| Home and community services | <u>958,232</u>      |
| Total                       | \$ <u>1,862,715</u> |

(4) Indebtedness

(a) Long-Term Debt

The following is a summary of changes in long-term debt:

|                      | Balance at<br>December 31,<br><u>2019</u> | <u>Additions</u>  | <u>Deletions</u> | Balance at<br>December 31,<br><u>2020</u> | Amounts<br>due<br>within<br><u>one year</u> |
|----------------------|---|-------------------|------------------|---|---|
| Serial bonds         | \$ 3,073,207                              | 10,000,000        | 444,136          | 12,629,071                                | 856,942                                     |
| Bond premium         | -   | 429,465           | -                | 429,465                                   | 21,473                                      |
| Compensated absences | <u>762,172</u>                            | <u>91,680</u>     | <u>-</u>         | <u>853,852</u>                            | <u>-</u>                                    |
| Total                | \$ <u>3,835,379</u>                       | <u>10,521,145</u> | <u>444,136</u>   | <u>13,912,388</u>                         | <u>878,415</u>                              |

Additions and deletions to compensated absences are shown net since it is impracticable to determine these amounts separately.

In 2020 the Town issued \$10,000,000 of serial bonds which will mature in 2040 with a stated interest rate of 2.000%. The Town also received a premium of \$429,465.

Bonds are comprised of the following:

Serial Bonds

| <u>Description of Issue</u>              | <u>Issue<br/>Date</u> | <u>Final<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Outstanding<br/>12/31/20</u> |
|--|-----------------------|---------------------------|--------------------------|---------------------------------|
| Cadyville WD Construction                | 10/1986               | 10/2025                   | 6.000%                   | \$ 25,000                       |
| Treadwell Mills WD Improvements          | 9/1988                | 9/2027                    | 6.375%                   | 54,000                          |
| Wallace Hill WD #1                       | 1/1997                | 9/2021                    | 5.750%                   | 9,600                           |
| Morrisonville WD #1                      | 1/1997                | 9/2021                    | 5.750%                   | 10,400                          |
| Wallace Hill WD #2 Phase II - NYSEFC     | 7/2001                | 5/2031                    | 0.000%                   | 170,269                         |
| Wallace Hill SD #3 - NYSEFC              | 7/2003                | 7/2033                    | 0.000%                   | 239,381                         |
| Cumberland Head WD - NYSEFC              | 7/2003                | 7/2022                    | 0.000%                   | 630,421                         |
| Champlain Park Sewer Closure -<br>NYSEFC | 10/2010               | 10/2039                   | 2.132%                   | 1,490,000                       |
| Public Improvement Bonds                 | 8/2020                | 8/2040                    | 2.000%                   | <u>10,000,000</u>               |
| Total serial bonds                       |                       |                           |                          | \$ <u>12,629,071</u>            |

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(4) Indebtedness, Continued

(a) Long-Term Debt, Continued

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

| <u>Year Ending</u> | <u>Principal</u>     | <u>Interest</u>  | <u>Total</u>      |
|--------------------|----------------------|------------------|-------------------|
| 2021               | \$ 856,942           | 225,117          | 1,082,059         |
| 2022               | 847,748              | 215,752          | 1,063,500         |
| 2023               | 540,975              | 205,554          | 746,529           |
| 2024               | 551,203              | 194,924          | 746,127           |
| 2025               | 561,430              | 184,358          | 745,788           |
| 2026-2030          | 2,921,558            | 755,863          | 3,677,421         |
| 2031-2035          | 3,094,215            | 466,532          | 3,560,747         |
| 2036-2039          | <u>3,255,000</u>     | <u>156,523</u>   | <u>3,411,523</u>  |
|                    | \$ <u>12,629,071</u> | <u>2,404,623</u> | <u>15,033,694</u> |

(b) Bond Anticipation Notes

Liabilities for the bond anticipation notes (BANs) are accounted for in the capital projects fund. BANs must be renewed annually. Generally, BANs issued for assessable improvements may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. General capital purpose BANs must be converted to long-term obligations within five years after the original issue date. The following is an analysis of BANs outstanding at December 31, 2020:

| <u>Description of Issue</u>                       | <u>Interest Rate</u> | <u>Balance at December 31, 2019</u> | <u>Additions</u> | <u>Deletions</u>  | <u>Balance at December 31, 2020</u> |
|---|----------------------|-------------------------------------|------------------|-------------------|-------------------------------------|
| Sewer and Water Improvements, due August 21, 2020 | 2.25%                | \$ 14,000,000                       |                  | - 14,000,000      | -                                   |
| Sewer and Water Improvements, due August 20, 2021 | 2.00%                | -                                   | 5,325,000        | -                 | 5,325,000                           |
|   |                      | <u>\$ 14,000,000</u>                | <u>5,325,000</u> | <u>14,000,000</u> | <u>5,325,000</u>                    |

Debt service expenditures are recorded in the fund that benefited from the capital project financed by the bonds or notes, i.e. the general fund or the appropriate special revenue fund.

TOWN OF PLATTSBURGH, NEW YORK

Notes to Financial Statements, Continued

(4) Indebtedness, Continued

(c) Interest Expense

Interest expense incurred on serial bonds and BAN's for the year ended December 31, 2020 is as follows:

|   |                   |
|---|-------------------|
| Interest paid                             | \$ 387,460        |
| Less interest accrued in the prior year   | (131,993)         |
| Plus interest accrued in the current year | <u>119,794</u>    |
| Total expense                             | \$ <u>375,261</u> |

(5) Pension Plans

(a) Plan Descriptions and Benefits Provided

Employees' Retirement System

The Town participates in the New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer retirement system. 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 position and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provision 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 GLIP 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](http://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, New York 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3.0 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 6.0 percent of their salary for their entire length of service. 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.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(5) Pension Plans, Continued

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

At December 31, 2020, the Town reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

|   |                 |
|---|-----------------|
| Measurement date  | March 31, 2020  |
| Valuation date  | April 1, 2019   |
| Net pension liability                                     | \$3,129,659     |
| <br>Town's proportion of the Plan's net pension liability | <br>0.0118187%  |
| <br>Change in proportionate share from prior year         | <br>(0.0002017) |

For the year ended December 31, 2020, the Town's recognized pension expense of \$1,033,774 in the statement of activities. At December 31, 2020, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Differences between expected and actual experience  | \$ 184,193                                    | -  |
| Changes of assumptions  | 63,017  | 54,414                                       |
| Net difference between projected and actual investment earnings on pension plan investments                     | 1,604,416                                     | -  |
| Changes in proportion and differences between the Town's contributions and proportionate share of contributions | 18,325  | 44,768                                       |
| Town's contributions subsequent to the measurement date   | <u>335,742</u>                                | <u>-</u>                                     |
| Total   | \$ <u>2,205,693</u>                           | <u>99,182</u>                                |

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(5) Pension Plans, Continued

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

Town contributions subsequent to the March 31, 2020 measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

| <u>Year ending</u> |                     |
|--------------------|---------------------|
| 2021               | \$ 292,022          |
| 2022               | 448,564             |
| 2023               | 570,000             |
| 2024               | <u>460,183</u>      |
|                    | \$ <u>1,770,769</u> |

(c) Actuarial Assumptions

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

|  |                |
|--|----------------|
| Measurement date   | March 31, 2020 |
| Actuarial valuation date   | April 1, 2019  |
| Investment rate of return (net of investment expense, including inflation) | 6.8%           |
| Salary increases   | 4.2%           |
| Inflation  | 2.5%           |
| Cost-of-living adjustments   | 1.3%           |

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

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

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of 7.0%.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(5) Pension Plans, Continued

(c) Actuarial Assumptions, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows.

| <u>Asset Class</u>             | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return *</u> |
|--------------------------------|--------------------------|---|
| 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 (1) | 2.00%                    | 3.25%   |
| Opportunistic portfolio        | 3.00%                    | 4.65%   |
| Real assets                    | 3.00%                    | 5.95%   |
| Bonds and mortgages            | 17.00%                   | 0.75%   |
| Cash                           | 1.00%                    | 0.00%   |
| Inflation - indexed bonds      | <u>4.00%</u>             | 0.50%   |
|                                | <u>100.00%</u>           |   |

\*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

(d) Discount Rate

The discount rate used to calculate the total pension 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 determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate:

|   | 1%<br>Decrease<br>(5.8%) | Current<br>Assumption<br>(6.8%) | 1%<br>Increase<br>(7.8%) |
|---|--------------------------|---------------------------------|--------------------------|
| Employer's proportionate share of the net pension liability | \$ <u>(5,743,809)</u>    | <u>(3,129,659)</u>              | <u>(722,017)</u>         |

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(5) Pension Plans, Continued

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective measurement dates, were as follows:

|   | (Dollars in Millions) |
|---|-----------------------|
| Measurement date  | 3/31/2020             |
| Employers' total pension liability  | \$ (194,596)          |
| Plan fiduciary net position   | <u>168,115</u>        |
| Employers' net pension liability  | \$ <u>(26,481)</u>    |
| Ratio of plan fiduciary net position to the<br>Employers' total pension liability | 86.39%                |

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Retirement contributions as of December 31, 2020 represent the projected employer contribution for the period of April 1, 2020 through March 31, 2021 based on paid employee wages multiplied by the employer's contribution rate, by tier. The retirement contribution paid to the System for the year ended December 31, 2020 was \$446,659.

(6) Other Postemployment Benefits

(a) Plan Description and Benefits

The Town administers 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 the applicable collective bargaining and Town policy. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

In addition to providing retirement benefits the Town provides certain health insurance benefits to retired employees and their families. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working. Policy has been to account for and fund these benefits on a pay-as-you-go basis.

The Town pays for 50% of the cost of the current active employee rate for health care benefits paid to qualified retirees while the retiree pays the remaining 50%. The Town has chosen to fund the healthcare benefits as costs are incurred.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(6) Other Postemployment Benefits, Continued

(b) Employees covered by benefit terms

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

|                  |           |
|------------------|-----------|
| Current retirees | 17        |
| Active employees | <u>55</u> |
|                  | <u>72</u> |

(c) Total OPEB Liability

The Town's total OPEB liability of \$4,829,973 was measured as of January 1, 2020 and was determined by an actuarial valuation as of January 1, 2020.

(d) Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                             |  |
|-----------------------------|--|
| Salary scale                | 2.25%  |
| Discount rate               | 2.74%  |
| Inflation                   | 2.20%  |
| Healthcare cost trend rates | 7.00% for 2020, decreasing to an ultimate rate of 3.94% for 2090 |

Mortality rates were based on the SOA RPH-2014 adjusted back to 2006 using Scale MP-2014 and projected forward using scale MP-2017.

(e) Changes in the Total OPEB Liability

|  |                     |
|--|---------------------|
| Total OPEB liability as of January 1, 2020         | \$ 4,421,699        |
| Changes for the year:                              |                     |
| Service cost                                       | 128,056             |
| Interest   | 184,919             |
| Change in benefit terms                            | 57,689              |
| Differences between actual and expected experience | (553,858)           |
| Changes in assumptions and other inputs            | 670,558             |
| Benefit payments (including implicit subsidy)      | <u>(79,090)</u>     |
| Total changes                                      | <u>408,274</u>      |
| Total OPEB liability as of December 31, 2020       | \$ <u>4,829,973</u> |

(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%) or 1-percentage-point higher (3.74%) than the current discount rate:

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(6) Other Postemployment Benefits, Continued

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

|                      | 1%<br>Decrease<br><u>(1.74%)</u> | Current<br>Discount<br>Rate<br><u>(2.74%)</u> | 1%<br>Increase<br><u>(3.74%)</u> |
|----------------------|----------------------------------|---|----------------------------------|
| Total OPEB liability | \$ <u>5,722,308</u>              | <u>4,829,973</u>                              | <u>4,116,866</u>                 |

(g) Sensitivity of the total OPEB liability to changes in the healthcare costs 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 a discount rate that is 1-percentage point lower or 1-percentage point higher than the current trend rate:

|                      | 1%<br><u>Decrease</u> | Current<br>Trend<br>Rate<br><u>Rate</u> | 1%<br><u>Increase</u> |
|----------------------|-----------------------|---|-----------------------|
| Total OPEB liability | \$ <u>4,025,872</u>   | <u>4,829,973</u>                        | <u>5,865,249</u>      |

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

For the year ended December 31, 2020, the Town recognized OPEB expense of \$216,318. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Difference between expected and actual experience       | \$ -  | 1,361,517                                    |
| Changes in assumptions and other inputs                 | 868,672                                       | 384,816                                      |
| Town's contributions subsequent to the measurement date | <u>89,124</u>                                 | <u>-</u>                                     |
| Total   | <u>\$ 957,796</u>                             | <u>1,746,333</u>                             |

Town contributions subsequent to the measurement date will be recognized as a reduction of the other postemployment benefit liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources related to other postemployment benefits will be recognized as follows:

| <u>Year ending</u> |              |
|--------------------|--------------|
| 2021               | \$ (154,346) |
| 2022               | (154,346)    |
| 2023               | (154,346)    |
| 2024               | (154,346)    |
| 2025               | (154,346)    |
| Thereafter         | (105,931)    |

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(7) Interfund Transactions

The operations of the Town give rise to certain transactions between funds including expenditures and transfers of resources to provide services. These transactions are recorded as interfund revenues, interfund transfers and expenditures in the respective funds.

Individual fund interfund receivable and payable balances at December 31, 2020, arising from these transactions and interfund revenues and expenditures are as follows:

| <u>Fund</u>                               | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> | <u>Interfund<br/>Revenue</u> | <u>Interfund<br/>Expenditures</u> |
|---|----------------------------------|-------------------------------|------------------------------|-----------------------------------|
| General                                   | \$ 8,940                         | -                             | 15,000                       | -                                 |
| Major special revenue:                    |                                  |                               |                              |                                   |
| Highway                                   | 177,798                          | -                             | -                            | -                                 |
| Water/sewer administration<br>& ambulance | -                                | -                             | 1,306,048                    | 15,000                            |
| Sewer                                     | -                                | -                             | -                            | 406,051                           |
| Water                                     | -                                | -                             | -                            | <u>899,997</u>                    |
| Total governmental activity               | 186,738                          | -                             | 1,321,048                    | 1,321,048                         |
| Custodial                                 | -                                | <u>186,738</u>                | -                            | -                                 |
| Total                                     | \$ <u>186,738</u>                | <u>186,738</u>                | <u>1,321,048</u>             | <u>1,321,048</u>                  |

(8) Commitments and Contingencies

(a) Risk Financing and Related Insurance

The Town is exposed to the risk of various types of loss which includes torts; theft of, damage to, and destruction of assets; and injuries to employees. These risks are covered by commercial insurance purchased from independent third parties. All claims are routinely turned over to the insurance carriers.

(b) Litigation

The Town is exposed to various risks of loss arising principally in the normal course of operations. These claims are being handled by the Town's attorneys and insurance companies. In the opinion of the attorneys, the outcome of these claims are either indeterminable, or will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

The Town also has open tax certiorari proceedings with a potential liability. The outcome of these proceedings is undeterminable and no provision for loss has been recorded.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(8) Commitments and Contingencies, Continued

(c) Grant Programs

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

(d) Environmental Concerns

In the normal course of operations, the Town is engaged in activities (i.e. gasoline storage) that are potentially hazardous to the environment. As of December 31, 2020, the Town has not experienced any instances of significant environmental problems.

(e) Encumbrances

The Town has outstanding commitments related to unperformed contracts for goods and services at December 31, 2020 as follows:

|                       |                     |
|-----------------------|---------------------|
| General fund          | \$ 67,347           |
| Capital projects fund | 583,459             |
| Highway fund          | 560,443             |
| Water fund            | 419                 |
| Street lighting       | <u>2,829</u>        |
|                       | <u>\$ 1,214,497</u> |

(f) Tax Abatements

As of December 31, 2020 the Town abatement programs include abatements on property taxes. All abatement agreements are made by Clinton County Industrial Development Agency (CCIDA), a component unit of the County.

All property tax abatements are performed through Payment in Lieu of Tax (PILOT) agreements made by CCIDA. The PILOT agreements are made to support construction, utilities and housing/hotels. Total taxes abated by CCIDA in each of these categories for the year ended December 31, 2020 is as follows:

|                |                   |
|----------------|-------------------|
| Construction   | \$ 87,890         |
| Housing/hotels | <u>16,479</u>     |
|                | <u>\$ 104,369</u> |

(g) Remedies for Default

Upon default of the payment of principal or interest on the serial bonds or bond anticipation notes of the Town, the bondholders have the right to litigate.

TOWN OF PLATTSBURGH, NEW YORK  
Notes to Financial Statements, Continued

(9) Net Position and Fund Balances

The following is a summary of fund balances at December 31, 2020:

|                                     | General<br>Fund     | Capital<br>Projects<br>Fund | Major<br>Special<br>Revenue<br>Funds | Nonmajor<br>Special<br>Revenue<br>Funds | Total             |
|-------------------------------------|---------------------|-----------------------------|--------------------------------------|---|-------------------|
| Nonspendable - prepaid expenditures | \$ 99,219           | -                           | 196,781                              | 3,432                                   | 299,432           |
| Restricted                          | 347,850             | -                           | -                                    | -                                       | 347,850           |
| Committed                           | -                   | -                           | 250,000                              | -                                       | 250,000           |
| Assigned - appropriated:            |                     |                             |                                      |   |                   |
| Outstanding purchase orders         | 67,347              | 583,459                     | 560,862                              | 2,829                                   | 1,214,497         |
| 2021 budget appropriations          | 654,311             | -                           | 36,797                               | -                                       | 691,108           |
| Assigned - unappropriated           | -                   | 1,482,446                   | 11,236,796                           | 1,150,890                               | 13,870,132        |
| Unassigned                          | <u>2,831,333</u>    | <u>-</u>                    | <u>-</u>                             | <u>-</u>                                | <u>2,831,333</u>  |
|                                     | <u>\$ 4,000,060</u> | <u>2,065,905</u>            | <u>12,281,236</u>                    | <u>1,157,151</u>                        | <u>19,504,352</u> |

The following is a summary of net position at December 31, 2020:

|  |                      |
|--|----------------------|
| Net investment in capital assets                               | \$ 27,728,935        |
| Restricted (special revenue funds and restricted general fund) | 13,786,237           |
| Unrestricted   | <u>3,433,116</u>     |
|  | <u>\$ 44,948,288</u> |

(10) Subsequent Events

The Town has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

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

TOWN OF PLATTSBURG, NEW YORK  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures and Changes in Fund Balance -  
 Budget and Actual - General Fund  
 Year ended December 31, 2020

|   | <u>Original<br/>budget</u> | <u>Final<br/>budget</u> | <u>Actual</u>    | Variance with<br>final budget<br>positive<br>(negative) |
|---|----------------------------|-------------------------|------------------|---|
| Revenue:  |                            |                         |                  |   |
| Real property taxes                                 | \$ 36,000                  | 36,000                  | 42,358           | 6,358   |
| Non-property tax items                              | 2,817,968                  | 2,817,968               | 2,941,326        | 123,358   |
| Departmental income                                 | 68,750                     | 68,750                  | 48,394           | (20,356)  |
| Charges for services                                | 5,500                      | 5,500                   | -                | (5,500)   |
| Use of money and property                           | 22,570                     | 22,570                  | 27,004           | 4,434   |
| Licenses and permits                                | 73,500                     | 73,500                  | 170,267          | 96,767  |
| Fines and forfeitures                               | 275,000                    | 275,000                 | 218,715          | (56,285)  |
| State aid   | 470,803                    | 378,000                 | 297,015          | (80,985)  |
| Miscellaneous                                       | -                          | 92,803                  | 354,045          | 261,242   |
| Total revenue                                       | <u>3,770,091</u>           | <u>3,770,091</u>        | <u>4,099,124</u> | <u>329,033</u>  |
| Expenditures:                                       |                            |                         |                  |   |
| General government support                          | 1,827,707                  | 1,767,281               | 1,593,953        | 173,328   |
| Public safety                                       | 27,500                     | 26,610                  | 23,084           | 3,526   |
| Health  | 695                        | 600                     | 600              | -   |
| Transportation                                      | 99,665                     | 99,665                  | 97,308           | 2,357   |
| Economic opportunity and development                | 45,523                     | 45,523                  | 32,998           | 12,525  |
| Culture and recreation                              | 193,300                    | 193,300                 | 145,948          | 47,352  |
| Home and community services                         | 784,000                    | 910,130                 | 680,143          | 229,987   |
| Employee benefits                                   | 947,383                    | 939,936                 | 850,028          | 89,908  |
| Debt service:                                       |                            |                         |                  |   |
| Principal   | 50,000                     | -                       | -                | -   |
| Interest  | 36,000                     | -                       | -                | -   |
| Capital outlay                                      | 113,050                    | 129,605                 | 82,761           | 46,844  |
| Total expenditures                                  | <u>4,124,823</u>           | <u>4,112,650</u>        | <u>3,506,823</u> | <u>605,827</u>  |
| Excess (deficiency) of revenue<br>over expenditures | <u>(354,732)</u>           | <u>(342,559)</u>        | <u>592,301</u>   | <u>934,860</u>  |
| Other financing uses - transfers in                 | <u>15,000</u>              | <u>15,000</u>           | <u>15,000</u>    | <u>-</u>  |
| Net change in fund balance                          | <u>(339,732)</u>           | <u>(327,559)</u>        | <u>607,301</u>   | <u>934,860</u>  |
| Fund balance at beginning of year                   | <u>3,392,759</u>           | <u>3,392,759</u>        | <u>3,392,759</u> | <u>-</u>  |
| Fund balance at end of year                         | <u>\$ 3,053,027</u>        | <u>3,065,200</u>        | <u>4,000,060</u> | <u>934,860</u>  |

TOWN OF PLATTSBURG, NEW YORK  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures and Changes in Fund Balance -  
 Budget and Actual - Highway Special Revenue Fund  
 Year ended December 31, 2020

|  | <u>Original<br/>budget</u> | <u>Final<br/>budget</u> | <u>Actual</u>    | <u>Variance with<br/>final budget<br/>positive<br/>(negative)</u> |
|--|----------------------------|-------------------------|------------------|---|
| <b>Revenue:</b>                            |                            |                         |                  |   |
| Real property taxes                        | \$ 1,063,320               | 1,063,320               | 1,068,959        | 5,639   |
| Non-property tax items                     | 1,101,335                  | 1,101,335               | 1,101,335        | -   |
| Charges for services                       | 78,000                     | 78,000                  | 77,498           | (502)   |
| Use of money and property                  | 2,500                      | 2,500                   | 4,947            | 2,447   |
| Sale of property and compensation for loss | -                          | -                       | 17,120           | 17,120  |
| State aid                                  | <u>150,000</u>             | <u>177,798</u>          | <u>177,798</u>   | <u>-</u>  |
| Total revenue                              | <u>2,395,155</u>           | <u>2,422,953</u>        | <u>2,447,657</u> | <u>24,704</u>   |
| <b>Expenditures:</b>                       |                            |                         |                  |   |
| Transportation                             | 1,601,200                  | 1,600,800               | 1,378,811        | 221,989   |
| Employee benefits                          | 523,400                    | 523,400                 | 484,738          | 38,662  |
| Capital outlay                             | <u>540,000</u>             | <u>701,198</u>          | <u>393,262</u>   | <u>307,936</u>  |
| Total expenditures                         | <u>2,664,600</u>           | <u>2,825,398</u>        | <u>2,256,811</u> | <u>568,587</u>  |
| Net change in fund balance                 | <u>(269,445)</u>           | <u>(402,445)</u>        | <u>190,846</u>   | <u>593,291</u>  |
| Fund balance at beginning of year          | <u>1,566,951</u>           | <u>1,566,951</u>        | <u>1,566,951</u> | <u>-</u>  |
| Fund balance at end of year                | <u>\$ 1,297,506</u>        | <u>1,164,506</u>        | <u>1,757,797</u> | <u>593,291</u>  |

TOWN OF PLATTSBURG, NEW YORK  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures and Changes in Fund Balance -  
 Budget and Actual - Water/Sewer Administration & Ambulance Special Revenue Fund  
 Year ended December 31, 2020

|  | Original<br>budget | Final<br>budget    | Actual             | Variance with<br>final budget<br>positive<br>(negative) |
|--|--------------------|--------------------|--------------------|---|
| Revenue:                                   |                    |                    |                    |   |
| Real property taxes                        | \$ 451,930         | 451,930            | 451,930            | -   |
| Departmental income                        | 51,500             | 51,500             | 91,332             | 39,832  |
| Charges for services                       | 228,443            | 228,443            | 228,443            | -   |
| Use of money and property                  | 3,000              | 3,000              | 6,086              | 3,086   |
| Sale of property and compensation for loss | -                  | -                  | 50,147             | 50,147  |
| Miscellaneous                              | -                  | -                  | 1,362              | 1,362   |
| Total revenue                              | <u>734,873</u>     | <u>734,873</u>     | <u>829,300</u>     | <u>94,427</u>   |
| Expenditures:                              |                    |                    |                    |   |
| General government support                 | 1,253,182          | 1,283,182          | 1,086,484          | 196,698   |
| Health                                     | 477,250            | 477,250            | 477,250            | -   |
| Employee benefits                          | 504,226            | 504,226            | 474,314            | 29,912  |
| Capital outlay                             | 250,000            | 220,000            | 3,510              | 216,490   |
| Total expenditures                         | <u>2,484,658</u>   | <u>2,484,658</u>   | <u>2,041,558</u>   | <u>443,100</u>  |
| Excess of expenditures over revenue        | <u>(1,749,785)</u> | <u>(1,749,785)</u> | <u>(1,212,258)</u> | <u>537,527</u>  |
| Other financing sources (uses):            |                    |                    |                    |   |
| Transfers in                               | 1,741,465          | 1,741,465          | 1,306,048          | (435,417)   |
| Transfers out                              | (15,000)           | (15,000)           | (15,000)           | -   |
| Total other financing sources (uses)       | <u>1,726,465</u>   | <u>1,726,465</u>   | <u>1,291,048</u>   | <u>(435,417)</u>  |
| Net change in fund balance                 | <u>(23,320)</u>    | <u>(23,320)</u>    | <u>78,790</u>      | <u>102,110</u>  |
| Fund balance at beginning of year          | <u>960,894</u>     | <u>960,894</u>     | <u>960,894</u>     | <u>-</u>  |
| Fund balance at end of year                | <u>\$ 937,574</u>  | <u>937,574</u>     | <u>1,039,684</u>   | <u>102,110</u>  |

TOWN OF PLATTSBURG, NEW YORK  
Required Supplementary Information  
Schedule of Revenue, Expenditures and Changes in Fund Balance -  
Budget and Actual - Sewer Special Revenue Fund  
Year ended December 31, 2020

|                                      | Original<br><u>budget</u>  | Final<br><u>budget</u>  | <u>Actual</u>           | Variance with<br>final budget<br>positive<br><u>(negative)</u> |
|--------------------------------------|----------------------------|-------------------------|-------------------------|--|
| Revenue:                             |                            |                         |                         |  |
| Real property taxes                  | \$ 700,004                 | 700,004                 | 700,004                 | -  |
| Departmental income                  | 1,157,100                  | 1,157,100               | 1,569,153               | 412,053  |
| Use of money and property            | 2,500                      | 2,500                   | 17,819                  | 15,319   |
| Miscellaneous                        | <u>49,647</u>              | <u>49,647</u>           | <u>61,771</u>           | <u>12,124</u>  |
| Total revenue                        | <u>1,909,251</u>           | <u>1,909,251</u>        | <u>2,348,747</u>        | <u>439,496</u>   |
| Expenditures:                        |                            |                         |                         |  |
| Home and community services          | 1,001,481                  | 1,103,846               | 916,956                 | 186,890  |
| Debt service:                        |                            |                         |                         |  |
| Principal                            | 190,131                    | 190,131                 | 190,131                 | -  |
| Interest                             | 91,107                     | 108,237                 | 108,237                 | -  |
| Capital outlay                       | <u>68,000</u>              | <u>34,995</u>           | <u>3,557</u>            | <u>31,438</u>  |
| Total expenditures                   | <u>1,350,719</u>           | <u>1,437,209</u>        | <u>1,218,881</u>        | <u>218,328</u>   |
| Excess of revenue over expenditures  | <u>558,532</u>             | <u>472,042</u>          | <u>1,129,866</u>        | <u>657,824</u>   |
| Other financing sources (uses):      |                            |                         |                         |  |
| Premiums from long-term debt         | -                          | -                       | 60,662                  | 60,662   |
| Transfers out                        | <u>(558,532)</u>           | <u>(472,042)</u>        | <u>(406,051)</u>        | <u>65,991</u>  |
| Total other financing sources (uses) | <u>(558,532)</u>           | <u>(472,042)</u>        | <u>(345,389)</u>        | <u>126,653</u>   |
| Net change in fund balance           | <u>-</u>                   | <u>-</u>                | <u>784,477</u>          | <u>784,477</u>   |
| Fund balance at beginning of year    | <u>4,070,623</u>           | <u>4,070,623</u>        | <u>4,070,623</u>        | <u>-</u>   |
| Fund balance at end of year          | <u><u>\$ 4,070,623</u></u> | <u><u>4,070,623</u></u> | <u><u>4,855,100</u></u> | <u><u>784,477</u></u>  |

TOWN OF PLATTSBURG, NEW YORK  
 Required Supplementary Information  
 Schedule of Revenue, Expenditures and Changes in Fund Balance -  
 Budget and Actual - Water Special Revenue Fund  
 Year ended December 31, 2020

|                                      | <u>Original<br/>budget</u> | <u>Final<br/>budget</u> | <u>Actual</u>           | Variance with<br>final budget<br>positive<br>(negative) |
|--------------------------------------|----------------------------|-------------------------|-------------------------|---|
| Revenue:                             |                            |                         |                         |   |
| Real property taxes                  | \$ 1,914,677               | 1,914,677               | 1,914,677               | -   |
| Departmental income                  | 882,750                    | 882,750                 | 1,327,120               | 444,370   |
| Use of money and property            | 84,780                     | 84,780                  | 98,328                  | 13,548  |
| Miscellaneous                        | <u>107,420</u>             | <u>107,420</u>          | <u>54,331</u>           | <u>(53,089)</u>   |
| Total revenue                        | <u>2,989,627</u>           | <u>2,989,627</u>        | <u>3,394,456</u>        | <u>404,829</u>  |
| Expenditures:                        |                            |                         |                         |   |
| Home and community services          | 507,165                    | 502,865                 | 335,284                 | 167,581   |
| Debt service:                        |                            |                         |                         |   |
| Principal                            | 929,005                    | 929,005                 | 929,005                 | -   |
| Interest                             | 171,892                    | 279,312                 | 279,223                 | 89  |
| Capital outlay                       | <u>74,083</u>              | <u>78,383</u>           | <u>13,337</u>           | <u>65,046</u>   |
| Total expenditures                   | <u>1,682,145</u>           | <u>1,789,565</u>        | <u>1,556,849</u>        | <u>232,716</u>  |
| Excess of revenue over expenditures  | <u>1,307,482</u>           | <u>1,200,062</u>        | <u>1,837,607</u>        | <u>637,545</u>  |
| Other financing sources (uses):      |                            |                         |                         |   |
| Premiums from long-term debt         | -                          | -                       | 368,803                 | 368,803   |
| Transfers out                        | <u>(1,307,482)</u>         | <u>(1,200,062)</u>      | <u>(899,997)</u>        | <u>300,065</u>  |
| Total other financing sources (uses) | <u>(1,307,482)</u>         | <u>(1,200,062)</u>      | <u>(531,194)</u>        | <u>668,868</u>  |
| Net change in fund balance           | <u>-</u>                   | <u>-</u>                | <u>1,306,413</u>        | <u>1,306,413</u>  |
| Fund balance at beginning of year    | <u>3,322,242</u>           | <u>3,322,242</u>        | <u>3,322,242</u>        | <u>-</u>  |
| Fund balance at end of year          | <u><u>\$ 3,322,242</u></u> | <u><u>3,322,242</u></u> | <u><u>4,628,655</u></u> | <u><u>1,306,413</u></u>                                 |

TOWN OF PLATTSBURG, NEW YORK  
 Required Supplementary Information  
 Schedule of Changes in the Town's  
 Total OPEB Liability and Related Ratios  
 December 31, 2020

|   | <u>2020</u>         | <u>2019</u>      | <u>2018</u>      |
|---|---------------------|------------------|------------------|
| Total OPEB liability                                    |                     |                  |                  |
| Service cost  | \$ 128,056          | 164,765          | 175,833          |
| Interest  | 184,919             | 177,849          | 203,742          |
| Change in benefit terms                                 | 57,689              | -                | -                |
| Differences between expected and actual experience      | (553,858)           | (366,190)        | (958,663)        |
| Changes in assumptions and other inputs                 | 670,558             | (510,368)        | 454,726          |
| Benefit payments (including implicit subsidy)           | <u>(79,090)</u>     | <u>(99,231)</u>  | <u>(69,887)</u>  |
| Net change in total OPEB liability                      | 408,274             | (633,175)        | (194,249)        |
| Total OPEB liability - beginning                        | <u>4,421,699</u>    | <u>5,054,874</u> | <u>5,249,123</u> |
| Total OPEB liability- ending                            | <u>\$ 4,829,973</u> | <u>4,421,699</u> | <u>5,054,874</u> |
| Covered payroll   | <u>\$ 2,999,264</u> | <u>2,763,845</u> | <u>3,191,180</u> |
| Total OPEB liability as a percentage of covered payroll | 161.04%             | 159.98%          | 158.40%          |

Notes to schedule:

Changes of assumptions - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

| <u>2020</u> | <u>2019</u> | <u>2018</u> |
|-------------|-------------|-------------|
| 2.74%       | 4.10%       | 3.44%       |

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

TOWN OF PLATTSBURG, NEW YORK  
 Required Supplementary Information  
 Schedule of Town's Proportionate Share of the Net Position Liability  
 Year ended December 31, 2020

|  | <u>2020</u>  | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|-------------|-------------|-------------|-------------|-------------|
| The Town's proportion of the net pension liability                         | 0.0118187%   | 0.0120204%  | 0.0119818%  | 0.0112063%  | 0.0118562%  | 0.1280020%  |
| The Town's proportionate share of the net pension liability                | \$ 3,129,659 | 851,681     | 386,706     | 1,052,971   | 1,902,958   | 432,422     |
| The Town's covered payroll   | \$ 3,151,499 | 3,135,169   | 3,167,658   | 3,139,774   | 2,859,793   | 3,121,832   |
| as a percentage of covered payroll   | 99.31%       | 27.17%      | 12.21%      | 33.54%      | 66.54%      | 13.85%      |
| Plan fiduciary net position as a percentage of the total pension liability | 86.39%       | 96.27%      | 98.24%      | 94.70%      | 90.7%       | 97.90%      |

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Town is presenting information for those years for which information is available from the NYS Retirement System.

TOWN OF PLATTSBURG, NEW YORK  
 Required Supplementary Information  
 Schedule of the Town's Pension Contributions  
 Year ended December 31, 2020

|  | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    | <u>2017</u>    | <u>2016</u>    | <u>2015</u>    | <u>2014</u>    | <u>2013</u>    | <u>2012</u>    | <u>2011</u>    |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution                                    | \$ 446,659     | 446,116        | 456,378        | 456,846        | 437,184        | 481,977        | 603,063        | 605,904        | 516,950        | 393,036        |
| Contribution in relation to the<br>contractually required contribution | <u>446,659</u> | <u>446,116</u> | <u>456,378</u> | <u>456,846</u> | <u>437,184</u> | <u>481,977</u> | <u>603,063</u> | <u>605,904</u> | <u>516,950</u> | <u>393,036</u> |
| Contribution deficiency (excess)                                       | <u>\$ -</u>    | <u>-</u>       |
| Town's covered payroll   | \$ 3,151,499   | 3,135,169      | 3,167,658      | 3,139,774      | 2,859,793      | 3,121,832      | 3,006,999      | 2,888,651      | N/A            | N/A            |
| Contribution as a percentage of<br>covered payroll                     | 14.17%         | 14.23%         | 14.41%         | 14.55%         | 15.29%         | 15.44%         | 20.06%         | 20.98%         | N/A            | N/A            |

TOWN OF PLATTSBURG, NEW YORK  
 Other Supplementary Information  
 Combining Balance Sheet - Nonmajor Governmental Funds  
 December 31, 2020

|                                     | <u>Storm<br/>Drainage</u> | <u>Street<br/>Lighting</u> | <u>Total</u>     |
|-------------------------------------|---------------------------|----------------------------|------------------|
| Assets:                             |                           |                            |                  |
| Cash - unrestricted                 | \$ 711,972                | 445,115                    | 1,157,087        |
| Accounts receivable                 | -                         | 7,619                      | 7,619            |
| Prepaid expenses                    | -                         | 3,432                      | 3,432            |
| Total assets                        | <u>\$ 711,972</u>         | <u>456,166</u>             | <u>1,168,138</u> |
| Liabilities and fund balances:      |                           |                            |                  |
| Liabilities:                        |                           |                            |                  |
| Accounts payable                    | -                         | 9,616                      | 9,616            |
| Accrued liabilities                 | -                         | 1,371                      | 1,371            |
| Total liabilities                   | <u>-</u>                  | <u>10,987</u>              | <u>10,987</u>    |
| Fund balances:                      |                           |                            |                  |
| Nonspendable                        | -                         | 3,432                      | 3,432            |
| Assigned - appropriated             | -                         | 2,829                      | 2,829            |
| Assigned - unappropriated           | 711,972                   | 438,918                    | 1,150,890        |
| Total fund balances                 | <u>711,972</u>            | <u>445,179</u>             | <u>1,157,151</u> |
| Total liabilities and fund balances | <u>\$ 711,972</u>         | <u>456,166</u>             | <u>1,168,138</u> |

TOWN OF PLATTSBURG, NEW YORK  
Other Supplementary Information  
Combining Statement of Revenue, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year ended December 31, 2020

|                                    | <u>Storm<br/>Drainage</u> | <u>Street<br/>Lighting</u> | <u>Total</u>            |
|------------------------------------|---------------------------|----------------------------|-------------------------|
| Revenue:                           |                           |                            |                         |
| Real property taxes                | \$ 48,000                 | 219,820                    | 267,820                 |
| Use of money and property          | 418                       | 1,648                      | 2,066                   |
| Miscellaneous                      | <u>-</u>                  | <u>4,241</u>               | <u>4,241</u>            |
| Total revenue                      | <u>48,418</u>             | <u>225,709</u>             | <u>274,127</u>          |
| Expenditures:                      |                           |                            |                         |
| Transportation                     | -                         | 142,002                    | 142,002                 |
| Employee benefits                  | -                         | 28,445                     | 28,445                  |
| Capital outlay                     | <u>-</u>                  | <u>4,653</u>               | <u>4,653</u>            |
| Total expenditures                 | <u>-</u>                  | <u>175,100</u>             | <u>175,100</u>          |
| Excess revenue over expenditures   | <u>48,418</u>             | <u>50,609</u>              | <u>99,027</u>           |
| Net change in fund balances        | 48,418                    | 50,609                     | 99,027                  |
| Fund balances at beginning of year | <u>663,554</u>            | <u>394,570</u>             | <u>1,058,124</u>        |
| Fund balances at end of year       | <u><u>\$ 711,972</u></u>  | <u><u>445,179</u></u>      | <u><u>1,157,151</u></u> |

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Town Board and the Supervisor  
Town of Plattsburgh, New York:

We have audited, 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Plattsburgh, New York (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 14, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

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

#### Purpose of This Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York  
May 14, 2021