

Town of Lewisboro, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2020

Town of Lewisboro, New York

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Independent Auditors' Report

**The Honorable Supervisor and Town Board of
the Town of Lewisboro, New York**

Report on the Financial Statements

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

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. 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 auditors' 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 of the Town, as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the General, Highway and Special Districts funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

We draw attention to Note 2E in the notes to financial statements which disclose the effects of the Town's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

As discussed in Note 4 in the notes to financial statements, on March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of COVID-19 ("Coronavirus"). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit for the year ended December 31, 2020 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2020 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 for the year ended December 31, 2020 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 fund

financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2019 (not presented herein), and have issued our report thereon dated January 15, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2019 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2019 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2019.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP

Harrison, New York

August 4, 2021

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Town of Lewisboro, New York

Management's Discussion and Analysis (MD&A) December 31, 2020

Introduction

The following discussion and analysis of the Town of Lewisboro, New York's financial statements provides an overview of the financial activities of the Town for the fiscal year ending December 31, 2020. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

Financial Highlights

Key financial highlights for fiscal year 2020 are as follows:

- On the government-wide financial statements, the Town's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2020 by \$23,133,984. Of this amount, the unrestricted portion is a deficit of \$24,710,743. This deficit results primarily from the accrual of certain operating liabilities pursuant to Governmental Accounting Standards Board ("GASB") pronouncements discussed below, inclusive of other post employment benefit obligations ("OPEB"), and net pension liabilities pursuant to GASB Statement No. 68.
- As of the close of fiscal year 2020, the Town's governmental funds reported a combined ending fund balance of \$1,912,007, an overall decrease of \$902,910 as compared to the prior year. Of this balance, \$48,779 is Restricted for special purpose, \$1,456,013 is assigned for Highway and Special districts fund and \$407,215 is unassigned (\$1,726,410 unassigned in the General Fund and \$(1,319,195) represents the deficit in the Capital Projects Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,726,410, and increase of \$1,195,381 as compared to the prior year. This was a result of expenditure savings in all functional expenditures as well as the implementation of GASB Statement No. 84. The unassigned fund balance represented 21.5% of total General Fund expenditures and other financing uses.
- The Town is committed to provide postemployment benefits to its employees in the form of pensions and healthcare. As a result, the Town has recognized substantial liabilities in the government-wide financial statements for these benefits. As of December 31, 2020, the Town had liabilities of \$29.16 million for other postemployment benefits recorded in accordance with the provisions of GASB Statement No. 75, "Accounting and Financial Reporting for OPEB and \$2.83 million for its proportionate share of the net pension liabilities of the New York State and Local Employees' Retirement System ("ERS") recorded in accordance with the provision of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". More detailed information about the Town's OPEB and pension reporting is presented in Note 3 in the notes to financial statements.
- During the current fiscal year, the Town did not issue any general obligation bonds and retired \$1,085,000 of general obligation debt. The Town's outstanding general obligation bonds payable at December 31, 2020 totaled \$9,275,000.

- Throughout the current fiscal year, the Town issued \$805,500 in short-term capital debt in the form of bond anticipation notes, redeemed \$188,000 of outstanding bond anticipation notes leaving short-term capital borrowings of \$2,670,500 at December 31, 2020.
- The Town also issued \$2,100,000 in short-term non-capital borrowing in the form of a tax anticipation note. The note was redeemed on June 15, 2020.

Overview of the Financial Statements

The following is intended to serve as an introduction to the Town's financial statements, which includes three basic components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide the readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, liabilities and deferred inflows/outflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information reflecting how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, uncollected taxes, earned but unused vacation leave and OPEB obligations).

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government support, public safety, health, transportation, culture and recreation, home and community services and interest.

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year*. Such information may be useful in evaluating a government's near-term financing requirements.

Government-wide financial statements cover a broad spectrum of financial reporting. It is, therefore, also useful to examine the information presented in each separate governmental fund since it more closely represents the cost of individual governmental activities. This will also help readers understand both the long and short-term impacts of financial decisions. The governmental fund balance sheets and statement of revenues, expenditures and changes in the year-end fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Town maintains six individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Special Districts Fund and Capital Projects Fund, which are considered to be major funds. Individual fund data for the non-major governmental funds, the Debt Service Fund and the Special Purpose Fund, is provided elsewhere in this report.

The Town adopts an annual appropriation budget for its General Fund, Highway Fund and Special Districts Fund. A budgetary comparison schedule has been provided for these funds to demonstrate compliance with the respective budgets.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town programs. The Town maintains only one type of fiduciary fund that is known as a Custodial Fund. The Custodial Fund reports resources, not in a trust, they are held by the Town for other parties outside of the Town's reporting entity and, in the case of the Town, primarily to account for real property taxes collected for other governments.

The financial statements for the governmental and fiduciary funds can be found in the basic financial statements section of this report.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are located following the basic financial statements section of this report.

Other Information

Additional statements and schedules can be found immediately following the notes to financial statements. These include the combining statements for the non-major governmental funds and schedules of budget to actual comparisons.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$23,133,984 at the close of the current fiscal year.

Statement of Net Position

	2020	2019
Current Assets	\$ 6,743,429	\$ 30,811,766
Capital Assets, net	12,122,175	12,448,483
Total Assets	18,865,604	43,260,249
Deferred Outflows of Resources	6,619,705	4,826,099
Current Liabilities	3,965,010	29,068,049
Long-term Liabilities	42,477,692	38,554,666
Total Liabilities	46,442,702	67,622,715
Deferred Inflows of Resources	2,176,591	3,371,717
Net Position		
Net investment in capital assets	1,527,980	1,607,740
Restricted	48,779	60,047
Unrestricted	(24,710,743)	(24,575,871)
Total Net Position	\$ (23,133,984)	\$ (22,908,084)

Current assets and current liabilities decreased by \$24,068,337 and \$25,103,039, respectively from the prior year due to the implementation of GASB Statement No. 84, whereby real property taxes collected for other governments is now reflected in the Custodial Fund.

The largest component of the Town's net position reflects its net investment in capital assets, amounting to \$1,527,980. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position of \$48,779, (restricted for special purposes) represents resources that are subject to external restrictions on their use, or the respective fund that the restricted resources are allocated.

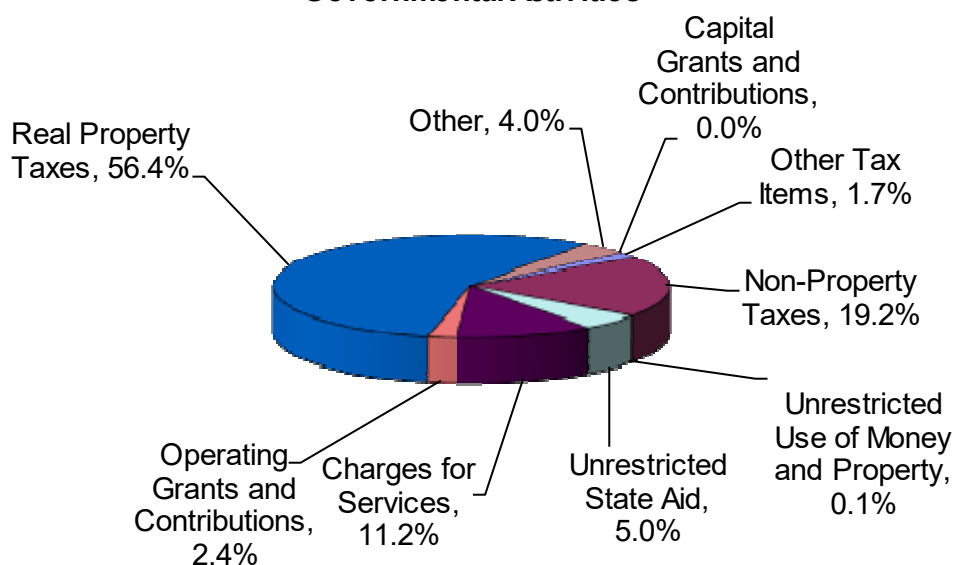
The remaining balance of unrestricted net position, which is a deficit of \$24,710,743, must be financed from future operations. This deficit results from a combination of the Town's long-term commitments, including repayment of general obligation bonds (\$9,275,000), retirement incentives and other pension obligations (\$400,187), compensated absences (\$807,074), net pension liability (\$2,832,1264) and other postemployment benefit liabilities (\$29,163,305). These

obligations are greater than currently available resources. Payments for these liabilities will be budgeted in the year the actual payment will be made.

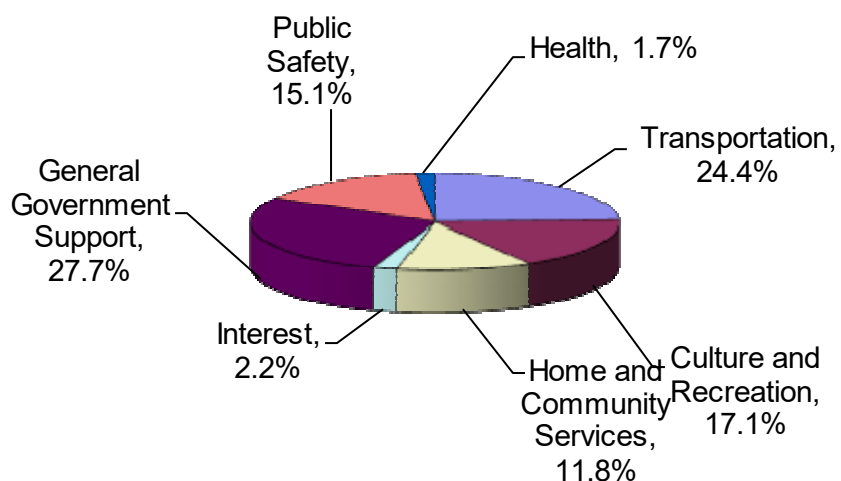
**Changes in Net Position
December 31,**

	<u>2020</u>	<u>2019</u>
Program Revenues		
Charges for Services	\$ 1,645,778	\$ 2,364,911
Operating Grants and Contributions	350,139	408,665
Capital Grants and Contributions	-	175,000
General Revenues		
Real Property Taxes	8,305,744	7,540,913
Other Tax items	254,547	217,582
Non-Property Taxes	2,833,175	2,551,454
Unrestricted Use of Money and Property	19,460	47,257
Unrestricted State Aid	732,640	497,662
Insurance Recoveries	-	22,291
Gain on Sale of Real Property	474,378	-
Miscellaneous	121,554	61,647
Total Revenues	<u>14,737,415</u>	<u>13,887,382</u>
Program Expenses		
General Government Support	3,974,882	3,585,786
Public Safety	2,168,837	1,758,882
Health	249,590	231,287
Transportation	3,501,755	3,563,745
Culture and Recreation	2,452,235	2,908,033
Home and Community Services	1,695,501	1,657,598
Interest	314,191	348,152
Total Expenses	<u>14,356,991</u>	<u>14,053,483</u>
Change in Net Position	380,424	(166,101)
Net Position		
Beginning , as restated	<u>(23,514,408)</u>	<u>(23,348,307)</u>
Ending	<u><u>\$ (23,133,984)</u></u>	<u><u>\$ (23,514,408)</u></u>

Sources of Revenue for Fiscal Year 2020 Governmental Activities



Expenses for Fiscal Year 2020 Governmental Activities



Governmental Activities: Governmental activities decreased the Town's deficit by \$380,424 for the year ended December 31, 2020. The total Town governmental activities revenues were \$14,737,415. Real property taxes provide 56.4% of total revenues and non-property tax items provide 19.2%. Charges for services and operating grants and contributions provided 13.6%. Total revenues increased by \$850,033 from the prior year. Governmental activities expenditures of the Town for the year ended December 31, 2020 totaled \$14,356,991, an increase of \$303,508 as compared to the prior year. The largest components of these expenses are in the areas of General Government Support (27.7%), Transportation (24.4%) and Culture and Recreation (17.1%).

The major changes in 2020 as compared to 2019 are as follows:

Revenues:

- Real Property Taxes increased by \$764,831 as a result of greater and timely tax collections.
- Non-Property Taxes consisting of franchise fees and non-operating tax distribution from the County increased by \$281,721 due to an increase in sales tax revenues resulting from a 1% increase in sales tax implemented in Westchester County, effective August 2019.
- Unrestricted State Aid increased \$234,978 primarily due to a significant increase in mortgage tax revenue.
- The Town did have a gain on the sale of real property in 2020 in the amount of \$474,378.
- Charges for services revenue decreased \$719,133 reflective of decreases in intergovernmental charges for services to other governments.

Expenses:

- The Town's other postemployment benefits resulted in an increase in liabilities of approximately \$3.02 million and a resulting increase in all program expenses.

Financial Analysis of the Town's Funds

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

Governmental Funds

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$1,912,007, an increase of \$902,910 from the prior year combined ending fund balance of \$1,009,097.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund reflected a positive fund balance of \$1,726,410, an overall increase of \$1,195,381 from the prior year. The unassigned fund balance of the General Fund was \$1,726,410 and represented 100% of total fund balance of the General Fund. Overall, General Fund expenditures and other financing uses were \$8,032,158. Revenues were \$9,227,531, which was \$156,191 more than the final budget. The major areas where revenues exceeded the final budget include Other Tax Items – interest and penalties on real property taxes - \$54,547, and State aid – Mortgage Tax Revenue - \$231,648. However, departmental income, mostly in the area of parks and recreation charges which fell short of the budget by \$710,198, coupled with inspection fees which exceeded the budget by \$262,888. Expenditures and other

financing uses were \$8,032,158, which was \$1,039,190 less than the final budget, mostly in all function expenditure categories but most noticeably in the culture and recreation.

The Highway Fund containing activity for transportation expenditures reflected a fund balance of \$805,885 at the end of the current fiscal year, an increase to fund balance of \$660,609. Overall, actual Highway Fund expenditures and other financing uses were \$662,756 less than the final budget and actual revenues and other financing sources were \$2,147 less than the final budget, resulting in net change in fund balance of \$660,609.

The Special Districts Fund reflected a combined fund balance of \$650,128. This is a decrease of \$103,360 from the prior year balance of \$753,488. The decrease results from decreases in departmental income in the Oak Ridge Water District as well as reductions in State aid in the Wilde Oaks Sewer District.

The Capital Projects Fund reflected an unassigned deficit of (\$1,319,195) at December 31, 2020. This represents an increase from prior year's fund deficit of \$480,743. The Town did not issue any general obligation bonds but had capital outlay expenditures of \$851,452.

The Non-Major Governmental Fund consists of the Debt Service and Special Purpose funds. The Debt Service Fund reflected no fund balance while the Special Purpose Fund reflected restricted fund balance of \$48,779.

Capital Assets

The Town's investment in capital assets for its governmental activities as of December 31, 2019 amounted to \$12,448,482 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, machinery and equipment and infrastructure.

Capital Assets (Net of Accumulated Depreciation)

	2020	2019
Land	\$ 725,000	\$ 725,000
Construction-in-progress	283,668	747,589
Land Improvements	984,718	811,219
Buildings and Improvements	1,006,256	673,412
Machinery and Equipment	1,399,402	993,545
Infrastructure	7,723,131	8,497,718
Total	<u>\$ 12,122,175</u>	<u>\$ 12,448,483</u>

Additional information on the Town's capital assets can be found in Note 3C, in the notes to financial statements.

Long-term / Short-Term Indebtedness

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$9,275,000. As required by New York State Law, all bonds issued by the Town are general obligation bonds, backed by the full faith and credit of the Town.

The Town did not issue any new bonds in fiscal year 2020 but retired \$1,085,000 in principal on outstanding obligations.

Short-term capital debt for the Town totaled \$2,670,500 in the form of bond anticipation notes (BAN's). The Town issued \$805,000 of new BAN's and redeemed \$188,000 of previously outstanding BAN's leaving a balance of \$2,670,500 in BANs at December 31, 2020 of short-term debt.

Additional information on the Town's short-term capital borrowings and long-term debt can be found in Note 3E and 3G, respectively, of this report.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Supervisor, Peter Parsons, Town of Lewisboro, 11 Main Street, South Salem, NY 10590.

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Town of Lewisboro, New York

Statement of Net Position

December 31, 2020

	Governmental Activities
ASSETS	
Cash and equivalents	\$ 4,473,670
Receivables	
Taxes, net	943,444
Accounts	614,554
Due from other governments	711,761
Capital assets	
Not being depreciated	1,008,668
Being depreciated, net	11,113,507
Total Assets	18,865,604
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	
OPEB related	2,393,192
	4,226,513
	6,619,705
LIABILITIES	
Accounts payable	112,352
Accrued liabilities	519,057
Deposits payable	574,231
Employee payroll deductions	15,445
Bond anticipation notes payable	2,670,500
Accrued interest payable	73,425
Non-current liabilities	
Due within one year	1,264,335
Due in more than one year	41,213,357
Total Liabilities	46,442,702
DEFERRED INFLOWS OF RESOURCES	
Pension related	135,515
OPEB related	2,041,076
	2,176,591
NET POSITION	
Net investment in capital assets	1,527,980
Restricted	
Special purpose	48,779
Unrestricted	(24,710,743)
Total Net Position	\$ (23,133,984)

The notes to financial statements are an integral part of this statement.

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Town of Lewisboro, New York

Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental activities				
General government support	\$ 3,974,882	\$ 876,584	\$ -	\$ (3,098,298)
Public safety	2,168,837	143,807	-	(2,025,030)
Health	249,590	-	-	(249,590)
Transportation	3,501,755	2,700	209,853	(3,289,202)
Culture and recreation	2,452,235	380,802	-	(2,071,433)
Home and community services	1,695,501	241,885	140,286	(1,313,330)
Interest	314,191	-	-	(314,191)
Total Governmental Activities	\$ 14,356,991	\$ 1,645,778	\$ 350,139	(12,361,074)
General revenues				
Real property taxes				8,305,744
Other tax items				
Interest and penalties on real property taxes				254,547
Non-property taxes				
Franchise fees				260,504
Non-property tax distribution from County				2,572,671
Unrestricted use of money and property				19,460
Unrestricted State aid				732,640
Gain on sale of real property				474,378
Miscellaneous				121,554
Total General Revenues				12,741,498
Change in Net Position				380,424
NET POSITION				
Beginning, as restated				(23,514,408)
Ending				\$ (23,133,984)

The notes to financial statements are an integral part of this statement.

Town of Lewisboro, New York

Balance Sheet
Governmental Funds
December 31, 2020

	General	Highway	Special Districts
ASSETS			
Cash and equivalents	\$ 2,391,742	\$ 502,497	\$ 664,701
Taxes receivable, net	943,444	-	-
Other receivables			
Accounts	559,029	-	55,525
Due from other governments	711,761	-	-
Due from other funds	-	458,473	6,794
	1,270,790	458,473	62,319
Total Assets	<u>\$ 4,605,976</u>	<u>\$ 960,970</u>	<u>\$ 727,020</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)			
Liabilities			
Accounts payable	\$ 68,793	\$ 11,835	\$ 31,724
Accrued liabilities	375,807	143,250	-
Due to other funds	905,453	-	45,168
Deposits payable	574,231	-	-
Employee payroll deductions	15,445	-	-
Bond anticipation notes payable	-	-	-
Total Liabilities	1,939,729	155,085	76,892
Deferred inflows of resources			
Deferred tax revenues	939,837	-	-
Total Liabilities and Deferred Inflows of Resources	2,879,566	155,085	76,892
Fund balances (deficits)			
Restricted	-	-	-
Assigned	-	805,885	650,128
Unassigned	1,726,410	-	-
Total Fund Balances (Deficits)	1,726,410	805,885	650,128
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 4,605,976</u>	<u>\$ 960,970</u>	<u>\$ 727,020</u>

The notes to financial statements are an integral part of this statement.

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ 865,951	\$ 48,779	\$ 4,473,670
-	-	943,444
	-	614,554
-	-	711,761
485,354	-	950,621
485,354	-	2,276,936
\$ 1,351,305	\$ 48,779	\$ 7,694,050
\$ -	\$ -	\$ 112,352
-	-	519,057
-	-	950,621
-	-	574,231
-	-	15,445
2,670,500	-	2,670,500
2,670,500	-	4,842,206
-	-	939,837
2,670,500	-	5,782,043
-	48,779	48,779
-	-	1,456,013
(1,319,195)	-	407,215
(1,319,195)	48,779	1,912,007
\$ 1,351,305	\$ 48,779	\$ 7,694,050

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Town of Lewisboro, New York

Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2020

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because

Total Fund Balances - Governmental Funds	\$ 1,912,007
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	1,008,668
Capital assets - depreciable	54,755,749
Accumulated depreciation	(43,642,242)
	<u>12,122,175</u>
Differences between actual and expected experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows - pension related	2,393,192
Deferred outflows - OPEB related	4,226,513
Deferred inflows - pension related	(135,515)
Deferred inflows - OPEB related	(2,041,076)
	<u>4,443,114</u>
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.	
Real property taxes	<u>939,837</u>
Long-term liabilities that are not due and payable in the current period and therefore, are not reported in the funds.	
Accrued interest payable	(73,425)
General obligation bonds payable	(9,275,000)
Retirement incentives and other pension liabilities	(400,187)
Compensated absences	(807,074)
Net pension liability	(2,832,126)
Total OPEB liability	(29,163,305)
	<u>(42,551,117)</u>
Net Position of Governmental Activities	<u>\$ (23,133,984)</u>

The notes to financial statements are an integral part of this statement.

Town of Lewisboro, New York

Statement of Revenues, Expenditures and Changes
in Fund Balances
Governmental Funds
Year Ended December 31, 2020

	General	Highway	Special Districts
REVENUES			
Real property taxes	\$ 3,348,613	\$ 3,580,147	\$ 653,450
Other tax items	254,547	-	-
Non-property taxes	2,833,175	-	-
Departmental income	1,173,762	-	202,606
Intergovernmental charges	59,978	-	-
Use of money and property	128,939	-	286
Licenses and permits	16,989	-	-
Fines and forfeitures	82,964	-	-
Sale of property and compensation for loss	-	50	-
State aid	732,640	169,803	140,000
Miscellaneous	121,554	40,000	-
Total Revenues	8,753,161	3,790,000	996,342
EXPENDITURES			
Current			
General government support	2,267,498	73,002	29,000
Public safety	1,082,214	-	-
Health	247,156	-	-
Transportation	150,736	1,736,302	13,173
Culture and recreation	1,532,851	-	-
Home and community services	181,353	-	748,280
Employee benefits	1,959,561	813,352	-
Debt service			
Principal	-	-	-
Interest	21,645	11,631	18,900
Capital outlay	-	-	-
Total Expenditures	7,443,014	2,634,287	809,353
Excess (Deficiency) of Revenues Over Expenditures	1,310,147	1,155,713	186,989
OTHER FINANCING SOURCES (USES)			
Sale of real property	474,378	-	-
Transfers in	-	-	-
Transfers out	(589,144)	(495,104)	(290,349)
Total Other Financing Sources (Uses)	(114,766)	(495,104)	(290,349)
Net Change in Fund Balances	1,195,381	660,609	(103,360)
FUND BALANCES (DEFICITS)			
Beginning of Year, as Restated	531,029	145,276	753,488
End of Year	\$ 1,726,410	\$ 805,885	\$ 650,128

The notes to financial statements are an integral part of this statement.

Capital Projects	Non-Major Governmental	Total Governmental Funds
\$ -	\$ -	\$ 7,582,210
-	-	254,547
-	-	2,833,175
-	-	1,376,368
-	-	59,978
-	-	129,225
-	-	16,989
-	-	82,964
-	-	50
-	-	1,042,443
-	-	161,554
-	-	13,539,503
-	-	2,369,500
-	-	1,082,214
-	-	247,156
-	-	1,900,211
-	11,268	1,544,119
-	-	929,633
-	-	2,772,913
-	1,085,000	1,085,000
-	276,597	328,773
851,452	-	851,452
851,452	1,372,865	13,110,971
(851,452)	(1,372,865)	428,532
-	-	474,378
13,000	1,361,597	1,374,597
-	-	(1,374,597)
13,000	1,361,597	474,378
(838,452)	(11,268)	902,910
(480,743)	60,047	1,009,097
\$ (1,319,195)	\$ 48,779	\$ 1,912,007

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Town of Lewisboro, New York

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2020

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 902,910</u>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay expenditures	851,452
Depreciation expense	<u>(1,177,760)</u>
	<u>(326,308)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Real property taxes	<u>723,534</u>
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal paid on general obligation bonds	<u>1,085,000</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Accrued interest	14,582
Compensated absences	(92,959)
Retirement incentives and other pension liabilities	70,951
Changes in pension liabilities and related deferred outflows and inflows of resources	(470,331)
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>(1,526,955)</u>
	<u>(2,004,712)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 380,424</u></u>

The notes to financial statements are an integral part of this statement.

Town of Lewisboro, New York

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General, Highway and Special Districts Funds Year Ended December 31, 2020

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,459,658	\$ 3,459,658	\$ 3,348,613	\$ (111,045)
Other tax items	200,000	200,000	254,547	54,547
Non-property taxes	2,883,000	2,883,000	2,833,175	(49,825)
Departmental income	1,623,500	1,623,500	1,173,762	(449,738)
Intergovernmental charges	34,600	34,600	59,978	25,378
Use of money and property	115,800	115,800	128,939	13,139
Licenses and permits	15,790	15,790	16,989	1,199
Fines and forfeitures	200,000	200,000	82,964	(117,036)
Sale of property and compensation for loss	-	-	-	-
State aid	537,000	500,000	732,640	232,640
Miscellaneous	2,000	39,000	121,554	82,554
Total Revenues	9,071,348	9,071,348	8,753,161	(318,187)
EXPENDITURES				
Current				
General government support	2,518,094	2,482,110	2,267,498	214,612
Public safety	1,043,386	1,125,887	1,082,214	43,673
Health	247,160	247,160	247,156	4
Transportation	158,180	158,180	150,736	7,444
Culture and recreation	2,182,452	2,092,160	1,532,851	559,309
Home and community services	179,843	187,557	181,353	6,204
Employee benefits	2,111,273	2,147,334	1,959,561	187,773
Debt service				
Interest	41,816	41,816	21,645	20,171
Total Expenditures	8,482,204	8,482,204	7,443,014	1,039,190
Excess of Revenues Over Expenditures	589,144	589,144	1,310,147	721,003
OTHER FINANCING SOURCES (USES)				
Sale of real property	-	-	474,378	474,378
Transfers out	(589,144)	(589,144)	(589,144)	-
Total Other Financing Uses	(589,144)	(589,144)	(114,766)	474,378
Net Change in Fund Balances	-	-	1,195,381	1,195,381
FUND BALANCES				
Beginning of Year, as Restated	-	-	531,029	531,029
End of Year	\$ -	\$ -	\$ 1,726,410	\$ 1,726,410

Highway Fund			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,580,147	\$ 3,580,147	\$ 3,580,147	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	50	50
212,000	212,000	169,803	(42,197)
-	-	40,000	40,000
3,792,147	3,792,147	3,790,000	(2,147)
72,000	73,002	73,002	-
-	-	-	-
-	-	-	-
2,298,443	2,297,441	1,736,302	561,139
-	-	-	-
-	-	-	-
914,969	914,969	813,352	101,617
11,631	11,631	11,631	-
3,297,043	3,297,043	2,634,287	662,756
495,104	495,104	1,155,713	660,609
-	-	-	-
(495,104)	(495,104)	(495,104)	-
(495,104)	(495,104)	(495,104)	-
-	-	660,609	660,609
-	-	145,276	145,276
\$ -	\$ -	\$ 805,885	\$ 805,885

(Continued)

Town of Lewisboro, New York

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued) General, Highway and Special Districts Funds Year Ended December 31, 2020

	Special Districts Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 653,450	\$ 653,450	\$ 653,450	\$ -
Other tax items	-	-	-	-
Non-property taxes	-	-	-	-
Departmental income	226,100	226,100	202,606	(23,494)
Intergovernmental charges	-	-	-	-
Use of money and property	-	-	286	286
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Sale of property and compensation for loss	-	-	-	-
State aid	125,000	125,000	140,000	15,000
Miscellaneous	-	-	-	-
Total Revenues	1,004,550	1,004,550	996,342	(8,208)
EXPENDITURES				
Current				
General government support	29,000	29,000	29,000	-
Public safety	-	-	-	-
Health	-	-	-	-
Transportation	14,450	14,450	13,173	1,277
Culture and recreation	-	-	-	-
Home and community services	651,851	651,851	748,280	(96,429)
Employee benefits	-	-	-	-
Debt service				
Interest	18,900	18,900	18,900	-
Total Expenditures	714,201	714,201	809,353	(95,152)
Excess of Revenues Over Expenditures	290,349	290,349	186,989	(103,360)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	-	-
Transfers out	(290,349)	(290,349)	(290,349)	-
Total Other Financing Uses	(290,349)	(290,349)	(290,349)	-
Net Change in Fund Balances	-	-	(103,360)	(103,360)
FUND BALANCES (DEFICITS)				
Beginning of Year	-	-	753,488	753,488
End of Year	\$ -	\$ -	\$ 650,128	\$ 650,128

The notes to financial statement are an integral part of this statement.

Town of Lewisboro, New York

Statement of Assets and Liabilities
Fiduciary Fund
December 31, 2020

	<u>Custodial Fund</u>
ASSETS	
Cash and equivalents	\$ 7,451,704
Real property taxes receivable for other governments	<u>19,163,832</u>
Total Assets	<u><u>\$ 26,615,536</u></u>
LIABILITIES	
Due to other governments	<u><u>\$ 26,615,536</u></u>

The notes to financial statement are an integral part of this statement.

Town of Lewisboro, New York

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	<u>Custodial Fund</u>
ADDITIONS	
Real property taxes collected for other governments	\$ 70,146,540
DEDUCTIONS	
Payments of real property taxes to other governments	<u>70,146,540</u>
Net Change in Fiduciary Net Position	-
NET POSITION	
Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

The notes to financial statement are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The Town of Lewisboro, New York ("Town") was established in 1731 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as the chief executive officer and the Director of Finance serves as the chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, culture and recreation, home and community services and general and administrative support.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below:

A. Financial Reporting Entity

The financial reporting entity consists of a) the primary government, which is the Town, b) organizations for which the Town is financially accountable and c) other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the Town, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Town's reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. Based upon the application of these criteria, there are no other entities which would be included in the financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used.

The Statement of Net Position presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

While separate government-wide and fund financial statements are presented, they are interrelated. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Fiduciary funds are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation. The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental Funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

General Fund - The General Fund constitutes the primary fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than debt service or capital projects. The major special revenue funds of the Town are as follows:

Highway Fund - The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenues of this fund are real property taxes and state aid.

Special Districts Fund - The Special Districts Fund is provided to account for the operation and maintenance of the Town's sewer, water and lighting districts. The major revenues of this fund are real property taxes and departmental income.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

The Town also reports the following non-major governmental funds.

Debt Service Fund - The Debt Service Fund is provided to account for and report financial resources that are restricted, committed or assigned to expenditures for principal and interest and for financial resources that are being accumulated for principal and interest maturing in future years.

Special Purpose Fund – The Special Purpose Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement.

- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Custodial Fund is used to account for real property taxes collected for other governments.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Fiduciary fund. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the fiscal year end. If expenditures are the prime factor in determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made and the amounts are expected to be collected within one year of fiscal year end. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to retirement incentives and other pension obligations, compensated absences, net pension liability and other post employment benefit liabilities are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances

Cash and Equivalents, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Town's deposits and investment policies are governed by State statutes. The Town has adopted its own written investment policy which provides for the deposit of funds in FDIC insured commercial banks or trust companies located within the State. The Town is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Investments - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Town follows the provisions of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Risk Disclosure

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 "*Deposit and Investment Risk Disclosures – an Amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging

Note 1 - Summary of Significant Accounting Policies (Continued)

financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2020.

Credit Risk - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

Concentration of Credit Risk - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town's investment policy limits the amount on deposit at each of its banking institutions.

Taxes Receivable - Real property taxes attach as an enforceable lien on real property and are levied on January 1st. The Town collects county, town, highway and special districts taxes which are due April 1st and payable without penalty to April 30th. School districts taxes for the period July 1st to June 30th are levied on July 1st and are due on September 1st with the first half payable without penalty until September 30th and the second half payable without penalty until January 31st. The Town guarantees the full payment of the County of Westchester ("County") and school districts warrants and assumes the responsibility for uncollected taxes. The Town also has the responsibility for conducting in-rem foreclosure proceedings.

The Town functions in both a fiduciary and guarantor relationship with the County and the various school districts located within the Town with respect to the collection and payment of real property taxes levied by such jurisdictions. County taxes are included in the Town's levy and are payable without penalty for thirty days. The County Charter provides for the Town to collect County and school districts taxes and remit them as collected to the respective municipality. However, the Town must remit to the County sixty percent of the amount levied by May 25th and satisfy the balance of forty percent by October 15th. With respect to school districts taxes, the Charter provides that the Town satisfy the warrant of each school district by April 5th. Thus, the Town's fiduciary responsibility is from the date of the levy until the due date of the respective tax warrant at which time the Town must satisfy its obligations to the municipalities regardless of the amounts collected. County and school districts taxes collected prior to the satisfaction of the respective warrants are considered a fiduciary activity under the provisions of GASB Statement No. 84, "*Fiduciary Activities*", and therefore have been accounted for within the Custodial Fund.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2020, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

Inventory - There are no inventory values presented in the balance sheets of the respective funds of the Town. Purchases of inventorable items at various locations are recorded as expenditures at the time of purchase and year-end balances at these locations are not material.

Note 1 - Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets, which include property, plant, 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 \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation.

In the case of the initial capitalization of general infrastructure assets, the Town chose to include all such items regardless of their acquisition date or amount. The Town was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land and construction-in-progress are not depreciated. Property, plant, equipment and infrastructure of the Town are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life in Years</u>
Land Improvements	20
Buildings and Improvements	20-50
Machinery and Equipment	5-20
Infrastructure	10-50

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on the governmental fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. This separate financial statement element 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.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reported deferred inflows of resources of \$939,837 for real property taxes in the General Fund. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

The Town has also reported deferred outflows of resources and deferred inflows of resources in relation to its pension and other postemployment benefit liabilities in the government-wide financial

Note 1 - Summary of Significant Accounting Policies (Continued)

statement for governmental activities. These amounts are detailed in the discussion of the Town's pension and other postemployment benefit liabilities in Note 3G.

Long-Term Liabilities - 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds 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 Capital Projects Fund expenditures.

Compensated Absences - The various collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability - The net pension liability represents the Town's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System and the New York State and Local Police and Fire Retirement System. The financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 68, *"Accounting and Financial Reporting for Pensions"* and GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68."*

Net Position - Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Restricted net position for the Town includes restricted for special purpose.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balances - Generally, fund balance represents the difference between current assets and deferred outflows at resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables, advances) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Town Board is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the Town Board for amounts assigned for balancing the subsequent year's budget or delegated to the Deputy Supervisor for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all funds except the General Fund includes all remaining amounts, except for negative balances that are not classified as nonspendable and are neither restricted nor committed.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive unassigned fund balance. For all governmental funds other than the General Fund, any deficit fund balance is reported as unassigned.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they

Note 1 - Summary of Significant Accounting Policies (Continued)

are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General, Highway and Special Districts funds. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material. (See Note 4).

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is August 4, 2021.

Note 2 - Stewardship, Compliance and Accountability

A. Budgetary Data

The Town generally follows the procedures enumerated below in establishing the budgetary data reflected in the financial statements:

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.

Note 2 - Stewardship, Compliance and Accountability (Continued)

- e) On or before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for the General, Highway, Special Districts and Debt Service funds.
- i) Budgets for the General, Highway, Special Districts and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. The Town Board does not adopt an annual budget for the Special Purpose Fund since other means control the use of these resources (e.g., grant awards) and sometimes span a period of more than one fiscal year.
- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- k) Appropriations in the General, Highway, Special Districts and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

Budgeted amounts are as originally adopted, or as amended by the Town Board.

B. Property Tax Limitation

Under New York State Town Law, the Town is not limited as to the maximum amount of real property taxes which may be raised. However, Chapter 97 of the New York State Laws of 2011, as amended ("Tax Levy Limitation Law") modified previous law by imposing a limit on the amount of real property taxes a local government may levy. The following is a brief summary of certain relevant provisions of the Tax Levy Limitation Law. The summary is not complete and the full text of the Tax Levy Limitation Law should be read in order to understand the details and implementations thereof.

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period

Note 2 - Stewardship, Compliance and Accountability (Continued)

ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States Department of Labor with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

C. Expenditures in Excess of Budget

The following categories of expenditures exceeded their budgetary provisions by the amounts indicated:

Special Districts Fund	
Home and Community Services	\$ 96,429

D. Capital Projects Fund Deficit

The Capital Projects Fund reflects a deficit of \$1,319,195 at December 31, 2020. The deficit arises in part because of the application of generally accepted accounting principles to the financial reporting of such funds. The proceeds of bond anticipation notes issued to finance construction of capital projects are not recognized as an "other financing source". Bond anticipation notes are recognized as revenue only to the extent that they are redeemed. These deficits will be reduced and eliminated as bond anticipation notes are redeemed from interfund transfers from other governmental funds or converted to permanent financing. Other deficits, where no bond anticipation notes were issued or outstanding to the extent of the project deficits, arise because of expenditures exceeding current financing on the project. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

E. Adoption of Accounting Standard

For the year ended December 31, 2020, the Town implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

F. Reclassification of Prior Year Presentation

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)

December 31, 2020

Note 2 - Stewardship, Compliance and Accountability (Continued)

G. Prior Period Adjustment

The Town recorded a prior period adjustment of (\$606,324) to the January 1, 2019 fund balance in the General Fund as well as the Government-wide financial statements as a result of a change in accounting for real property taxes. Previously, uncollected county and school districts taxes were reflected in nonspendable fund balance. It was determined in the current year that with the implementation of the provisions of GASB Statement No. 84, "*Fiduciary Activities*", that these uncollected amounts were more properly reflected as a deferred inflow of resources and that these non-town taxes should also follow the sixty day subsequent collection revenue recognition requirements applied to the collection of Town taxes.

Note 3 - Detailed Notes on All Funds

A. Taxes Receivable

Taxes receivable at December 31, 2020 consisted of the following:

Town and County taxes - Current	\$	100,115
Tax liens		843,329
Property acquired for taxes		<u>363,980</u>
		1,307,424
Allowance for uncollectible taxes		<u>(363,980)</u>
	\$	<u><u>943,444</u></u>

School districts taxes are offset by liabilities to the school districts which will be paid no later than April 5, 2021. Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$939,837, which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

B. Due From/To Other Funds

The balances reflected as due from/to other funds at December 31, 2020 were as follows:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
General	\$ -	\$ 905,453
Highway	458,473	-
Special Districts	6,794	45,168
Capital Projects	<u>485,354</u>	<u>-</u>
	<u>\$ 950,621</u>	<u>\$ 950,621</u>

The outstanding balances between funds results mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system and 3) payments between funds are made.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)**C. Capital Assets**

Changes in the Town's capital assets are as follows:

Class	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Capital Assets, not being depreciated:				
Land	\$ 725,000	\$ -	\$ -	\$ 725,000
Construction-in-progress	747,589	147,489	611,410	283,668
Total Capital Assets, not being depreciated	<u>\$ 1,472,589</u>	<u>\$ 147,489</u>	<u>\$ 611,410</u>	<u>\$ 1,008,668</u>
Capital Assets, being depreciated:				
Land improvements	\$ 2,227,152	\$ 250,397	\$ -	\$ 2,477,549
Buildings and improvements	2,409,474	427,138	34,894	2,801,718
Machinery and equipment	3,294,272	613,728	-	3,908,000
Infrastructure	45,544,372	24,110	-	45,568,482
Total Capital Assets, being depreciated	<u>53,475,270</u>	<u>1,315,373</u>	<u>34,894</u>	<u>54,755,749</u>
Less Accumulated Depreciation for:				
Land improvements	1,415,933	76,898	-	1,492,831
Buildings and improvements	1,736,062	94,294	34,894	1,795,462
Machinery and equipment	2,300,727	207,871	-	2,508,598
Infrastructure	37,046,654	798,697	-	37,845,351
Total Accumulated Depreciation	<u>42,499,376</u>	<u>1,177,760</u>	<u>34,894</u>	<u>43,642,242</u>
Total Capital Assets, being depreciated, net	<u>\$ 10,975,894</u>	<u>\$ 137,613</u>	<u>\$ -</u>	<u>\$ 11,113,507</u>
Governmental Activities				
Capital Assets, net	<u>\$ 12,448,483</u>	<u>\$ 285,102</u>	<u>\$ 611,410</u>	<u>\$ 12,122,175</u>

Depreciation expense was charged to the Town's functions and programs as follows:

Governmental Activities:	
General Government Support	\$ 115,069
Transportation	320,484
Culture and Recreation	38,873
Home and Community Services	<u>703,334</u>
Total Depreciation Expense	<u>\$ 1,177,760</u>

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

D. Accrued Liabilities

Accrued liabilities at December 31, 2020 were as follows:

	General Fund	Highway Fund	Total
Payroll and Employee Benefits	\$ 340,132	\$ 143,250	\$ 483,382
Other	35,675	-	35,675
	<u>\$ 375,807</u>	<u>\$ 143,250</u>	<u>\$ 519,057</u>

E. Short-Term Capital Borrowings

The schedule below details the changes in short-term capital borrowings.

Purpose	Year of Original Issue	Maturity Date	Interest Rate	Balance January 1, 2020	New Issues	Redemptions	Balance December 31, 2020
Oakridge Water District	2003	04/15/21	1.15 %	\$ 587,000	\$ -	\$ 13,000	\$ 574,000
Oakridge Water Facility Upgrades	2019	04/15/21	1.15	482,500	-	-	482,500
Trucks and Vehicles	2019	04/15/21	1.15	474,000	-	-	474,000
Building Renovations	2019	04/15/21	1.15	330,000	-	175,000	155,000
Road Resurfacing	2019	04/15/21	1.15	180,000	-	-	180,000
Trucks and Vehicles	2020	04/15/21	1.15	-	504,000	-	504,000
Police Vehicles	2020	04/15/21	1.15	-	114,000	-	114,000
Parks and Facilities Improvements	2020	04/15/21	1.15	-	168,000	-	168,000
Software	2020	04/15/21	1.15	-	19,000	-	19,000
				<u>\$ 2,053,500</u>	<u>\$ 805,000</u>	<u>\$ 188,000</u>	<u>\$ 2,670,500</u>

Liabilities for bond anticipation notes are generally accounted for in the Capital Projects Fund. Bond anticipation notes issued for judgments or settled claims are recorded in the fund paying the claim. Principal payments on bond anticipation notes must be made annually. State law requires that bond anticipation notes issued for capital purposes or judgments be converted to long-term obligations generally within five years after the original issue date. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

Interest expenditures/expense of \$5,816, \$11,631 and \$18,900 was recorded in the fund financial statements in the General Fund, Highway Fund, and Special Districts Fund – Oakridge Water. Interest expense of \$25,587 was recorded in the government-wide financial statements for governmental activities.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)

December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)**F. Short-Term Non-Capital Borrowings**

The schedule below details the changes in short-term non-capital borrowings. The borrowings consisted of notes issued in anticipation of the collection of real property taxes for the 2020 fiscal year.

<u>Purpose</u>	<u>Balance January 1, 2020</u>	<u>Issued</u>	<u>Redemptions</u>	<u>Balance December 31, 2020</u>
Tax Anticipation Notes	<u>\$ -</u>	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>	<u>\$ -</u>

The tax anticipation note was issued on January 27, 2020 and was redeemed on June 15, 2020 with interest at 2.01%. Interest expenditure/expense of \$15,829 was recorded in the fund financial statements in the General Fund and in the government-wide financial statements.

G. Long-Term Liabilities

The following table summarizes changes in the Town's long-term liability for the year ended December 31, 2020:

	<u>Balance January 1, 2020</u>	<u>New Issues/ Additions</u>	<u>Maturities and/or Payments</u>	<u>Balance December 31, 2020</u>	<u>Due Within One Year</u>
General Obligation Bonds Payable	\$ 10,360,000	\$ -	\$ 1,085,000	\$ 9,275,000	\$ 1,110,000
Retirement Incentives and Other Pension Liabilities	471,138	-	70,951	400,187	73,335
Compensated Absences	714,115	163,959	71,000	807,074	81,000
Net Pension Liability	865,074	1,967,052	-	2,832,126	-
Other Post Employment Benefit Liabilities	26,144,339	3,764,462	745,496	29,163,305	-
Total Long-Term Liabilities	<u>\$ 38,554,666</u>	<u>\$ 5,895,473</u>	<u>\$ 1,972,447</u>	<u>\$ 42,477,692</u>	<u>\$ 1,264,335</u>

Each governmental fund's liability for bonds is liquidated by the Debt Service Fund. The liability for retirement incentives and other pension liabilities, compensated absences, net pension liability and other post employment benefit liabilities is liquidated by the General, Highway and Special Districts funds.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)

December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

General Obligation Bonds Payable

General obligation bonds payable at December 31, 2020 are comprised of the following individual issues:

Purpose	Year of Issue	Original Issue Amount	Final Maturity	Interest Rates	Amount Outstanding at December 31, 2020
Public Improvements - Open Space and Pool	2006	\$ 2,758,000	June, 2021	4.375 %	\$ 240,000
Public Improvements - Road Resurfacing	2008	3,085,000	June, 2022	4.000	555,000
Land Acquisition - Bell Property	2009	2,160,000	June, 2029	3.500 - 4.000	1,175,000
EFC - Oakridge Sewer District	2010	5,925,822	October, 2039	3.225 - 4.603	4,040,000
Public Improvements - Various	2014	1,125,900	April, 2024	2.000 - 2.500	485,000
Public Improvements - Various	2018	3,105,567	March, 2032	3.000	2,780,000
					<u>\$ 9,275,000</u>

Interest expenditures of \$276,597 were recorded in the Debt Service Fund. Interest expense of \$272,775 was recorded in the government-wide financial statements for governmental activities.

Payments to Maturity

The annual requirements to amortize all bonded debt outstanding as of December 31, 2020 including interest payments of \$1,736,300 are as follows:

Year Ending December 31,	General Obligation Bonds Payable	
	Principal	Interest
2021	\$ 1,110,000	\$ 241,438
2022	915,000	209,824
2023	645,000	187,567
2024	660,000	169,997
2025	545,000	153,208
2026-2030	2,825,000	520,350
2031-2035	1,640,000	199,716
2036-2039	935,000	54,200
	<u>\$ 9,275,000</u>	<u>\$ 1,736,300</u>

The above general obligation bonds are direct borrowings of the Town for which its full faith and credit are pledged and are payable from taxes levied on all taxable real property within the Town.

Legal Debt Margin

The Town is subject to legal limitations on the amount of debt that it may issue. The Town's legal debt margin is 7% of the five year average full valuation of taxable real property. At December 31, 2020, that amount was \$210,426,548. As of December 31, 2020, the total outstanding debt applicable to the limit was \$9,275,000, which is 4.41% of the total debt limit.

Note 3 - Detailed Notes on All Funds (Continued)

Retirement Incentives and Other Pension Liabilities

The State Legislature enacted Chapter 57 of the Laws of 2010. This chapter authorized local governments, at their option, to amortize a portion of their respective ERS and PFRS contributions beginning in 2010. The maximum amortization amount each year going forward will be determined by the difference between each employer's effective contribution rate as compared to the System's overall graded rate. The amortized amounts are to be paid in equal annual installments over a ten year period, although amounts may be prepaid at any time. Interest will be charged at rates which approximate a market rate of return on taxable fixed rate securities of a comparable duration and will be adjusted annually. The Town has elected to amortize the maximum allowable ERS and PFRS contributions for fiscal years 2012 through 2017 as noted in the table below. In the current year \$70,951 was paid for these obligations. The balance due at December 31, 2020 was \$400,187.

The current year payments were charged to General Fund retirement expenditures.

	Original Amount Amortized	Current Year Payments	Balance Due	Due Within One Year
2012 ERS	\$ 150,015	\$ 16,095	\$ 33,651	\$ 16,576
2012 PFRS	24,831	2,664	5,570	2,744
2013 ERS	226,339	19,058	106,592	19,774
2013 PFRS	11,821	995	5,567	1,033
2014 ERS	193,117	15,708	106,489	16,257
2015 ERS	129,790	10,236	81,788	10,574
2016 ERS	42,114	3,276	29,506	3,362
2017 ERS	39,503	2,919	31,024	3,015
	<u>\$ 817,530</u>	<u>\$ 70,951</u>	<u>\$ 400,187</u>	<u>\$ 73,335</u>

Compensated Absences

Pursuant to the Town's collective bargaining agreements, when an employee separates from service in good standing and has given at least two weeks' notice, the employee or beneficiary will be compensated for their accumulated sick leave. The employee shall be paid for up to 45 days at the current salary rate. For each day in excess of 45 days, the employee shall be paid one half the current salary rate. Fulltime employees who are not members of collective bargaining agreements hired after January 1, 2009, who separate from service in good standing and provided at least two weeks' notice, will receive accumulated sick leave for up to, but not to exceed 45 days at the current salary rate. Employees are allowed to carry a maximum of five vacation days from a given calendar year into the following calendar year except for those employees who are members of the Municipal Workers Association. Upon separation from service in good standing the employee shall be paid at the current salary rate.

Note 3 - Detailed Notes on All Funds (Continued)

Pension Plans

New York State and Local Retirement System

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. 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 ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at www.osc.state.ny.us/retire/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2020 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	1 75I	21.2 %
	2 75I	19.3
	4 A15	15.7
	5 A15	13.1
	6 A15	9.2
PFRS	2 375E	15.6 %
	2 384D	24.3
	6 384D *	14.6

* Indicates employees are required to make a contribution for this PFRS tier/plan.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)

December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

At December 31, 2020, the Town reported the following for its proportionate share of the net pension liability for ERS and PFRS:

	ERS	PFRS
Measurement date	March 31, 2020	March 31, 2020
Net pension liability	\$ 2,245,209	\$ 586,917
Town's proportion of the net pension liability	0.0084787%	0.0109808%
Change in proportion since the prior measurement date	(0.0010161%)	(0.0004880%)

The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2020, the Town recognized its proportionate share of pension expense in the government-wide financial statements of \$828,954 for ERS and \$198,219 for PFRS. Pension expenditures inclusive of retirement incentives and other pension obligations of \$83,159 for ERS and \$4,170 for PFRS were recorded in the fund financial statements and were charged to the following funds:

Fund	ERS	PFRS
General	\$ 355,305	\$ 99,366
Highway	189,500	-
Total	<u>\$ 544,805</u>	<u>\$ 99,366</u>

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

	ERS		PFRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 132,140	\$ -	\$ 39,082	\$ 9,831	\$ 171,222	\$ 9,831
Changes of assumptions	45,208	39,039	50,167	-	95,375	39,039
Net difference between projected and actual earnings on pension plan investments	1,151,003	-	264,307	-	1,415,310	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	223,141	61,483	4,762	25,162	227,903	86,645
Town contributions subsequent to the measurement date	408,283	-	75,099	-	483,382	-
	<u>\$ 1,959,775</u>	<u>\$ 100,522</u>	<u>\$ 433,417</u>	<u>\$ 34,993</u>	<u>\$ 2,393,192</u>	<u>\$ 135,515</u>

\$408,283 and \$75,099 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date,

Note 3 - Detailed Notes on All Funds (Continued)

will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

Year Ended March 31,	ERS	PFRS
2021	\$ 273,379	\$ 67,600
2022	377,224	75,161
2023	452,120	95,432
2024	348,247	82,330
2025	-	2,802
Thereafter	-	-
	<u>\$ 1,450,970</u>	<u>\$ 323,325</u>

The total pension liability for the ERS and PFRS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	ERS	PFRS
Measurement date	March 31, 2020	March 31, 2020
Actuarial valuation date	April 1, 2019	April 1, 2019
Investment rate of return	6.8%	6.8% *
Salary scale	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustments	1.3%	1.3%

*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses 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.

Note 3 - Detailed Notes on All Funds (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation is summarized below.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	36 %	4.05 %
International Equity	14	6.15
Private Equity	10	6.75
Real Estate	10	4.95
Absolute Return Strategies	2	3.25
Opportunistic Portfolio	3	4.65
Real Assets	3	5.95
Bonds and Mortgages	17	0.75
Cash	1	-
Inflation Indexed Bonds	4	0.50
	<u>100 %</u>	

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

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 those 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.

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% Decrease (5.8%)	Current Discount Rate (6.8%)	1% Increase (7.8%)
Town's proportionate share of the ERS net pension liability	<u>\$ 4,120,593</u>	<u>\$ 2,245,209</u>	<u>\$ 517,973</u>
Town's proportionate share of the PFRS net pension liability	<u>\$ 1,049,419</u>	<u>\$ 586,917</u>	<u>\$ 172,735</u>

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2020 measurement date were as follows:

	ERS	PFRS	Total
Total pension liability	\$ 194,596,261,000	\$ 35,309,017,000	\$ 229,905,278,000
Fiduciary net position	168,115,682,000	29,964,080,000	198,079,762,000
Employers' net pension liability	<u>\$ 26,480,579,000</u>	<u>\$ 5,344,937,000</u>	<u>\$ 31,825,516,000</u>
Fiduciary net position as a percentage of total pension liability	<u>86.39%</u>	<u>84.86%</u>	<u>86.16%</u>

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2020 represent the employer contribution for the period of April 1, 2020 through December 31, 2020 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2020 were \$408,283 and \$75,099, respectively.

Voluntary Defined Contribution Plan

The Town can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

Other Post Employment Benefit Liability ("OPEB")

In addition to providing pension benefits, the Town provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Town may vary according to length of service. The cost of providing post employment health care benefits is shared between the Town and the retired employee as noted below. Substantially all of the Town's employees may become eligible for those benefits if they reach normal retirement age while working for the Town. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

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

Inactive employees currently receiving benefit payments	68
Active employees	<u>42</u>
	<u>110</u>

The Town's total OPEB liability of \$29,163,305 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2019.

Town of Lewisboro, New York

Notes to Financial Statements (Continued)

December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.0%, average, including inflation
Discount rate	2.0%
Healthcare cost trend rates	4.5% for 2020, decreasing 0.10% per year to an ultimate rate of 4.20% for 2023 and decreasing to 3.784% for 2075 and later years
Retirees' share of benefit-related costs	Varies from 0% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on the Fidelity General Obligation 20-Year AA Municipal Bond Index.

Mortality rates were based on the sex-distinct and job category specific headcount-weighted Pub2010 Public Retirement Plans Mortality Tables for employees and health retirees, and then adjusted for mortality improvements with scale MP-2019 mortality improvement scale on a generational basis in order to reflect the most recent experience available.

The actuarial assumptions used in the January 1, 2020 valuation were based on the most recent decrement tables for turnover, disability and retirement for ERS and TRS. ERS and TRS tables were based on a version released in 2015.

The Town's change in the total OPEB liability for the year ended December 31, 2020 is as follows:

Total OPEB Liability - Beginning of Year	\$ 26,144,339
Service cost	961,034
Interest	735,146
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	2,068,282
Benefit payments	<u>(745,496)</u>
Total OPEB Liability - End of Year	<u>\$ 29,163,305</u>

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 (1.0%) or 1 percentage point higher (3.0%) than the current discount rate:

	1% Decrease (1.0%)	Current Discount Rate (2.0%)	1% Increase (3.0%)
Total OPEB Liability	<u>\$ 34,507,409</u>	<u>\$ 29,163,305</u>	<u>\$ 24,937,823</u>

Town of Lewisboro, New York

Notes to Financial Statements (Continued)

December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.5% decreasing to 2.784%) or 1 percentage point higher (5.5% decreasing to 4.784%) than the current healthcare cost trend rates:

	1% Decrease (3.5% decreasing to 2.784%)	Healthcare Cost Trend Rates (4.5% decreasing to 3.784%)	1% Increase (5.5% decreasing to 4.784%)
Total OPEB Liability	<u>\$ 24,591,959</u>	<u>\$ 29,163,305</u>	<u>\$ 35,048,059</u>

For the year ended December 31, 2020, the Town recognized OPEB expense of \$2,272,451 in the government-wide financial statements. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 4,226,513	\$ 1,735,650
Differences between expected and actual experience	-	305,426
	<u>\$ 4,226,513</u>	<u>\$ 2,041,076</u>

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

Year Ended December 31,	
2021	\$ 868,916
2022	719,999
2023	250,130
2024	251,735
2025	94,657
Thereafter	-
	<u>\$ 2,185,437</u>

Note 3 - Detailed Notes on All Funds (Continued)

H. Revenues and Expenditures

Interfund Transfers

Interfund transfers are defined as the flow of assets, such as cash or goods and services, without the equivalent flow of assets in return. The interfund transfers reflected below have been reflected as transfers:

Transfers Out	Transfers In		Total
	Capital Projects Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 589,144	\$ 589,144
Highway Fund	-	495,104	495,104
Special Districts Fund	13,000	277,349	290,349
	<u>\$ 13,000</u>	<u>\$ 1,361,597</u>	<u>\$ 1,374,597</u>

Transfers are used to 1) move amounts earmarked in the operating funds to fulfill commitments for Capital Projects Fund expenditures and 2) move amounts to the Debt Service Fund from the operating funds as debt service principal and interest payments become due.

I. Net Position

The components of net position are detailed below:

Net Investment in Capital Assets - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted for Special Purpose - the component of net position that has been established to set aside funds in accordance with the terms of the trust for park improvements.

Unrestricted - all other net amounts that do not meet the definition of "restricted" or "net investment in capital assets".

Town of Lewisboro, New York

Notes to Financial Statements (Continued)
December 31, 2020

Note 3 - Detailed Notes on All Funds (Continued)

J. Fund Balances

	2020						2019					
	General Fund	Highway Fund	Special Districts Funds	Capital Projects Fund	Non-Major Governmental	Total	General Fund	Highway Fund	Special Districts Funds	Capital Projects Fund	Non-Major Governmental	Total
Restricted:												
Special purpose	\$ -	\$ -	\$ -	\$ -	\$ 48,779	\$ 48,779	\$ -	\$ -	\$ -	\$ -	\$ 60,047	\$ 60,047
Assigned -												
Major funds	-	805,885	650,128	-	-	1,456,013	-	145,276	753,488	-	-	898,764
Unassigned	1,726,410	-	-	(1,319,195)	-	407,215	531,029	-	-	(480,743)	-	50,286
Total Fund Balances	<u>\$ 1,726,410</u>	<u>\$ 805,885</u>	<u>\$ 650,128</u>	<u>\$ (1,319,195)</u>	<u>\$ 48,779</u>	<u>\$ 1,912,007</u>	<u>\$ 531,029</u>	<u>\$ 145,276</u>	<u>\$ 753,488</u>	<u>\$ (480,743)</u>	<u>\$ 60,047</u>	<u>\$ 1,009,097</u>

Note 3 - Detailed Notes on All Funds (Continued)

Certain elements of fund balance are described above. Those additional elements which are not reflected in the statement of net position but are reported in the governmental funds balance sheet are described below.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the Capital Projects Fund represents the deficit balance in this fund.

Note 4 - Summary Disclosure of Significant Contingencies

A. Litigation

The Town, in common with other municipalities, receives numerous notices of claims for money damages arising from false arrest, property damage or personal injury. Of the claims currently pending, none are expected to have a material effect on the financial position of the Town if adversely settled.

The Town is also defendant in various claims by taxpayers for redetermination of assessed valuation and special franchises. The settlement of such claims could result in the payment of refunds by the Town. However, the amount of the possible refunds cannot be determined at the present time. Any payments resulting from such claims will be funded in the year the payment is made.

B. Risk Management

The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, law enforcement and public official's liability policies maintained provide coverage up to \$1 million per occurrence. The Town also maintains an umbrella liability policy which provides coverage up to \$10 million per occurrence.

Workers' compensation coverage is secured at statutory levels. However, the Town has a secondary disability policy which will pay two-thirds of an employee's salary up to \$2,200 for the first week and supplements workers compensation up to two-thirds of salary up to \$2,200 for each week thereafter.

Effective January 1, 2019 the Town withdrew from the Municipal Employee Benefits Consortium and joined the New York State Health Insurance Program.

C. Contingencies

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Uniform Grant Guidance. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

Coronavirus

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020.

Note 4 - Summary Disclosure of Significant Contingencies (Continued)

Preceding these announcements, the Governor of the State of New York declared a state of emergency on March 7, 2020 and has since issued multiple Executive Orders regarding the pandemic. Furthermore, the Enacted 2020-21 New York State budget granted the Budget Director the authority to reduce state aid payments to local governments and school districts by any amount needed to achieve a balanced budget. The Budget Director is authorized, under Section 1(f) of Chapter 53 of the Laws of 2020, to withhold all or some of specific local aid payments during state fiscal year 2020-21, that began on April 1, 2020, if the budget is deemed unbalanced and if the Budget Director further determines that such withholding is necessary to respond to the direct and indirect economic financial and social effects of the Coronavirus pandemic ("Reduction Authority").

The ultimate size of any permanent reductions would depend on the availability of unrestricted Federal Aid. The onset of the pandemic in the spring of 2020 coincided with the start of the new fiscal year for New York State. With the uncertainties that existed at that time with respect to additional federal assistance and an expected drop in economic activity, the Governor was given authority to make amendments subsequent to the adoption of the 2020-21 New York State budget, which did not take these factors into consideration. This authority included, but was not limited to, the ability to withhold a minimum of 20% of most state aid payments to municipalities to achieve cash flow savings that New York State needed for its budget. Many of these reductions were implemented beginning with payments made by the state in the late spring of 2020 and thus negatively impacted state aid revenues reported by local municipalities that year. However, in the first quarter of 2021, based on New York State's projection of slightly better than expected revenue collections through the first nine months of its fiscal year and additional federal stimulus measures, New York State has indicated that it would restore 75% of the funds withheld from municipalities by March 31, 2021. This would serve to reduce, but not fully eliminate, the impact of the state aid reductions realized in 2020. There continues to be no assurance that state aid in the 2021-22 New York State budget will be restored to pre-pandemic levels. This potential reduction in state aid will need to be considered in managing local municipal budgets going forward.

In addition to these New York State actions, the Town's economically sensitive revenues (i.e., sales tax distributions, mortgage tax, interest earnings, charges for services) are being negatively impacted. Meanwhile, the Town's expenditures on health and safety measures (personal protective equipment, sanitizing supplies, custodial overtime, technology acquisitions to support a safe working environment) will increase significantly.

The outbreak of the Coronavirus and the dramatic steps taken by the Federal government and New York State to address it will continue to negatively affect New York State and its local economies. The full impact of the Coronavirus on New York State's operations and financial condition is not expected to be known for some time. Similarly, the degree of the impact on the Town's future operations and finances as a result of the Coronavirus is extremely difficult to predict due to uncertainties relating to its duration and severity, as well as with regard to what actions may be taken by governmental and other health care authorities, including New York State, to contain or mitigate its effects. The spread of the outbreak or reemergence later in the year could have a material adverse financial effect on New York State and local municipalities, including the Town. The Town is continuously monitoring the situation and will take such proactive measures as may be required to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the actual impact on the Town's future financial position at this time.

Note 5 - Subsequent Event

On April 14, 2021, the Town issued a bond anticipation note in the amount of \$3,561,500. The note matures on April 14, 2022, with interest at 1.50%.

Note 6 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "Leases", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Town believes will most impact its financial statements. The Town will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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Town of Lewisboro, New York

Required Supplementary Information - Schedule of Changes in the Town's Total OPEB Liability and Related Ratios Last Ten Fiscal Years (1)(2)

	2020	2019	2018
Total OPEB Liability:			
Service cost	\$ 961,034	\$ 703,271	\$ 946,168
Interest	735,146	800,852	1,073,616
Changes of benefit terms	-	-	(7,693,754)
Differences between expected and actual experience	-	(367,766)	-
Changes of assumptions or other inputs	2,068,282	4,829,471	(4,639,845)
Benefit payments	(745,496)	(658,975)	(676,154)
Net Change in Total OPEB Liability	3,018,966	5,306,853	(10,989,969)
Total OPEB Liability – Beginning of Year	26,144,339	20,837,486	31,827,455 (3)
Total OPEB Liability – End of Year	<u>\$ 29,163,305</u>	<u>\$ 26,144,339</u>	<u>\$ 20,837,486</u>
Town's covered-employee payroll	<u>\$ 4,314,831</u>	<u>\$ 4,557,104</u>	<u>\$ 4,427,000</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>675.89%</u>	<u>573.71%</u>	<u>470.69%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

Changes of benefit terms, assumptions or other inputs

As of December 31, 2019, the discount rate was updated from 3.71% to 2.75%. The change in discount rate resulted in an increase in liabilities.

As of December 31, 2020, the discount rate was updated from 2.75% to 2.00%. The change in discount rate resulted in an increase in liabilities.

As of December 31, 2020, the mortality improvement scale was updated from Scale MP-2019 to Scale MP-2020 mortality improvement scale on a generational basis. The revised assumption resulted in a decrease in liabilities.

As of December 31, 2020, the annual rate of increase in healthcare costs was revised to better reflect future expectations, including updating long-term rates based on the SOA Long Term Healthcare Cost Trends Model v2020_b (the Getzen model). A review of published National trend survey data in relation to the retiree health plan offerings was the basis for this change. The revised assumption resulted in a net increase in liabilities.

Town of Lewisboro, New York

Required Supplementary Information
New York State and Local Employees' Retirement System
Last Ten Fiscal Years (1)

Schedule of the Town's Proportionate Share of the Net Pension Liability (2)

	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	<u>0.0084787%</u>	<u>0.0094948%</u>	<u>0.0088786%</u>	<u>0.0087581%</u>	<u>0.0101169%</u>	<u>0.0105078%</u>
Town's proportionate share of the net pension liability	<u>\$ 2,245,209</u>	<u>\$ 672,734</u>	<u>\$ 286,551</u>	<u>\$ 822,933</u>	<u>\$ 1,623,788</u>	<u>\$ 354,980</u>
Town's covered payroll	<u>\$ 3,265,018</u>	<u>\$ 3,258,617</u>	<u>\$ 3,127,343</u>	<u>\$ 3,045,638</u>	<u>\$ 2,905,815</u>	<u>\$ 2,869,868</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>68.77%</u>	<u>20.64%</u>	<u>9.16%</u>	<u>27.02%</u>	<u>55.88%</u>	<u>12.37%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>86.39%</u>	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 460,686</u>	<u>\$ 462,372</u>	<u>\$ 429,965</u>	<u>\$ 416,846</u>	<u>\$ 498,131</u>	<u>\$ 489,463</u>
Contributions in relation to the contractually required contribution	<u>(460,686)</u>	<u>(462,372)</u>	<u>(429,965)</u>	<u>(416,846)</u>	<u>(498,131)</u>	<u>(489,463)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 3,274,031</u>	<u>\$ 3,321,344</u>	<u>\$ 3,200,774</u>	<u>\$ 3,082,431</u>	<u>\$ 2,824,545</u>	<u>\$ 3,009,852</u>
Contributions as a percentage of covered payroll	<u>14.07%</u>	<u>13.92%</u>	<u>13.43%</u>	<u>13.52%</u>	<u>17.64%</u>	<u>16.26%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in Town's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

Town of Lewisboro, New York

Required Supplementary Information
New York State and Local Police and Fire Retirement System
Last Ten Fiscal Years (1)

Schedule of the Town's Proportionate Share of the Net Pension Liability (2)

	2020 (4)(5)	2019	2018	2017	2016 (3)	2015
Town's proportion of the net pension liability	<u>0.0109808%</u>	<u>0.0114689%</u>	<u>0.0111678%</u>	<u>0.0133704%</u>	<u>0.0147173%</u>	<u>0.0134806%</u>
Town's proportionate share of the net pension liability	<u>\$ 586,917</u>	<u>\$ 192,340</u>	<u>\$ 112,879</u>	<u>\$ 277,122</u>	<u>\$ 435,749</u>	<u>\$ 37,107</u>
Town's covered payroll	<u>\$ 475,567</u>	<u>\$ 492,970</u>	<u>\$ 478,961</u>	<u>\$ 536,289</u>	<u>\$ 578,430</u>	<u>\$ 538,157</u>
Town's proportionate share of the net pension liability as a percentage of its covered payroll	<u>123.41%</u>	<u>39.02%</u>	<u>23.57%</u>	<u>51.67%</u>	<u>75.33%</u>	<u>6.90%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>84.86%</u>	<u>95.09%</u>	<u>96.93%</u>	<u>93.50%</u>	<u>90.20%</u>	<u>99.00%</u>

Schedule of Contributions

	2020	2019	2018	2017	2016	2015
Contractually required contribution	<u>\$ 95,963</u>	<u>\$ 92,898</u>	<u>\$ 94,715</u>	<u>\$ 119,722</u>	<u>\$ 113,271</u>	<u>\$ 117,421</u>
Contributions in relation to the contractually required contribution	<u>(95,963)</u>	<u>(92,898)</u>	<u>(94,715)</u>	<u>(119,722)</u>	<u>(113,271)</u>	<u>(117,421)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 522,463</u>	<u>\$ 517,222</u>	<u>\$ 543,548</u>	<u>\$ 487,536</u>	<u>\$ 545,005</u>	<u>\$ 662,192</u>
Contributions as a percentage of covered payroll	<u>18.37%</u>	<u>17.96%</u>	<u>17.43%</u>	<u>24.56%</u>	<u>20.78%</u>	<u>17.73%</u>

(1) Data not available prior to fiscal year 2015 implementation of Governmental Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions".

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

(4) The discount rate used to calculate the total pension liability was decreased from 7.0% to 6.8% effective with the March 31, 2020 measurement date.

(5) Increase in Town's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses.

See independent auditors' report.

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Town of Lewisboro, New York

General Fund
Comparative Balance Sheet
December 31,

	2020	2019 (As restated)
ASSETS		
Cash and equivalents	\$ 2,391,742	\$ 1,767,458
Taxes receivable		
Town and County taxes	100,115	102,560
Tax liens	843,329	735,157
Property acquired for taxes	363,980	363,980
	1,307,424	1,201,697
Allowance for uncollectible taxes	(363,980)	(363,980)
	943,444	837,717
Other receivables		
Accounts	559,029	142,368
Due from other governments	711,761	676,414
	1,270,790	818,782
Total Assets	\$ 4,605,976	\$ 3,423,957
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 68,793	\$ 139,313
Accrued liabilities	375,807	390,809
Due to other funds	905,453	1,004,565
Deposits	574,231	518,349
Employee payroll deductions	15,445	17,265
Total Liabilities	1,939,729	2,070,301
Deferred inflows of resources		
Deferred tax revenues	939,837	822,627
Total Liabilities and Deferred Inflows of Resources	2,879,566	2,892,928
Fund balance		
Unassigned	1,726,410	531,029
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,605,976	\$ 3,423,957

See independent auditors' report.

Town of Lewisboro, New York

General Fund

Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Years Ended December 31,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,459,658	\$ 3,459,658	\$ 3,348,613	\$ (111,045)
Other tax items	200,000	200,000	254,547	54,547
Non property taxes	2,883,000	2,883,000	2,833,175	(49,825)
Departmental income	1,623,500	1,623,500	1,173,762	(449,738)
Intergovernmental charges	34,600	34,600	59,978	25,378
Use of money and property	115,800	115,800	128,939	13,139
Licenses and permits	15,790	15,790	16,989	1,199
Fines and forfeitures	200,000	200,000	82,964	(117,036)
State aid	537,000	500,000	732,640	232,640
Miscellaneous	2,000	39,000	121,554	82,554
Total Revenues	9,071,348	9,071,348	8,753,161	(318,187)
EXPENDITURES				
Current				
General government support	2,518,094	2,482,110	2,267,498	214,612
Public safety	1,043,386	1,125,887	1,082,214	43,673
Health	247,160	247,160	247,156	4
Transportation	158,180	158,180	150,736	7,444
Culture and recreation	2,182,452	2,092,160	1,532,851	559,309
Home and community services	179,843	187,557	181,353	6,204
Employee benefits	2,111,273	2,147,334	1,959,561	187,773
Debt service				
Interest	41,816	41,816	21,645	20,171
Total Expenditures	8,482,204	8,482,204	7,443,014	1,039,190
Excess of Revenues Over Expenditures	589,144	589,144	1,310,147	721,003
OTHER FINANCING SOURCES (USES)				
Sale of real property	-	-	474,378	474,378
Transfers out	(589,144)	(589,144)	(589,144)	-
Total Other Financing Uses	(589,144)	(589,144)	(114,766)	474,378
Net Change in Fund Balance	-	-	1,195,381	1,195,381
FUND BALANCE				
Beginning of Year, as restated	-	-	531,029	531,029
End of Year	\$ -	\$ -	\$ 1,726,410	\$ 1,726,410

See independent auditors' report.

2019 (As restated)			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,344,752	\$ 3,344,752	\$ 3,345,270	\$ 518
200,000	200,000	217,582	17,582
2,195,000	2,195,000	2,551,454	356,454
1,566,300	1,566,300	1,763,961	197,661
33,500	33,500	48,371	14,871
135,450	135,450	126,081	(9,369)
15,900	15,900	18,684	2,784
230,000	230,000	186,471	(43,529)
700,000	700,000	497,662	(202,338)
39,500	39,500	61,647	22,147
8,460,402	8,460,402	8,817,183	356,781
2,405,749	2,416,029	2,313,489	102,540
975,135	996,717	996,717	-
229,814	229,406	229,406	-
153,291	155,059	155,059	-
1,972,734	2,034,637	2,034,637	-
178,098	168,763	167,287	1,476
1,977,739	1,873,628	1,929,280	(55,652)
-	18,321	18,321	-
7,892,560	7,892,560	7,844,196	48,364
567,842	567,842	972,987	405,145
-	-	22,291	22,291
(567,842)	(567,842)	(567,842)	-
(567,842)	(567,842)	(545,551)	22,291
-	-	427,436	427,436
-	-	103,593	103,593
\$ -	\$ -	\$ 531,029	\$ 531,029

Town of Lewisboro, New York

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget

Year Ended December 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REAL PROPERTY TAXES	\$ 3,459,658	\$ 3,459,658	\$ 3,348,613	\$ (111,045)	\$ 3,345,270
OTHER TAX ITEMS					
Interest and penalties on real property taxes	200,000	200,000	254,547	54,547	217,582
NON-PROPERTY TAXES					
Franchise fees	270,000	270,000	260,504	(9,496)	280,597
Non-property tax distribution from County	2,613,000	2,613,000	2,572,671	(40,329)	2,270,857
	2,883,000	2,883,000	2,833,175	(49,825)	2,551,454
DEPARTMENTAL INCOME					
Tax collector fees	-	-	-	-	3,930
Town Clerk fees	4,300	4,300	4,213	(87)	4,733
Police fees	-	-	865	865	781
Dog shelter redemptions	200	200	150	(50)	270
Inspection fees	484,900	484,900	747,788	262,888	532,537
Parking lot fees and on-street parking	4,700	4,700	2,700	(2,000)	4,920
Parks and recreation charges	1,091,000	1,091,000	380,802	(710,198)	1,128,764
Planning board fees	20,000	20,000	9,669	(10,331)	57,426
Cemetery fees	18,400	18,400	27,575	9,175	30,600
	1,623,500	1,623,500	1,173,762	(449,738)	1,763,961
INTERGOVERNMENTAL CHARGES					
Charges for services to other governments	34,600	34,600	59,978	25,378	48,371

USE OF MONEY AND PROPERTY

Earnings on investments	39,000	39,000	19,460	(19,540)	47,257
Rental of real property	76,800	76,800	109,479	32,679	78,824
	<u>115,800</u>	<u>115,800</u>	<u>128,939</u>	<u>13,139</u>	<u>126,081</u>

LICENSES AND PERMITS

Dog licenses	12,000	12,000	14,353	2,353	15,029
Other licenses	3,790	3,790	2,636	(1,154)	3,655
	<u>15,790</u>	<u>15,790</u>	<u>16,989</u>	<u>1,199</u>	<u>18,684</u>

FINES AND FORFEITURES

Fines and forfeited bail	<u>200,000</u>	<u>200,000</u>	<u>82,964</u>	<u>(117,036)</u>	<u>186,471</u>
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STATE AID

Mortgage tax	500,000	500,000	731,648	231,648	497,662
Per capita	37,000	-	-	-	-
Other	-	-	992	992	-
	<u>537,000</u>	<u>500,000</u>	<u>732,640</u>	<u>232,640</u>	<u>497,662</u>

MISCELLANEOUS

Refund of prior year's expenditures	-	-	81,185	81,185	-
Medicare Part D reimbursement	-	-	1,132	1,132	22,673
Aim related payments	-	37,000	37,339	339	37,340
Unclassified	2,000	2,000	1,898	(102)	1,634
	<u>2,000</u>	<u>39,000</u>	<u>121,554</u>	<u>82,554</u>	<u>61,647</u>

TOTAL REVENUES

<u>9,071,348</u>	<u>9,071,348</u>	<u>8,753,161</u>	<u>(318,187)</u>	<u>8,839,474</u>
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OTHER FINANCING SOURCES

Sale of real property	<u>-</u>	<u>-</u>	<u>474,378</u>	<u>474,378</u>	<u>-</u>
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**TOTAL REVENUES AND OTHER
FINANCING SOURCES**

<u>\$ 9,071,348</u>	<u>\$ 9,071,348</u>	<u>\$ 9,227,539</u>	<u>\$ 156,191</u>	<u>\$ 8,839,474</u>
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See independent auditors' report.

Town of Lewisboro, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
GENERAL GOVERNMENT SUPPORT					
Town Board	\$ 75,860	\$ 87,498	\$ 86,572	\$ 926	\$ 68,304
Town Justice	249,560	258,913	228,935	29,978	239,651
Supervisor	178,310	179,961	172,906	7,055	171,292
Finance	143,050	146,050	141,235	4,815	137,091
Independent audit	40,000	40,000	34,700	5,300	34,700
Receiver of Taxes	172,810	173,432	160,632	12,800	157,912
Assessor	133,190	135,744	129,635	6,109	130,521
Town Clerk	163,495	163,495	158,107	5,388	157,102
Law	153,000	188,793	154,513	34,280	170,861
Engineer	57,500	57,500	57,500	-	57,500
Elections	8,365	8,365	8,365	-	8,168
Records management	4,700	5,078	4,078	1,000	1,879
Shared services	690,170	715,724	631,099	84,625	680,671
Central printing and mailing	48,600	50,175	43,840	6,335	45,395
Technical services	96,450	100,541	85,672	14,869	87,688
Insurance	149,000	157,466	157,466	-	149,705
Municipal association dues	3,375	3,375	3,375	-	4,250
Judgment and claims	-	-	-	-	1,397
Contingency	140,659	-	-	-	-
Metropolitan commuter transportation mobility tax	10,000	10,000	8,868	1,132	9,402
	<u>2,518,094</u>	<u>2,482,110</u>	<u>2,267,498</u>	<u>214,612</u>	<u>2,313,489</u>

PUBLIC SAFETY

Police	757,526	836,651	800,646	36,005	729,471
Control of dogs	3,250	3,250	637	2,613	433
Safety inspections	282,610	285,986	280,931	5,055	266,813
	<u>1,043,386</u>	<u>1,125,887</u>	<u>1,082,214</u>	<u>43,673</u>	<u>996,717</u>

HEALTH

Registrar of vital statistics	2,200	2,200	2,200	-	2,200
Advanced life support services	238,460	238,460	238,456	4	221,112
Drug abuse prevention council	6,500	6,500	6,500	-	6,094
	<u>247,160</u>	<u>247,160</u>	<u>247,156</u>	<u>4</u>	<u>229,406</u>

TRANSPORTATION

Superintendent of highways	144,180	144,180	144,180	-	140,041
Street lighting	14,000	14,000	6,556	7,444	15,018
	<u>158,180</u>	<u>158,180</u>	<u>150,736</u>	<u>7,444</u>	<u>155,059</u>

CULTURE AND RECREATION

Recreation administration	275,434	275,434	260,748	14,686	267,207
Parks	244,385	250,396	218,845	31,551	168,611
Playgrounds and day camp	386,470	262,124	87,764	174,360	354,418
Beach and pool	234,050	239,382	165,294	74,088	240,526
Tennis facility	26,950	29,766	28,287	1,479	20,992
Youth programs	347,105	365,688	243,760	121,928	337,286
Library	438,114	438,114	438,114	-	421,263
Historian	1,250	1,250	1,000	250	1,000
Celebrations	35,400	35,400	200	35,200	35,057
Program for the aging	85,437	86,395	75,458	10,937	88,059
Adult and family activities	29,300	29,582	9,147	20,435	23,601
Transportation	78,557	78,629	4,234	74,395	76,617
	<u>2,182,452</u>	<u>2,092,160</u>	<u>1,532,851</u>	<u>559,309</u>	<u>2,034,637</u>

(Continued)

Town of Lewisboro, New York

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget (Continued)

Year Ended December 31, 2020

(With Comparative Actuals for 2019)

	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
HOME AND COMMUNITY SERVICES					
Planning board	\$ 60,243	\$ 62,107	\$ 59,452	\$ 2,655	\$ 54,622
Planning consultant	58,000	58,000	57,500	500	56,024
Environmental control	28,000	28,000	28,000	-	28,000
Storm water	9,000	11,973	11,973	-	4,354
Recycling	3,100	3,717	3,650	67	3,141
Community beautification	2,000	2,000	704	1,296	1,271
Cemeteries	19,500	21,760	20,074	1,686	19,875
	<u>179,843</u>	<u>187,557</u>	<u>181,353</u>	<u>6,204</u>	<u>167,287</u>
EMPLOYEE BENEFITS					
State retirement	363,000	363,000	355,305	7,695	359,988
Police retirement	111,000	111,000	99,366	11,634	96,215
Social security	275,873	275,873	251,042	24,831	257,802
Hospitalization, medical and dental insurance	1,138,000	1,138,000	1,026,706	111,294	1,018,428
Workers' compensation benefits	70,000	70,000	48,517	21,483	64,572
Unemployment insurance	-	18,155	18,155	-	-
Disability	19,000	19,000	15,440	3,560	16,682
Dental	44,000	53,934	53,934	-	30,535
Medicare	62,000	69,972	69,972	-	56,975
Wellcare benefit	28,400	28,400	21,124	7,276	28,083
	<u>2,111,273</u>	<u>2,147,334</u>	<u>1,959,561</u>	<u>187,773</u>	<u>1,929,280</u>

DEBT SERVICE

Interest

Bond anticipation notes

Tax anticipation notes

5,816	5,816	5,816	-	-
<u>36,000</u>	<u>36,000</u>	<u>15,829</u>	<u>20,171</u>	<u>18,321</u>

<u>41,816</u>	<u>41,816</u>	<u>21,645</u>	<u>20,171</u>	<u>18,321</u>
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TOTAL EXPENDITURES

<u>8,482,204</u>	<u>8,482,204</u>	<u>7,443,014</u>	<u>1,039,190</u>	<u>7,844,196</u>
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OTHER FINANCING USES

Transfers out

Debt Service Fund

<u>589,144</u>	<u>589,144</u>	<u>589,144</u>	<u>-</u>	<u>567,842</u>
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**TOTAL EXPENDITURES AND OTHER
FINANCING USES**

<u><u>\$ 9,071,348</u></u>	<u><u>\$ 9,071,348</u></u>	<u><u>\$ 8,032,158</u></u>	<u><u>\$ 1,039,190</u></u>	<u><u>\$ 8,412,038</u></u>
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See independent auditors' report.

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Town of Lewisboro, New York

Highway Fund
Comparative Balance Sheet
December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 502,497	\$ 2,497
Due from other funds	<u>458,473</u>	<u>328,936</u>
Total Assets	<u><u>\$ 960,970</u></u>	<u><u>\$ 331,433</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 11,835	\$ 47,407
Accrued liabilities	<u>143,250</u>	<u>138,750</u>
Total Liabilities	155,085	186,157
Fund balance		
Assigned	<u>805,885</u>	<u>145,276</u>
Total Liabilities and Fund Balance	<u><u>\$ 960,970</u></u>	<u><u>\$ 331,433</u></u>

See independent auditors' report.

Town of Lewisboro, New York

Highway Fund Comparative Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Years Ended December 31,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Real property taxes	\$ 3,580,147	\$ 3,580,147	\$ 3,580,147	\$ -
Use of money and property	-	-	-	-
Sale of property and compensation for loss	-	-	50	50
State aid	212,000	212,000	169,803	(42,197)
Miscellaneous	-	-	40,000	40,000
Total Revenues	3,792,147	3,792,147	3,790,000	(2,147)
EXPENDITURES				
Current				
General government support	72,000	73,002	73,002	-
Transportation	2,298,443	2,297,441	1,736,302	561,139
Employee benefits	914,969	914,969	813,352	101,617
Debt service				
Interest	11,631	11,631	11,631	-
Total Expenditures	3,297,043	3,297,043	2,634,287	662,756
Excess of Revenues Over Expenditures	495,104	495,104	1,155,713	660,609
OTHER FINANCING USES				
Transfers out	(495,104)	(495,104)	(495,104)	-
Net Change in Fund Balance	-	-	660,609	660,609
FUND BALANCE (DEFICIT)				
Beginning of Year	-	-	145,276	145,276
End of Year	\$ -	\$ -	\$ 805,885	\$ 805,885

See independent auditors' report.

2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 3,499,705	\$ 3,499,705	\$ 3,499,705	\$ -
-	-	1	1
-	-	100	100
200,000	200,000	212,282	12,282
-	-	-	-
3,699,705	3,699,705	3,712,088	12,383
70,000	70,805	70,805	-
2,290,374	2,287,911	2,049,911	238,000
887,680	889,338	925,993	(36,655)
-	-	-	-
3,248,054	3,248,054	3,046,709	201,345
451,651	451,651	665,379	213,728
(451,651)	(451,651)	(451,651)	-
-	-	213,728	213,728
-	-	(68,452)	(68,452)
\$ -	\$ -	\$ 145,276	\$ 145,276

Town of Lewisboro, New York

Special Districts Fund
Combining Balance Sheet - Sub-Funds
December 31, 2020
(With Comparative Totals for 2019)

	Oak Ridge Sewer District	Oak Ridge Water District
ASSETS		
Cash and equivalents	<u>\$ 160,839</u>	<u>\$ 5,816</u>
Receivables		
Water rents	-	55,525
Due from other funds	<u>-</u>	<u>-</u>
	<u>-</u>	<u>55,525</u>
Total Assets	<u><u>\$ 160,839</u></u>	<u><u>\$ 61,341</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 14,862	\$ 10,680
Due to other funds	<u>378</u>	<u>44,790</u>
Total Liabilities	15,240	55,470
Fund balances		
Assigned	<u>145,599</u>	<u>5,871</u>
Total Liabilities and Fund Balances	<u><u>\$ 160,839</u></u>	<u><u>\$ 61,341</u></u>

See independent auditors' report.

Wild Oaks Sewer District	Wild Oaks Lighting District	Totals	
		2020	2019
\$ 498,046	\$ -	\$ 664,701	\$ 606,158
-	-	55,525	50,761
70	6,724	6,794	502,187
70	6,724	62,319	552,948
<u>\$ 498,116</u>	<u>\$ 6,724</u>	<u>\$ 727,020</u>	<u>\$ 1,159,106</u>
\$ 6,060	\$ 122	\$ 31,724	\$ 93,706
-	-	45,168	311,912
6,060	122	76,892	405,618
492,056	6,602	650,128	753,488
<u>\$ 498,116</u>	<u>\$ 6,724</u>	<u>\$ 727,020</u>	<u>\$ 1,159,106</u>

Town of Lewisboro, New York

Special Districts Fund
Combining Schedule of Revenues, Expenditures and Changes
in Fund Balances - Sub-Funds
Year Ended December 31, 2020
(With Comparative Totals for 2019)

	Oak Ridge Sewer District	Oak Ridge Water District
REVENUES		
Real property taxes	\$ 499,000	\$ -
Departmental income	-	202,606
Use of money and property	-	150
State aid	-	-
	<hr/>	<hr/>
Total Revenues	499,000	202,756
	<hr/>	<hr/>
EXPENDITURES		
Current		
General government support	4,200	-
Transportation	-	-
Home and community services	195,253	224,060
Debt service		
Interest	-	18,900
	<hr/>	<hr/>
Total Expenditures	199,453	242,960
	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	299,547	(40,204)
OTHER FINANCING USES		
Transfers out	(272,895)	(13,000)
	<hr/>	<hr/>
Net Change in Fund Balances	26,652	(53,204)
FUND BALANCES		
Beginning of Year	118,947	59,075
	<hr/>	<hr/>
End of Year	\$ 145,599	\$ 5,871
	<hr/>	<hr/>

See independent auditors' report.

Wild Oaks Sewer District	Wild Oaks Lighting District	Totals	
		2020	2019
\$ 140,000	\$ 14,450	\$ 653,450	\$ 697,950
-	-	202,606	268,600
136	-	286	857
140,000	-	140,000	195,425
280,136	14,450	996,342	1,162,832
24,800	-	29,000	28,800
-	13,173	13,173	14,361
328,967	-	748,280	748,943
-	-	18,900	13,200
353,767	13,173	809,353	805,304
(73,631)	1,277	186,989	357,528
(4,454)	-	(290,349)	(287,836)
(78,085)	1,277	(103,360)	69,692
570,141	5,325	753,488	683,796
<u>\$ 492,056</u>	<u>\$ 6,602</u>	<u>\$ 650,128</u>	<u>\$ 753,488</u>

Town of Lewisboro, New York

Capital Projects Fund
Comparative Balance Sheet
December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	\$ 865,951	\$ 1,148,641
Due from other funds	<u>485,354</u>	<u>485,354</u>
Total Assets	<u>\$ 1,351,305</u>	<u>\$ 1,633,995</u>
LIABILITIES AND FUND DEFICIT		
Liabilities		
Accounts payable	\$ -	\$ 61,238
Bond anticipation notes payable	<u>2,670,500</u>	<u>2,053,500</u>
Total Liabilities	2,670,500	2,114,738
Fund deficit		
Unassigned	<u>(1,319,195)</u>	<u>(480,743)</u>
Total Liabilities and Fund Deficit	<u>\$ 1,351,305</u>	<u>\$ 1,633,995</u>

See independent auditors' report.

Town of Lewisboro, New York

Capital Projects Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2020</u>	<u>2019</u>
REVENUES		
Miscellaneous	\$ -	\$ 175,000
EXPENDITURES		
Capital outlay	<u>851,452</u>	<u>1,007,807</u>
Deficiency of Revenues Over Expenditures	(851,452)	(832,807)
OTHER FINANCING SOURCES		
Transfers in	<u>13,000</u>	<u>13,000</u>
Net Change in Fund Balance	(838,452)	(819,807)
FUND BALANCE (DEFICIT)		
Beginning of Year	<u>(480,743)</u>	<u>339,064</u>
End of Year	<u><u>\$ (1,319,195)</u></u>	<u><u>\$ (480,743)</u></u>

See independent auditors' report.

Town of Lewisboro, New York

Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2020
(With Comparative Totals for 2019)

	Debt Service	Special Purpose	Totals	
			2020	2019
ASSETS				
Cash and equivalents	\$ -	\$ 48,779	\$ 48,779	\$ 60,047
FUND BALANCE				
Restricted	\$ -	\$ 48,779	\$ 48,779	\$ 60,047

See independent auditors' report.

Town of Lewisboro, New York

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2020
(With Comparative Totals for 2019)

	Debt Service	Special Purpose	Totals	
			2020	2019
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Culture and recreation	-	11,268	11,268	4,491
Debt service				
Principal	1,085,000	-	1,085,000	1,010,567
Interest	276,597	-	276,597	347,259
Total Expenditures	1,361,597	11,268	1,372,865	1,362,317
Deficiency of Revenues Over Expenditures	(1,361,597)	(11,268)	(1,372,865)	(1,362,317)
OTHER FINANCING SOURCES				
Transfers in	1,361,597	-	1,361,597	1,294,329
Net Change in Fund Balances	-	(11,268)	(11,268)	(67,988)
FUND BALANCES				
Beginning of Year	-	60,047	60,047	128,035
End of Year	\$ -	\$ 48,779	\$ 48,779	\$ 60,047

See independent auditors' report.

Town of Lewisboro, New York

Non-Major Governmental Fund - Debt Service Fund
Comparative Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Years Ended December 31,

	2020			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Serial bonds				
Principal	1,085,000	1,085,000	1,085,000	-
Interest	276,597	276,597	276,597	-
Total Expenditures	1,361,597	1,361,597	1,361,597	-
Deficiency of Revenues Over Expenditures	(1,361,597)	(1,361,597)	(1,361,597)	-
OTHER FINANCING SOURCES				
Transfers in	1,361,597	1,361,597	1,361,597	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

2019			
Original Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -
1,010,567	1,010,567	1,010,567	-
347,259	347,259	347,259	-
1,357,826	1,357,826	1,357,826	-
(1,357,826)	(1,357,826)	(1,357,826)	-
1,294,329	1,294,329	1,294,329	-
(63,497)	(63,497)	(63,497)	-
63,497	63,497	63,497	-
\$ -	\$ -	\$ -	\$ -

Town of Lewisboro, New York

Non-Major Governmental Fund - Special Purpose Fund
Comparative Balance Sheet
December 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and equivalents	<u>\$ 48,779</u>	<u>\$ 60,047</u>
FUND BALANCE		
Restricted	<u>\$ 48,779</u>	<u>\$ 60,047</u>

See independent auditors' report.

Town of Lewisboro, New York

Non-Major Governmental Fund - Special Purpose Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balance
Years Ended December 31,

	<u>2020</u>	<u>2019</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Current		
Culture and recreation	<u>11,268</u>	<u>4,491</u>
Deficiency of Revenues Over Expenditures	(11,268)	(4,491)
FUND BALANCE		
Beginning of Year	<u>60,047</u>	<u>64,538</u>
End of Year	<u><u>\$ 48,779</u></u>	<u><u>\$ 60,047</u></u>

See independent auditors' report.