FINANCIAL REPORT
AUDITED

TOWN OF POUGHKEEPSIE, NEW YORK

For the Year Ended December 31, 2020

Audited for:

Town Board
TOWN OF POUGHKEEPSIE, NEW YORK

Audited By:

RBT CPAs, LLP
11 Racquet Road
Newburgh, New York 12550
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TOWN OF POUGHKEEPSIE, NEW YORK

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RBT
LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Town Board
Town of Poughkeepsie, New York
One Overocker Road
Poughkeepsie, New York 12603

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 Poughkeepsie New York (the "Town"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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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 of Poughkeepsie, New York as of December 31, 2020, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note XVII to the financial statements, the spread of global pandemic, corona virus disease (COVID-19), has created economic uncertainty.

The Town has implemented GASB 84, *Fiduciary Activities* for the year ended December 31, 2020. This implementation required that the Statement of Changes in Fiduciary Net Position be presented along with the Statement of Net Position. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, schedules of changes in the Town's total Other Postemployment Benefit liability and related ratios, proportionate share of the net pension liability and related ratios, and employer contributions on pages 3 through 8 and 42 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the Town of Poughkeepsie, New York's basic financial statements. The accompanying schedule of indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying schedule of indebtedness is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 8, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RBT CPAs, LLP

Newburgh, NY
November 8, 2021

TOWN OF POUGHKEESPIE, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

The accompanying management discussion and analysis of the Town's financial performance has been prepared to provide an overview of the Town's financial activities for the year ended December 31, 2020. This discussion and analysis is only an introduction and should be read in conjunction with the Town's financial statements.

Requests For Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Charles Emberger, Town Comptroller, at One Overocker Road, Poughkeepsie, New York, 12603.

2020 Financial Highlights

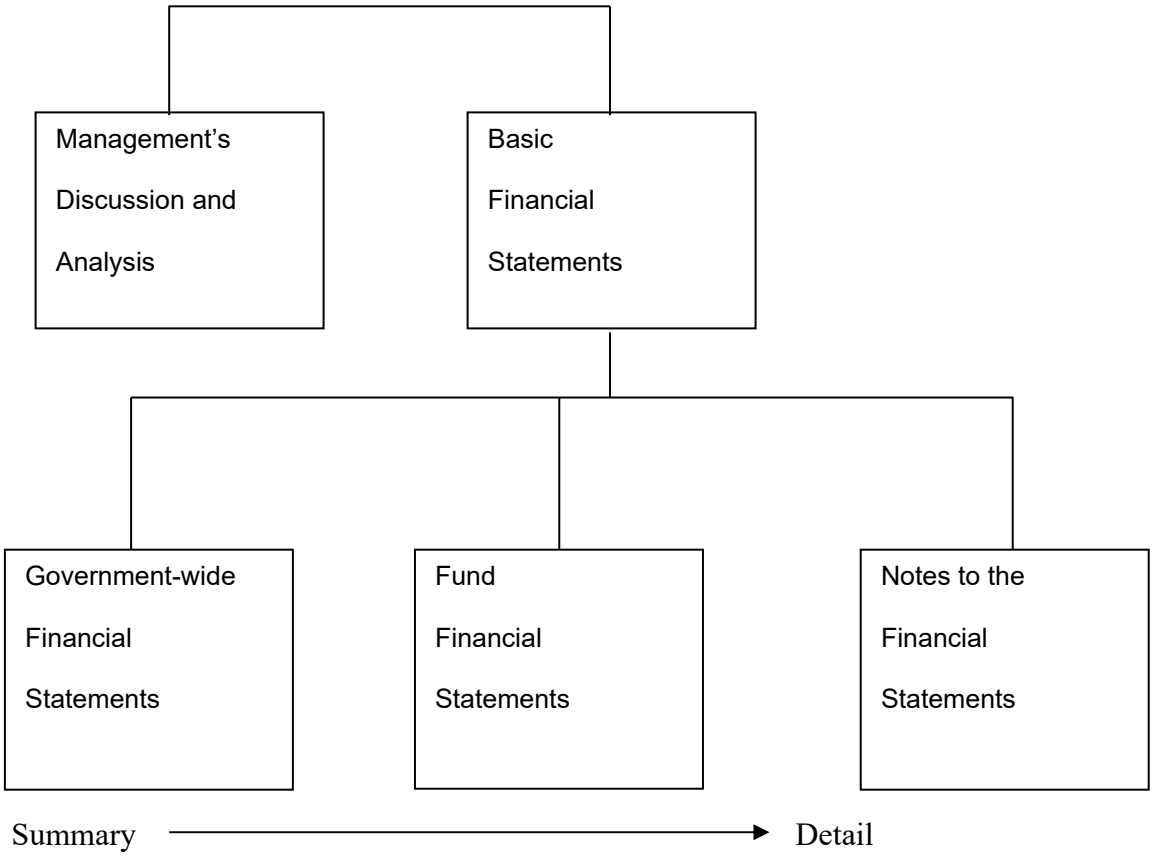
- The Town's net position (defined as assets plus deferred outflows less liabilities and deferred inflows) was a negative $35,102,672 at December 31.
- The governmental total net position decreased by $4,567,820 for the year ended December 31.
- At December 31, the Other Postemployment Benefit Liability was included in total liabilities in the amount of $98,970,573.
- At December 31, the proportionate shares of the net pension liability for both retirement systems included in total liabilities totaled $20,794,364.
- As of the close of the year, the Town's governmental funds reported an ending fund balance of $20,337,268, an increase of $767,723 in comparison with the prior year.
- At the end of the year, unassigned fund balance for the General Fund-Town Wide was $1,888,286.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the Town's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail following this narrative. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the Town of Poughkeepsie, New York.

Required Components of the Town's Basic Financial Statements

Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the Town's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements, they include: 1) the governmental and fiduciary fund statements and 2) reconciliations to the government-wide financial statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how it has changed. Net position is the difference between the Town's total assets and total liabilities. Measuring net position is one way to gauge the Town's financial condition.

The governmental activities include most of the Town's basic services such as public safety, road maintenance and administration. Property taxes, sales tax, charges for services and state aid finance most of these activities.

Fund Financial Statements
The fund financial statements provide a more detailed look at the Town's most significant activities. A fund is a group of self-balancing accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as New York State general municipal law and local finance law or the Town's budget regulations. All of the funds of the Town are classified in one of two categories: governmental funds or fiduciary funds.

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

Fiduciary Funds – The Town acts in an custodial capacity for assets that are ultimately transferred to others, such as unclaimed bail. These funds are excluded from the government-wide financial statements because the Town cannot use these assets to finance operations.

The Town adopts an annual budget for certain funds as required by municipal law. The budget is a legally adopted document that incorporates input from the citizens and management of the Town, and the decisions of the Town Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary comparison demonstrates how well the Town complied with the final budget and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedule uses the budgetary basis of accounting and is presented using the same format, language and classifications as the legal budget document. The schedule shows four columns: 1) the original budget as adopted by the Town Board; 2) the final budget as amended by the Town Board; 3) the actual revenues, expenditures and ending balances; and 4) the variance between the final budget and actual revenues and expenditures. The schedule is presented as required supplementary information.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
GOVERNMENTAL ACTIVITIES
NET POSITION

	2020	2019	$ Change	% Change
Current and Other Assets	**$ 31,571,368**	$ 29,807,643	**$ 1,763,725**	5.92%
Non-Current Assets	**87,802,139**	87,002,906	**799,233**	0.92%
Total Assets	**119,373,507**	116,810,549	**2,562,958**	2.19%
Deferred Outflows of Resources	**15,377,601**	28,147,914	**(12,770,313)**	-45.37%
Other Liabilities	**3,358,118**	2,179,703	**1,178,415**	54.06%
Long-Term Liabilities	**164,603,485**	170,393,365	**(5,789,880)**	-3.40%
Total Liabilities	**167,961,603**	172,573,068	**(4,611,465)**	-2.67%
Deferred Inflows of Resources	**1,892,177**	2,280,418	**(388,241)**	-17.02%
Net Position:				
Net Investment in Capital Assets	**45,703,608**	42,834,765	**2,868,843**	6.70%
Restricted	**806,438**	1,223,121	**(416,683)**	-34.07%
Unrestricted (As Restated)	**(81,612,718)**	(73,952,909)	**(7,659,809)**	10.36%
Total Net Position	**$ (35,102,672)**	$ (29,895,023)	**$ (5,207,649)**	-17.42%

Management's Explanation of Changes

Net position shows a $35.1 million dollar deficit, this is due to GASB 75, wherein municipalities must record an actuarially determined postemployment benefit liability for all employees, active and retired. New York State does not allow funding this liability, as it is an accrual entry to the financials for reporting purposes only. The recording of this liability also caused the decrease in deferred outflows of resources.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
GOVERMENTAL ACTIVITIES
CHANGES IN NET POSITION

	2020	%	2019	%	$ Change	% Change
Revenues:						
Program Revenues:						
Charges for Service	**$ 11,199,102**	**22.81%**	$ 11,456,748	23.20%	(257,646)	-2.25%
Operating and Capital Grants	**1,079,994**	**2.20%**	969,460	1.96%	110,534	11.40%
General Revenues:						
Real Property Taxes	**28,130,561**	**57.31%**	28,497,424	57.71%	(366,863)	-1.29%
Real Property Tax Items	**1,224,435**	**2.49%**	1,177,649	2.38%	46,786	3.97%
Non Property Taxes	**762,708**	**1.55%**	817,799	1.66%	(55,091)	-6.74%
Tax Revenue Sharing	**4,459,673**	**9.09%**	3,883,916	7.86%	575,757	14.82%
Use of Money and Property	**833,724**	**1.70%**	1,067,181	2.16%	(233,457)	-21.88%
Intergovernmental Charges	**376,508**	**0.77%**	436,142	0.88%	(59,634)	-13.67%
Sale of Property and Compensation for Loss	**353,261**	**0.72%**	222,166	0.45%	131,095	59.01%
Miscellaneous	**667,481**	**1.36%**	855,943	1.73%	(188,462)	-22.02%
Total Revenues	**49,087,447**	**100.00%**	49,384,428	100.00%	(296,981)	-0.60%
Expenses:						
General Government Support	**6,021,360**	**11.22%**	5,623,894	11.68%	397,466	7.07%
Public Safety	**23,681,794**	**44.14%**	20,739,354	43.05%	2,942,440	14.19%
Transportation	**8,541,999**	**15.92%**	8,222,130	17.07%	319,869	3.89%
Economic Assistance	**94,760**	**0.18%**	134,500	0.28%	(39,740)	-29.55%
Culture and Recreation	**909,708**	**1.70%**	1,028,866	2.14%	(119,158)	-11.58%
Home & Community Service	**13,037,103**	**24.30%**	10,956,308	22.75%	2,080,795	18.99%
Interest Expense	**1,368,543**	**2.54%**	1,464,486	3.04%	(95,943)	-6.55%
Total Expenses	**53,655,267**	**100.00%**	48,169,538	100.00%	$ 5,485,729	11.39%
Increase/(Decrease) in Net Position	**$ (4,567,820)**		$ 1,214,890			

Management's Explanation of Changes

Expenses increased due to an increase in benefit costs, which was due to pension and OPEB actuarial calculations. Home and Community expenses also increased due to an increase in the Town water fund's share of expenses to Joint Water.

Governmental Funds Financial Analysis

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 usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the year.

The General Fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the General Fund was $1,888,286. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 32 percent of total General Fund expenditures.

At December 31, 2020, the governmental funds of the Town reported a combined fund balance of $20,337,268, a 4 percent increase over the prior year end. Included in this change in fund balance are decreases in the Water, Sewer, Capital and Non-Major Funds and increases in the General A, General B and Highway Funds.

General Fund Budgetary Highlights: During the year, the Town revised the General Fund budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental activities as of December 31, 2020, totaled $59,168,983 (net of accumulated depreciation). These assets include land, buildings, improvements, machinery and equipment, roads and infrastructure and vehicles.

Debt: As of December 31, 2020, the Town had total debt outstanding for its governmental activities of $39,803,000. The debt is backed by the full faith and credit of the Town. The Town's debt decreased overall by $3,304,000 during the 2020 year.

For more detailed information on capital assets and long-term debt, see the notes to the basic financial statements.

TOWN OF POUGHKEEPSIE, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 18,614,806
Restricted Cash	806,438
Accounts Receivable (Note I H)	2,508,652
Due from Other Governments	8,388,339
State and Federal Aid Receivable	310,670
Prepaid Expense	942,463
	31,571,368
NON-CURRENT ASSETS	
Capital Assets:	
Capital Assets, Not Being Depreciated	11,220,782
Capital Assets, Being Depreciated	47,948,201
Total Capital Assets, Net (Note V)	59,168,983
Investment in Joint Water Project (Note XII)	28,633,156
Total Assets	119,373,507
DEFERRED OUTFLOWS OF RESOURCES	
Pension (Note VI)	15,377,601
Total Deferred Outflows of Resources	15,377,601
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	134,751,108
LIABILITIES	
Accounts Payable	889,328
Accrued Expenditures	2,058,733
Due To Other Governments	410,057
Noncurrent Liabilities:	
Due and Payable Within One Year:	
Bonds Payable (Note IX)	3,394,000
Installment Purchase Obligations (Note IX)	268,882
Landfill Closure and Post Closure (Note IX)	23,300
Due and Payable More Than One Year:	
Bonds Payable (Note IX)	37,336,940
Installment Purchase Obligations (Note IX)	1,098,709
Landfill Closure and Post Closure (Note IX)	240,425
Compensated Absences (Note IX)	2,476,292
ERS Net Pension Liability-Proportionate Share (Note VI)	6,310,063
PFRS Net Pension Liability-Proportionate Share (Note VI)	14,484,301
Other Postemployment Benefits (Note VII)	98,970,573
Total Liabilities	167,961,603
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Other	13,115
Other Postemployment Benefits (Note VII)	1,172,563
Pension (Note VI)	706,499
Total Deferred Inflows of Resources	1,892,177
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	169,853,780
NET POSITION	
Net Investment in Capital Assets	22,415,452
Net Investment in Joint Water Project	23,288,156
Restricted	806,438
Unrestricted	(81,612,718)
Total Net Position	$ (35,102,672)

See accompanying notes to basic financial statements.

TOWN OF POUGHKEEPSIE, NEW YORK
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	$ (6,021,360)	$ 284,531	$ -	$ -	$ (5,736,829)
Public Safety	(23,681,794)	513,098	258,202	-	(22,910,494)
Transportation	(8,541,999)	-	-	483,762	(8,058,237)
Economic Assistance and Opportunity	(94,760)	-	-	-	(94,760)
Culture and Recreation	(909,708)	275,090	-	-	(634,618)
Home and Community Services	(13,037,103)	10,126,383	-	338,030	(2,572,690)
Interest Expense	(1,368,543)	-	-	-	(1,368,543)
Total Primary Government	$ (53,655,267)	$ 11,199,102	$ 258,202	$ 821,792	(41,376,171)
General Revenues:					
Real Property Taxes					28,130,561
Real Property Tax Items					1,224,435
Non Property Taxes					762,708
Tax Revenue Sharing					4,459,673
Use of Money and Property					833,724
Intergovernmental Charges					376,508
Sale of Property and Compensation for Loss					353,261
Miscellaneous					667,481
Total General Revenues					36,808,351
Change in Net Position					(4,567,820)
Net Position - Beginning					(29,895,023)
Cumulative Effect and Prior Period Adjustments (Note XVI)					(639,829)
Net Position - Beginning, as Restated					(30,534,852)
Net Position - Ending					$ (35,102,672)

See accompanying notes to the financial statements.

TOWN OF POUGHKEEPSIE, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General Fund A	General Fund B	Highway	Water	Sewer	Capital Projects	Debt Service	Non-Major Funds	Total Governmental Funds
ASSETS									
Cash and Cash Equivalents	$3,599,409	$5,506,028	$2,755,253	$1,916,384	$3,770,284	$ 349,438	$ 624,007	$ 94,003	$ 18,614,806
Restricted Cash	672,274	-	-	-	-	134,164	-	-	806,438
Receivables	69,168	252,042	6,722	1,198,285	979,158	-	-	3,277	2,508,652
Prepaid Expense	172,050	636,358	66,286	43,294	24,475	-	-	-	942,463
Due from Other Funds (Note IV)	43,219	27,128	522,795	1,913,117	153,483	679,030	100	79,586	3,418,458
Due from Other Governments	421,396	171,572	-	807	-	-	7,490,000	-	8,083,775
State and Federal Aid Receivable	-	-	-	-	310,670	-	-	-	310,670
Total Assets	$4,977,516	$6,593,128	$3,351,056	$5,071,887	$5,238,070	$1,162,632	$8,114,107	$ 176,866	$34,685,262
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts Payable	$ 308,361	$ 158,149	$ 72,066	$ 69,143	$ 161,031	$ 36,761	$ -	$ 83,817	$ 889,328
Accrued Expenditures	62,686	1,395,132	174,864	14,632	12,850	26,610	-		1,686,774
Due to Other Funds (Note IV)	1,483,530	29,890	723,503	-	543,591	513,663	-	124,281	3,418,458
Due to Other Governments	-	-	-	357,948	-	46,480	5,629	-	410,057
Deferred Revenues	13,115	-	-	223,456	216,806	-	7,490,000	-	7,943,377
Total Liabilities	1,867,692	1,583,171	970,433	665,179	934,278	623,514	7,495,629	208,098	14,347,994
Fund Balances:									
Nonspendable	172,050	636,358	66,286	43,294	24,475	-	-	-	942,463
Fund Balance - Restricted									
Reserves	212,500	-	-	-	-	134,164	-	-	346,664
Recreation	383,975	-	-	-	-	-	-	-	383,975
Drainage	75,799	-	-	-	-	-	-	-	75,799
Fund Balance - Assigned									
Assigned for Subsequent Year's Budget	150,000	150,000	75,000	100,000	400,000	-	-	-	875,000
Assigned for Fund Purposes	-	3,884,161	1,702,590	4,203,078	3,780,067	404,954	618,478	273,797	14,867,125
Assigned for Purchase Commitments	227,214	339,438	536,747	60,336	99,250	-	-	-	1,262,985
Fund Balance - Unassigned	1,888,286	-	-	-	-	-	-	(305,029)	1,583,257
Total Fund Balances	3,109,824	5,009,957	2,380,623	4,406,708	4,303,792	539,118	618,478	(31,232)	20,337,268
Total Liabilities and Fund Balances	$4,977,516	$6,593,128	$3,351,056	$5,071,887	$5,238,070	$1,162,632	$8,114,107	$ 176,866	$34,685,262

See accompanying notes to the financial statements.

TOWN OF POUGHKEEPSIE, NEW YORK
RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents	$ 18,614,806	$ -	$ -	$ 18,614,806
Restricted Cash	806,438	-	-	806,438
Receivables	2,508,652	-	-	2,508,652
Inventory	-	-	-	-
Prepaid Expense	942,463	-	-	942,463
Due from Other Funds	3,418,458	-	(3,418,458)	-
Due from Other Governments	8,083,775	304,564	-	8,388,339
State and Federal Aid Receivable	310,670	-	-	310,670
Investment in Joint Water Project	-	28,633,156	-	28,633,156
Capital Assets, Net	-	59,168,983	-	59,168,983
Deferred Outflows of Resources - Pension	-	15,377,601	-	15,377,601
Total Assets and Deferred Outflows	$ 34,685,262	$ 103,484,304	$ (3,418,458)	$ 134,751,108
LIABILITIES				
Accounts Payable	$ 889,328	$ -	$ -	$ 889,328
Accrued Expenditures	1,686,774	371,959	-	2,058,733
Bonds Premium Liability	-	927,940	-	927,940
Bonds Payable	-	39,803,000	-	39,803,000
Installment Obligations Payable	-	1,367,591	-	1,367,591
Due to Other Funds	3,418,458	-	(3,418,458)	-
Due to Other Governments	410,057	-	-	410,057
Deferred Revenues	7,943,377	(7,930,262)	-	13,115
Landfill Closure and Post Closure	-	263,725	-	263,725
Compensated Absences	-	2,476,292	-	2,476,292
ERS Net Pension Liability-Proportionate Share	-	6,310,063	-	6,310,063
PFRS Net Pension Liability-Proportionate Share	-	14,484,301	-	14,484,301
Other Postemployment Benefits	-	98,970,573	-	98,970,573
Deferred Inflows of Resources - OPEB	-	1,172,563	-	1,172,563
Deferred Inflows of Resources - Pension	-	706,499	-	706,499
Total Liabilities and Deferred Inflows	14,347,994	158,924,244	(3,418,458)	169,853,780
Total Fund Balances	20,337,268	(55,439,940)	-	(35,102,672)
Total Liabilities, Deferred Inflows and Fund Balances	$ 34,685,262	$ 103,484,304	$ (3,418,458)	$ 134,751,108

See accompanying notes to the financial statements.

TOWN OF POUGHKEEPSIE, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2020

	General Fund A	General Fund B	Highway	Water	Sewer	Capital Projects	Debt Service	Non-Major Funds	Total Governmental Funds
Revenues:									
Real Property Taxes	$3,607,537	$ 14,550,268	$6,825,491	$ 882,515	$ 1,283,250	$ -	$ -	$ 981,500	$28,130,561
Real Property Tax Items	221,459	892,368	-	67,194	1,728	-	-	41,686	1,224,435
Non Property Tax Items	-	3,873,338	-	-	-	-	-	-	3,873,338
Departmental Income	327,692	211,103	-	5,907,684	3,366,135	-	-	-	9,812,614
Intergovernmental Income	-	24,620	-	-	-	-	781,888	-	806,508
Use of Money and Property	171,147	373,776	49,999	82,202	156,600	-	-	-	833,724
Licenses and Permits	32,461	907,425	2,815	15,115	-	-	-	-	957,816
Fines and Forfeitures	439,121	650	-	-	-	-	-	-	439,771
Sale of Property and Compensation for Loss	37,463	273,373	58,755	8,429	1,986	-	-	-	380,006
Miscellaneous	71,226	370,802	77,510	59,165	107,622	-	-	-	686,325
State and Federal Aid	1,349,043	63,287	483,762	-	310,671	203,430	-	-	2,410,193
Total Revenues	6,257,149	21,541,010	7,498,332	7,022,304	5,227,992	203,430	781,888	1,023,186	49,555,291
Expenditures:									
General Government	3,302,173	401,654	59,367	82,957	80,780	-	-	33,770	3,960,701
Public Safety	-	10,675,513	-	-	-	210,768	-	-	10,886,281
Transportation	324,792	-	1,484,888	-	-	1,119,230	-	902,569	3,831,479
Economic Assistance and Opportunity	37,260	-	-	-	-	-	-	57,500	94,760
Culture and Recreation	593,735	-	-	-	-	-	-	-	593,735
Home and Community Services	58,513	537,276	-	5,368,751	3,693,952	1,033,585	-	-	10,692,077
Employee Benefits	1,198,332	7,678,931	1,060,513	755,198	544,104	-	-	-	11,237,078
Capital Outlay	195,623	519,463	1,872,227	138,263	947,645	388,188	-	-	4,061,409
Debt Service	277,872	-	2,027,470	882,503	752,618	-	781,888	37,697	4,760,048
Total Expenditures	5,988,300	19,812,837	6,504,465	7,227,672	6,019,099	2,751,771	781,888	1,031,536	50,117,568
Excess/(Deficiency) of Revenues Over Expenditures	268,849	1,728,173	993,867	(205,368)	(791,107)	(2,548,341)	-	(8,350)	(562,277)
Other Financing Sources/(Uses):									
Proceeds from Obligations	-	-	-	-	-	1,330,000	-	-	1,330,000
Operating Transfers In	20,000	-	-	-	104,000	-	-	-	124,000
Operating Transfers Out	-	-	-	(10,000)	(10,000)	(104,000)	-	-	(124,000)
Total Other Financing Sources/(Uses)	20,000	-	-	(10,000)	94,000	1,226,000	-	-	1,330,000
Change in Fund Balances	288,849	1,728,173	993,867	(215,368)	(697,107)	(1,322,341)	-	(8,350)	767,723
Fund Balances - Beginning	2,702,796	2,879,698	1,386,756	4,622,076	4,625,539	1,925,659	618,478	(22,882)	18,738,120
Prior Period Adjustment (Note XVI)	118,179	402,086	-	-	375,360	(64,200)	-	-	831,425
Fund Balances - Beginning, as Restated	2,820,975	3,281,784	1,386,756	4,622,076	5,000,899	1,861,459	618,478	(22,882)	19,569,545
Fund Balances - Ending	$3,109,824	$ 5,009,957	$2,380,623	$ 4,406,708	$ 4,303,792	$ 539,118	$ 618,478	$ (31,232)	$20,337,268

See accompanying notes to the financial statements.

TOWN OF POUGHKEEPSIE, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Transactions	Long-Term Debt	Reclassifications and Eliminations	Statement of Activities Totals
Revenues:						
Real Property Taxes	$ 28,130,561	$ -	$ -	$ -	$ -	$ 28,130,561
Real Property Tax Items	1,224,435	-	-	-	-	1,224,435
Non Property Tax Items	3,873,338	-	-	-	-	3,873,338
Departmental Income	9,812,614	(11,099)	-	-	-	9,801,515
Intergovernmental Income	806,508	(430,000)	-	-	-	376,508
Use of Money and Property	833,724	-	-	-	-	833,724
Licenses and Permits	957,816	-	-	-	-	957,816
Fines and Forfeitures	439,771	-	-	-	-	439,771
Sale of Property and Compensation for Loss	380,006	-	(26,745)	-	-	353,261
Miscellaneous	686,325	-	-	-	-	686,325
State and Federal Aid	2,410,193	-	-	-	-	2,410,193
Total Revenues	49,555,291	(441,099)	(26,745)	-	-	49,087,447
Expenditures:						
General Government	3,960,701	-	141,801	(33,720)	1,952,578	6,021,360
Public Safety	10,886,281	-	476,046	-	12,319,467	23,681,794
Transportation	3,831,479	196,268	2,552,015	-	1,962,237	8,541,999
Economic Assistance and Opportunity	94,760	-	-	-	-	94,760
Culture and Recreation	593,735	-	30,386	-	285,587	909,708
Home and Community Services	10,692,077	(117,638)	162,058	-	2,300,606	13,037,103
Employee Benefits	11,237,078	7,583,397	-	-	(18,820,475)	-
Capital Outlay	4,061,409	-	(4,061,409)	-	-	-
Debt Service	4,760,048	(87,505)	-	(3,304,000)	-	1,368,543
Total Expenditures	50,117,568	7,574,522	(699,103)	(3,337,720)	-	53,655,267
Excess/(Deficiency) of Revenues Over Expenditures	(562,277)	(8,015,621)	672,358	3,337,720	-	(4,567,820)
Other Financing Sources/(Uses):						
Proceeds from Obligations	1,330,000	-	-	(1,330,000)	-	-
Operating Transfers In	124,000	-	-	-	(124,000)	-
Operating Transfers Out	(124,000)	-	-	-	124,000	-
Total Other Financing Sources/(Uses)	1,330,000	-	-	(1,330,000)	-	-
Change in Fund Balances	$ 767,723	$ (8,015,621)	$ 672,358	$ 2,007,720	$ -	$ (4,567,820)

See accompanying notes to the financial statements.

TOWN OF POUGHKEEPSIE, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

		Custodial Fund
ASSETS		
Cash	$	243,849
Total Assets	$	243,849
NET POSITION		
Held in Trust	$	243,849

TOWN OF POUGHKEEPSIE, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2020

	Custodial Fund
REVENUES/EXPENSES:	
Revenue	$ 52,061
Expenses	37,415
Change in Net Position	14,646
Net Assets Held in Trust - Beginning	229,203
Net Assets Held in Trust - Ending	$ 243,849

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town of Poughkeepsie, New York (the "Town"), established in 1854, is governed by the laws of the State of New York (the "State") and various local laws. The Town Board is the legislative body responsible for overall operations. The Supervisor serves as the Chief Executive Officer and as the Chief Fiscal Officer.

The Town, for financial purposes, includes all of the funds relevant to the operations of the Town of Poughkeepsie, New York. The financial statements include organizations, functions and activities that are controlled by or dependent upon the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board. Under these criteria, no other entities are included in the Town's financial statements.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America for governmental units as established by the Governmental Accounting Standards Board ("GASB"). The notes to the financial statements are an integral part of the statements and are intended to be read with them.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the 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, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate fund financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *General Fund – Town Wide (A)* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *General Fund – Part-Town (B)* is used to record revenues and expenditures related to services provided to residents living outside the Village of Wappingers Falls, such as police protection, planning and zoning services. The General Fund – Part-Town is considered a major fund and is presented separately.

The *Highway Fund* is used to account for financial resources necessary to repair and maintain the roads within the Town.

The *Water Fund* is used to account for financial resources to be used for the operations and maintenance of the water districts within the Town.

The *Sewer Fund* is used to account for financial resources to be used for the operations and maintenance of the sewer districts within the Town.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. The principal source of financing is from the sale of bonds or bond anticipation notes.

The *Debt Service Fund* is used to account for accumulation of financial resources for, and the payment of, general long-term debt principal and interest.

Additionally, the Town reports the following non-major governmental funds:

The *Drainage Fund* is used to account for operation and maintenance transactions related to the Town's drainage district. Revenues are derived from special district assessments.

The *Lighting Fund* is used to account for operation and maintenance transactions related to the Town's lighting district. Revenues are derived from special district assessments.

The *Miscellaneous Fund* is used to account for financial resources necessary to support the business improvement district and ambulance fund within the Town.

Fiduciary Funds are used to report assets which are held in a trustee or custodial capacity and are, therefore, not available to support Town programs.

D. Pervasiveness of Estimates

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Budgetary Data

The Town's budget policies are as follows:

1. No later than October 5th, the budget officer submits a tentative budget to the Town Board for the year commencing the following January 1. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.

   a. After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20.

   b. All modifications of the budget must be approved by the Town Board; however, the Town Supervisor is authorized to transfer certain budgeted amounts within the departments.

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

F. Property Taxes

Town real property taxes are levied annually on January 1 and become a lien on that date. Taxes are collected during the period January 1 to January 31 at face value and from February 1 to May 31 with interest added. The Town's Receiver of Taxes collects all real estate taxes for Town and County purposes. The Town's Receiver distributes the collected tax money to the Town prior to distributing the remaining balance collected to the County on June 1. The Town thereby is assured of 100% tax collection. Responsibility for the collection of unpaid taxes rests with the County. Uncollected tax liens are sold annually by the County.

G. Cash and Investments

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. The Town's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

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

H. Accounts Receivable

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

I. Due To/From Other Funds

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. See Note IV for a schedule detailing the interfund balances.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

J. Inventories and Prepaid Items

Purchases of inventoriable items are recorded as expenditures in the Governmental Funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the Government-wide statements.

Prepaid items represent payments made by the Town for which benefits extend beyond year end.

K. Capital Assets

Capital assets are reported at historical cost. The Town depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of assets reported in the Government-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings and Improvements	$ 10,000	20 - 40 years
Improvements Other than Buildings	10,000	20 years
Machinery and Equipment	5,000 - 10,000	3 - 7 years

L. Infrastructure

The Town includes long-lived improvements to roads, property, and water systems as capital assets in the Government-wide statements. Infrastructure is reported at historical cost and is depreciated using the straight-line method over the estimated useful lives.

Capitalization thresholds and estimated useful lives for infrastructure are as follows:

	Threshold	Useful Life
Town Roads and Other Infrastruture	$ 10,000	15 - 100 years

M. Vested Employee Benefits

Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee may be entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations. A liability for accrued vacation and sick time is reflected in the Government-wide statements under the heading “Compensated Absences.” See Note IX.

The Town’s employees participate in the New York State Employees’ Retirement System and New York State Police and Fire Retirement System. See Note VI.

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town’s employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the Town. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as a governmental fund expenditure in the year paid. Substantially all of the Town’s employees may become eligible for these benefits if they reach normal retirement age and at least 20 years of service while working for the Town. See Note VII.

N. Unemployment Insurance

Town employees are covered by unemployment insurance. The Town has chosen to discharge its liability to the New York State Unemployment Insurance Fund by means of the benefit reimbursement method. This is a dollar-for-dollar reimbursement to the Unemployment Insurance Fund for the benefits paid to former employees and charged to the Town’s account. The Town is exempt from federal unemployment insurance tax.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

O. Deferred Compensation

The Town, through the New York State Deferred Compensation Board, offers its employees a Deferred Compensation Plan ("the Plan") created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not contribute to this plan.

P. Risk Retention

The Town assumes the liability for most risk including, but not limited to, property damage and personal injury liability. The Town purchases commercial insurance to mitigate these risks, subject to certain deductibles. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated.

Q. Equity Classification

1. Government-wide Statements

Equity is defined as net position and displayed in three components:

- Net Investment in Capital Assets

  Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted Net Position

  Consists of net position with constraints placed on the use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

- Unrestricted Net Position

  The remaining portion of net position that does not meet the definition of "restricted" or "net investment in capital assets."

2. Fund Financial Statements

Equity is defined as fund balance and displayed in five fund balance classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in the governmental funds:

Non-spendable:
Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are non-spendable assets because, by definition, the money has already been spent.

Restricted:
Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation.

Various New York State statutes allow local governments to establish reserve funds for various purposes.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Q. Equity Classification – continued

2. Fund Financial Statements - Continued

Committed:
Amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority (the Town Board) before the end of the year. The same level of formal action is required to remove the constraint.

Assigned:
Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority or by its designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund. In funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

Unassigned:
Represents the residual amount of fund balance in the General Fund. In funds other than the General Fund, this classification should only be used to report a deficit balance.

3. Restricted Resources
When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Town's policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements. Similarly, when an expenditure is incurred for which multiple classifications of fund balance are available, the Town's policy is to apply fund balance in the following order: restricted, committed, assigned, unassigned.

R. Interfund Transfers

The operations of the Town give rise to certain transactions between funds, including transfers to provide services and construct assets. Interfund transfers within fund categories are eliminated for the Statement of Activities. A detailed description of the individual fund transfers that occurred during the year is provided in Note IV.

S. Subsequent Events

Management has evaluated subsequent events from December 31, 2020, through November 8, 2021, the date on which the financial statements were available to be issued.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the governmental funds.

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

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

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Funds Balance Sheet and Net Position reported on the Statement of Net Position.

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS - CONTINUED

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities - Continued

(1) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Town as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Original Cost of Capital Assets	$ 165,064,550
Accumulated Depreciation	(105,895,567)
Capital Assets, Net	$ 59,168,983

(2) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) for the Town's investment in the Joint Water Project financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes the investment in the Joint Water Project among the assets of the Town as a whole, with their original costs capitalized and depreciation expensed annually over their useful lives.

Investment in the Joint Water Project	$ 28,633,156

(3) Interest payable is recognized in the government-wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at December 31, 2020	$ (371,959)

(4) The governmental funds do not include long-term liabilities because they are not due and payable in the current period. However, these liabilities are reported in the Statement of Net Position because they represent economic liabilities. Balances at year end were:

Bonds and Installment Obligations Payable	$ (41,170,591)
Bond Premium Liability	(927,940)
Compensated Absences Payable	(2,476,292)
ERS & PFRS Pension Liability-Proportionate Share	(20,794,364)
Other Postemployment Benefits	(98,970,573)
Landfill Closure and Post Closure Liability	(263,725)
	$ (164,603,485)

(5) The governmental funds do not include long-term assets because they are not receivable in the current period. However, these are reported in the Statement of Net Position because they represent economic assets. Additions to balances at year end were:

Due from Other Governments	$ 304,564

(6) Certain revenues are deferred in the governmental funds because they are not expected to be received within 60 days of year end. However, they are recognized as revenues in the Statement of Activities when they are earned.

Deferred Revenues	$ 7,930,262

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS - CONTINUED

A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities - Continued

(7) Deferred outflows and inflows are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year end were:

Deferred Outflows - Pensions	$ 15,377,601
Deferred Inflows - Other Postemployment benefits	$ (1,172,563)
Deferred Inflows - Pensions	(706,499)
	$ (1,879,062)

B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

- Long-term revenue differences arise because governmental funds report revenues only when they are considered "available," whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.

- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

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

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the statement of activities.

Total Revenues and Other Funding Sources

Total revenues reported in governmental funds	$ 49,555,291
Water and Sewer billings are recognized in the entity-wide statements under full accrual accounting, whereas they are recognized when measurable and available in the governmental fund statements. This is the amount by which deferred water and sewer billings for the current year were more than the deferred water and sewer billings for the prior year.	141,183
Joint Water negotiated revenue settlement receipt	(152,282)
The loss on disposal of a fixed asset reduced the sale of property revenue amount.	(26,745)
Debt Service Payments from the Library are recognized in the entity-wide statements under full accrual accounting, whereas they are recognized when measureable and available in the governmental fund statements. This is the amount by which the December 31, 2020 receivable amount decreased over the prior year.	(430,000)
Total expenses reported in the Statement of Activities	$ 49,087,447

II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS - CONTINUED

B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities - Continued

Total Expenditures/Expenses	
Total expenditures reported in governmental funds	$ 50,117,568
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which the liability for compensated absences increased during the year. During 2020, a prior period adjustment was posted for $402,085 to reduce the liability at the fund level. See Note IX.	793,665
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the actuarially determined present value of projected benefit payments to be provided to current and retired employees. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the change in the present value exceeded the amount of financial resources used during the year.	2,884,925
In the Statement of Activities, pension expense related to ERS and PFRS defined benefit plans is measured as the change in the Town's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds, however, these expenditures are recognized as the sum of (1) amounts paid by the employer to the pension plan, and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which pension expense was greater then the amount of financial resources expended during the year.	3,904,807
Interest payable is recognized in the government-wide statements under full accrual accounting, whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the prior year exceeds the interest payable for the current year.	(25,615)
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of $4,061,409 exceeded depreciation expense of $3,362,306 in the current year.	(699,103)
Repayment of bond and BAN principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.	(3,304,000)
Other expenses are recognized in the government-wide statements under full accrual accounting, whereas they are recognized when paid in the governmental fund statements.	(16,980)
Total expenses reported in the Statement of Activities	$ 53,655,267

III. CASH

At December 31, 2020, the carrying amount of the Town's deposits (cash, certificates of deposit and interest-bearing savings accounts) was $19,663,018 and the bank balance was $20,091,859, which excludes petty cash. The Town's deposits at December 31, 2020, and during the year then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Town's agent bank in the Town's name. Petty cash is included in Cash and Cash Equivalents and totaled $2,075 at year end.

IV. INTERFUND ACTIVITY

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

FUND	INTERFUND RECEIVABLE	INTERFUND PAYABLE
General A	$ 43,219	$ 1,483,530
General B	27,128	29,890
Highway	522,795	723,503
Water	1,913,117	-
Sewer	153,483	543,591
Debt Service	100	-
Capital Projects	679,030	513,663
Non-Major	79,586	124,281
Total	$ 3,418,458	$ 3,418,458

Interfund transfers were as follows for the year ended December 31, 2020:

FUND	INTERFUND TRANSFERS IN	INTERFUND TRANSFERS OUT
General A	$ 20,000	$ -
Water	-	(10,000)
Sewer	104,000	(10,000)
Capital Projects	-	(104,000)
Total	$ 124,000	$ (124,000)

Interfund transfers were made for the following purposes:

- Water and Sewer transfers to General were for auto center repairs and maintenance on their vehicles.
- Capital Projects transfers to Sewer were for EFC restricted cash.

V. CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2020 were as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Reclassification	Ending Balance
Capital Assets, Not Being Depreciated:					
Land	$ 10,702,283	$ -	$ -	$ -	$ 10,702,283
Construction in Progress	391,677	609,311	-	(482,489)	518,499
Total Capital Assets, Not Being Depreciated:	11,093,960	609,311	-	(482,489)	11,220,782
Capital Assets, Being Depreciated:					
Buildings and Improvements	15,319,063	-	-	-	15,319,063
Town Roads and Other Infrastruture	116,016,300	764,099	-	-	116,780,399
Improvements Other than Buildings	2,233,836	176,000	-	482,489	2,892,325
Machinery and Equipment	16,691,999	2,511,999	(352,017)	-	18,851,981
Total Capital Assets, Being Depreciated:	150,261,198	3,452,098	(352,017)	482,489	153,843,768
Accumulated Depreciation for:					
Buildings and Improvements	(10,749,399)	(302,110)	-	-	(11,051,509)
Town Roads and Other Infrastruture	(76,765,391)	(2,349,442)	-	-	(79,114,833)
Improvements Other than Buildings	(1,980,427)	(19,787)	-	-	(2,000,214)
Machinery and Equipment	(13,363,316)	(690,967)	325,272	-	(13,729,011)
Total Accumulated Depreciation	(102,858,533)	(3,362,306)	325,272	-	(105,895,567)
Total Capital Assets, Being Depreciated, Net	47,402,665	89,792	(26,745)	482,489	47,948,201
Governmental Activities Capital Assets, Net	$ 58,496,625	$ 699,103	$ (26,745)	$ -	$ 59,168,983

Depreciation was charged to governmental activities as follows:

General Government Support	$ 141,801
Public Safety	476,046
Transportation	2,552,015
Home and Community	162,058
Culture and Recreation	30,386
Total Depreciation Expense	**$ 3,362,306**

VI. PENSION PLANS

Plan Description

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"). These are cost-sharing multiple-employer retirement systems (the "Systems"). The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policy

The Systems are noncontributory except for Tier 3, 4, 5 and 6 employees who joined ERS after July 27, 1976, who contribute 3% to 6% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates, expressed as proportions of member payroll and employer contributions, used in computing the contributions required to be made by employers to the pension accumulation fund. An Eligible Tier 3 or 4 member with ten or more years of membership, or ten years credited service, will not be required to contribute to ERS. Tier 5 and 6 members must continue to contribute throughout their employment.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

Plan Year Ended March 31	ERS	PFRS
2020	$ 1,031,727	$ 2,224,198
2019	$ 969,599	$ 2,122,496
2018	$ 1,001,455	$ 2,264,251

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

At December 31, 2020, the Town reported liabilities of $6,310,063 and $14,484,301 for its proportionate share of the net pension liability for each of the Systems. The net pension liability was measured as of March 31, 2020 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the Systems relative to the projected contributions of all participating members, as actuarially determined. This information was provided to the Town by the ERS and PFRS Systems.

At March 31, 2020, the Town's proportion of the ERS net pension liability was .0238290 %. At March 31, 2019, the Town's proportion of the ERS net pension liability was .02313080%.

At March 31, 2020, the Town's proportion of the PFRS net pension liability was .2709910%. At March 31, 2019, the Town's proportion of the PFRS net pension liability was .26184930%.

VI. PENSION PLANS – CONTINUED

For the year ended December 31, 2020 the Town recognized pension expense of $2,225,213 for ERS and $5,058,389 for PFRS. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions for the following sources:

	Deferred Outflows or Resources		
	ERS	PFRS	Total
Differences between expected and actual experience	$ 371,373	$ 964,502	$ 1,335,875
Changes of assumptions	127,055	1,238,057	1,365,112
Net difference between projected and actual earnings on pension plan investments	3,234,845	6,522,736	9,757,581
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	224,597	129,759	354,356
Town's contributions subsequent to the measurement date	782,462	1,782,215	2,564,677
Total	$ 4,740,332	$ 10,637,269	$ 15,377,601

	Deferred Inflows or Resources		
	ERS	PFRS	Total
Differences between expected and actual experience	$ -	$ 242,610	$ 242,610
Changes of assumptions	109,710	-	109,710
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	21,215	332,964	354,179
Total	$ 130,925	$ 575,574	$ 706,499

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

Year Ended:	ERS	PFRS
2021	$ 679,511	$ 1,754,446
2022	973,550	1,927,755
2023	1,204,911	2,448,137
2024	968,973	2,049,854
2025	-	99,288
	$ 3,826,945	$ 8,279,480

VI. PENSION PLANS – CONTINUED

Actuarial Assumptions

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

Significant actuarial assumptions used in the valuations were as follows:

	ERS	PFRS
Measurement Date	March 31, 2020	March 31, 2020
Investment Rate of Return	6.8% compounded annually net of investment expense	6.8% compounded annually net of investment expense
Projected Salary Increases	4.2%	5.0%
Decrement Tables	April 1, 2010 - March 31, 2015 System's Experience	April 1, 2010 - March 31, 2015 System's Experience
Inflation Rate	2.50%	2.50%
Mortality Improvement	Society of Actuaries Scale MP - 2018	Society of Actuaries Scale MP - 2018

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation for both retirement systems are summarized below:

	ERS and PFRS	
Measurement Date	March 31, 2020	
Asset Class:	**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%	0.00%
Inflation-indexed Bonds	4%	0.50%
	100%	

VI. PENSION PLANS – CONTINUED

Discount Rate

The discount rate used to calculate the total pension liability was 6.8% for ERS and 6.8% for PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the ERS and PFRS net pension liabilities calculated using the discount rates referred to above, as well as what the Town's proportionate share of each net pension asset/(liability) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate referred to above:

ERS	1% Decrease 5.80%	Current Assumption 6.80%	1% Increase 7.80%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$(11,580,748)	$ (6,310,063)	$ (1,455,741)

PFRS	1% Decrease 5.80%	Current Assumption 6.80%	1% Increase 7.80%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	$(25,898,226)	$(14,484,301)	$ (4,262,874)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2020, were as follows:

	(Dollars in Thousands)	
	ERS	PFRS
Measurement Date	March 31, 2020	March 31, 2020
Employers' total pension liability	$ (194,596,261)	$ (35,309,017)
Plan net position	168,115,682	29,964,080
Employers' net pension asset/(liability)	$ (26,480,579)	$ (5,344,937)
Ratio of plan net position to the employers' total pension asset/(liability)	86.39%	84.86%

Payables to the Pension Plan

For ERS, employer contributions for the plan year ended March 31, 2021 were paid to the System in December 2020. Prepaid retirement contributions as of December 31, 2020, amounted to $260,822.

For PFRS, employer contributions for the plan year ended March 31, 2021 were paid to the System in December 2020. Prepaid retirement contributions as of December 31, 2020 amounted to $594,071.

VII. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts and human resource policies. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements. A trust that meets the criteria in paragraph 4 of GASB Statement 75 has not been established.

Benefits Provided

The Town's OPEB plan subsidizes the cost of healthcare to eligible retired employees and their spouses and dependent children. Eligibility is based on the respective rules of ERS as well as the provisions of the Town's agreements with its employees. The following eligibility rules current apply to the Town's employees:

- CSEA: eligibility for retirement under ERS; 10 years of Town service
- Staff: eligibility for retirement under ERS; 10 years of Town service
- Police: eligibility for retirement under ERS; upon hiring by the Town

Medical and prescription drug benefits are offered to retirees on a Town-subsidized basis. Upon attaining age 65 or upon disability retirement, Medicare (Parts A and B) becomes the primary provider for hospital insurance and supplementary medical insurance, with the Town's plan providing an additional layer of coverage. The Town reimburses Medicare Part B premiums for retirees and their spouses, and those of surviving spouses.

The benefit terms are dependent on which contract covers each employee. Contribution rates for new retirees are as follows:

				Town Contributions (Fixed)				Reimburse Part B Premium		
Group	Provider Options	Years of Service		Individual	Spouse	Individual and Children	Family	Individual	Spouse	Surviving Spouse
Non-Union & CSEA	Empire (NYSHIP)	0 - 10	under 65	$ -	N/A	N/A	$ -	Y	Y	Y
		0 - 10	over 65	-	N/A	N/A	-			
		10 - 19	under 65	362	N/A	N/A	837			
		10 - 19	over 65	137	N/A	N/A	611			
		20 - 29	under 65	517	N/A	N/A	1,195			
		20 - 29	over 65	196	N/A	N/A	874			
		30 +	under 65	828	N/A	N/A	1,912			
		30 +	over 65	313	N/A	N/A	1,398			
Police	Empire (NYSHIP)	0 - 30+	under 65	1,034	N/A	N/A	2,388	Y	Y	Y
			over 65	391	N/A	N/A	1,747			
Non-Union & CSEA	MVP HMO	0 - 10	under 65	-	-	-	-	Y	Y	Y
		10 - 19	under 65	382	878	878	936			
		20 - 29	under 65	546	1,255	1,255	1,337			
		30 +	under 65	873	2,008	2,008	2,139			
Police	MVP HMO	0 - 30+	under 65	1,091	2,510	2,510	2,674	Y	Y	Y
Non-Union & CSEA	MVP POS	0 - 10	under 65	-	-	-	-	Y	Y	Y
		10 - 19	under 65	462	925	925	1,202			
		20 - 29	under 65	660	1,321	1,321	1,717			
		30 +	under 65	1,057	2,113	2,113	2,747			
Police	MVP POS	0 - 30+	under 65	1,321	2,642	2,642	3,434	Y	Y	Y
Non-Union & CSEA	MVP Post-65	0 - 10	over 65	-	N/A	N/A	N/A	Y	Y	Y
		10 - 19	over 65	137	N/A	N/A	N/A			
		20 - 29	over 65	196	N/A	N/A	N/A			
		30 +	over 65	313	N/A	N/A	N/A			
Police	MVP Post-65	0 - 30+	over 65	391	N/A	N/A	N/A	Y	Y	Y

The Town's contribution is equivalent to the portion of health insurance premiums paid that are allocated to retirees, net of their contributions, estimated to be $2,454,400 during the year ended December 31, 2020.

VII. OTHER POSTEMPLOYMENT BENEFITS - CONTINUED

Employees Covered by Benefit Terms

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

Active employees	187
Retired	123
Total employees covered by benefit terms	310

Total OPEB Liability

The Town obtained an actuarial valuation report as of December 31, 2020. The liability for other postemployment benefits was measured as of December 31, 2020 and totaled $98,970,573.

Actuarial Assumptions and Other Inputs

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

Inflation Rate	Not Applicable
Projected Salary Increases, Including Wage Inflation	Not Applicable
Discount Rate	2.02%
Healthcare Cost Trend Rates	Pre-65: 7.0% for 2022, decreasing 0.5% per year to an ultimate rate of 4.5% for 2026 and later years Post-65: Same
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

- The discount rate was based on an average of three 20 year bond indices as of December 31, 2020.
- Mortality rates used were the RP 2014 Healthy Male and Female Tables based on the Employee and Annuitant Table for both pre and post-retirement with adjustments for mortality improvements based on the SOA Scale MP-2019.
- The actuarial assumptions pertaining to turnover, disability and rate of retirement used in the valuation for the year ended December 31, 2020 are based on tables and assumptions used by the NYS Employees Retirement and Police and Fire Retirement Systems released in 2015.

OPEB expense and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Town recognized OPEB expense of $5,339,325. At December 31, 2020, the Town reported the following deferred inflows of resources related to OPEB.

	Deferred Inflows of Resources
Changes of Assumptions or Other Inputs	$ (1,172,563)
Total	$ (1,172,563)

VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2021. Other amounts recognized in the deferred inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

For Year Ending December 31,	Amount
2021	$ 193,172
2022	193,172
2023	193,172
2024	193,172
2025	193,172
Thereafter	(2,138,423)
	$ (1,172,563)

Changes in the Total OPEB Liability during the year ended December 31, 2020:

Balance - Beginning	$ 117,855,761
Changes for the Year:	
Service Cost	1,649,817
Interest	2,355,897
Changes in Assumptions	(20,436,502)
Benefit Payments	(2,454,400)
Net Changes	(18,885,188)
Balance - Ending	$ 98,970,573

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

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

	1% Decrease 1.02%	Discount Rate 2.02%	1% Increase 3.02%
Total OPEB Liability	$ 123,828,992	$ 98,970,573	$ 80,894,594

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

The following table 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 healthcare cost trend rate that is 1 percentage point lower or higher than the healthcare cost trend rate.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	$ 79,890,492	$ 98,970,573	$ 125,392,100

VIII. SHORT-TERM DEBT

State law requires that Bond Anticipation Notes ("BANs") issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The Town did not have any outstanding bond anticipation notes as of December 31, 2020.

IX. LONG-TERM LIABILITIES

Long-term liability balances and activity for the year are summarized below:

FUND	BALANCE JANUARY 1, 2020	ISSUED/ EARNED	REDEEMED/ PAID	BALANCE DECEMBER 31, 2020	AMOUNTS DUE WITHIN ONE YEAR
Bonds Payable	$ 43,107,000	$ -	$ (3,304,000)	$ 39,803,000	$ 3,394,000
Bonds Premium Liability	989,830	-	(61,890)	927,940	-
Subtotal	44,096,830	-	(3,365,890)	40,730,940	3,394,000
Installment Purchase Obligations	71,311	1,330,000	(33,720)	1,367,591	268,882
Compensated Absences	2,084,712	793,665	(402,085) *	2,476,292	-
Landfill Closure and Post Closure	254,488	9,237	-	263,725	23,300
Net Pension Liability	6,030,263	14,764,101	-	20,794,364	-
Other Postemployment Benefits	117,855,761	-	(18,885,188)	98,970,573	-
Totals	$170,393,365	$ 16,897,003	$ (22,686,883)	$ 164,603,485	$ 3,686,182

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the Statement of Net Position.

*During 2020, the Town posted a prior period adjustment to write-off a compensated absence accrual of $402,085 at the fund level. This amount is included in the January 1, 2020 balance noted above.

Long-term Debt

The Town borrows money for various purposes, including acquiring land and equipment or constructing buildings and improvements. This borrowing enables the cost of these capital assets to be borne by the present and future taxpayers who benefit from the capital assets. The debt is backed by the full faith and credit of the Town.

At December 31, 2020 the total long-term bond principal indebtedness outstanding of the Town, was $39,803,000. See Schedule of Indebtedness.

Interest expense incurred on long-term debt during the year was:

Interest Paid	$1,456,048
Less: Interest accrued - prior year	(397,574)
Plus: Interest accrued - current year	371,959
Less: Bond Premium Amortization	(61,890)
	$1,368,543

IX. LONG-TERM LIABILITIES – CONTINUED

The following is a summary of the maturity of long-term indebtedness:

DECEMBER 31,	PRINCIPAL	INTEREST	TOTAL
2021	$ 3,394,000	$ 1,341,899	$ 4,735,899
2022	3,454,000	1,225,512	4,679,512
2023	3,092,000	1,115,182	4,207,182
2024	2,432,000	1,008,638	3,440,638
2025	2,492,000	931,376	3,423,376
2026-2030	11,194,000	3,423,582	14,617,582
2031-2035	5,430,000	2,007,144	7,437,144
2035-2040	3,800,000	1,237,857	5,037,857
2041-2045	3,135,000	622,883	3,757,883
2046-2047	1,380,000	72,745	1,452,745
Total	**$ 39,803,000**	**$ 12,986,818**	**$ 52,789,818**

Capital Lease Program

The Town has entered into capital leases for a phone system, highway vehicles and certain hardware and software with a total asset cost of $2,386,347 with accumulated amortization of $1,021,413. Amortization expense of capital lease assets is included in depreciation expense. These leases are considered to be capital leases for accounting purposes, wherein, at the end of the lease the Town may purchase the asset for a nominal amount. At December 31, 2020, the annual capital lease principal and interest payments are as follows:

YEAR ENDING DECEMBER 31,	PAYMENTS
2021	$ 284,327
2022	246,637
2023	246,637
2024	161,672
2025	161,672
Thereafter	323,343
Total Minimum Lease Payments	1,424,288
Less: Amount Representing Interest	(56,697)
Present Value of Minimum Lease Payments	$1,367,591

X. OPERATING LEASES

The Town leases office equipment and communication equipment. The total minimum rental commitment at December 31, 2020, under the leases mentioned above, is due during the following fiscal years:

YEAR ENDING DECEMBER 31,	PAYMENTS
2021	$ 173,487
2022	164,957
2023	85,697
2024	80,335
2025	67,284
Thereafter	21,247
Total Minimum Lease Payments	$ 593,007

Rental expense included in the Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended December 31, 2020 related to the leases mentioned above was $176,522.

XI. RENTAL INCOME

The Town has agreements with various organizations for the rental of part of the Town's building and for the rental of land and antenna space. Rental income totaled $297,307 for the year ended December 31, 2020. Minimum future rental income is as follows:

YEAR ENDING DECEMBER 31,	RENTAL INCOME
2021	$ 305,550
2022	275,941
2023	177,864
2024	182,823
2025	187,922
Thereafter	84,066
Total Minimum Rental Income	$1,214,166

XII. JOINT VENTURES

The following activities have been undertaken by the Town jointly with other municipalities. These activities are excluded from the financial statements of the Town. Separate financial statements are issued for these joint ventures.

Tri-Municipal Sewer Commission

In 1975, the Town joined with the Village of Wappingers Falls and the Towns of Wappinger and LaGrange to construct and operate an inter-municipal sewer treatment system. In 1982, the Towns of Wappinger and LaGrange elected to discontinue participation in the system, and the Town of Poughkeepsie and the Village of Wappingers Falls continued joint construction and operation of the system under the name, Tri-Municipal Sewer Commission.

Operation and maintenance costs are allocated between the parties based on waste flow. For the year ended December 31, 2020, the Town incurred costs of $223,467 for its share of operation and maintenance costs. The Town is also allocated a share of capital improvement costs based on design flow. For the year ended December 31, 2020, the Town incurred no additional costs for its share of capital improvements.

The following is a summary of unaudited financial information at December 31, 2020, included in the financial statements issued for this joint venture. A copy of the Commission's financial statements can be obtained from the Tri-Municipal Sewer Commission.

Total Assets (Excluding Fixed Assets)	$ 1,453,696
Total Liabilities	$ 839,834
Joint Venture Equity	$ 613,862
Total Revenues	$ 1,803,047
Total Expenditures	$ 1,614,414
Total Fixed Assets	$ 43,810,376

XII. JOINT VENTURES – CONTINUED

Poughkeepsie Joint Water Project

In August 1995, the Town entered into an inter-municipal agreement with the City of Poughkeepsie to provide for the planning, design, technological enhancement, construction or expansion, and operation and maintenance of the above named water treatment facility. This agreement amends and supersedes an agreement dated October 11, 1991, covering a joint water project. Under the terms of the 1995 agreement, the Town obtained an one-half interest in the City's Water treatment plant; the Town would finance studies for and upgrades and/or expansions to the plant to increase capacity; the Town would pay 50% of the cost to design and build an aluminum sludge treatment plant; and the Town would pay for administrative costs related to obtaining approvals to enable the project to proceed. The agreement also provided for the creation of a joint board to administer planning, design, construction, as well as operations and maintenance of the facility. It is made up of three members from each municipality. Water rates for each municipality are also described in the agreement. Operations as a joint venture began in 1996.

The following is a summary of financial information included in financial statements issued for the joint venture. These financial statements are issued separately and can be obtained from the Joint Water Project at 62 Civic Center Plaza, Poughkeepsie, NY 12601.

	Balances at December 31, 2020*
Total Assets (Excluding Fixed Assets)	$ 4,323,322
Total Liabilities	$ 4,323,322
Joint Venture Equity	$ 29,364,497
Total Revenues	$ 5,213,710
Total Expenditures	$ 5,213,710
Total Fixed Assets, Net of Depreciation	$ 29,364,497

*Information obtained from the joint venture's Annual Financial Report for the year ended December 31, 2020 as the audited financial statement for the year ended December 31, 2020 was not available as of report date.

The Town's share of operating expenditures amounted to $3,499,477, and its share of third party revenues amounted to $1,098,695, resulting in a net cost of water provided by the Joint Water Project to be $2,400,782, which is recorded in the Water Fund - Home and Community Service. Included in Due to Other Governments is $357,948 representing the balance due to the Joint Water Board for operations, including prior year adjustments. As a result of settling differences in interpretations of the Memorandum of Agreement between the Town and the City of Poughkeepsie regarding third party revenues, the Town is due an additional $304,564, payable in annual installments of $152,282 through 2022.

As part of the Joint Project agreement described above, the Town has committed to financing studies and a portion of construction costs related to expansions of the Joint Water treatment facility. The current expansion project's total construction costs approximate $19,363,000 with $11,232,000 being financed by the Town and $8,131,000 being financed by the City of Poughkeepsie. The Town has issued serial bonds to fund this commitment. The project is expected to be completed and final payments made in 2021. As of December 31, 2020, the outstanding serial bond balances total $5,345,000.

The Town has presented its investment in the Joint Venture in the Statement of Net Assets as $28,633,156, representing the Town's capital expenditures to date, and the amount of net assets invested in the Joint Venture, net of outstanding debt as $23,288,156.

XII. JOINT VENTURES – CONTINUED

Poughkeepsie-Wappingers-LaGrange Joint Landfill

The Town has shared in the monitoring costs of a closed landfill, the Poughkeepsie-Wappinger-LaGrange Joint Landfill. This joint activity includes the City and Town of Poughkeepsie, New York, the Village of Wappingers Falls, New York, the Town of LaGrange, New York and the Town of Wappinger, New York. All costs associated with monitoring are recognized as incurred.

The following is a summary of unaudited financial information at December 31, 2020, which is included in the separate financial statements available from the Joint Landfill Board of Governors c/o Town of Poughkeepsie, Poughkeepsie, New York, 12603.

Total Assets	$	33,600
Total Liabilities	$	-
Total Venture Equity	$	33,600
Total Revenues	$	12,087
Total Expenditures	$	16,067

XIII. CONTINGENCIES

Grant Funding
The Town has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, Town administration believes disallowances, if any, will be immaterial.

Certiorari Proceedings
Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Property taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable.

Judgments and Claims
A few claims against the Town are presently pending for miscellaneous matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town.

XIV. ECONOMIC DEPENDENCY

The Town receives approximately 10% of its real property taxes from ten corporate taxpayers. A significant reduction in these corporate taxpayers' real property taxes could have a significant impact on the Town's programs and services.

XV. PROPERTY TAX ABATEMENTS

The Town has 7 real property tax abatement agreements entered into by the Town under Article 18-A of the real property law. These agreements provide for abatement of real property taxes in exchange for a payment in lieu of taxes ("PILOT") in compliance with RPTL 412-A, Article V & XI of the Private Housing Finance Law, Title I of Article 18-A of NYS GML Exemption Policy. In accordance with this policy, the Town of Poughkeepsie and the Dutchess County IDA grant PILOTs for various activities, such as new construction, purchasing of an existing facility, or the improvement or expansion of an existing facility.

XV. PROPERTY TAX ABATEMENTS - CONTINUED

The following provides information related to the PILOT agreements in effect for the year ended December 31, 2020:

Start Date	Agreement	Taxable Assessed Value	Tax Rate	Tax Value	Pilot Received	Taxes Abated
2012	IBM	$ 109,779,000	10.0200	$ 1,099,986	$ 934,015	$ 165,971
2014	Taylor	1,450,000	10.0200	$ 14,529	13,906	$ 623
2016	Tinkleman	4,007,000	10.0200	$ 40,150	22,757	$ 17,393
2014	6 Neptune	2,505,000	10.0200	$ 25,100	6,467	$ 18,633
2014	2 Neptune	2,549,000	10.0200	$ 25,541	9,212	$ 16,329
2016	2275 South Road	485,000	10.0200	$ 4,860	7,086	$ (2,226)
2015	Lutheran Care	1,577,000	10.0200	$ 15,802	9,534	$ 6,268

XVI. CUMMULATIVE EFFECT AND PRIOR PERIOD ADJUSTMENTS

The Town implemented GASB 84, *Fiduciary Activities*, in 2020. As a result, the Town recorded a cumulative effect adjustment, increasing beginning fund balance and beginning net position as described below. Additionally, for the year ended December 31, 2020, there were various corrections for prior year's expenses and revenues. The Town's net position has been restated as follows:

Net Position Beginning of Year	$(29,895,023)
Cumulative Effect Adjustment GASB 84 Implementation:	
Change to General Fund	24,774
Change to Sewer Fund	311,163
Prior Period Adjustments:	
Adjustment for OPEB (government-wide only)	(1,471,254)
Adjustment for Liability Over Accrual in Prior Years	402,086
Adjustment for Under Accrual of State Aid in Previous Year	93,402
Prior Period Adjustments	(639,829)
Net Position Beginning of Year, as Restated	$(30,534,852)

XVII. UNCERTAINTY

Beginning in March 2020, local, U.S., and world governments encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. There is unprecedented uncertainty surrounding the duration of the pandemic and its long-term economic ramifications. Accordingly, while management cannot quantify the financial and any other impacts to the Town as of November 8, 2021, management does believe that a material impact on the Town's financial position and results of future operations is reasonably possible.

XVIII. SUBSEQUENT EVENTS

In July 2021, the Town received $2,202,693 of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act of 2021. The Town is scheduled to receive a second installment of $2,202,693, in 2022.

XIX. NEW ACCOUNTING PRINCIPLES

In January of 2017, GASB issued Statement No. 84*, Fiduciary Activities*. The objective of Statement No.84 is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The Town implemented this standard for the year ended December 31, 2020.

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town is required to implement this standard for year ending December 31, 2022. The Town has not evaluated the effect of GASB 87 on its financial statements.

In March 2018, GASB issued Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The Town implemented GASB 88 for the year ended December 31, 2020.

GASB has also issued Statements 86, 89 through 94, 96 and 97 none of which are expected to have any substantive effects on the Town’s net position. GASB Statement 95 extended the implementation date of several standards. The dates above are reflective of those changes.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF CHANGES IN THE TOTAL OTHER POSTEMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS

Total OPEB Liability	12/31/20	12/31/19	12/31/18
Service Cost	$ 1,649,817	$ 1,014,475	$ 803,812
Interest	2,355,897	3,325,861	3,445,833
Changes in Assumptions or Other Inputs	(20,436,502)	22,068,804	-
Benefit Payments	(2,454,400)	(2,338,890)	(2,287,891)
Net Change in Total OPEB Liability	(18,885,188)	24,070,250	1,961,754
Total OPEB liability - beginning	117,855,761	93,785,511	91,823,757
Total OPEB liability - ending ("a")	$ 98,970,573	$ 117,855,761	$ 93,785,511
Plan Fiduciary net position			
Contributions - Employer	$ 2,454,400	$ 2,338,890	$ 2,287,891
Net Investment Income	-	-	-
Benefit Payments	(2,454,400)	(2,338,890)	(2,287,891)
Administrative Expense	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-
Plan Fiduciary net position - beginning	-	-	-
Plan Fiduciary net position - ending ("b")	$ -	$ -	$ -
Town's net OPEB liability - ending (a) - (b)	$ 98,970,573	$ 117,855,761	$ 93,785,511
Plan Fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%
Covered Payroll Used by Actuary	$ 16,296,770	$ 15,949,703	$ 15,949,703
Total OPEB Liability as a percentage of covered payroll	607%	739%	588%

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

12/31/2018	3.80%
12/31/2019	2.90%
12/31/2020	2.02%

No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

GASB 75 required that the past 10 years of information be presented. Due to the fact that 2018 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Employees' Retirement System					
3/31/2020	0.02382900%	$ 6,310,063	$ 7,378,936	85.51%	86.39%
3/31/2019	0.02313080%	$ 1,633,886	$ 7,108,787	22.98%	96.27%
3/31/2018	0.02352460%	$ 759,246	$ 6,624,364	11.46%	98.24%
3/31/2017	0.02234650%	$ 2,099,726	$ 5,697,780	36.85%	94.70%
3/31/2016	0.02336980%	$ 3,750,925	$ 5,667,489	66.18%	90.70%
3/31/2015	0.02356990%	$ 796,250	$ 6,174,030	12.90%	97.90%

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Covered Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
Police and Fire Retirement System					
3/31/2020	0.27099100%	$ 14,484,301	$ 8,601,286	168.40%	84.86%
3/31/2019	0.26184930%	$ 4,391,377	$ 8,164,173	53.79%	95.09%
3/31/2018	0.27363100%	$ 2,743,940	$ 7,712,427	35.58%	96.93%
3/31/2017	0.26699690%	$ 5,533,917	$ 9,569,026	57.83%	93.50%
3/31/2016	0.29139980%	$ 8,627,727	$ 9,370,329	92.07%	90.20%
3/31/2015	0.29009190%	$ 798,506	$ 8,571,940	9.32%	99.00%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Required Contributions as a Percentage of its Covered Payroll
Employees' Retirement System					
3/31/2020	$ 1,031,727	$ 1,031,727	$ -	$ 7,378,936	13.98%
3/31/2019	$ 969,599	$ 969,599	$ -	$ 7,108,787	13.64%
3/31/2018	$ 1,001,455	$ 1,001,455	$ -	$ 6,624,364	15.12%
3/31/2017	$ 1,241,364	$ 1,241,364	$ -	$ 5,697,780	21.79%
3/31/2016	$ 1,120,529	$ 1,120,529	$ -	$ 5,667,489	19.77%
3/31/2015	$ 987,226	$ 987,226	$ -	$ 6,174,030	15.99%

Plan Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution deficiency (excess)	Covered Payroll	Required Contributions as a Percentage of its Covered Payroll
Police and Fire Retirement System					
3/31/2020	$ 2,224,198	$ 2,224,198	$ -	$ 8,601,286	25.86%
3/31/2019	$ 2,122,496	$ 2,122,496	$ -	$ 8,164,173	26.00%
3/31/2018	$ 2,264,251	$ 2,264,251	$ -	$ 7,712,427	29.36%
3/31/2017	$ 2,409,668	$ 2,409,668	$ -	$ 9,569,026	25.18%
3/31/2016	$ 2,350,986	$ 2,350,986	$ -	$ 9,370,329	25.09%
3/31/2015	$ 2,287,824	$ 2,287,824	$ -	$ 8,571,940	26.69%

GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not fully available for 10 years. The data will be accumulated over time and presented according to GASB 68.

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
GENERAL FUND – A
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	$ 3,607,537	$ 3,607,537	$ 3,607,537	$ -
Real Property Tax Items	220,000	220,000	221,459	1,459
Departmental Income	156,500	166,550	327,692	161,142
Use of Money and Property	194,587	194,587	171,147	(23,440)
Licenses and Permits	64,625	54,575	32,461	(22,114)
Fines and Forfeitures	925,000	925,000	439,121	(485,879)
Sale of Property and Compensation for Loss	15,000	35,887	37,463	1,576
Miscellaneous Local Sources	91,000	93,928	71,226	(22,702)
State Aid	950,000	950,350	1,349,043	398,693
Total Revenues	6,224,249	6,248,414	6,257,149	8,735
Expenditures:				
General Government Support	3,342,911	3,487,803	3,302,173	185,630
Transportation	337,350	373,063	324,792	48,271
Economic Assistance and Opportunity	69,000	53,250	37,260	15,990
Culture and Recreation	810,743	741,214	593,735	147,479
Home and Community Services	271,250	315,498	58,513	256,985
Employee Benefits	1,431,980	1,343,630	1,198,332	145,298
Capital Outlay	219,575	190,430	195,623	(5,193)
Debt Service	261,440	277,940	277,872	68
Total Expenditures	6,744,249	6,782,828	5,988,300	794,528
Excess/(Deficiency) of Revenues over Expenditures	(520,000)	(534,414)	268,849	803,263
Other Financing Sources/(Uses)				
Operating Transfers In	420,000	420,000	20,000	(400,000)
Total Other Financing Sources/(Uses)	420,000	420,000	20,000	(400,000)
Net Change in Fund Balance	(100,000)	(114,414)	288,849	403,263
Appropriated Fund Balance	100,000	114,414	-	(114,414)
Total Change in Fund Balance	$ -	$ -	$ 288,849	$ 288,849

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
GENERAL FUND – B
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	$ 14,550,268	$ 14,550,268	$ 14,550,268	$ -
Real Property Tax Items	888,000	888,000	892,368	4,368
Non Property Tax Items	3,280,000	3,280,000	3,873,338	593,338
Departmental Income	314,500	322,811	211,103	(111,708)
Intergovernmental Income	-	-	24,620	24,620
Use of Money and Property	408,000	408,000	373,776	(34,224)
Licenses and Permits	790,250	790,750	907,425	116,675
Fines and Forfeitures	-	-	650	650
Sale of Property and Compensation for Loss	-	136,870	273,373	136,503
Miscellaneous Local Sources	366,507	118,287	370,802	252,515
State Aid	125,000	387,509	63,287	(324,222)
Total Revenues	20,722,525	20,882,495	21,541,010	658,515
Expenditures:				
General Government Support	382,135	410,650	401,654	8,996
Public Safety	11,472,972	11,746,923	10,675,513	1,071,410
Home and Community Services	530,129	656,350	537,276	119,074
Employee Benefits	8,205,439	8,147,689	7,678,931	468,758
Capital Outlay	231,850	383,235	519,463	(136,228)
Debt Service	-	-	-	-
Total Expenditures	20,822,525	21,344,847	19,812,837	1,532,010
Excess/(Deficiency) of Revenues over Expenditures	(100,000)	(462,352)	1,728,173	2,190,525
Net Change in Fund Balance	(100,000)	(462,352)	1,728,173	2,190,525
Appropriated Fund Balance	100,000	462,352	-	(462,352)
Total Change in Fund Balance	$ -	$ -	$ 1,728,173	$ 1,728,173

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
HIGHWAY FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	$ 6,825,491	$ 6,825,491	$ 6,825,491	$ -
Use of Money and Property	50,000	50,000	49,999	(1)
Licenses and Permits	-	-	2,815	2,815
Sale of Property and Compensation for Loss	10,000	63,194	58,755	(4,439)
Miscellaneous Local Sources	15,000	16,712	77,510	60,798
State Aid	450,000	450,000	483,762	33,762
Total Revenues	7,350,491	7,405,397	7,498,332	92,935
Expenditures:				
General Government Support	59,200	59,400	59,367	33
Transportation	3,489,665	3,309,150	1,484,888	1,824,262
Employee Benefits	1,180,625	1,180,625	1,060,513	120,112
Capital Outlay	688,000	1,035,405	1,872,227	(836,822)
Debt Service	1,983,001	1,983,001	2,027,470	(44,469)
Total Expenditures	7,400,491	7,567,581	6,504,465	1,063,116
Excess/(Deficiency) of Revenues over Expenditures	(50,000)	(162,184)	993,867	1,156,051
Net Change in Fund Balance	(50,000)	(162,184)	993,867	1,156,051
Appropriated Fund Balance	50,000	162,184	-	(162,184)
Total Change in Fund Balance	$ -	$ -	$ 993,867	$ 993,867

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
WATER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	$ 882,515	$ 774,215	$ 882,515	$ 108,300
Real Property Tax Items	67,000	67,000	67,194	194
Departmental Income	5,153,903	5,603,903	5,907,684	303,781
Use of Money and Property	60,000	103,426	82,202	(21,224)
Licenses and Permits	10,000	10,000	15,115	5,115
Sale of Property and Compensation for Loss	-	-	8,429	8,429
Miscellaneous Local Sources	25,000	52,996	59,165	6,169
Total Revenues	6,198,418	6,611,540	7,022,304	410,764
Expenditures:				
General Government Support	78,750	82,975	82,957	18
Home and Community Services	3,842,304	4,505,225	5,368,751	(863,526)
Employee Benefits	814,849	834,649	755,198	79,451
Capital Outlay	180,000	165,850	138,263	27,587
Debt Service	882,515	797,841	882,503	(84,662)
Total Expenditures	5,798,418	6,386,540	7,227,672	(841,132)
Excess/(Deficiency) of Revenues over Expenditures	400,000	225,000	(205,368)	(430,368)
Other Financing Sources/(Uses)				
Operating Transfers Out	(400,000)	(225,000)	(10,000)	215,000
Total Other Financing Sources/(Uses)	(400,000)	(225,000)	(10,000)	215,000
Net Change in Fund Balance	-	-	(215,368)	(215,368)
Appropriated Fund Balance	-	-	-	-
Total Change in Fund Balance	$ -	$ -	$ (215,368)	$ (215,368)

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET
SEWER FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Revenues:				
Real Property Taxes	$ 1,283,250	$ 1,283,250	$ 1,283,250	$ -
Real Property Tax Items	1,750	1,750	1,728	(22)
Departmental Income	3,657,660	3,657,660	3,366,135	(291,525)
Use of Money and Property	150,000	150,000	156,600	6,600
Sale of Property and Compensation for Loss	-	-	1,986	1,986
Miscellaneous Local Sources	30,000	30,000	107,622	77,622
State Aid	-	310,671	310,671	-
Total Revenues	5,122,660	5,433,331	5,227,992	(205,339)
Expenditures:				
General Government Support	83,450	83,450	80,780	2,670
Home and Community Services	4,997,252	3,720,114	3,693,952	26,162
Employee Benefits	605,696	592,996	544,104	48,892
Capital Outlay	90,000	450,988	947,645	(496,657)
Debt Service	1,594,187	797,092	752,618	44,474
Total Expenditures	7,370,585	5,644,640	6,019,099	(374,459)
Excess/(Deficiency) of Revenues over Expenditures	(2,247,925)	(211,309)	(791,107)	(579,798)
Other Financing Sources/(Uses)				
Operating Transfers In	1,502,925	211,309	104,000	(107,309)
Operating Transfers Out	-	-	(10,000)	(10,000)
Total Other Financing Sources/(Uses)	1,502,925	211,309	94,000	(117,309)
Net Change in Fund Balance	(745,000)	-	(697,107)	(697,107)
Appropriated Fund Balance	745,000	-	-	-
Total Change in Fund Balance	$ -	$ -	$ (697,107)	$ (697,107)

OTHER SUPPLEMENTARY INFORMATION

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF BONDED INDEBTEDNESS
DECEMBER 31, 2020

	Date of Issue	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid/Amortized During Fiscal Year	Outstanding End of Fiscal Year	Interest Paid During Fiscal Year	Interest Accrued at 12/31/2020	Due Within the Next Year
SERIAL BONDS										
Environmental Improvements 2012B	02/14/02	10/15/23	1.51 - 4.98%	$ 1,735,000	$ -	$ (415,000)	$ 1,320,000	$ 86,850	$ 13,987	$ 430,000
Public Improvements	03/16/11	03/01/22	2.50 - 3.50%	1,225,000	-	(390,000)	835,000	35,050	5,553	410,000
Landfill	09/10/09	10/01/23	.286 - 3.564%	995,000	-	(245,000)	750,000	32,872	6,428	245,000
Public Improvements	03/13/14	03/01/27	2.00 - 4.00%	4,285,000	-	(475,000)	3,810,000	129,506	36,803	495,000
Water Flushing Program	08/20/15	04/01/26	4.600%	217,000	-	(29,000)	188,000	9,531	2,065	29,000
Library Purpose Bonds, 2014	03/13/14	12/15/37	3.00 - 4.00%	2,985,000	-	(120,000)	2,865,000	105,138	4,451	130,000
EFC Corporation SRF Series 2017 D	11/09/17	07/01/47	1.503 - 3.754%	4,120,000	-	(95,000)	4,025,000	138,832	69,000	100,000
EFC Corporation SRF Series 2017 C	11/09/17	08/01/47	1.061 - 3.976%	10,260,000	-	(300,000)	9,960,000	313,204	103,543	305,000
Library Purpose Refunding Bond 2018	12/18/18	12/01/31	3.00 - 5.00%	4,935,000	-	(310,000)	4,625,000	246,750	19,640	325,000
Public Improvements 2019 Series	03/07/19	03/01/39	3.00 - 3.50%	12,350,000	-	(925,000)	11,425,000	358,315	110,489	925,000
TOTAL SERIAL BONDS				43,107,000	-	(3,304,000)	39,803,000	1,456,048	371,959	3,394,000
Bonds Premium Liability				989,830	-	(61,890)	927,940	N/A	N/A	-
TOTAL BONDED INDEBTEDNESS				$44,096,830	$ -	$ (3,365,890)	$40,730,940	$ 1,456,048	$ 371,959	$ 3,394,000

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

LIMITED LIABILITY PARTNERSHIP
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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

Supervisor and
Members of the Town Board
Town of Poughkeepsie, New York
One Overocker Road
Poughkeepsie, New York 12603

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Poughkeepsie, New York (the "Town") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated November 8, 2021.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2020-01 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings as item 2020-02 to be a significant deficiency.

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Compliance and Other Matters

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

Town's Response to Findings

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

RBT CPAs, LLP

Newburgh, New York
November 8, 2021

TOWN OF POUGHKEEPSIE, NEW YORK
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2020

A. Internal Control Findings

Material Weakness

Finding 2020-01: *Recording of Other Receivable Collections*:

Condition: The Town does not periodically reconcile its water receivables and revenues to billing reports.

Criteria: The Town's system of internal controls should include processes wherein balances are periodically verified to supporting documentation.

Cause: Town annually verifies its re-levy amounts to reports but does not verify, in the form of reports and reconciliations, year-end receivable and revenue balances. In the case of the Water Fund, receivables and revenues were reduced by $189,000 as a result of reconciliations; however, recorded revenues still exceeded expected revenues by nearly $200,000.

Effect: Asset and revenue balances can be significantly under or overstated during the year, resulting in inaccurate reports which can negatively impact decision-making.

Recommendation: RBT recommends that the Town institute a quarterly revenue and receivable reconciliation process to detect and resolve any discrepancies when they occur.

Management's Response: We will periodically review the receivables. This has not been a problem in the past, however with COVID things may have been overlooked or missed. We also had a major problem when we upgraded the software that took us over 2 months to resolve.

Significant Deficiency

Finding 2020-02: *Capital Assets:*

Condition: The Town does not maintain a complete annually updated fixed assets listing.

Criteria: A complete, annually updated listing should include important information, such as the date that each item was purchased, date of disposal (if applicable) and historical costs.

Cause: The Town relies on the auditor to maintain the fixed assets listing.

Effect: The Town does not have its own complete fixed assets records.

Recommendation: RBT recommends that the Town maintain a complete asset listing and also calculate the depreciation expense in the schedule and maintain it on an ongoing basis.

Management's Response: We are looking to get a program that will help us maintain a complete fixed asset inventory.

B. Compliance Findings

None Noted