

**Town of Somers, New York**

Financial Statements and  
Supplementary Information

Year Ended December 31, 2019

# Town of Somers, New York

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## Independent Auditors' Report

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Somers, New York ("Town") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of December 31, 2019, and the respective changes in financial position and the respective budgetary comparison for the General and Highway funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

Our audit for the year ended December 31, 2019 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2019 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town as of and for the year ended December 31, 2018 (not presented herein), and have issued our report thereon dated April 8, 2019, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund and the aggregate remaining fund information. The combining and individual fund financial statements and schedules for the year ended December 31, 2018 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the 2018 financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2018.

*PKF O'Connor Davies, LLP*  
**PKF O'Connor Davies, LLP**  
Harrison, New York  
April 17, 2020

## Town of Somers, New York

Management's Discussion and Analysis  
December 31, 2019

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### Introduction

This discussion and analysis of the Town of Somers, New York's financial statements provides an overview of the financial activities of the Town of Somers for the fiscal year ended December 31, 2019. Please read it in conjunction with the basic financial statements and the accompanying notes to those statements that follow this section.

### Financial Highlights for Fiscal Year 2019

- The Town is in sound financial condition with a strong credit rating, sizable tax base, prudent fund balances and low debt burden. The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$6,812,998 which represents an increase of \$148,318 from fiscal year 2018. Of this amount, \$2,313,601 was unassigned and represents 34% of the total fund balance of \$6,812,998 and represents 23% of total General Fund Expenditures and Other Financing Uses. The Town assigns a portion of its fund balance for future obligations including capital costs and tax certioraris. During 2019, the Town used \$898,654 of fund balance reserves to fund road paving and \$63,775 towards the retrofit of Town Building lights to LED. Using available fund balance reserves reduces the need for borrowing along with the associated interest expense and issuance costs.
- On the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$7,973,923 which represents an increase of \$3,965,432 from fiscal year 2018. This deficit results primarily from the accrual of certain operating liabilities pursuant to various Governmental Accounting Standards Board ("GASB") pronouncements discussed below. These obligations will be satisfied in future years.
- For the year ended December 31, 2019, the Town implemented the provisions of GASB Statement 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether the government is controlling the assets of the fiduciary and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within the governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within the governmental funds.
- ❖ The unrestricted deficit on the government-wide financial statements is primarily attributable to the impact of the provisions of GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" ("OPEB"). This statement addresses accounting and financial reporting for OPEB by establishing standards for recognizing and measuring liabilities, deferred outflows/inflows of resources and expenses/expenditures. This statement identifies the methods and assumptions that are

required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to the periods of employee service. At December 31, 2019, the Town reported a liability of \$24,031,087, a decrease of \$306,256 from the prior year. More detailed information about the Town's OPEB reporting in accordance with the provisions of GASB Statement No. 75, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3F in the notes to financial statements.

- In addition to the impact of the Town's OPEB obligations, the government-wide financial statements for the year ended December 31, 2019 are also significantly impacted by the provisions of GASB Statement No. 68. This pronouncement established accounting and financial reporting requirements associated with the Town's participation in the cost sharing multiple employer pension plans administered by the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS"). Under the new standards, cost-sharing employers are required to report in their government-wide financial statements a net pension liability (asset), pension expense and pension-related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all of the municipalities and school districts in the plan. At December 31, 2019, the Town reported in its Statement of Net Position a liability of \$923,992 for its proportionate share of the ERS and PFRS net pension liabilities. More detailed information about the Town's pension plan reporting in accordance with the provisions of GASB Statement No. 68, including amounts reported as pension expense and deferred inflows/outflows of resources, is presented in Note 3F in the notes to financial statements.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$13,390,306, an increase of \$410,864 from the prior year. Exclusive of the Capital Projects Fund, the combined ending fund balances were \$13,616,062. Of this latter amount, the unassigned fund balance was \$2,313,601 or 17%. This amount is available for spending at the Town's discretion.
- The Town retired \$1,263,941 of general obligation debt in 2019 and ended the year with \$5,376,404 remaining outstanding. The Town did not issue any debt in 2019. The Town's Moody's Investors Service General Obligation Bond rating is Aa1.

## **Overview of the Financial Statements**

The Town's financial statements are composed of this Management Discussion and Analysis and the basic financial statements. This discussion and analysis serves as an introduction to the basic financial statements. The Management Discussion and Analysis provides analysis and overview of the Town's financial activities. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes other supplementary information as listed in the table of contents.

### *Government-Wide Financial Statements*

The *government-wide financial statements* are presented in a manner similar to private-sector business financial statements. The statements are prepared using the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Position and Statement of Activities. Fiduciary activities, whose resources are not available to the Town's programs, are excluded from these statements.

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

The *Statement of Activities* presents information showing how the Town's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods such as uncollected taxes and earned but unused vacation leave, other postemployment benefit obligations ("OPEB") and net pension liabilities. The focus of this statement is on the net cost of providing various activities to the citizens of the Town.

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

### *Fund Financial Statements*

A fund is an accounting entity with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in an individual fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related and legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds - Most of the basic services provided by the Town are financed and accounted for through governmental funds. Governmental fund financial statements focus on current inflows and outflows of spendable resources as well as the available balances of these resources at the end of the fiscal year. This information is useful in determining the Town's financing requirements for the subsequent fiscal period. Governmental funds use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. From this comparison, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Somers has 8 individual governmental funds: General, Highway, Capital Projects, Public Library, Special Districts, Special Purpose, Debt Service and Permanent funds. Of these, the General, Highway, Debt Service and Capital Projects Funds are reported as major funds, and are presented in separate columns on the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major funds can be found in the *combining statements* elsewhere in this report.

The Town adopts an annual budget for its General, Highway, Public Library, Special Districts and Debt Service funds. A budgetary comparison statement, for the major funds, has been provided to demonstrate compliance with the respective budgets.

Fiduciary Funds - These funds are used to account for resources held for the benefit of parties outside the government. The fiduciary funds are *not* reflected in the government-wide financial statements because the assets of these funds are *not* available to support the activities of the Town.

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

#### *Notes to the Financial Statements*

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

#### *Other Information*

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

### **Government-Wide Financial Analysis**

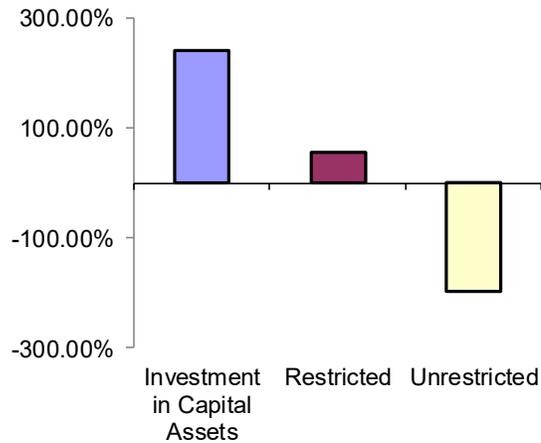
As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town of Somers, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,973,923 for fiscal year 2019.

The following table reflects the condensed Statement of Net Position:

## Statement of Net Position

|                                  | December 31,  |               |
|----------------------------------|---------------|---------------|
|                                  | 2019          | 2018          |
| Current Assets                   | \$ 17,801,940 | \$ 17,833,404 |
| Capital Assets, net              | 24,244,916    | 22,234,281    |
| Total Assets                     | 42,046,856    | 40,067,685    |
| Current Liabilities              | 2,634,877     | 3,376,853     |
| Long-Term Liabilities            | 30,535,144    | 31,589,864    |
| Total Liabilities                | 33,170,021    | 34,966,717    |
| Deferred Inflows of Resources    | 3,021,853     | 2,972,358     |
| <b>Net Position</b>              |               |               |
| Net Investment in Capital Assets | 19,148,978    | 15,972,551    |
| Restricted                       | 4,475,117     | 3,977,296     |
| Unrestricted                     | (15,650,172)  | (15,941,356)  |
| Total Net Position               | \$ 7,973,923  | \$ 4,008,491  |

### 2019 Net Position Distribution



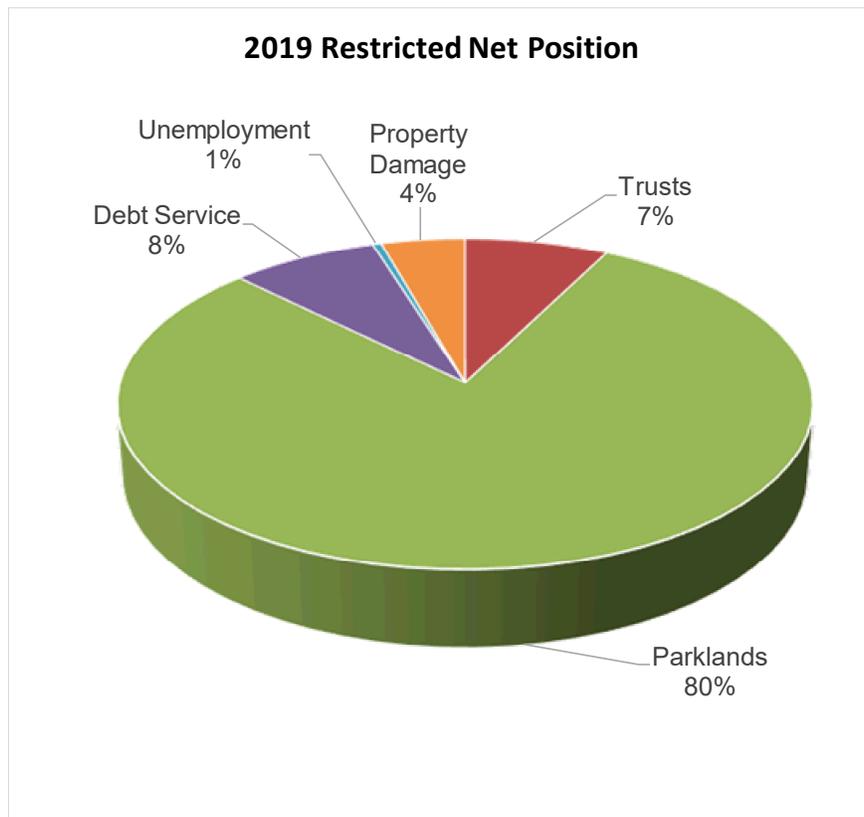
The largest component of the Town's net position is invested in capital assets (net of related debt) of \$19,148,978 which reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its citizens and consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position of \$4,475,117 represents resources that are subject to external restrictions on their use. The restrictions are:

|                       | December 31,        |                     |
|-----------------------|---------------------|---------------------|
|                       | 2019                | 2018                |
| Property Damage       | \$ 197,101          | \$ 193,061          |
| Capital Projects      |                     | 34,266              |
| Unemployment Benefits | 20,229              | 20,229              |
| Debt Service          | 348,189             | 341,311             |
| Trusts                | 337,958             | 326,787             |
| Parklands             | 3,571,640           | 3,061,642           |
|                       | <u>\$ 4,475,117</u> | <u>\$ 3,977,296</u> |

The remaining balance is an unrestricted deficit of (\$15,650,172) which must be financed from future operations. The deficit does not mean the Town does not have resources available to meet its obligations in the ensuing year. Rather, it is the result of having long-term commitments, including compensated absences (\$172,869), net pension liability (\$923,992) and OPEB obligations (\$24,031,087) that are greater than currently available resources. Payments for these liabilities will be budgeted in the year that actual payment will be made.

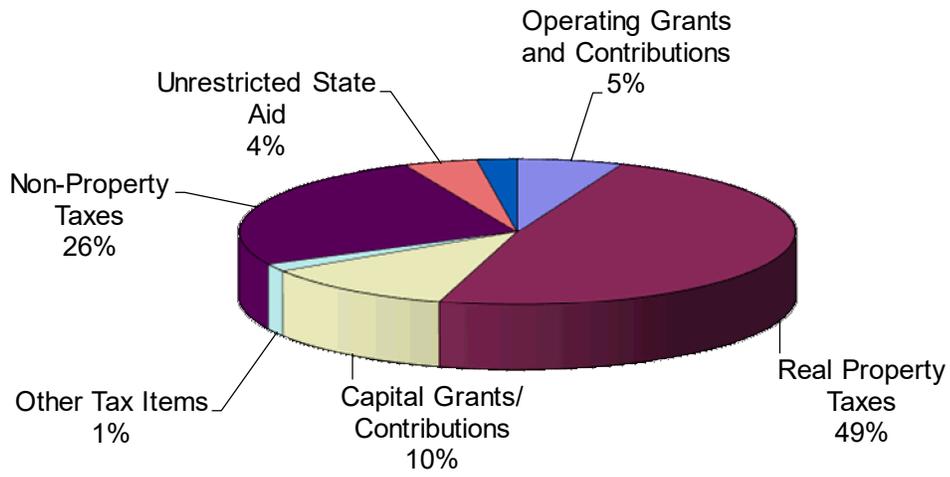
At the end of the current fiscal year, the Town is able to report positive net position balances for the government as a whole as well as for its governmental activities.



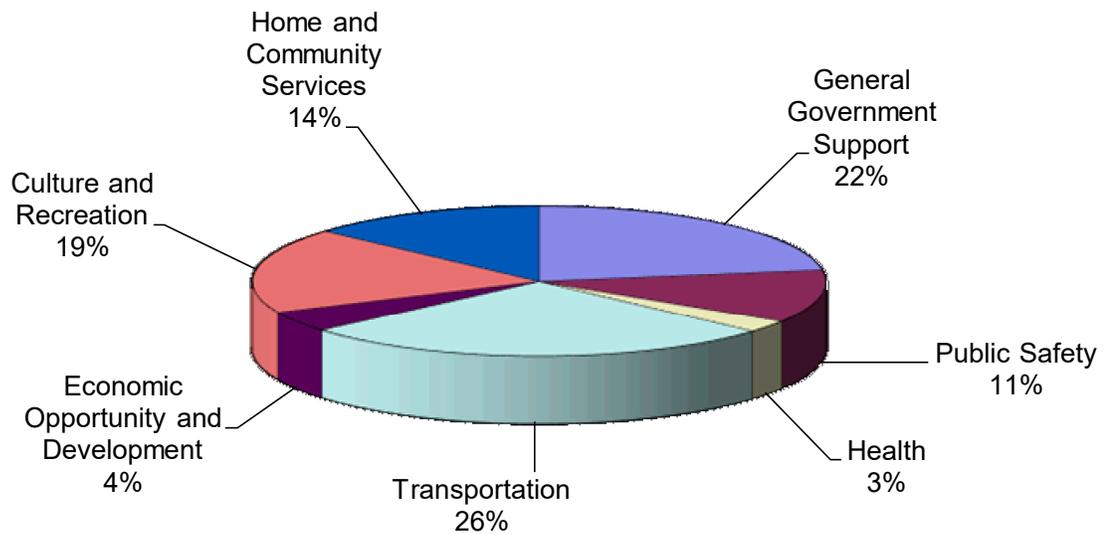
## Statement of Changes in Net Position

|   | December 31,        |                     |
|---|---------------------|---------------------|
|   | 2019                | 2018                |
| <b>REVENUES</b>                                     |                     |                     |
| Program Revenues                                    |                     |                     |
| Charges for Services                                | \$ 2,696,914        | \$ 2,527,598        |
| Operating Grants and Contributions                  | 1,001,272           | 1,272,018           |
| Capital Grants and Contributions                    | 1,869,427           | 293,753             |
| Other Tax Items:                                    |                     |                     |
| Interest and Penalties on Real Property Taxes       | 276,259             | 456,406             |
| Non-Property Taxes                                  |                     |                     |
| Non-Property Tax Distribution from County           | 3,738,935           | 3,271,493           |
| Franchise Fees - Cable TV                           | 484,288             | 488,522             |
| Unrestricted Use of Money and Property              | 239,107             | 114,474             |
| Sale of Property and Compensation for Loss          | 4,414               | 48                  |
| Insurance Recoveries                                | 152                 | 1,140               |
| Unrestricted State Aid                              | 697,780             | 956,296             |
| Miscellaneous                                       | 140,315             | 20,026              |
|   | <b>19,082,165</b>   | <b>17,236,713</b>   |
| <b>EXPENSES</b>                                     |                     |                     |
| Program Expenses                                    |                     |                     |
| General Government Support                          | 3,377,081           | 3,324,483           |
| Public Safety                                       | 1,707,824           | 1,668,533           |
| Health  | 400,945             | 384,076             |
| Transportation                                      | 4,037,661           | 3,972,295           |
| Economic Opportunity and<br>Development             | 675,437             | 660,456             |
| Culture and Recreation                              | 2,760,723           | 2,827,457           |
| Home and Community Services                         | 2,000,470           | 2,172,876           |
| Interest  | 156,592             | 191,023             |
|   | <b>15,116,733</b>   | <b>15,201,199</b>   |
| Change in Net Position                              | 3,965,432           | 2,035,514           |
| <b>NET POSITION</b>                                 |                     |                     |
| Beginning   | 4,008,491           | 13,508,251          |
| Cumulative Effect of Change in Accounting Principle |                     | (11,535,274)        |
|   | <b>4,008,491</b>    | <b>1,972,977</b>    |
| Net Position - Beginning, as restated               |                     |                     |
| Ending  | <b>\$ 7,973,923</b> | <b>\$ 4,008,491</b> |

**Sources of Revenue for Fiscal Year 2019  
Governmental Activities**



**Expenses for Fiscal Year 2019  
Governmental Activities**



Governmental Activities: For the fiscal year ended December 31, 2019, governmental activities increased the Town's net position by \$3,965,432, an increase of \$1,929,918 from fiscal year 2018. Revenues from governmental activities totaled \$19,082,165, an increase of \$1,845,452 over fiscal

year 2018 primarily due to increases in Capital Grants and Contributions and Non-property tax distribution from the County. Tax revenues of \$12,432,784 comprised of real property taxes, payments in lieu of taxes, other tax items and non-property taxes, represented the largest revenue source at 65%. Expenses in 2019 were \$15,116,733 or \$84,466 less than 2018 primarily due to decreases in Home and Community services and Culture and recreation expenses. This decrease was partially offset by increases in Transportation and General Government support expenses.

### **Financial Analysis of the Government's Funds**

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

#### **Fund Balance Reporting**

GASB issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", in February 2009. The requirements of GASB Statement No. 54 became effective for financial statements for the Town's fiscal period ending December 31, 2011. GASB Statement No. 54 abandoned the reserved and unreserved classifications of fund balance and replaces them with five new classifications: nonspendable, restricted, committed, assigned and unassigned. An explanation of these classifications follows below.

**Nonspendable** – consists of assets that are inherently nonspendable in the current period either because of their form or because they must be maintained intact, including prepaid items, inventories, long-term portions of loans receivable, financial assets held for resale and principal of endowments.

**Restricted** – consists of 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.

**Committed** – consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority before the end of the fiscal year, and that require the same level of formal action to remove the constraint.

**Assigned** – consists of 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 their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance.

**Unassigned** – represents the residual classification for the government's General Fund, and could report a surplus or deficit. In funds other than the General Fund, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

These changes were made to reflect spending constraints on resources, rather than availability for appropriations and to bring greater clarity and consistency to fund balance reporting. This pronouncement should result in an improvement in the usefulness of fund balance information.

#### **Governmental Funds**

The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town itself, or an individual that has been delegated authority to assign resources for use for particular purposes by the Town Board.

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$13,390,306, an increase of \$410,864 from the prior year. The non-spendable fund balance component is \$628,450, consisting of \$343,572 of amounts representing prepaid expenditures and \$284,878 of amounts representing trust principal. Fund Balance of \$4,190,239 is restricted for capital projects, debt service, property damage, unemployment benefits, parklands and trusts. The assigned fund balance of \$6,483,772 consisting partially of amounts to balance the fiscal 2020 budget (\$369,517 in the General Fund and \$105,000 in the Highway Fund) as well as \$2,987,329 for capital costs and \$650,000 for tax certioraris. The remaining fund balance is unassigned and represents the remaining positive fund balance in the General Fund of \$2,313,601 and after amounts that have been restricted, committed or assigned for other purposes.

The General Fund is the primary operating fund of the Town. At the end of the current fiscal year, the total fund balance of the General Fund was \$6,812,998. Of this amount, \$2,313,601 was unassigned and represents 34% of the total fund balance of \$6,812,998 and represents 23% of total General Fund Expenditures and Other Financing Uses.

#### *General Fund Budgetary Highlights*

When the fiscal 2019 budget was adopted, it anticipated the use of \$277,522 of fund balance. Actual results of operations resulted in an increase of \$148,318 to fund balance. Overall, General Fund expenditures and other financing uses were \$9,854,867 which was \$264,735 less than the final budget.

No major area of spending was materially more than the original budget.

The revenue category that reflected the largest positive variance against budget was Non-property Taxes \$622,223.

The revenue category that reflected the largest negative variance against budget was Real property taxes \$179,910.

#### *Other*

The Highway Fund's total fund balance at the end of the current fiscal year was \$1,364,816 which represents a decrease of \$146,610 from fiscal year 2018.

The Capital Projects Fund is used to account for capital project activity throughout the Town. The Capital Projects Fund's ending fund balance is (\$225,756) for fiscal year 2019.

Non-major Governmental Funds consist of certain Special Revenue Funds and the Permanent Fund. The Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for certain defined purposes. The non-major Special Revenue Funds of the Town are the Public Library Fund, which is provided to account for the activities of the Town's Public Library, Special Districts

Fund, which is provided to account for the operation and maintenance of the Town's water, sewer and street lighting districts, the Special Purpose Fund, which is used to account for assets held by the Town in accordance with terms of trust agreements, the Permanent Fund, which is used to account for assets held by the Town in accordance with the terms of a trust agreement where the principal amounts cannot be expended.

For fiscal year ending December 31, 2019, the combined fund balances of these funds total \$5,090,059 which represents an increase of \$662,300 from fiscal 2018.

### Capital Asset and Debt Administration

Capital Assets - The Town's investment in capital assets for its governmental activities as of December 31, 2019, amount to \$24,244,916 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

#### Capital Assets

|                               | December 31, |              |
|-------------------------------|--------------|--------------|
|                               | 2019         | 2018         |
| Land                          | \$ 5,881,179 | \$ 5,881,179 |
| Construction Work-in-Progress | 1,791,185    | 463,419      |
| Buildings and Improvements    | 7,057,899    | 6,532,023    |
| Machinery and Equipment       | 1,624,011    | 1,498,784    |

The following highlights the amounts expended during the current fiscal year on major capital assets:

Road resurfacing - \$989,738  
Machinery & Equipment - \$520,896  
Lake Shenorock Stormwater project - \$655,764

Additional information on the Town's capital assets can be found in Note 3 of this report.

Long-Term Debt - At the end of the current fiscal year, the Town had total bonded debt outstanding of \$5,376,404. The Town's general obligation bonded indebtedness decreased from payments of \$1,263,941 on prior indebtedness. During 2019, the Town did not borrow or issue new debt.

Although the State Constitution limits the amount of indebtedness, both long-term and short-term, which the Town may incur, the total debt of the Town is significantly below this limitation.

Through sound financial management and manageable debt levels, the Town has been successful in maintaining a high-grade rating for its general obligation bonds, currently rated Aa1 by Moody's Investor Service.

Additional information on the Town's long-term debt can be found in Note 3 of this report.

## **Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Robert C. Kehoe, Director of Finance, Town of Somers Finance Office, 335 Route 202, Somers, New York 10589. The telephone number is (914) 277- 4394.

**Town of Somers, New York**Statement of Net Position  
December 31, 2019

|                                       | Governmental<br>Activities |
|---------------------------------------|----------------------------|
| <b>ASSETS</b>                         |                            |
| Cash and equivalents                  | \$ 12,588,473              |
| Investments                           | 1,042,750                  |
| Receivables                           |                            |
| Taxes, net                            | 822,751                    |
| Accounts                              | 154,081                    |
| Water and sewer rents                 | 327,698                    |
| State and Federal aid                 | 299,872                    |
| Due from other governments            | 1,299,386                  |
| Prepaid expenses                      | 343,572                    |
| Investment in joint venture           | 923,357                    |
| Capital assets                        |                            |
| Not being depreciated                 | 7,672,364                  |
| Being depreciated, net                | 16,572,552                 |
| Total Assets                          | 42,046,856                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | 2,118,941                  |
| <b>LIABILITIES</b>                    |                            |
| Accounts payable                      | 528,342                    |
| Accrued liabilities                   | 164,054                    |
| Deposits                              | 780,737                    |
| Employee payroll deductions           | 9,150                      |
| Unearned revenues                     | 1,128,537                  |
| Accrued interest payable              | 24,057                     |
| Noncurrent liabilities                |                            |
| Due within one year                   | 1,072,800                  |
| Due in more than one year             | 29,462,344                 |
| Total Liabilities                     | 33,170,021                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | 3,021,853                  |
| <b>NET POSITION</b>                   |                            |
| Net investment in capital assets      | 19,148,978                 |
| Restricted for                        |                            |
| Property damage                       | 197,101                    |
| Unemployment benefits                 | 20,229                     |
| Debt service                          | 348,189                    |
| Permanent trusts                      | 293,289                    |
| Other trusts                          | 44,669                     |
| Parklands                             | 3,571,640                  |
| Unrestricted                          | (15,650,172)               |
| Total Net Position                    | \$ 7,973,923               |

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

**Town of Somers, New York**

Statement of Activities  
Year Ended December 31, 2019

| Functions/Programs                            | Expenses             | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|---|----------------------|-------------------------|--|--|--|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |
| Governmental activities                       |                      |                         |  |  |  |
| General government support                    | \$ 3,377,081         | \$ 245,478              | \$ 4,040                                 | \$ -                                   | \$ (3,127,563)   |
| Public safety                                 | 1,707,824            | 131,972                 | -  | -                                      | (1,575,852)  |
| Health  | 400,945              | -                       | -  | -                                      | (400,945)  |
| Transportation                                | 4,037,661            | 109,968                 | 211,387                                  | 96,203                                 | (3,620,103)  |
| Economic opportunity and<br>development       | 675,437              | 53,213                  | 176,655                                  | -                                      | (445,569)  |
| Culture and recreation                        | 2,760,723            | 582,569                 | 602,564                                  | -                                      | (1,575,590)  |
| Home and community<br>services                | 2,000,470            | 1,573,714               | 6,626                                    | 1,766,347                              | 1,346,217  |
| Interest                                      | 156,592              | -                       | -  | 6,877                                  | (149,715)  |
| <b>Total Governmental<br/>  Activities</b>    | <b>\$ 15,116,733</b> | <b>\$ 2,696,914</b>     | <b>\$ 1,001,272</b>                      | <b>\$ 1,869,427</b>                    | <b>(9,549,120)</b>   |
| General revenues                              |                      |                         |  |  |  |
| Real property taxes                           |                      |                         |  |  | 7,924,271  |
| Other tax items                               |                      |                         |  |  |  |
| Payments in lieu of taxes                     |                      |                         |  |  | 9,031  |
| Interest and penalties on real property taxes |                      |                         |  |  | 276,259  |
| Non-property taxes                            |                      |                         |  |  |  |
| Non-property tax distribution from County     |                      |                         |  |  | 3,738,935  |
| Franchise - Cable TV                          |                      |                         |  |  | 484,288  |
| Unrestricted use of money and property        |                      |                         |  |  | 239,107  |
| Sale of property and compensation of loss     |                      |                         |  |  | 4,414  |
| Unrestricted State aid                        |                      |                         |  |  | 697,780  |
| Miscellaneous                                 |                      |                         |  |  | 140,315  |
| Insurance recoveries                          |                      |                         |  |  | 152  |
| <b>Total General Revenues</b>                 |                      |                         |  |  | <b>13,514,552</b>  |
| Change in Net Position                        |                      |                         |  |  | 3,965,432  |
| <b>NET POSITION</b>                           |                      |                         |  |  |  |
| Beginning                                     |                      |                         |  |  | 4,008,491  |
| Ending  |                      |                         |  |  | <b>\$ 7,973,923</b>  |

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

**Town of Somers, New York**

Balance Sheet  
 Governmental Funds  
 December 31, 2019

|  | General             | Highway             | Debt<br>Service   |
|--|---------------------|---------------------|-------------------|
| <b>ASSETS</b>  |                     |                     |                   |
| Cash and equivalents   | \$ 5,873,131        | \$ 1,447,872        | \$ 15,763         |
| Investments  | 40,813              | 7,069               | 332,426           |
| Taxes receivable, net  | 822,751             | -                   | -                 |
| Other receivables  |                     |                     |                   |
| Accounts   | 153,881             | 200                 | -                 |
| Water and sewer rents  | -                   | -                   | -                 |
| State and Federal aid  | 58,022              | 91,083              | -                 |
| Due from other governments   | 1,133,677           | -                   | -                 |
| Due from other funds   | 491,579             | -                   | -                 |
|  | 1,837,159           | 91,283              | -                 |
| Prepaid expenditures   | 295,450             | 26,749              | -                 |
| Total Assets   | <u>\$ 8,869,304</u> | <u>\$ 1,572,973</u> | <u>\$ 348,189</u> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>          |                     |                     |                   |
| Liabilities  |                     |                     |                   |
| Accounts payable   | \$ 306,051          | \$ 86,455           | \$ -              |
| Accrued liabilities  | 114,556             | 30,619              | -                 |
| Deposits   | 780,737             | -                   | -                 |
| Employee payroll deductions  | 9,150               | -                   | -                 |
| Due to other funds   | 59,438              | -                   | -                 |
| Unearned revenues  | -                   | -                   | -                 |
| Total Liabilities  | 1,269,932           | 117,074             | -                 |
| Deferred inflows of resources  |                     |                     |                   |
| Deferred tax revenues  | 786,374             | -                   | -                 |
| Unavailable revenue  | -                   | 91,083              | -                 |
| Total Deferred Inflows of Resources  | 786,374             | 91,083              | -                 |
| Total Liabilities and Deferred Inflows of Resources                          | 2,056,306           | 208,157             | -                 |
| Fund balances (deficit)  |                     |                     |                   |
| Nonspendable   | 295,450             | 26,749              | -                 |
| Restricted   | 197,101             | -                   | 348,189           |
| Assigned   | 4,006,846           | 1,338,067           | -                 |
| Unassigned   | 2,313,601           | -                   | -                 |
| Total Fund Balances (Deficit)  | 6,812,998           | 1,364,816           | 348,189           |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit) | <u>\$ 8,869,304</u> | <u>\$ 1,572,973</u> | <u>\$ 348,189</u> |

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

| Capital<br>Projects | Non-Major<br>Governmental | Total<br>Governmental<br>Funds |
|---------------------|---------------------------|--------------------------------|
| \$ 1,519,999        | \$ 3,731,708              | \$ 12,588,473                  |
| -                   | 662,442                   | 1,042,750                      |
| -                   | -                         | 822,751                        |
| -                   | -                         | 154,081                        |
| -                   | 327,698                   | 327,698                        |
| 150,767             | -                         | 299,872                        |
| 165,709             | -                         | 1,299,386                      |
| 59,438              | 451,375                   | 1,002,392                      |
| 375,914             | 779,073                   | 3,083,429                      |
| -                   | 21,373                    | 343,572                        |
| <u>\$ 1,895,913</u> | <u>\$ 5,194,596</u>       | <u>\$ 17,880,975</u>           |
| <br>                |                           |                                |
| \$ 60,929           | \$ 74,907                 | \$ 528,342                     |
| -                   | 18,879                    | 164,054                        |
| -                   | -                         | 780,737                        |
| -                   | -                         | 9,150                          |
| 942,797             | 157                       | 1,002,392                      |
| 1,117,943           | 10,594                    | 1,128,537                      |
| 2,121,669           | 104,537                   | 3,613,212                      |
| -                   | -                         | 786,374                        |
| -                   | -                         | 91,083                         |
| -                   | -                         | 877,457                        |
| 2,121,669           | 104,537                   | 4,490,669                      |
| -                   | 306,251                   | 628,450                        |
| -                   | 3,644,949                 | 4,190,239                      |
| -                   | 1,138,859                 | 6,483,772                      |
| (225,756)           | -                         | 2,087,845                      |
| (225,756)           | 5,090,059                 | 13,390,306                     |
| <u>\$ 1,895,913</u> | <u>\$ 5,194,596</u>       | <u>\$ 17,880,975</u>           |

## Town of Somers, New York

### Reconciliation of Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position December 31, 2019

---

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

|  |                     |
|--|---------------------|
| Fund Balances - Governmental Funds   | \$ 13,390,306       |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  | 24,244,916          |
| Investment in joint venture is not reported in the funds.  | 923,357             |
|  | <u>25,168,273</u>   |
| Governmental funds do not report the effect of losses on refunding bonds and assets or liabilities related to net pension liabilities whereas these amounts are deferred and amortized in the statement of activities. |                     |
| Deferred amounts on net pension liabilities  | 766,962             |
| Deferred amounts on refunding bonds  | 103,079             |
| Deferred amounts on other post employment benefit obligations  | (1,772,953)         |
|  | <u>(902,912)</u>    |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.   |                     |
| Real property taxes  | 786,374             |
| Deferred State aid   | 50,157              |
| Deferred charges for services  | 40,926              |
|  | <u>877,457</u>      |
| Long-term and other liabilities that are not due and payable in the current period are not reported in the funds.  |                     |
| Accrued interest payable   | (24,057)            |
| Bonds payable  | (5,407,196)         |
| Compensated absences   | (172,869)           |
| Net pension liability  | (923,992)           |
| Other postemployment benefit obligations payable   | (24,031,087)        |
|  | <u>(30,559,201)</u> |
| Net Position of Governmental Activities  | <u>\$ 7,973,923</u> |

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

**Town of Somers, New York**

Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Governmental Funds  
Year Ended December 31, 2019

|  | General             | Highway             | Debt<br>Service   |
|--|---------------------|---------------------|-------------------|
| <b>REVENUES</b>                                      |                     |                     |                   |
| Real property taxes                                  | \$ 2,702,210        | \$ 3,499,869        | \$ -              |
| Other tax items                                      | 285,290             | -                   | -                 |
| Non-property taxes                                   | 4,223,223           | -                   | -                 |
| Departmental income                                  | 885,671             | -                   | -                 |
| Intergovernmental charges                            | 53,213              | 47,205              | -                 |
| Use of money and property                            | 259,347             | 37,761              | 6,877             |
| Licenses and permits                                 | 344,637             | -                   | -                 |
| Fines and forfeitures                                | 127,247             | -                   | -                 |
| Sale of property and<br>compensation for loss        | 4,414               | 16,696              | -                 |
| Interfund revenues                                   | 97,990              | 460                 | -                 |
| State aid  | 773,367             | 123,414             | -                 |
| Federal aid  | 60,245              | -                   | -                 |
| Miscellaneous  | 186,179             | 3,401               | -                 |
| <b>Total Revenues</b>                                | <b>10,003,033</b>   | <b>3,728,806</b>    | <b>6,877</b>      |
| <b>EXPENDITURES</b>                                  |                     |                     |                   |
| Current  |                     |                     |                   |
| General government support                           | 2,424,521           | -                   | 1,456             |
| Public safety  | 1,178,236           | -                   | -                 |
| Health   | 391,910             | -                   | -                 |
| Transportation                                       | 317,654             | 2,221,263           | -                 |
| Economic opportunity and development                 | 490,141             | -                   | -                 |
| Culture and recreation                               | 1,254,284           | -                   | -                 |
| Home and community services                          | 218,947             | -                   | -                 |
| Employee benefits                                    | 2,358,915           | 925,338             | -                 |
| Debt service   |                     |                     |                   |
| Principal  | -                   | -                   | 1,263,941         |
| Interest   | -                   | -                   | 158,673           |
| Capital outlay                                       | -                   | -                   | -                 |
| <b>Total Expenditures</b>                            | <b>8,634,608</b>    | <b>3,146,601</b>    | <b>1,424,070</b>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | 1,368,425           | 582,205             | (1,417,193)       |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                     |                     |                   |
| Insurance recoveries                                 | 152                 | -                   | -                 |
| Transfers in   | -                   | -                   | 1,424,071         |
| Transfers out  | (1,220,259)         | (728,815)           | -                 |
| <b>Total Other Financing Sources (Uses)</b>          | <b>(1,220,107)</b>  | <b>(728,815)</b>    | <b>1,424,071</b>  |
| <b>Net Change in Fund Balances</b>                   | <b>148,318</b>      | <b>(146,610)</b>    | <b>6,878</b>      |
| <b>FUND BALANCES (DEFICITS)</b>                      |                     |                     |                   |
| Beginning of Year                                    | 6,664,680           | 1,511,426           | 341,311           |
| End of Year  | <u>\$ 6,812,998</u> | <u>\$ 1,364,816</u> | <u>\$ 348,189</u> |

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

| Capital<br>Projects | Non-Major<br>Governmental | Total<br>Governmental<br>Funds |
|---------------------|---------------------------|--------------------------------|
| \$ -                | \$ 1,521,101              | \$ 7,723,180                   |
| -                   | -                         | 285,290                        |
| -                   | -                         | 4,223,223                      |
| -                   | 1,659,092                 | 2,544,763                      |
| -                   | -                         | 100,418                        |
| -                   | 83,029                    | 387,014                        |
| -                   | -                         | 344,637                        |
| -                   | -                         | 127,247                        |
| -                   | -                         | 21,110                         |
| -                   | 94,104                    | 192,554                        |
| 440,963             | 7,893                     | 1,345,637                      |
| -                   | -                         | 60,245                         |
| <u>1,421,587</u>    | <u>15,908</u>             | <u>1,627,075</u>               |
| <u>1,862,550</u>    | <u>3,381,127</u>          | <u>18,982,393</u>              |
| -                   | -                         | 2,425,977                      |
| -                   | -                         | 1,178,236                      |
| -                   | -                         | 391,910                        |
| -                   | 22,786                    | 2,561,703                      |
| -                   | -                         | 490,141                        |
| -                   | 798,882                   | 2,053,166                      |
| -                   | 1,076,455                 | 1,295,402                      |
| -                   | 329,871                   | 3,614,124                      |
| -                   | -                         | 1,263,941                      |
| -                   | -                         | 158,673                        |
| <u>3,138,408</u>    | <u>-</u>                  | <u>3,138,408</u>               |
| <u>3,138,408</u>    | <u>2,227,994</u>          | <u>18,571,681</u>              |
| <u>(1,275,858)</u>  | <u>1,153,133</u>          | <u>410,712</u>                 |
| -                   | -                         | 152                            |
| 1,015,836           | -                         | 2,439,907                      |
| -                   | (490,833)                 | (2,439,907)                    |
| <u>1,015,836</u>    | <u>(490,833)</u>          | <u>152</u>                     |
| (260,022)           | 662,300                   | 410,864                        |
| <u>34,266</u>       | <u>4,427,759</u>          | <u>12,979,442</u>              |
| <u>\$ (225,756)</u> | <u>\$ 5,090,059</u>       | <u>\$ 13,390,306</u>           |

## Town of Somers, New York

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2019

---

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

|   |                            |
|---|----------------------------|
| Net Change in Fund Balances - Total Governmental Funds  | <u>\$ 410,864</u>          |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>  |                            |
| Capital outlay expenditures   | 3,530,314                  |
| Depreciation expense  | (1,519,679)                |
| Equity interest in joint venture  | <u>1,012</u>               |
|   | <u>2,011,647</u>           |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>   |                            |
| Real property taxes   | 201,091                    |
| State aid   | 50,157                     |
| Charges for services  | <u>40,926</u>              |
|   | <u>292,174</u>             |
| <p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.</p> |                            |
| Principal paid on bonds   | 1,263,941                  |
| Amortization of loss on refunding bonds and issuance premium  | <u>(4,381)</u>             |
|   | <u>1,259,560</u>           |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>  |                            |
| Accrued interest  | 6,462                      |
| Pension obligations   | (114,808)                  |
| Compensated absences  | (31,984)                   |
| Other postemployment benefit obligations  | <u>131,517</u>             |
|   | <u>(8,813)</u>             |
| Change in Net Position of Governmental Activities   | <u><u>\$ 3,965,432</u></u> |

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

**Town of Somers, New York**

Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget and Actual  
General and Highway Funds  
Year Ended December 31, 2019

|  | General            |                    |                    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|--------------------|--------------------|--------------------|---|
|  | Original<br>Budget | Final<br>Budget    | Actual             |   |
| <b>REVENUES</b>                                      |                    |                    |                    |   |
| Real property taxes                                  | \$ 2,882,120       | \$ 2,882,120       | \$ 2,702,210       | \$ (179,910)  |
| Other tax items                                      | 241,363            | 241,363            | 285,290            | 43,927  |
| Non-property taxes                                   | 3,601,000          | 3,601,000          | 4,223,223          | 622,223   |
| Departmental income                                  | 691,400            | 691,400            | 885,671            | 194,271   |
| Intergovernmental charges                            | 30,000             | 30,000             | 53,213             | 23,213  |
| Use of money and property                            | 71,112             | 71,112             | 259,347            | 188,235   |
| Licenses and permits                                 | 245,000            | 245,000            | 344,637            | 99,637  |
| Fines and forfeitures                                | 130,300            | 130,300            | 127,247            | (3,053)   |
| Sale of property and<br>compensation for loss        | 100                | 100                | 4,414              | 4,314   |
| Interfund revenues                                   | 81,797             | 81,797             | 97,990             | 16,193  |
| State aid  | 853,100            | 853,100            | 773,367            | (79,733)  |
| Federal aid  | 56,834             | 56,834             | 60,245             | 3,411   |
| Miscellaneous  | 59,300             | 59,300             | 186,179            | 126,879   |
| <b>Total Revenues</b>                                | <b>8,943,426</b>   | <b>8,943,426</b>   | <b>10,003,033</b>  | <b>1,059,607</b>  |
| <b>EXPENDITURES</b>                                  |                    |                    |                    |   |
| Current  |                    |                    |                    |   |
| General government support                           | 2,525,303          | 2,539,452          | 2,424,521          | 114,931   |
| Public safety  | 1,109,202          | 1,189,442          | 1,178,236          | 11,206  |
| Health   | 386,289            | 392,362            | 391,910            | 452   |
| Transportation                                       | 329,387            | 344,670            | 317,654            | 27,016  |
| Economic opportunity and<br>development              | 496,018            | 504,918            | 490,141            | 14,777  |
| Culture and recreation                               | 1,252,925          | 1,275,373          | 1,254,284          | 21,089  |
| Home and community<br>services                       | 218,232            | 222,721            | 218,947            | 3,774   |
| Employee benefits                                    | 2,653,500          | 2,430,399          | 2,358,915          | 71,484  |
| <b>Total Expenditures</b>                            | <b>8,970,856</b>   | <b>8,899,337</b>   | <b>8,634,608</b>   | <b>264,729</b>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (27,430)           | 44,089             | 1,368,425          | 1,324,336   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                    |                    |                    |   |
| Insurance recoveries                                 | -                  | -                  | 152                | 152   |
| Transfers out  | (250,092)          | (1,220,265)        | (1,220,259)        | 6   |
| <b>Total Other Financing Uses</b>                    | <b>(250,092)</b>   | <b>(1,220,265)</b> | <b>(1,220,107)</b> | <b>158</b>  |
| <b>Net Change in Fund Balances</b>                   | <b>(277,522)</b>   | <b>(1,176,176)</b> | <b>148,318</b>     | <b>1,324,494</b>  |
| <b>FUND BALANCES</b>                                 |                    |                    |                    |   |
| Beginning of Year                                    | 277,522            | 1,176,176          | 6,664,680          | 5,488,504   |
| End of Year  | \$ -               | \$ -               | \$ 6,812,998       | \$ 6,812,998  |

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

Highway

| Original<br>Budget | Final<br>Budget  | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------|------------------|---------------------|---|
| \$ 3,499,869       | \$ 3,499,869     | \$ 3,499,869        | \$ -  |
| -                  | -                | -                   | -   |
| -                  | -                | -                   | -   |
| -                  | -                | -                   | -   |
| 51,302             | 51,302           | 47,205              | (4,097)   |
| 2,000              | 2,000            | 37,761              | 35,761  |
| -                  | -                | -                   | -   |
| -                  | -                | -                   | -   |
| 4,900              | 4,900            | 16,696              | 11,796  |
| 1,000              | 1,000            | 460                 | (540)   |
| 219,000            | 219,000          | 123,414             | (95,586)  |
| -                  | -                | -                   | -   |
| -                  | -                | 3,401               | 3,401   |
| <u>3,778,071</u>   | <u>3,778,071</u> | <u>3,728,806</u>    | <u>(49,265)</u>   |
| -                  | -                | -                   | -   |
| -                  | -                | -                   | -   |
| -                  | -                | -                   | -   |
| 1,984,243          | 2,221,267        | 2,221,263           | 4   |
| -                  | -                | -                   | -   |
| -                  | -                | -                   | -   |
| -                  | -                | -                   | -   |
| 1,068,000          | 932,339          | 925,338             | 7,001   |
| <u>3,052,243</u>   | <u>3,153,606</u> | <u>3,146,601</u>    | <u>7,005</u>  |
| <u>725,828</u>     | <u>624,465</u>   | <u>582,205</u>      | <u>(42,260)</u>   |
| -                  | -                | -                   | -   |
| <u>(728,828)</u>   | <u>(728,816)</u> | <u>(728,815)</u>    | <u>1</u>  |
| <u>(728,828)</u>   | <u>(728,816)</u> | <u>(728,815)</u>    | <u>1</u>  |
| (3,000)            | (104,351)        | (146,610)           | (42,259)  |
| <u>3,000</u>       | <u>104,351</u>   | <u>1,511,426</u>    | <u>1,407,075</u>  |
| <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 1,364,816</u> | <u>\$ 1,364,816</u>                                     |

**Town of Somers, New York**

Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2019

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|  | <u>Custodial<br/>Fund</u>   |
|--|-----------------------------|
| <b>ASSETS</b>  |                             |
| Cash and equivalents                                 | \$ 8,932,910                |
| Real property taxes receivable for other governments | <u>25,634,032</u>           |
| Total Assets   | <u><u>\$ 34,566,942</u></u> |
| <b>LIABILITIES</b>                                   |                             |
| Due to other governments                             | <u><u>\$ 34,566,942</u></u> |

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

**Town of Somers, New York**

Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
December 31, 2019

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|  | <u>Custodial<br/>Fund</u> |
|--|---------------------------|
| <b>ADDITIONS</b>                                     |                           |
| Real property taxes collected for other governments  | \$ 91,026,754             |
| <b>DEDUCTIONS</b>                                    |                           |
| Payments of real property taxes to other governments | <u>91,026,754</u>         |
| Net Increase in Fiduciary Net Position               | -                         |
| <b>NET POSITION</b>                                  |                           |
| Beginning of Year                                    | <u>-</u>                  |
| End of Year  | <u><u>\$ -</u></u>        |

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

## **Town of Somers, New York**

Notes to Financial Statements  
December 31, 2019

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### **Note 1 - Summary of Significant Accounting Policies**

The Town of Somers, New York ("Town") was established in 1788 and operates in accordance with Town Law and the various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation. The Town Supervisor serves as both the chief executive and chief financial officer. The Town provides the following services to its residents: public safety, health, transportation, economic opportunity and development, culture and recreation, home and community services and general and administrative support.

The accounting policies of the Town conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

#### **A. Financial Reporting Entity**

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

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

#### **B. Government-Wide Financial Statements**

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

**C. Fund Financial Statements**

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

**Fund Categories**

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

General Fund - The General Fund constitutes the primary operating fund of the Town in that it includes all revenues and expenditures not required by law to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are established to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specific purposes other than debt service and capital projects. The Highway Fund is a major special revenue fund. The Highway Fund is used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York. The major revenue of this fund is real property taxes.

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

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

Special Revenue Funds:

Public Library Fund - The Public Library Fund is used to account for the activities of the Town's Public Library.

Special Districts Fund - The Special Districts Fund is used to account for the operation and maintenance of the Town's water, sewer and street lighting districts.

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

Permanent Fund - The Permanent Fund is used to account for assets held by the Town in accordance with the terms of a trust agreement where the principal amount cannot be expended.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within sixty days of the

**Note 1 - Summary of Significant Accounting Policies (Continued)**

fiscal year end. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period is generally used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, net pension liability and other post employment benefit obligations are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

**Cash and Equivalents, Investments and Risk Disclosure**

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

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

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

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

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

The Town participates in the Cooperative Liquid Assets Securities System ("CLASS"), a cooperative investment pool, established pursuant to Articles 3A and 5G of General Municipal

**Note 1 - Summary of Significant Accounting Policies (Continued)**

Law of the State of New York. CLASS has designated Public Trust Advisors, LLC as its registered investment advisor. Public Trust Advisors, LLC is registered with the Securities and Exchange Commission ("SEC"), and is subject to all of the rules and regulations of an investment advisor handling public funds. As such, the SEC provides regulatory oversight of CLASS.

The pool is authorized to invest in various securities issued by the United States and its agencies, obligations of the State of New York and repurchase agreements. These investments are reported at fair value. CLASS issues separately available audited financial statements with a year end of June 30<sup>th</sup>.

The Town's position in the pool is equal to the value of the pool shares. The maximum maturity for any specific investment in the portfolio is 397 days. CLASS is rated AAAM by Standard & Poor's. Local government investment cooperatives in this rating category meet the highest standards for credit quality, conservative investment policies and safety of principal. The cooperative invests in a high quality portfolio of investments legally permissible for municipalities and school districts in the State.

Additional information concerning the cooperative is presented in the annual report of CLASS, which may be obtained from Public Trust Advisors, LLC, 717 17<sup>th</sup> Street, Suite 1850, Denver, CO 80202.

**Risk Disclosure**

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

**Custodial Credit Risk** – Custodial risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40, *"Deposits and Investments Risk Disclosures – an amendment of GASB Statement No. 3"*, directs that deposits be disclosed as exposed to custodial risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. The Town's aggregate bank balances that were not covered by depository insurance were not exposed to custodial risk at December 31, 2019.

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

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

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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### **Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

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

**Due From/To Other Funds** - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of December 31, 2019, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in the fund financial statements are equally offset by nonspendable fund balance, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

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

**Investment in Joint Venture** - The investment in joint venture represents the Town's equity interest in the Northern Westchester Joint Water Works.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

| <u>Class</u>               | <u>Life<br/>in Years</u> |
|----------------------------|--------------------------|
| Buildings and improvements | 20-50                    |
| Machinery and equipment    | 5-20                     |
| Infrastructure             | 20-50                    |

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

**Unearned Revenues** - Unearned revenues arise when assets are recognized before revenue recognition criteria has been satisfied. In government-wide financial statements, unearned revenues consist of amounts received in advance and/or grants received before the eligibility requirements have been met.

Unearned revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Town has reported unearned revenues of \$1,117,943 for grants and deposits received in advance in the Capital Projects Fund and \$10,594 for a buy-in received in advance in the Amawalk Shenorock Water Fund. Such amounts have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

The Town has reported deferred inflows of resources of \$786,374 in the General Fund for real property taxes not expected to be collected within the first sixty days of the subsequent fiscal year and \$91,083 for revenues that do not meet the availability criteria in the Highway Fund. Those amounts are deferred and recognized as an inflow of resources in the period that the amount becomes available.

Deferred outflows and inflows of resources have been reported on the government-wide Statement of Net Position for the following:

|  | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|--|---|--|
| New York State and Local Employees' Retirement System      | \$ 1,036,882                                  | \$ 312,059                                   |
| New York State and Local Police and Fire Retirement System | 51,186  | 9,047  |
| Deferred loss on refunding bonds                           | 103,079                                       | -  |
| Other post employment benefit obligations                  | <u>927,794</u>                                | <u>2,700,747</u>                             |
|  | <u>\$ 2,118,941</u>                           | <u>\$ 3,021,853</u>                          |

The Town reported deferred outflows of resources for a deferred loss on refunding bonds. This amount results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is being deferred and amortized over the shorter of the life of the refunded or refunding debt.

The Town's deferred outflows of resources and deferred inflows of resources in relation to its pension obligations are detailed in the discussion of the Town's pension plans in Note 3F.

**Long-Term Obligations** - In the government-wide financial statements, long-term debt and other long-term liabilities are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

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

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

**Net Position** - Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the Statement of Net Position includes, net investment in capital assets, restricted for property damage, unemployment benefits, debt service, permanent trusts, other trusts and parklands. The balance is classified as unrestricted.

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (Continued)**

establish the commitment. This classification includes certain amounts established and approved by the Town Board.

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

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

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

**F. Encumbrances**

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

**G. Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**H. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 17, 2020.

**Note 2 - Stewardship, Compliance and Accountability**

**A. Budgetary Data**

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

- a) Prior to October 20th, the head of each administrative unit shall submit to the budget officer an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the office of the Town Clerk on or before October 30th.
- c) On or before November 10th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On before December 10th, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than December 20th.
- h) Formal budgetary integration is employed during the year as a management control device for General, Highway, Debt Service, Public Library and Special Districts funds.
- i) Budgets for General, Highway, Public Library, Special Districts and Debt Service funds are legally adopted annually on a basis consistent with generally accepted accounting principles. The Capital Projects Fund is budgeted on a project basis. Annual budgets are not adopted for the Special Purpose and Permanent funds.

## Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2019

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### **Note 2 - Stewardship, Compliance and Accountability (Continued)**

- j) The Town Board has established legal control of the budget at the function level of expenditures. Transfers between appropriation accounts, at the function level, require approval by the Town Board. Any modification to appropriations resulting from an increase in revenue estimates or supplemental reserve appropriations also require a majority vote by the Board.
- k) Appropriations in General, Highway, Public Library, Special Districts and Debt Service funds lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year pursuant to the Uniform System of Accounts promulgated by the Office of the State Comptroller.

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

#### **B. Property Tax Limitation**

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

The Tax Levy Limitation Law imposes a limitation on increases in the real property tax levy, subject to certain exceptions. The Tax Levy Limitation Law permits the Town to increase its overall real property tax levy over the tax levy of the prior year by no more than the "Allowable Levy Growth Factor," which is the lesser of one and two-one hundredths or the sum of one plus the Inflation Factor; provided, however that in no case shall the levy growth factor be less than one. The "Inflation Factor" is the quotient of: (i) the average of the 20 National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the coming fiscal year minus the average of the National Consumer Price Indexes determined by the United States Department of Labor for the twelve-month period ending six months prior to the start of the prior fiscal year, divided by (ii) the average of the National Consumer Price Indexes determined by the United States with the result expressed as a decimal to four places. The Town is required to calculate its tax levy limit for the upcoming year in accordance with the provision above and provide all relevant information to the New York State Comptroller prior to adopting its budget. The Tax Levy Limitation Law sets forth certain exclusions to the real property tax levy limitation of the Town, including exclusions for certain portions of the expenditures for retirement system contributions and tort judgments payable by the Town. The Town Board may adopt a budget that exceeds the tax levy limit for the coming fiscal year, only if the Town Board first enacts, by a vote of at least sixty percent of the total voting power of the Town Board, a local law to override such limit for such coming fiscal year.

#### **C. Capital Projects Fund Project Deficits**

The NYSERDA capital project has a deficit balance of \$18,860 and the Lake Shenorock and Lincolndale Sewer capital project has a deficit balance of \$206,896 at December 31, 2019. These

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 2 - Stewardship, Compliance and Accountability (Continued)**

deficits arise because of expenditures exceeding current financing on the projects. These deficits will be eliminated with the subsequent receipt or issuance of authorized financing.

**D. Adoption of Accounting Standard**

For the year ended December 31, 2019, the Town implemented the provisions of GASB Statement No. 84, "Fiduciary Activities". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

**E. Reclassification of Prior Year Presentation**

Certain prior year amounts have been reclassified to conform with the current year presentation with respect to the implementation of the provisions of GASB Statement No. 84. These reclassifications had no effect on previously reported fund balance amounts.

**Note 3 - Detailed Notes on All Funds**

**A. Taxes Receivable**

Taxes receivable at December 31, 2019 consisted of the following:

|                                   |    |                  |
|-----------------------------------|----|------------------|
| Town and County taxes - Current   | \$ | 150,241          |
| Tax liens                         |    | 726,095          |
| Property acquired for taxes       |    | <u>740,990</u>   |
|                                   |    | 1,617,626        |
| Allowance for uncollectible taxes |    | <u>(794,575)</u> |
|                                   | \$ | <u>822,751</u>   |

Taxes receivable in the fund financial statements are also partially offset by deferred tax revenues of \$786,374 which represents an estimate of the taxes receivable which will not be collected within the first sixty days of the subsequent year.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

**B. Interfund Receivables/Payables**

The composition of due from/to other funds at December 31, 2019 were as follows:

| <u>Fund</u>            | <u>Due From</u>     | <u>Due To</u>       |
|------------------------|---------------------|---------------------|
| General                | \$ 491,579          | \$ 59,438           |
| Capital Projects       | 59,438              | 942,797             |
| Non-Major Governmental | 451,375             | 157                 |
|                        | <u>\$ 1,002,392</u> | <u>\$ 1,002,392</u> |

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

**C. Investment in Joint Venture**

The Town together with the Town of Yorktown, New York, the Town of Cortlandt, New York and the Montrose Improvement District, New York, participate in the Northern Westchester Joint Water Works. The purpose of the joint venture is to construct, maintain and operate a water works transmission system for its members. The Town has an equity interest in the joint venture of 6%.

The following is an audited summary of financial information included in the financial statements of the joint venture.

|                                |               |
|--------------------------------|---------------|
| Total Assets                   | \$ 28,057,124 |
| Deferred Outflows of Resources | 1,090,040     |
| Total Liabilities              | 12,949,597    |
| Deferred Inflows of Resources  | 808,286       |
| Total Equity                   | 15,389,281    |
| Total Operating Revenues       | 11,668,672    |
| Total Non-Operating Revenues   | 9,000         |
| Total Expenses                 | 11,660,803    |

**D. Capital Assets**

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

|  | <u>Balance<br/>January 1,<br/>2019</u> | <u>Additions</u>    | <u>Deletions</u>  | <u>Balance<br/>December 31,<br/>2019</u> |
|--|--|---------------------|-------------------|--|
| Capital Assets, not being depreciated: |  |                     |                   |  |
| Land                                   | \$ 5,881,179                           | \$ -                | \$ -              | \$ 5,881,179                             |
| Construction in progress               | 463,419                                | 2,002,983           | 675,217           | 1,791,185                                |
|  | <u>\$ 6,344,598</u>                    | <u>\$ 2,002,983</u> | <u>\$ 675,217</u> | <u>\$ 7,672,364</u>                      |

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

|   | Balance<br>January 1,<br>2019 | Additions           | Deletions         | Balance<br>December 31,<br>2019 |
|---|-------------------------------|---------------------|-------------------|---------------------------------|
| Capital Assets, being depreciated:                      |                               |                     |                   |                                 |
| Buildings and improvements                              | \$ 11,307,756                 | \$ 1,025,888        | \$ 35,600         | \$ 12,298,044                   |
| Machinery and equipment                                 | 5,662,312                     | 520,896             | 525,935           | 5,657,273                       |
| Infrastructure  | 29,306,982                    | 655,764             | -                 | 29,962,746                      |
| <b>Total Capital Assets,<br/>being depreciated</b>      | <b>46,277,050</b>             | <b>2,202,548</b>    | <b>561,535</b>    | <b>47,918,063</b>               |
| Less Accumulated Depreciation for:                      |                               |                     |                   |                                 |
| Buildings and improvements                              | 4,775,733                     | 500,012             | 35,600            | 5,240,145                       |
| Machinery and equipment                                 | 4,163,528                     | 395,669             | 525,935           | 4,033,262                       |
| Infrastructure  | 21,448,106                    | 623,998             | -                 | 22,072,104                      |
| <b>Total Accumulated Depreciation</b>                   | <b>30,387,367</b>             | <b>1,519,679</b>    | <b>561,535</b>    | <b>31,345,511</b>               |
| <b>Total Capital Assets,<br/>being depreciated, net</b> | <b>\$ 15,889,683</b>          | <b>\$ 682,869</b>   | <b>\$ -</b>       | <b>\$ 16,572,552</b>            |
| <b>Capital Assets, net</b>                              | <b>\$ 22,234,281</b>          | <b>\$ 2,685,852</b> | <b>\$ 675,217</b> | <b>\$ 24,244,916</b>            |

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

|                                   |                     |
|-----------------------------------|---------------------|
| General Government Support        | \$ 34,591           |
| Public Safety                     | 47,064              |
| Transportation                    | 690,342             |
| Culture and Recreation            | 187,893             |
| Home and Community Services       | 559,789             |
| <b>Total Depreciation Expense</b> | <b>\$ 1,519,679</b> |

**E. Accrued Liabilities**

Accrued liabilities at December 31, 2019 were as follows:

|                               | Fund       |           |                           | Total      |
|-------------------------------|------------|-----------|---------------------------|------------|
|                               | General    | Highway   | Non-Major<br>Governmental |            |
| Payroll and Employee Benefits | \$ 114,556 | \$ 30,619 | \$ 18,879                 | \$ 164,054 |

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

**F. Long-Term Liabilities**

The following table summarizes changes in the Town's long-term indebtedness for the year ended December 31, 2019:

|  | Balance<br>January 1,<br>2019 | New Issues/<br>Additions | Maturities<br>and/or<br>Payments | Balance<br>December 31,<br>2019 | Due Within<br>One Year |
|--|-------------------------------|--------------------------|----------------------------------|---------------------------------|------------------------|
| General Obligation Bonds Payable:                    |                               |                          |                                  |                                 |                        |
| Capital Construction                                 | \$ 6,338,398                  | \$ -                     | \$ 1,170,173                     | \$ 5,168,225                    | \$ 959,099             |
| Other  | 301,947                       | -                        | 93,768                           | 208,179                         | 96,701                 |
|  | 6,640,345                     | -                        | 1,263,941                        | 5,376,404                       | 1,055,800              |
| Plus   |                               |                          |                                  |                                 |                        |
| Unamortized premium on bonds                         | 32,658                        | -                        | 1,866                            | 30,792                          | -                      |
|  | 6,673,003                     | -                        | 1,265,807                        | 5,407,196                       | 1,055,800              |
| Other Non-current Liabilities:                       |                               |                          |                                  |                                 |                        |
| Compensated Absences                                 | 140,885                       | 45,984                   | 14,000                           | 172,869                         | 17,000                 |
| Net Pension Liability                                | 438,633                       | 485,359                  | -                                | 923,992                         | -                      |
| Other Post Employment<br>Benefit Obligations Payable | 24,337,343                    | 676,698                  | 982,954                          | 24,031,087                      | -                      |
| Total Other Non-current<br>Liabilities               | 24,916,861                    | 1,208,041                | 996,954                          | 25,127,948                      | 17,000                 |
| Long-Term Liabilities                                | <u>\$ 31,589,864</u>          | <u>\$ 1,208,041</u>      | <u>\$ 2,262,761</u>              | <u>\$ 30,535,144</u>            | <u>\$ 1,072,800</u>    |

Each governmental fund's liability for compensated absences, net pension liability and other post employment benefit obligations is liquidated by the General, Highway and Special Districts funds. The Town's indebtedness for general obligation bonds is satisfied by the Debt Service Fund, which is funded primarily by the General, Highway and Special Districts funds.

**Bonds Payable**

Bonds payable at December 31, 2019 are comprised of the following individual issues:

| Purpose  | Year of<br>Issue | Original<br>Issue<br>Amount | Final<br>Maturity | Interest<br>Rates | Amount<br>Outstanding<br>at<br>December 31,<br>2019 |
|--|------------------|-----------------------------|-------------------|-------------------|---|
| Environmental Facilities Corporation<br>Refunding Bonds 2011 A | 2011             | \$ 3,648,590                | 05/2022           | 3.815 - 3.989 %   | 771,317   |
| Environmental Facilities Corporation<br>Refunding Bonds 2011 C | 2011             | 502,701                     | 11/2021           | 2.972 - 3.566     | 142,497   |
| Public Improvement Bonds                                       | 2011             | 2,000,000                   | 05/2021           | 3.000             | 445,000   |
| Public Improvement Bonds                                       | 2014             | 2,000,000                   | 05/2024           | 2.000 - 2.500     | 1,050,000   |
| Refunding Bonds  | 2015             | 3,300,000                   | 05/2036           | 2.000 - 3.250     | 2,835,000   |
| Public Improvement Bonds                                       | 2016             | 350,000                     | 06/2021           | 1.950             | 132,590   |
|  |                  |                             |                   |                   | <u>\$ 5,376,404</u>                                 |

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

Interest expenditures of \$158,673, were recorded in the fund financial statements in the Debt Service Fund. Interest expense of \$156,592 was recorded in the government-wide financial statements for governmental activities.

**Payments to Maturity**

The annual requirements to amortize all bonded debt outstanding as of December 31, 2019, including interest payments of \$865,930 are as follows:

| <u>Year Ended<br/>December 31,</u> | <u>Principal</u>    | <u>Interest</u>   | <u>Total</u>        |
|------------------------------------|---------------------|-------------------|---------------------|
| 2020                               | \$ 1,055,800        | \$ 140,394        | \$ 1,196,194        |
| 2021                               | 1,088,105           | 109,586           | 1,197,691           |
| 2022                               | 402,499             | 80,491            | 482,990             |
| 2023                               | 360,000             | 72,225            | 432,225             |
| 2024                               | 365,000             | 64,156            | 429,156             |
| 2025-2029                          | 790,000             | 252,397           | 1,042,397           |
| 2030-2034                          | 915,000             | 133,806           | 1,048,806           |
| 2035-2036                          | 400,000             | 12,875            | 412,875             |
|                                    | <u>\$ 5,376,404</u> | <u>\$ 865,930</u> | <u>\$ 6,242,334</u> |

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

**Compensated Absences**

Civil service employees may accumulate and carryover up to ten vacation days. Upon separation of service, employees will be compensated for unused leave. Employees may accumulate unused sick leave, however, upon separation of service, they are not compensated for this leave. The Town has determined that the potential liability for compensated absences as of December 31, 2019 was \$172,869. The value of all compensated absences has been recorded in the government-wide financial statements.

**Pension Plans**

*New York State and Local Retirement System*

The Town participates in the New York State and Local Employees' Retirement System ("ERS") and the New York State and Local Police and Fire Retirement System ("PFRS") which are collectively referred to as the New York State and Local Retirement System ("System"). These are cost-sharing, multiple-employer defined benefit pension plans. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees’ Group Life Insurance Plan, which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. That report, including information with regard to benefits provided may be found at [www.osc.state.ny.us/retire/about\\_us/financial\\_statements\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statements_index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010, who generally contribute between 3% and 6% of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31. The employer contribution rates for the plan’s year ending in 2019 are as follows:

|      | <u>Tier/Plan</u> | <u>Rate</u> |
|------|------------------|-------------|
| ERS  | 1 75I            | 21.4 %      |
|      | 3 A14            | 15.7        |
|      | 4 A15            | 15.7        |
|      | 5 A15            | 12.9        |
|      | 6 A15            | 9.2         |
| PFRS | 2 375I           | 17.2 %      |

At December 31, 2019, the Town reported the following for its proportionate share of the net pension liability for ERS and PFRS:

|   | <u>ERS</u>     | <u>PFRS</u>    |
|---|----------------|----------------|
| Measurement date                                      | March 31, 2019 | March 31, 2019 |
| Net pension liability                                 | \$ 900,135     | \$ 23,857      |
| Town's proportion of the net pension liability        | 0.0127043 %    | 0.0014226 %    |
| Change in proportion since the prior measurement date | (0.0004048) %  | (0.0001152) %  |

The net pension liability was measured as of March 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

For the year ended December 31, 2019, the Town recognized pension expense in the government-wide financial statements of \$693,275 for ERS and \$23,023 for PFRS. Pension expenditures of \$581,908 for ERS and \$19,582 for PFRS were recorded in the fund financial statements and were charged to the following funds.

|                   | <u>ERS</u>        | <u>PFRS</u>      |
|-------------------|-------------------|------------------|
| General           | \$ 383,426        | \$ 19,582        |
| Highway           | 112,809           | -                |
| Special Districts | 26,545            | -                |
| Library           | <u>59,128</u>     | <u>-</u>         |
| Total             | <u>\$ 581,908</u> | <u>\$ 19,582</u> |

At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>ERS</u>                            |                                      | <u>PFRS</u>                           |                                      | <u>Total</u>                          |                                      |
|---|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience  | \$ 177,255                            | \$ 60,424                            | \$ 5,796                              | \$ 2,547                             | \$ 183,051                            | \$ 62,971                            |
| Changes of assumptions  | 226,257                               | -                                    | 8,668                                 | -                                    | 234,925                               | -                                    |
| Net difference between projected and actual earnings on pension plan investments                          | -                                     | 231,024                              | -                                     | 4,778                                | -                                     | 235,802                              |
| Changes in proportion and differences between Town contributions and proportionate share of contributions | 200,139                               | 20,611                               | 21,708                                | 1,722                                | 221,847                               | 22,333                               |
| Town contributions subsequent to the measurement date   | <u>433,231</u>                        | <u>-</u>                             | <u>15,014</u>                         | <u>-</u>                             | <u>448,245</u>                        | <u>-</u>                             |
|   | <u>\$ 1,036,882</u>                   | <u>\$ 312,059</u>                    | <u>\$ 51,186</u>                      | <u>\$ 9,047</u>                      | <u>\$ 1,088,068</u>                   | <u>\$ 321,106</u>                    |

\$433,231 and \$15,014 reported as deferred outflows of resources related to ERS and PFRS, respectively, resulting from the Town's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan year ended March 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS and PFRS will be recognized in pension expense as follows:

| <u>Year Ended March 31,</u> | <u>ERS</u> | <u>PFRS</u> |
|-----------------------------|------------|-------------|
| 2020                        | \$ 258,948 | \$ 12,165   |
| 2021                        | (119,821)  | 4,621       |
| 2022                        | 16,299     | 3,571       |
| 2023                        | 136,166    | 5,137       |
| 2024                        | -          | 1,631       |

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

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

|                            | <u>ERS</u>     | <u>PFRS</u>    |
|----------------------------|----------------|----------------|
| Measurement date           | March 31, 2019 | March 31, 2019 |
| Actuarial valuation date   | April 1, 2018  | April 1, 2018  |
| Investment rate of return  | 7.0%           | 7.0%           |
| Salary scale               | 4.2%           | 5.0%           |
| Inflation rate             | 2.5%           | 2.5%           |
| Cost of living adjustments | 1.3%           | 1.3%           |

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

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

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

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

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

| <u>Asset Type</u>          | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|----------------------------|--------------------------|---|
| Domestic Equity            | 36 %                     | 4.55 %  |
| International Equity       | 14                       | 6.35  |
| Private Equity             | 10                       | 7.50  |
| Real Estate                | 10                       | 5.55  |
| Absolute Return Strategies | 2                        | 3.75  |
| Opportunistic Portfolio    | 3                        | 5.68  |
| Real Assets                | 3                        | 5.29  |
| Bonds and Mortgages        | 17                       | 1.31  |
| Cash                       | 1                        | (0.25)  |
| Inflation Indexed Bonds    | 4                        | 1.25  |
|                            | <u>100 %</u>             |   |

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

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Town's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

|  | 1%<br>Decrease<br>(6.0%) | Current<br>Assumption<br>(7.0%) | 1%<br>Increase<br>(8.0%) |
|--|--------------------------|---------------------------------|--------------------------|
| Town's proportionate share of the ERS net pension liability (asset)  | <u>\$ 3,935,535</u>      | <u>\$ 900,135</u>               | <u>\$ (1,649,816)</u>    |
| Town's proportionate share of the PFRS net pension liability (asset) | <u>\$ 86,216</u>         | <u>\$ 23,857</u>                | <u>\$ (28,220)</u>       |

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

|   | ERS                     | PFRS                    | Total                   |
|---|-------------------------|-------------------------|-------------------------|
| Total pension liability   | \$ 189,803,429,000      | \$ 34,128,100,000       | \$ 223,931,529,000      |
| Fiduciary net position  | <u>182,718,124,000</u>  | <u>32,451,037,000</u>   | <u>215,169,161,000</u>  |
| Employers' net pension liability                                  | <u>\$ 7,085,305,000</u> | <u>\$ 1,677,063,000</u> | <u>\$ 8,762,368,000</u> |
| Fiduciary net position as a percentage of total pension liability | <u>96.27%</u>           | <u>95.09%</u>           | <u>96.09%</u>           |

Employer contributions to ERS and PFRS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of December 31, 2019 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 based on prior year ERS and PFRS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS and PFRS for the nine months ended December 31, 2019 were \$433,231 and \$15,014 respectively.

*Voluntary Defined Contribution Plan*

The Town can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

is between 3% and 6% depending on salary and the Town will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

**Other Post Employment Benefit Obligations (“OPEB”)**

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

At December 31, 2019, the following employees were covered by the benefit terms:

|   |                   |
|---|-------------------|
| Inactive employees currently receiving benefit payments | 68                |
| Active employees  | <u>77</u>         |
|   | <u><u>145</u></u> |

The Town’s total OPEB liability of \$24,031,087 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019.

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

|  |  |
|--|--|
| Inflation                                | 3.00%  |
| Salary increases                         | 3.00%  |
| Discount rate                            | 3.26%  |
| Healthcare cost trend rates              | 8.0% for 2020, decreasing by up to .5% per year to an ultimate rate of 5.0% for 2026 |
| Retirees' share of benefit-related costs | Varies from 0% to 100%, depending on applicable retirement year and bargaining unit  |

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index.

Mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2016.

The actuarial assumptions used in the January 1, 2019 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

The Town's change in the total OPEB liability for the year ended December 31, 2019 is as follows:

|  |           |                   |
|--|-----------|-------------------|
| Total OPEB Liability - Beginning of Year           | \$        | 24,337,343        |
| Service cost                                       |           | 526,573           |
| Interest   |           | 867,990           |
| Differences between expected and actual experience |           | (1,877,607)       |
| Changes in assumptions or other inputs             |           | 1,159,742         |
| Benefit payments                                   |           | <u>(982,954)</u>  |
| Total OPEB Liability - End of Year                 | <u>\$</u> | <u>24,031,087</u> |

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

|                      | 1%<br>Decrease<br>(2.26%) | Current<br>Assumption<br>(3.26%) | 1%<br>Increase<br>(4.26%) |
|----------------------|---------------------------|----------------------------------|---------------------------|
| Total OPEB Liability | <u>\$ 27,084,574</u>      | <u>\$ 24,031,087</u>             | <u>\$ 20,977,599</u>      |

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

|                      | 1%<br>Decrease<br>(7.0% decreasing<br>to 4.0%) | Healthcare<br>Cost Trend<br>Rates<br>(8.0% decreasing<br>to 5.0%) | 1%<br>Increase<br>(9.0% decreasing<br>to 6.0%) |
|----------------------|--|---|--|
| Total OPEB Liability | <u>\$ 20,047,104</u>                           | <u>\$ 24,031,087</u>  | <u>\$ 28,749,266</u>                           |

For the year ended December 31, 2019, the Town recognized OPEB expense of \$851,437 in the government-wide financial statements. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

|  | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
|--|---|--|
| Changes of assumptions or other inputs             | \$ 927,794                                    | \$ -   |
| Differences between expected and actual experience | <u>-</u>                                      | <u>2,700,747</u>                             |
|  | <u>\$ 927,794</u>                             | <u>\$ 2,700,747</u>                          |

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

| <u>Year Ended<br/>December 31,</u> |    |           |
|------------------------------------|----|-----------|
| 2020                               | \$ | (543,127) |
| 2021                               |    | (543,127) |
| 2022                               |    | (543,127) |
| 2023                               |    | (143,572) |
| Thereafter                         |    | -         |

**G. Revenues and Expenditures**

**Interfund Transfers**

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

| <u>Transfers Out</u>         | <u>Transfers In</u>              |                                      | <u>Total</u>        |
|------------------------------|----------------------------------|--------------------------------------|---------------------|
|                              | <u>Debt<br/>Service<br/>Fund</u> | <u>Capital<br/>Projects<br/>Fund</u> |                     |
| General Fund                 | \$ 250,086                       | \$ 970,173                           | \$ 1,220,259        |
| Highway Fund                 | 728,815                          | -                                    | 728,815             |
| Non-Major Governmental Funds | 445,170                          | 45,663                               | 490,833             |
|                              | <u>\$ 1,424,071</u>              | <u>\$ 1,015,836</u>                  | <u>\$ 2,439,907</u> |

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

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

**H. Net Position**

The components of net position are detailed below:

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

*Restricted for Property Damage* - the component of net position that has been established to set aside funds to be used to self-insure the Town for its deductibles for annual property damage claims, pursuant to General Municipal Law.

*Restricted for Unemployment Benefits* - the component of net position that has been established to set aside funds to be used for a specific purpose in accordance with Section 6-m of General Municipal Law of the State of New York.

*Restricted for Debt Service* - the component of net position that reports the difference between assets and liabilities with constraints placed on their use by Local Finance Law of the State of New York.

*Restricted for Permanent Trusts* - the component of net position that has been established to set aside funds in accordance with the terms of the trusts where the principal amount cannot be expended.

*Restricted for Other Trusts* - the component of net position that has been established to set aside funds in accordance with the terms of the trusts.

*Restricted for Parklands* - the component of net position that has been established pursuant to New York State Law. These amounts represent funds received by the Town in lieu of parklands as a condition precedent to the approval of a parcel by the Planning Board. These funds may be used only for recreation purposes.

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

Town of Somers, New York

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

**I. Fund Balances**

|                                | 2019                |                     |                   |                       |                              |                      | 2018                |                     |                   |                       |                              |                      |
|--------------------------------|---------------------|---------------------|-------------------|-----------------------|------------------------------|----------------------|---------------------|---------------------|-------------------|-----------------------|------------------------------|----------------------|
|                                | General Fund        | Highway Fund        | Debt Service Fund | Capital Projects Fund | Non-Major Governmental Funds | Total                | General Fund        | Highway Fund        | Debt Service Fund | Capital Projects Fund | Non-Major Governmental Funds | Total                |
| <b>Nonspendable</b>            |                     |                     |                   |                       |                              |                      |                     |                     |                   |                       |                              |                      |
| Prepaid expenditures           | \$ 295,450          | \$ 26,749           | \$ -              | \$ -                  | \$ 21,373                    | \$ 343,572           | \$ 313,170          | \$ 35,989           | \$ -              | \$ -                  | \$ 26,392                    | \$ 375,551           |
| Trust principal                | -                   | -                   | -                 | -                     | 284,878                      | 284,878              | -                   | -                   | -                 | -                     | 284,878                      | 284,878              |
| <b>Total Nonspendable</b>      | <b>295,450</b>      | <b>26,749</b>       | <b>-</b>          | <b>-</b>              | <b>306,251</b>               | <b>628,450</b>       | <b>313,170</b>      | <b>35,989</b>       | <b>-</b>          | <b>-</b>              | <b>311,270</b>               | <b>660,429</b>       |
| <b>Restricted</b>              |                     |                     |                   |                       |                              |                      |                     |                     |                   |                       |                              |                      |
| Capital projects               | -                   | -                   | -                 | -                     | -                            | -                    | -                   | -                   | -                 | 34,266                | -                            | 34,266               |
| Debt service                   | -                   | -                   | 348,189           | -                     | -                            | 348,189              | -                   | -                   | 341,311           | -                     | -                            | 341,311              |
| Property damage                | 197,101             | -                   | -                 | -                     | -                            | 197,101              | 193,061             | -                   | -                 | -                     | -                            | 193,061              |
| Unemployment benefits          | -                   | -                   | -                 | -                     | 20,229                       | 20,229               | -                   | -                   | -                 | -                     | 20,229                       | 20,229               |
| Parklands                      | -                   | -                   | -                 | -                     | 3,571,640                    | 3,571,640            | -                   | -                   | -                 | -                     | 3,070,906                    | 3,070,906            |
| Trusts                         | -                   | -                   | -                 | -                     | 53,080                       | 53,080               | -                   | -                   | -                 | -                     | 32,645                       | 32,645               |
| <b>Total Restricted</b>        | <b>197,101</b>      | <b>-</b>            | <b>348,189</b>    | <b>-</b>              | <b>3,644,949</b>             | <b>4,190,239</b>     | <b>193,061</b>      | <b>-</b>            | <b>341,311</b>    | <b>34,266</b>         | <b>3,123,780</b>             | <b>3,692,418</b>     |
| <b>Assigned</b>                |                     |                     |                   |                       |                              |                      |                     |                     |                   |                       |                              |                      |
| Subsequent year's expenditures | 369,517             | 105,000             | -                 | -                     | -                            | 474,517              | 277,522             | 3,000               | -                 | -                     | -                            | 280,522              |
| Capital costs                  | 2,987,329           | -                   | -                 | -                     | -                            | 2,987,329            | 2,987,329           | -                   | -                 | -                     | -                            | 2,987,329            |
| Tax certiorari                 | 650,000             | -                   | -                 | -                     | -                            | 650,000              | 600,000             | -                   | -                 | -                     | -                            | 600,000              |
| Highway                        | -                   | 1,233,067           | -                 | -                     | -                            | 1,233,067            | -                   | 1,472,437           | -                 | -                     | -                            | 1,472,437            |
| Library                        | -                   | -                   | -                 | -                     | 539,992                      | 539,992              | -                   | -                   | -                 | -                     | 456,175                      | 456,175              |
| Special Districts              | -                   | -                   | -                 | -                     | 598,867                      | 598,867              | -                   | -                   | -                 | -                     | 536,534                      | 536,534              |
| <b>Total Assigned</b>          | <b>4,006,846</b>    | <b>1,338,067</b>    | <b>-</b>          | <b>-</b>              | <b>1,138,859</b>             | <b>6,483,772</b>     | <b>3,864,851</b>    | <b>1,475,437</b>    | <b>-</b>          | <b>-</b>              | <b>992,709</b>               | <b>6,332,997</b>     |
| <b>Unassigned</b>              | <b>2,313,601</b>    | <b>-</b>            | <b>-</b>          | <b>(225,756)</b>      | <b>-</b>                     | <b>2,087,845</b>     | <b>2,293,598</b>    | <b>-</b>            | <b>-</b>          | <b>-</b>              | <b>-</b>                     | <b>2,293,598</b>     |
| <b>Total Fund Balances</b>     | <b>\$ 6,812,998</b> | <b>\$ 1,364,816</b> | <b>\$ 348,189</b> | <b>\$ (225,756)</b>   | <b>\$ 5,090,059</b>          | <b>\$ 13,390,306</b> | <b>\$ 6,664,680</b> | <b>\$ 1,511,426</b> | <b>\$ 341,311</b> | <b>\$ 34,266</b>      | <b>\$ 4,427,759</b>          | <b>\$ 12,979,442</b> |

**Town of Somers, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been provided to account for certain payments made in advance. The reserve indicates that the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Subsequent year's expenditures represent that at December 31, 2019, the Town Board has assigned the above amounts to be appropriated for the ensuing year's budget.

Assigned for Capital Costs - This has been established to fund future capital costs.

Assigned for Tax Certiorari - This has been established to set aside funds to meet anticipated judgments and claims arising out of tax certiorari proceedings.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned. Unassigned fund balance in the capital projects fund represents a deficit fund balance.

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Litigation**

The Town is the defendant in various actions, all of which are within the limits of the Town's insurance coverage. Counsel has indicated that the insurance companies are vigorously defending those claims and that there is adequate insurance to cover these contingencies.

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

**B. Risk Management**

The Town purchases various conventional insurance policies to reduce its exposure to loss. The general liability, public officials liability, commercial automobile and police professional liability policies each provide for coverage with an occurrence limit of \$1 million. The Town also maintains an excess liability policy with a limit of \$15 million occurrence over general liability, automobile, police professional and public officials liability. The Town purchases conventional workers' compensation insurance with coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years. The Town is self-insured for property damage as it relates to glass damage not covered by conventional insurance and deductibles for all private passenger type vehicles. The Town purchases health insurance from the New York State Health Insurance Program.

**Town of Somers, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

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**Note 4 - Summary Disclosure of Significant Contingencies (Continued)**

**C. Contingencies**

The Town participates in various Federal grant programs. These programs may be subject to program compliance audits pursuant to the Single Audit Act. Accordingly, the Town's compliance with applicable grant requirements may be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

**Note 5 - Subsequent Event**

Subsequent to year end, the COVID-19 (coronavirus) pandemic has resulted in substantial economic volatility on a global scale. As a result, the Town's economically sensitive revenues (i.e. sales taxes, mortgage recording taxes, interest earnings, fees, state and federal aid) might be negatively impacted. Collection rates on real property taxes might be slowed as unemployment rates are expected to spike. Meanwhile, the Town's expenditures for public safety and health service functions and pension benefits (due to stock market declines) would all be expected to increase. None of these factors were taken into consideration in the development of the 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relation of protective measures, management cannot reasonably estimate the actual impact on the Town's financial position at this time.

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**Town of Somers, New York**

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

|  | 2019                 | 2018                 |
|--|----------------------|----------------------|
| Total OPEB Liability:  |                      |                      |
| Service cost   | \$ 526,573           | \$ 569,296           |
| Interest   | 867,990              | 922,889              |
| Changes of benefit terms   | -                    | -                    |
| Differences between expected and actual experience               | (1,877,607)          | (1,997,767)          |
| Changes of assumptions or other inputs                           | 1,159,742            | -                    |
| Benefit payments   | (982,954)            | (1,022,349)          |
| Net Change in Total OPEB Liability                               | (306,256)            | (1,527,931)          |
| Total OPEB Liability – Beginning of Year                         | 24,337,343           | 25,865,274 (3)       |
| Total OPEB Liability – End of Year                               | <u>\$ 24,031,087</u> | <u>\$ 24,337,343</u> |
| Town's covered-employee payroll                                  | <u>\$ 4,875,000</u>  | <u>\$ 4,661,800</u>  |
| Total OPEB liability as a percentage of covered-employee payroll | <u>492.95%</u>       | <u>522.06%</u>       |

Notes to Schedule:

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

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

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

See independent auditors' report.

**Town of Somers, New York**

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

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

|  | 2019                | 2018                | 2017                | 2016 (3)            | 2015                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Town's proportion of the net pension liability   | <u>0.0127043%</u>   | <u>0.0131091%</u>   | <u>0.0127720%</u>   | <u>0.0121090%</u>   | <u>0.0126587%</u>   |
| Town's proportionate share of the net pension liability  | <u>\$ 900,135</u>   | <u>\$ 423,090</u>   | <u>\$ 1,200,082</u> | <u>\$ 1,943,528</u> | <u>\$ 427,640</u>   |
| Town's covered payroll   | <u>\$ 4,172,929</u> | <u>\$ 4,143,362</u> | <u>\$ 4,035,219</u> | <u>\$ 3,891,006</u> | <u>\$ 3,883,535</u> |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | <u>21.57%</u>       | <u>10.21%</u>       | <u>29.74%</u>       | <u>49.95%</u>       | <u>11.01%</u>       |
| Plan fiduciary net position as a percentage of the total pension liability                     | <u>96.27%</u>       | <u>98.24%</u>       | <u>94.70%</u>       | <u>90.70%</u>       | <u>97.90%</u>       |

Schedule of Contributions

|  | 2019                | 2018                | 2017                | 2016                | 2015                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Contractually required contribution                                  | \$ 577,641          | \$ 593,215          | \$ 589,725          | \$ 598,286          | \$ 615,247          |
| Contributions in relation to the contractually required contribution | <u>(577,641)</u>    | <u>(593,215)</u>    | <u>(589,725)</u>    | <u>(598,286)</u>    | <u>(615,247)</u>    |
| Contribution excess  | <u>\$ -</u>         |
| Town's covered payroll   | <u>\$ 4,408,320</u> | <u>\$ 4,124,797</u> | <u>\$ 4,104,413</u> | <u>\$ 3,969,835</u> | <u>\$ 4,093,334</u> |
| Contributions as a percentage of covered payroll                     | <u>13.10%</u>       | <u>14.38%</u>       | <u>14.37%</u>       | <u>15.07%</u>       | <u>15.03%</u>       |

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

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

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

**Town of Somers, New York**

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

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

|  | 2019              | 2018              | 2017              | 2016 (3)          | 2015              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Town's proportion of the net pension liability   | <u>0.0014226%</u> | <u>0.0015378%</u> | <u>0.0013308%</u> | <u>0.0017036%</u> | <u>0.0016548%</u> |
| Town's proportionate share of the net pension liability  | <u>\$ 23,857</u>  | <u>\$ 15,543</u>  | <u>\$ 27,582</u>  | <u>\$ 50,439</u>  | <u>\$ 4,555</u>   |
| Town's covered payroll   | <u>\$ 114,713</u> | <u>\$ 116,083</u> | <u>\$ 113,091</u> | <u>\$ 113,049</u> | <u>\$ 135,560</u> |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | <u>20.80%</u>     | <u>13.39%</u>     | <u>24.39%</u>     | <u>44.62%</u>     | <u>3.36%</u>      |
| Plan fiduciary net position as a percentage of the total pension liability                     | <u>95.09%</u>     | <u>96.93%</u>     | <u>93.50%</u>     | <u>90.20%</u>     | <u>99.00%</u>     |

Schedule of Contributions

|  | 2019              | 2018              | 2017              | 2016              | 2015              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Contractually required contribution                                  | <u>\$ 20,019</u>  | <u>\$ 19,798</u>  | <u>\$ 19,848</u>  | <u>\$ 19,392</u>  | <u>\$ 25,407</u>  |
| Contributions in relation to the contractually required contribution | <u>(20,019)</u>   | <u>(19,798)</u>   | <u>(19,848)</u>   | <u>(19,392)</u>   | <u>(25,407)</u>   |
| Contribution excess  | <u>\$ -</u>       |
| Town's covered payroll   | <u>\$ 116,074</u> | <u>\$ 113,671</u> | <u>\$ 115,419</u> | <u>\$ 110,340</u> | <u>\$ 127,723</u> |
| Contributions as a percentage of covered payroll                     | <u>17.25%</u>     | <u>17.42%</u>     | <u>17.20%</u>     | <u>17.57%</u>     | <u>19.89%</u>     |

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

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

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

See independent auditors' report.

**Town of Somers, New York**

General Fund  
Comparative Balance Sheet  
December 31,

|   | 2019         | 2018         |
|---|--------------|--------------|
| <b>ASSETS</b>   |              |              |
| Cash and equivalents  | \$ 5,873,131 | \$ 3,583,323 |
| Investments   | 40,813       | 2,749,698    |
| Taxes receivable, net of allowance for uncollectible taxes of \$794,575 in 2019 and \$740,990 in 2018 | 822,751      | 644,107      |
| Other receivables   |              |              |
| Accounts  | 153,881      | 157,166      |
| State and Federal aid   | 58,022       | 55,732       |
| Due from other governments  | 1,133,677    | 861,685      |
| Due from other funds  | 491,579      | 17           |
|   | 1,837,159    | 1,074,600    |
| Prepaid expenditures  | 295,450      | 313,170      |
| Total Assets  | \$ 8,869,304 | \$ 8,364,898 |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>                                    |              |              |
| Liabilities   |              |              |
| Accounts payable  | \$ 306,051   | \$ 275,851   |
| Accrued liabilities   | 114,556      | 140,111      |
| Deposits  | 780,737      | 665,792      |
| Employee payroll deductions   | 9,150        | 7,145        |
| Due to other funds  | 59,438       | 5,019        |
| Unearned revenues   | -            | 21,017       |
| Total Liabilities   | 1,269,932    | 1,114,935    |
| Deferred inflows of resources   |              |              |
| Deferred tax revenues   | 786,374      | 585,283      |
| Total Liabilities and Deferred Inflows of Resources   | 2,056,306    | 1,700,218    |
| Fund balance  |              |              |
| Nonspendable  | 295,450      | 313,170      |
| Restricted  | 197,101      | 193,061      |
| Assigned  | 4,006,846    | 3,864,851    |
| Unassigned  | 2,313,601    | 2,293,598    |
| Total Fund Balance  | 6,812,998    | 6,664,680    |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance                                     | \$ 8,869,304 | \$ 8,364,898 |

See independent auditors' report.

**Town of Somers, New York**

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

|  | 2019               |                    |                    |   |
|--|--------------------|--------------------|--------------------|---|
|  | Original<br>Budget | Final<br>Budget    | Actual             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| <b>REVENUES</b>                                      |                    |                    |                    |   |
| Real property taxes                                  | \$ 2,882,120       | \$ 2,882,120       | \$ 2,702,210       | \$ (179,910)  |
| Other tax items                                      | 241,363            | 241,363            | 285,290            | 43,927  |
| Non-property taxes                                   | 3,601,000          | 3,601,000          | 4,223,223          | 622,223   |
| Departmental income                                  | 691,400            | 691,400            | 885,671            | 194,271   |
| Intergovernmental charges                            | 30,000             | 30,000             | 53,213             | 23,213  |
| Use of money and property                            | 71,112             | 71,112             | 259,347            | 188,235   |
| Licenses and permits                                 | 245,000            | 245,000            | 344,637            | 99,637  |
| Fines and forfeitures                                | 130,300            | 130,300            | 127,247            | (3,053)   |
| Sale of property and<br>compensation for loss        | 100                | 100                | 4,414              | 4,314   |
| Interfund revenues                                   | 81,797             | 81,797             | 97,990             | 16,193  |
| State aid  | 853,100            | 853,100            | 773,367            | (79,733)  |
| Federal aid  | 56,834             | 56,834             | 60,245             | 3,411   |
| Miscellaneous  | 59,300             | 59,300             | 186,179            | 126,879   |
| <b>Total Revenues</b>                                | <b>8,943,426</b>   | <b>8,943,426</b>   | <b>10,003,033</b>  | <b>1,059,607</b>  |
| <b>EXPENDITURES</b>                                  |                    |                    |                    |   |
| Current  |                    |                    |                    |   |
| General government support                           | 2,525,303          | 2,539,452          | 2,424,521          | 114,931   |
| Public safety  | 1,109,202          | 1,189,442          | 1,178,236          | 11,206  |
| Health   | 386,289            | 392,362            | 391,910            | 452   |
| Transportation                                       | 329,387            | 344,670            | 317,654            | 27,016  |
| Economic opportunity and development                 | 496,018            | 504,918            | 490,141            | 14,777  |
| Culture and recreation                               | 1,252,925          | 1,275,373          | 1,254,284          | 21,089  |
| Home and community services                          | 218,232            | 222,721            | 218,947            | 3,774   |
| Employee benefits                                    | 2,653,500          | 2,430,399          | 2,358,915          | 71,484  |
| <b>Total Expenditures</b>                            | <b>8,970,856</b>   | <b>8,899,337</b>   | <b>8,634,608</b>   | <b>264,729</b>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (27,430)           | 44,089             | 1,368,425          | 1,324,336   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                    |                    |                    |   |
| Insurance recoveries                                 | -                  | -                  | 152                | 152   |
| Transfers in   | -                  | -                  | -                  | -   |
| Transfers out  | (250,092)          | (1,220,265)        | (1,220,259)        | 6   |
| <b>Total Other Financing Uses</b>                    | <b>(250,092)</b>   | <b>(1,220,265)</b> | <b>(1,220,107)</b> | <b>158</b>  |
| <b>Net Change in Fund Balance</b>                    | <b>(277,522)</b>   | <b>(1,176,176)</b> | <b>148,318</b>     | <b>1,324,494</b>  |
| <b>FUND BALANCE</b>                                  |                    |                    |                    |   |
| Beginning of Year                                    | 277,522            | 1,176,176          | 6,664,680          | 5,488,504   |
| End of Year  | \$ -               | \$ -               | \$ 6,812,998       | \$ 6,812,998  |

See independent auditors' report.

2018

| Original<br>Budget | Final<br>Budget    | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------|--------------------|---------------------|---|
| \$ 2,948,019       | \$ 2,948,019       | \$ 3,793,303        | \$ 845,284  |
| 218,885            | 218,885            | 462,584             | 243,699   |
| 3,504,892          | 3,504,892          | 3,760,015           | 255,123   |
| 617,370            | 617,370            | 746,460             | 129,090   |
| 30,000             | 30,000             | 30,000              | -   |
| 34,112             | 34,112             | 127,820             | 93,708  |
| 245,000            | 245,000            | 309,927             | 64,927  |
| 120,300            | 120,300            | 150,090             | 29,790  |
| 100                | 100                | 48                  | (52)  |
| 65,000             | 65,000             | 134,061             | 69,061  |
| 853,100            | 853,100            | 1,030,365           | 177,265   |
| 80,502             | 80,502             | 52,985              | (27,517)  |
| 50,100             | 50,100             | 59,625              | 9,525   |
| <u>8,767,380</u>   | <u>8,767,380</u>   | <u>10,657,283</u>   | <u>1,889,903</u>  |
| 2,413,171          | 2,573,907          | 2,434,393           | 139,514   |
| 1,132,630          | 1,175,750          | 1,150,027           | 25,723  |
| 369,564            | 376,968            | 376,943             | 25  |
| 325,551            | 342,395            | 336,967             | 5,428   |
| 484,849            | 493,112            | 474,656             | 18,456  |
| 1,167,062          | 1,242,370          | 1,239,221           | 3,149   |
| 216,118            | 219,218            | 209,842             | 9,376   |
| 2,844,500          | 2,519,676          | 2,350,245           | 169,431   |
| <u>8,953,445</u>   | <u>8,943,396</u>   | <u>8,572,294</u>    | <u>371,102</u>  |
| <u>(186,065)</u>   | <u>(176,016)</u>   | <u>2,084,989</u>    | <u>2,261,005</u>  |
| -                  | -                  | 1,140               | 1,140   |
| -                  | -                  | 18,090              | 18,090  |
| <u>(244,783)</u>   | <u>(1,357,003)</u> | <u>(1,357,002)</u>  | <u>1</u>  |
| <u>(244,783)</u>   | <u>(1,357,003)</u> | <u>(1,337,772)</u>  | <u>19,231</u>   |
| (430,848)          | (1,533,019)        | 747,217             | 2,280,236   |
| <u>430,848</u>     | <u>1,533,019</u>   | <u>5,917,463</u>    | <u>4,384,444</u>  |
| <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ 6,664,680</u> | <u>\$ 6,664,680</u>                                     |

**Town of Somers, New York**

General Fund  
 Schedule of Revenues and Other Financing Sources Compared to Budget  
 Year Ended December 31, 2019  
 (With Comparative Actuals for 2018)

|   | Original<br>Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2018<br>Actual |
|---|--------------------|-----------------|--------------|---|----------------|
| <b>REAL PROPERTY TAXES</b>                    | \$ 2,882,120       | \$ 2,882,120    | \$ 2,702,210 | \$ (179,910)  | \$ 3,793,303   |
| <b>OTHER TAX ITEMS</b>                        |                    |                 |              |   |                |
| Payments in lieu of taxes                     | 6,363              | 6,363           | 9,031        | 2,668   | 6,178          |
| Interest and penalties on real property taxes | 235,000            | 235,000         | 276,259      | 41,259  | 456,406        |
|   | 241,363            | 241,363         | 285,290      | 43,927  | 462,584        |
| <b>NON-PROPERTY TAXES</b>                     |                    |                 |              |   |                |
| Non-property tax distribution from County     | 3,125,000          | 3,125,000       | 3,738,935    | 613,935   | 3,271,493      |
| Franchise fees - Cable TV                     | 476,000            | 476,000         | 484,288      | 8,288   | 488,522        |
|   | 3,601,000          | 3,601,000       | 4,223,223    | 622,223   | 3,760,015      |
| <b>DEPARTMENTAL INCOME</b>                    |                    |                 |              |   |                |
| Town Clerk fees                               | 10,000             | 10,000          | 17,880       | 7,880   | 19,826         |
| Engineering fees                              | 76,000             | 76,000          | 167,229      | 91,229  | 79,946         |
| Public safety fees                            | 4,000              | 4,000           | 4,725        | 725   | 5,400          |
| Parking lots and garages                      | 2,100              | 2,100           | 1,740        | (360)   | 1,890          |
| Parks and recreation charges                  | 506,800            | 506,800         | 564,785      | 57,985  | 569,426        |
| Recreation concessions                        | 10,000             | 10,000          | 10,000       | -   | 14,070         |
| Zoning fees                                   | 3,500              | 3,500           | 5,850        | 2,350   | 6,365          |
| Planning Board fees                           | 65,000             | 65,000          | 90,357       | 25,357  | 38,877         |
| Vital statistics fees                         | 9,000              | 9,000           | 13,480       | 4,480   | 10,660         |
| Other   | 5,000              | 5,000           | 9,625        | 4,625   | -              |
|   | 691,400            | 691,400         | 885,671      | 194,271   | 746,460        |

**INTERGOVERNMENTAL CHARGES**

|                        |        |        |        |        |        |
|------------------------|--------|--------|--------|--------|--------|
| Programs for the aging | 30,000 | 30,000 | 53,213 | 23,213 | 30,000 |
|------------------------|--------|--------|--------|--------|--------|

**USE OF MONEY AND PROPERTY**

|                         |        |        |         |         |         |
|-------------------------|--------|--------|---------|---------|---------|
| Earnings on investments | 55,200 | 55,200 | 243,147 | 187,947 | 114,474 |
|-------------------------|--------|--------|---------|---------|---------|

|                         |        |        |        |     |        |
|-------------------------|--------|--------|--------|-----|--------|
| Rental of real property | 15,912 | 15,912 | 16,200 | 288 | 13,346 |
|-------------------------|--------|--------|--------|-----|--------|

|  |        |        |         |         |         |
|--|--------|--------|---------|---------|---------|
|  | 71,112 | 71,112 | 259,347 | 188,235 | 127,820 |
|--|--------|--------|---------|---------|---------|

**LICENSES AND PERMITS**

|              |        |        |        |       |        |
|--------------|--------|--------|--------|-------|--------|
| Dog licenses | 20,000 | 20,000 | 21,064 | 1,064 | 21,391 |
|--------------|--------|--------|--------|-------|--------|

|                                 |         |         |         |        |         |
|---------------------------------|---------|---------|---------|--------|---------|
| Building and alteration permits | 225,000 | 225,000 | 323,573 | 98,573 | 288,536 |
|---------------------------------|---------|---------|---------|--------|---------|

|  |         |         |         |        |         |
|--|---------|---------|---------|--------|---------|
|  | 245,000 | 245,000 | 344,637 | 99,637 | 309,927 |
|--|---------|---------|---------|--------|---------|

**FINES AND FORFEITURES**

|                          |         |         |         |         |         |
|--------------------------|---------|---------|---------|---------|---------|
| Fines and forfeited bail | 130,300 | 130,300 | 127,247 | (3,053) | 150,090 |
|--------------------------|---------|---------|---------|---------|---------|

**SALE OF PROPERTY AND  
COMPENSATION FOR LOSS**

|             |     |     |       |       |    |
|-------------|-----|-----|-------|-------|----|
| Other sales | 100 | 100 | 4,414 | 4,314 | 48 |
|-------------|-----|-----|-------|-------|----|

**INTERFUND REVENUES**

|                         |        |        |        |        |         |
|-------------------------|--------|--------|--------|--------|---------|
| Services to other funds | 81,797 | 81,797 | 97,990 | 16,193 | 134,061 |
|-------------------------|--------|--------|--------|--------|---------|

**STATE AID**

|            |        |        |   |          |        |
|------------|--------|--------|---|----------|--------|
| Per capita | 53,185 | 53,185 | - | (53,185) | 53,185 |
|------------|--------|--------|---|----------|--------|

|              |         |         |         |          |         |
|--------------|---------|---------|---------|----------|---------|
| Mortgage tax | 725,000 | 725,000 | 697,780 | (27,220) | 903,111 |
|--------------|---------|---------|---------|----------|---------|

|                        |        |        |        |     |        |
|------------------------|--------|--------|--------|-----|--------|
| Programs for the aging | 74,915 | 74,915 | 75,587 | 672 | 74,069 |
|------------------------|--------|--------|--------|-----|--------|

|  |         |         |         |          |           |
|--|---------|---------|---------|----------|-----------|
|  | 853,100 | 853,100 | 773,367 | (79,733) | 1,030,365 |
|--|---------|---------|---------|----------|-----------|

**FEDERAL AID**

|                        |        |        |        |       |        |
|------------------------|--------|--------|--------|-------|--------|
| Programs for the aging | 56,834 | 56,834 | 60,245 | 3,411 | 52,985 |
|------------------------|--------|--------|--------|-------|--------|

(Continued)

**Town of Somers, New York**

General Fund

Schedule of Revenues and Other Financing Sources Compared to Budget (Continued)

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

|   | Original<br>Budget  | Final<br>Budget     | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2018<br>Actual       |
|---|---------------------|---------------------|----------------------|---|----------------------|
| <b>MISCELLANEOUS</b>                                  |                     |                     |                      |   |                      |
| Gifts and donations                                   | \$ 58,800           | \$ 58,800           | \$ 45,864            | \$ (12,936)   | \$ 39,599            |
| AIM related payments                                  | -                   | -                   | 53,185               | 53,185  | -                    |
| Refund of prior year expenditures                     | -                   | -                   | 31,909               | 31,909  | -                    |
| Other   | 500                 | 500                 | 55,221               | 54,721  | 20,026               |
|   | <u>59,300</u>       | <u>59,300</u>       | <u>186,179</u>       | <u>126,879</u>  | <u>59,625</u>        |
| <b>TOTAL REVENUES</b>                                 | <u>8,943,426</u>    | <u>8,943,426</u>    | <u>10,003,033</u>    | <u>1,059,607</u>  | <u>10,657,283</u>    |
| <b>OTHER FINANCING SOURCES</b>                        |                     |                     |                      |   |                      |
| Insurance recoveries                                  | -                   | -                   | 152                  | 152   | 1,140                |
| Transfers in<br>Special Purpose Fund                  | -                   | -                   | -                    | -   | 18,090               |
| <b>TOTAL OTHER FINANCING SOURCES</b>                  | <u>-</u>            | <u>-</u>            | <u>152</u>           | <u>152</u>  | <u>19,230</u>        |
| <b>TOTAL REVENUES AND OTHER FINANCING<br/>SOURCES</b> | <u>\$ 8,943,426</u> | <u>\$ 8,943,426</u> | <u>\$ 10,003,185</u> | <u>\$ 1,059,759</u>                                     | <u>\$ 10,676,513</u> |

See independent auditors' report.

**Town of Somers, New York**

General Fund

Schedule of Expenditures and Other Financing Uses Compared to Budget

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

|   | Original<br>Budget | Final<br>Budget  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2018<br>Actual   |
|---|--------------------|------------------|------------------|---|------------------|
| <b>GENERAL GOVERNMENT SUPPORT</b>                 |                    |                  |                  |   |                  |
| Town Board  | \$ 96,448          | \$ 108,953       | \$ 108,952       | \$ 1  | \$ 98,341        |
| Town Justice                                      | 248,037            | 282,937          | 282,864          | 73  | 266,726          |
| Supervisor  | 244,916            | 245,990          | 245,989          | 1   | 239,485          |
| Finance   | 280,590            | 280,590          | 262,288          | 18,302  | 268,530          |
| Auditor   | 53,050             | 53,050           | 51,050           | 2,000   | 53,050           |
| Tax collection                                    | 119,389            | 119,389          | 119,194          | 195   | 111,863          |
| Assessment  | 153,436            | 153,436          | 153,222          | 214   | 128,469          |
| Town Clerk  | 137,735            | 137,735          | 137,149          | 586   | 131,192          |
| Town Attorney                                     | 212,877            | 225,697          | 225,693          | 4   | 228,141          |
| Engineer  | 177,139            | 177,139          | 171,158          | 5,981   | 207,398          |
| Elections   | 34,497             | 34,497           | 34,047           | 450   | 31,791           |
| Records management                                | 20,813             | 20,813           | 17,908           | 2,905   | 14,837           |
| Central services                                  |                    |                  |                  |   |                  |
| Operation of plant/buildings                      | 183,565            | 189,706          | 189,704          | 2   | 212,672          |
| Central supply                                    | 6,000              | 6,000            | 350              | 5,650   | 1,588            |
| Central storeroom                                 | 800                | 800              | 518              | 282   | 1,316            |
| Central printing and mailing                      | 31,500             | 31,500           | 28,739           | 2,761   | 29,494           |
| Central data processing                           | 144,708            | 144,708          | 95,464           | 49,244  | 93,473           |
| Special items                                     |                    |                  |                  |   |                  |
| Unallocated insurance                             | 253,000            | 257,750          | 257,749          | 1   | 234,608          |
| Municipal association dues                        | 4,200              | 4,900            | 4,900            | -   | 3,875            |
| Judgments and claims                              | 5,000              | 5,000            | -                | 5,000   | 38,808           |
| Property loss                                     | 400                | 400              | -                | 400   | -                |
| Easements   | 3                  | 3                | 3                | -   | 3                |
| Taxes and assessments on property                 | 26,600             | 26,600           | 24,621           | 1,979   | 26,029           |
| Metropolitan commuter transportation mobility tax | 12,600             | 12,960           | 12,959           | 1   | 12,704           |
| Contingency                                       | 78,000             | 18,899           | -                | 18,899  | -                |
|   | <u>2,525,303</u>   | <u>2,539,452</u> | <u>2,424,521</u> | <u>114,931</u>  | <u>2,434,393</u> |

**PUBLIC SAFETY**

|                   |                  |                  |                  |               |                  |
|-------------------|------------------|------------------|------------------|---------------|------------------|
| Police            | 745,267          | 808,137          | 808,134          | 3             | 800,619          |
| Traffic control   | 29,400           | 29,400           | 28,499           | 901           | 21,123           |
| Control of dogs   | 21,045           | 21,045           | 13,238           | 7,807         | 18,755           |
| Fire protection   | 33,888           | 33,888           | 31,393           | 2,495         | 29,621           |
| Safety inspection | 279,602          | 296,972          | 296,972          | -             | 279,909          |
|                   | <u>1,109,202</u> | <u>1,189,442</u> | <u>1,178,236</u> | <u>11,206</u> | <u>1,150,027</u> |

**HEALTH**

|                               |                |                |                |            |                |
|-------------------------------|----------------|----------------|----------------|------------|----------------|
| Registrar of Vital Statistics | 9,270          | 13,580         | 13,580         | -          | 10,220         |
| Drug abuse prevention         | 2,293          | 2,521          | 2,520          | 1          | 2,270          |
| Northern Westchester Guidance | 5,000          | 6,535          | 6,534          | 1          | 6,432          |
| Advanced life support         | 369,726        | 369,726        | 369,276        | 450        | 358,021        |
|                               | <u>386,289</u> | <u>392,362</u> | <u>391,910</u> | <u>452</u> | <u>376,943</u> |

**TRANSPORTATION**

|                        |                |                |                |               |                |
|------------------------|----------------|----------------|----------------|---------------|----------------|
| Highway administration | 258,644        | 273,927        | 273,926        | 1             | 261,826        |
| Highway garage         | 65,743         | 65,743         | 39,399         | 26,344        | 70,580         |
| Street lighting        | 5,000          | 5,000          | 4,329          | 671           | 4,561          |
|                        | <u>329,387</u> | <u>344,670</u> | <u>317,654</u> | <u>27,016</u> | <u>336,967</u> |

**ECONOMIC OPPORTUNITY AND DEVELOPMENT**

|                        |                |                |                |               |                |
|------------------------|----------------|----------------|----------------|---------------|----------------|
| Publicity              | 25,289         | 25,289         | 21,449         | 3,840         | 20,378         |
| Veterans' services     | 4,768          | 4,768          | 1,911          | 2,857         | -              |
| Senior transportation  | 135,854        | 135,854        | 128,047        | 7,807         | 123,063        |
| Programs for the aging |                |                |                |               |                |
| Nutrition              | 86,248         | 91,399         | 91,398         | 1             | 87,052         |
| S.N.A.P.               | 243,859        | 247,608        | 247,336        | 272           | 244,163        |
|                        | <u>496,018</u> | <u>504,918</u> | <u>490,141</u> | <u>14,777</u> | <u>474,656</u> |

(Continued)

**Town of Somers, New York**

General Fund

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

Year Ended December 31, 2019

(With Comparative Actuals for 2018)

|                                    | Original<br>Budget | Final<br>Budget  | Actual           | Variance with<br>Final Budget<br>Positive<br>(Negative) | 2018<br>Actual   |
|------------------------------------|--------------------|------------------|------------------|---|------------------|
| <b>CULTURE AND RECREATION</b>      |                    |                  |                  |   |                  |
| Recreation administration          | \$ 297,444         | \$ 310,914       | \$ 310,913       | \$ 1  | \$ 297,381       |
| Parks                              | 548,643            | 554,116          | 554,115          | 1   | 549,549          |
| Recreation centers                 | 91,180             | 93,427           | 93,427           | -   | 88,474           |
| Youth programs                     | 275,000            | 275,000          | 266,185          | 8,815   | 266,765          |
| Historian                          | 3,258              | 3,258            | 2,769            | 489   | 2,714            |
| Historical property                | 25,300             | 26,558           | 26,558           | -   | 24,338           |
| Celebrations                       | 12,100             | 12,100           | 317              | 11,783  | 10,000           |
|                                    | <u>1,252,925</u>   | <u>1,275,373</u> | <u>1,254,284</u> | <u>21,089</u>   | <u>1,239,221</u> |
| <b>HOME AND COMMUNITY SERVICES</b> |                    |                  |                  |   |                  |
| Zoning                             | 33,251             | 33,967           | 33,967           | -   | 34,289           |
| Planning                           | 151,586            | 151,586          | 147,813          | 3,773   | 143,598          |
| Refuse and garbage                 | 1,500              | 2,212            | 2,211            | 1   | 1,986            |
| Land trust                         | 1,881              | 3,093            | 3,093            | -   | 784              |
| Architectural review board         | 30,014             | 31,863           | 31,863           | -   | 29,185           |
|                                    | <u>218,232</u>     | <u>222,721</u>   | <u>218,947</u>   | <u>3,774</u>  | <u>209,842</u>   |
| <b>EMPLOYEE BENEFITS</b>           |                    |                  |                  |   |                  |
| State retirement                   | 370,000            | 408,613          | 383,426          | 25,187  | 360,747          |
| Police and fire retirement         | 21,500             | 21,500           | 19,582           | 1,918   | 18,978           |
| Social security                    | 284,000            | 291,631          | 291,630          | 1   | 285,821          |
| Workers' compensation benefits     | 150,000            | 132,387          | 116,718          | 15,669  | 97,451           |
| Life insurance                     | 19,500             | 21,939           | 21,939           | -   | 23,443           |
| Unemployment benefits              | 10,000             | 10,000           | 51               | 9,949   | 1,216            |
| Health insurance                   | 1,700,000          | 1,445,829        | 1,445,828        | 1   | 1,475,458        |
| Dental insurance                   | 89,000             | 89,000           | 75,176           | 13,824  | 82,839           |
| Optical insurance                  | 9,500              | 9,500            | 4,565            | 4,935   | 4,292            |
|                                    | <u>2,653,500</u>   | <u>2,430,399</u> | <u>2,358,915</u> | <u>71,484</u>   | <u>2,350,245</u> |
| <b>TOTAL EXPENDITURES</b>          | <u>8,970,856</u>   | <u>8,899,337</u> | <u>8,634,608</u> | <u>264,729</u>  | <u>8,572,294</u> |

**OTHER FINANCING USES**

Transfers out

|                       |         |         |         |   |           |
|-----------------------|---------|---------|---------|---|-----------|
| Debt Service Fund     | 250,092 | 250,092 | 250,086 | 6 | 244,793   |
| Capital Projects Fund | -       | 970,173 | 970,173 | - | 1,112,209 |

**TOTAL OTHER FINANCING USES**

|  |                |                  |                  |          |                  |
|--|----------------|------------------|------------------|----------|------------------|
|  | <u>250,092</u> | <u>1,220,265</u> | <u>1,220,259</u> | <u>6</u> | <u>1,357,002</u> |
|--|----------------|------------------|------------------|----------|------------------|

**TOTAL EXPENDITURES AND OTHER  
FINANCING USES**

|  |                     |                      |                     |                   |                     |
|--|---------------------|----------------------|---------------------|-------------------|---------------------|
|  | <u>\$ 9,220,948</u> | <u>\$ 10,119,602</u> | <u>\$ 9,854,867</u> | <u>\$ 264,735</u> | <u>\$ 9,929,296</u> |
|--|---------------------|----------------------|---------------------|-------------------|---------------------|

See independent auditors' report.

**Town of Somers, New York**

Highway Fund  
Comparative Balance Sheet  
December 31,

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                       |                     |                     |
| Cash and equivalents                                | \$ 1,447,872        | \$ 256,240          |
| Investments   | 7,069               | 1,203,289           |
| Receivables   |                     |                     |
| Accounts  | 200                 | 403                 |
| State and Federal aid                               | 91,083              | 91,058              |
|   | <u>91,283</u>       | <u>91,461</u>       |
| Prepaid expenditures                                | 26,749              | 35,989              |
| Total Assets  | <u>\$ 1,572,973</u> | <u>\$ 1,586,979</u> |
| <b>LIABILITIES AND FUND BALANCE</b>                 |                     |                     |
| Liabilities   |                     |                     |
| Accounts payable                                    | \$ 86,455           | \$ 53,695           |
| Accrued liabilities                                 | 30,619              | 21,858              |
| Total Liabilities                                   | <u>117,074</u>      | <u>75,553</u>       |
| Deferred inflows of resources                       |                     |                     |
| Unavailable revenue                                 | 91,083              | -                   |
| Total Liabilities and Deferred Inflows of Resources | <u>208,157</u>      | <u>75,553</u>       |
| Fund balance  |                     |                     |
| Nonspendable  | 26,749              | 35,989              |
| Assigned  | 1,338,067           | 1,475,437           |
| Total Fund Balance                                  | <u>1,364,816</u>    | <u>1,511,426</u>    |
| Total Liabilities and Fund Balance                  | <u>\$ 1,572,973</u> | <u>\$ 1,586,979</u> |

See independent auditors' report.

**Town of Somers, New York**

Highway Fund

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

|   | 2019               |                  |                     | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|------------------|---------------------|---|
|   | Original<br>Budget | Final<br>Budget  | Actual              |   |
| <b>REVENUES</b>                                 |                    |                  |                     |   |
| Real property taxes                             | \$ 3,499,869       | \$ 3,499,869     | \$ 3,499,869        | \$ -  |
| Intergovernmental charges                       | 51,302             | 51,302           | 47,205              | (4,097)   |
| Use of money and property                       | 2,000              | 2,000            | 37,761              | 35,761  |
| Sale of property and<br>compensation for loss   | 4,900              | 4,900            | 16,696              | 11,796  |
| Interfund revenues                              | 1,000              | 1,000            | 460                 | (540)   |
| State aid                                       | 219,000            | 219,000          | 123,414             | (95,586)  |
| Miscellaneous                                   | -                  | -                | 3,401               | 3,401   |
| <b>Total Revenues</b>                           | <u>3,778,071</u>   | <u>3,778,071</u> | <u>3,728,806</u>    | <u>(49,265)</u>   |
| <b>EXPENDITURES</b>                             |                    |                  |                     |   |
| Current   |                    |                  |                     |   |
| Transportation                                  | 1,984,243          | 2,221,267        | 2,221,263           | 4   |
| Employee benefits                               | 1,068,000          | 932,339          | 925,338             | 7,001   |
| <b>Total Expenditures</b>                       | <u>3,052,243</u>   | <u>3,153,606</u> | <u>3,146,601</u>    | <u>7,005</u>  |
| <b>Excess of Revenues<br/>Over Expenditures</b> | <u>725,828</u>     | <u>624,465</u>   | <u>582,205</u>      | <u>(42,260)</u>   |
| <b>OTHER FINANCING<br/>SOURCES (USES)</b>       |                    |                  |                     |   |
| Transfers in                                    | -                  | -                | -                   | -   |
| Transfers out                                   | (728,828)          | (728,816)        | (728,815)           | 1   |
| <b>Total Other Financing<br/>Uses</b>           | <u>(728,828)</u>   | <u>(728,816)</u> | <u>(728,815)</u>    | <u>1</u>  |
| <b>Net Change in Fund Balance</b>               | (3,000)            | (104,351)        | (146,610)           | (42,259)  |
| <b>FUND BALANCE</b>                             |                    |                  |                     |   |
| Beginning of Year                               | 3,000              | 104,351          | 1,511,426           | 1,407,075   |
| End of Year                                     | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 1,364,816</u> | <u>\$ 1,364,816</u>                                     |

See independent auditors' report.

2018

| Original<br>Budget | Final<br>Budget  | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------|------------------|---------------------|---|
| \$ 3,331,579       | \$ 3,331,579     | \$ 3,331,579        | \$ -  |
| 51,302             | 51,302           | 167,735             | 116,433   |
| 2,000              | 2,000            | 17,671              | 15,671  |
| 4,900              | 4,900            | 5,070               | 170   |
| 1,000              | 1,000            | -                   | (1,000)   |
| 269,466            | 269,466          | 301,731             | 32,265  |
| -                  | -                | 4,370               | 4,370   |
| <u>3,660,247</u>   | <u>3,660,247</u> | <u>3,828,156</u>    | <u>167,909</u>  |
| 1,986,565          | 2,262,657        | 2,262,523           | 134   |
| <u>1,036,807</u>   | <u>933,696</u>   | <u>927,728</u>      | <u>5,968</u>  |
| <u>3,023,372</u>   | <u>3,196,353</u> | <u>3,190,251</u>    | <u>6,102</u>  |
| <u>636,875</u>     | <u>463,894</u>   | <u>637,905</u>      | <u>174,011</u>  |
| -                  | -                | 14,817              | 14,817  |
| <u>(735,042)</u>   | <u>(735,061)</u> | <u>(735,060)</u>    | <u>1</u>  |
| <u>(735,042)</u>   | <u>(735,061)</u> | <u>(720,243)</u>    | <u>14,818</u>   |
| (98,167)           | (271,167)        | (82,338)            | 188,829   |
| <u>98,167</u>      | <u>271,167</u>   | <u>1,593,764</u>    | <u>1,322,597</u>  |
| <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 1,511,426</u> | <u>\$ 1,511,426</u>                                     |

**Town of Somers, New York**

Debt Service Fund  
Comparative Balance Sheet  
December 31,

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|                      | <u>2019</u>       | <u>2018</u>       |
|----------------------|-------------------|-------------------|
| <b>ASSETS</b>        |                   |                   |
| Cash and equivalents | \$ 15,763         | \$ 15,719         |
| Investments          | <u>332,426</u>    | <u>325,592</u>    |
| Total Assets         | <u>\$ 348,189</u> | <u>\$ 341,311</u> |
| <b>FUND BALANCE</b>  |                   |                   |
| Restricted           | <u>\$ 348,189</u> | <u>\$ 341,311</u> |

See independent auditors' report.

**Town of Somers, New York**

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

|   | 2019               |                 |             | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|-----------------|-------------|---|
|   | Original<br>Budget | Final<br>Budget | Actual      |   |
| <b>REVENUES</b>                             |                    |                 |             |   |
| Use of money and property                   | \$ -               | \$ -            | \$ 6,877    | \$ 6,877  |
| <b>EXPENDITURES</b>                         |                    |                 |             |   |
| Current                                     |                    |                 |             |   |
| General government support                  | 1,457              | 1,457           | 1,456       | 1   |
| Debt service                                |                    |                 |             |   |
| Serial bonds                                |                    |                 |             |   |
| Principal                                   | 1,263,942          | 1,263,942       | 1,263,941   | 1   |
| Interest                                    | 158,694            | 158,694         | 158,673     | 21  |
| Total Expenditures                          | 1,424,093          | 1,424,093       | 1,424,070   | 23  |
| Deficiency of Revenues<br>Over Expenditures | (1,424,093)        | (1,424,093)     | (1,417,193) | 6,900   |
| <b>OTHER FINANCING SOURCES</b>              |                    |                 |             |   |
| Transfers in                                | 1,424,093          | 1,424,093       | 1,424,071   | (22)  |
| Net Change in Fund Balance                  | -                  | -               | 6,878       | 6,878   |
| <b>FUND BALANCE</b>                         |                    |                 |             |   |
| Beginning of Year                           | -                  | -               | 341,311     | 341,311   |
| End of Year                                 | \$ -               | \$ -            | \$ 348,189  | \$ 348,189  |

See independent auditors' report.

2018

| Original<br>Budget | Final<br>Budget | Actual      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------|-----------------|-------------|---|
| \$ -               | \$ 30           | \$ 1,168    | \$ 1,138  |
| 1,896              | 1,896           | 1,895       | 1   |
| 1,225,963          | 1,225,963       | 1,225,962   | 1   |
| 193,101            | 193,131         | 193,128     | 3   |
| 1,420,960          | 1,420,990       | 1,420,985   | 5   |
| (1,420,960)        | (1,420,960)     | (1,419,817) | 1,143   |
| 1,420,960          | 1,420,960       | 1,420,984   | 24  |
| -                  | -               | 1,167       | 1,167   |
| -                  | -               | 340,144     | 340,144   |
| \$ -               | \$ -            | \$ 341,311  | \$ 341,311  |

**Town of Somers, New York**

Capital Projects Fund  
 Comparative Balance Sheet  
 December 31,

|   | <u>2019</u>         | <u>2018</u>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                 |                     |                     |
| Cash and equivalents                          | \$ 1,519,999        | \$ 2,062,773        |
| Receivables                                   |                     |                     |
| State and Federal aid                         | 150,767             | -                   |
| Due from other governments                    | 165,709             | 34,266              |
| Due from other funds                          | 59,438              | 5,019               |
|   | <u>375,914</u>      | <u>39,285</u>       |
| Total Assets                                  | <u>\$ 1,895,913</u> | <u>\$ 2,102,058</u> |
| <b>LIABILITIES AND FUND BALANCE (DEFICIT)</b> |                     |                     |
| Liabilities                                   |                     |                     |
| Accounts payable                              | \$ 60,929           | \$ 15,469           |
| Due to other funds                            | 942,797             | -                   |
| Unearned revenues                             | 1,117,943           | 2,052,323           |
| Total Liabilities                             | <u>2,121,669</u>    | <u>2,067,792</u>    |
| Fund balance (Deficit)                        |                     |                     |
| Restricted                                    | -                   | 34,266              |
| Unassigned                                    | (225,756)           | -                   |
| Total Fund Balance (Deficit)                  | <u>(225,756)</u>    | <u>34,266</u>       |
| Total Liabilities and Fund Balance (Deficit)  | <u>\$ 1,895,913</u> | <u>\$ 2,102,058</u> |

See independent auditors' report.

**Town of Somers, New York**

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

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|  | <u>2019</u>                | <u>2018</u>             |
|--|----------------------------|-------------------------|
| <b>REVENUES</b>                          |                            |                         |
| State aid                                | \$ 440,963                 | \$ 197,394              |
| Miscellaneous                            | <u>1,421,587</u>           | <u>95,191</u>           |
| Total Revenues                           | 1,862,550                  | 292,585                 |
| <b>EXPENDITURES</b>                      |                            |                         |
| Capital outlay                           | <u>3,138,408</u>           | <u>1,449,049</u>        |
| Deficiency of Revenues Over Expenditures | <u>(1,275,858)</u>         | <u>(1,156,464)</u>      |
| <b>OTHER FINANCING SOURCES (USES)</b>    |                            |                         |
| Transfers in                             | 1,015,836                  | 1,190,731               |
| Transfers out                            | <u>-</u>                   | <u>(18,091)</u>         |
| Total Other Financing Sources            | <u>1,015,836</u>           | <u>1,172,640</u>        |
| Net Change in Fund Balance               | (260,022)                  | 16,176                  |
| <b>FUND BALANCE (DEFICIT)</b>            |                            |                         |
| Beginning of Year                        | <u>34,266</u>              | <u>18,090</u>           |
| End of Year                              | <u><u>\$ (225,756)</u></u> | <u><u>\$ 34,266</u></u> |

See independent auditors' report.

**Town of Somers, New York**

Capital Projects Fund

Project-Length Schedule

Inception of Project through December 31, 2019

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| <u>Project Name</u>                          | <u>Project<br/>Budget</u> | <u>Expenditures<br/>and<br/>Transfers</u> | <u>Unexpended<br/>Balance</u> |
|--|---------------------------|---|-------------------------------|
| Reis Park Potable Water                      | \$ 45,000                 | \$ 41,280                                 | \$ 3,720                      |
| Reynolds House Angle Fly Preserve            | 100,000                   | 74,676                                    | 25,324                        |
| NYSERDA Project                              | 50,000                    | 31,360                                    | 18,640                        |
| Water Loop - Somers Realty                   | 1,329,879                 | 439,752                                   | 890,127                       |
| Water Loop - Kearney                         | 2,400,000                 | 1,051,631                                 | 1,348,369                     |
| East of Hudson Coalition                     | 325,000                   | 165,401                                   | 159,599                       |
| Lake Shenorock and Lincolndale Sewer Project | 300,000                   | 206,896                                   | 93,104                        |
| Totals                                       | <u>\$ 4,549,879</u>       | <u>\$ 2,010,996</u>                       | <u>\$ 2,538,883</u>           |

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| Total<br>Revenues<br>and Transfers | Fund Balance<br>(Deficit) at<br>December 31,<br>2019 |
|------------------------------------|--|
| \$ 41,280                          | \$ -   |
| 74,676                             | -  |
| 12,500                             | (18,860)   |
| 439,752                            | -  |
| 1,051,631                          | -  |
| 165,401                            | -  |
| -                                  | (206,896)  |
| \$ 1,785,240                       | \$ (225,756)   |

**Town of Somers, New York**

Combining Balance Sheet  
 Non-Major Governmental Funds  
 December 31, 2019  
 (With Comparative Totals for 2018)

|                                      | Public<br>Library | Special<br>Districts | Special<br>Purpose  |
|--------------------------------------|-------------------|----------------------|---------------------|
| <b>ASSETS</b>                        |                   |                      |                     |
| Cash and equivalents                 | \$ 268,803        | \$ 297,814           | \$ 3,165,091        |
| Investments                          | 337,463           | 31,690               | -                   |
| Receivables                          |                   |                      |                     |
| Water and sewer rents                | -                 | 327,698              | -                   |
| Due from other funds                 | -                 | -                    | 451,375             |
|                                      | -                 | 327,698              | 451,375             |
| Prepaid expenditures                 | 14,619            | 6,754                | -                   |
| Total Assets                         | <u>\$ 620,885</u> | <u>\$ 663,956</u>    | <u>\$ 3,616,466</u> |
| <b>LIABILITIES AND FUND BALANCES</b> |                   |                      |                     |
| Liabilities                          |                   |                      |                     |
| Accounts payable                     | \$ 31,787         | \$ 43,120            | \$ -                |
| Accrued liabilities                  | 14,258            | 4,621                | -                   |
| Unearned revenues                    | -                 | 10,594               | -                   |
| Due to other funds                   | -                 | -                    | 157                 |
| Total Liabilities                    | <u>46,045</u>     | <u>58,335</u>        | <u>157</u>          |
| Fund balances                        |                   |                      |                     |
| Nonspendable                         | 14,619            | 6,754                | -                   |
| Restricted                           | 20,229            | -                    | 3,616,309           |
| Assigned                             | 539,992           | 598,867              | -                   |
| Total Fund Balances                  | <u>574,840</u>    | <u>605,621</u>       | <u>3,616,309</u>    |
| Total Liabilities and Fund Balances  | <u>\$ 620,885</u> | <u>\$ 663,956</u>    | <u>\$ 3,616,466</u> |

See independent auditors' report.

| Permanent         | Total Non-Major<br>Governmental Funds |                     |
|-------------------|---------------------------------------|---------------------|
|                   | 2019                                  | 2018                |
| \$ -              | \$ 3,731,708                          | \$ 763,665          |
| 293,289           | 662,442                               | 3,412,471           |
| -                 | 327,698                               | 318,321             |
| -                 | 451,375                               | 4,166               |
| -                 | 779,073                               | 322,487             |
| -                 | 21,373                                | 26,392              |
| <u>\$ 293,289</u> | <u>\$ 5,194,596</u>                   | <u>\$ 4,525,015</u> |
| \$ -              | \$ 74,907                             | \$ 69,006           |
| -                 | 18,879                                | 24,067              |
| -                 | 10,594                                | -                   |
| -                 | 157                                   | 4,183               |
| -                 | 104,537                               | 97,256              |
| 284,878           | 306,251                               | 311,270             |
| 8,411             | 3,644,949                             | 3,123,780           |
| -                 | 1,138,859                             | 992,709             |
| 293,289           | 5,090,059                             | 4,427,759           |
| <u>\$ 293,289</u> | <u>\$ 5,194,596</u>                   | <u>\$ 4,525,015</u> |

**Town of Somers, New York**

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances  
Non-Major Governmental Funds  
Year Ended December 31, 2019  
(With Comparative Totals for 2018)

|   | Public<br>Library | Special<br>Districts | Special<br>Purpose  |
|---|-------------------|----------------------|---------------------|
| <b>REVENUES</b>                         |                   |                      |                     |
| Real property taxes                     | \$ 1,051,963      | \$ 469,138           | \$ -                |
| Departmental income                     | 7,784             | 1,153,934            | 497,374             |
| Use of money and property               | 11,990            | 6,681                | 58,346              |
| Interfund revenues                      | -                 | 94,104               | -                   |
| State aid                               | 7,893             | -                    | -                   |
| Miscellaneous                           | 886               | -                    | 15,022              |
|   | <u>1,080,516</u>  | <u>1,723,857</u>     | <u>570,742</u>      |
| <b>EXPENDITURES</b>                     |                   |                      |                     |
| Current                                 |                   |                      |                     |
| Transportation                          | -                 | 22,786               | -                   |
| Culture and recreation                  | 788,960           | -                    | 9,922               |
| Home and community services             | -                 | 1,076,455            | -                   |
| Employee benefits                       | 213,228           | 116,643              | -                   |
|   | <u>1,002,188</u>  | <u>1,215,884</u>     | <u>9,922</u>        |
| Excess of Revenues<br>Over Expenditures | 78,328            | 507,973              | 560,820             |
| <b>OTHER FINANCING USES</b>             |                   |                      |                     |
| Transfers out                           | -                 | (445,170)            | (45,663)            |
| Net Change in Fund Balances             | 78,328            | 62,803               | 515,157             |
| <b>FUND BALANCES</b>                    |                   |                      |                     |
| Beginning of Year                       | <u>496,512</u>    | <u>542,818</u>       | <u>3,101,152</u>    |
| End of Year                             | <u>\$ 574,840</u> | <u>\$ 605,621</u>    | <u>\$ 3,616,309</u> |

See independent auditors' report.

| Permanent         | Total Non-Major<br>Governmental Funds |                     |
|-------------------|---------------------------------------|---------------------|
|                   | 2019                                  | 2018                |
| \$ -              | \$ 1,521,101                          | \$ 1,473,180        |
| -                 | 1,659,092                             | 1,738,170           |
| 6,012             | 83,029                                | 38,868              |
| -                 | 94,104                                | 93,898              |
| -                 | 7,893                                 | 5,989               |
| -                 | 15,908                                | 103,536             |
| <u>6,012</u>      | <u>3,381,127</u>                      | <u>3,453,641</u>    |
| -                 | 22,786                                | 23,238              |
| -                 | 798,882                               | 788,867             |
| -                 | 1,076,455                             | 1,066,038           |
| -                 | 329,871                               | 356,580             |
| <u>-</u>          | <u>2,227,994</u>                      | <u>2,234,723</u>    |
| 6,012             | 1,153,133                             | 1,218,918           |
| <u>-</u>          | <u>(490,833)</u>                      | <u>(534,469)</u>    |
| 6,012             | 662,300                               | 684,449             |
| <u>287,277</u>    | <u>4,427,759</u>                      | <u>3,743,310</u>    |
| <u>\$ 293,289</u> | <u>\$ 5,090,059</u>                   | <u>\$ 4,427,759</u> |

**Town of Somers, New York**

Public Library Fund  
Comparative Balance Sheet  
December 31,

---

|                                     | <u>2019</u>       | <u>2018</u>       |
|-------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                       |                   |                   |
| Cash and equivalents                | \$ 268,803        | \$ 225,700        |
| Investments                         | 337,463           | 300,822           |
| Prepaid expenditures                | <u>14,619</u>     | <u>20,108</u>     |
| Total Assets                        | <u>\$ 620,885</u> | <u>\$ 546,630</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                   |                   |
| Liabilities                         |                   |                   |
| Accounts payable                    | \$ 31,787         | \$ 32,997         |
| Accrued liabilities                 | <u>14,258</u>     | <u>17,121</u>     |
| Total Liabilities                   | <u>46,045</u>     | <u>50,118</u>     |
| Fund balance                        |                   |                   |
| Nonspendable                        | 14,619            | 20,108            |
| Restricted                          | 20,229            | 20,229            |
| Assigned                            | <u>539,992</u>    | <u>456,175</u>    |
| Total Fund Balance                  | <u>574,840</u>    | <u>496,512</u>    |
| Total Liabilities and Fund Balance  | <u>\$ 620,885</u> | <u>\$ 546,630</u> |

See independent auditors' report.

**Town of Somers, New York**

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

|  | 2019               |                  |                   |   |
|--|--------------------|------------------|-------------------|---|
|  | Original<br>Budget | Final<br>Budget  | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
| <b>REVENUES</b>                                      |                    |                  |                   |   |
| Real property taxes                                  | \$ 1,051,963       | \$ 1,051,963     | \$ 1,051,963      | \$ -  |
| Departmental income                                  | 15,400             | 15,400           | 7,784             | (7,616)   |
| Use of money and property                            | 350                | 350              | 11,990            | 11,640  |
| State aid  | 5,334              | 5,334            | 7,893             | 2,559   |
| Miscellaneous  | 1,400              | 1,400            | 886               | (514)   |
| <b>Total Revenues</b>                                | <u>1,074,447</u>   | <u>1,074,447</u> | <u>1,080,516</u>  | <u>6,069</u>  |
| <b>EXPENDITURES</b>                                  |                    |                  |                   |   |
| Current  |                    |                  |                   |   |
| Culture and recreation                               | 796,791            | 796,791          | 788,960           | 7,831   |
| Employee benefits                                    | 277,656            | 277,656          | 213,228           | 64,428  |
| <b>Total Expenditures</b>                            | <u>1,074,447</u>   | <u>1,074,447</u> | <u>1,002,188</u>  | <u>72,259</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures | -                  | -                | 78,328            | 78,328  |
| <b>OTHER FINANCING USES</b>                          |                    |                  |                   |   |
| Transfers out  | -                  | -                | -                 | -   |
| <b>Net Change in Fund Balance</b>                    | -                  | -                | 78,328            | 78,328  |
| <b>FUND BALANCE</b>                                  |                    |                  |                   |   |
| Beginning of Year                                    | -                  | -                | 496,512           | 496,512   |
| End of Year  | <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 574,840</u> | <u>\$ 574,840</u>                                       |

See independent auditors' report.

2018

| Original<br>Budget | Final<br>Budget  | Actual            | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------|------------------|-------------------|---|
| \$ 1,008,805       | \$ 1,008,805     | \$ 1,008,805      | \$ -  |
| 15,400             | 15,400           | 9,280             | (6,120)   |
| 350                | 350              | 3,522             | 3,172   |
| 5,334              | 5,334            | 5,989             | 655   |
| 1,400              | 1,400            | 1,016             | (384)   |
| <u>1,031,289</u>   | <u>1,031,289</u> | <u>1,028,612</u>  | <u>(2,677)</u>  |
| 764,109            | 774,992          | 774,991           | 1   |
| 277,656            | 245,850          | 245,845           | 5   |
| <u>1,041,765</u>   | <u>1,020,842</u> | <u>1,020,836</u>  | <u>6</u>  |
| (10,476)           | 10,447           | 7,776             | (2,671)   |
| -                  | (70,432)         | (70,432)          | -   |
| (10,476)           | (59,985)         | (62,656)          | (2,671)   |
| <u>10,476</u>      | <u>59,985</u>    | <u>559,168</u>    | <u>499,183</u>  |
| <u>\$ -</u>        | <u>\$ -</u>      | <u>\$ 496,512</u> | <u>\$ 496,512</u>                                       |

**Town of Somers, New York**

Special Districts Fund  
 Combining Balance Sheet - Sub Funds  
 December 31, 2019  
 (With Comparative Totals for 2018)

|  | Water Districts               |                                 |                            |                            |
|--|-------------------------------|---------------------------------|----------------------------|----------------------------|
|  | No. 1 -<br>Amawalk<br>Heights | No. 2 -<br>Amawalk<br>Shenorock | No. 3 -<br>Percy<br>Mullen | No. 4 -<br>Windsor<br>Farm |
| <b>ASSETS</b>                            |                               |                                 |                            |                            |
| Cash and equivalents                     | \$ 852                        | \$ 60,094                       | \$ 4,951                   | \$ 33,564                  |
| Investments                              | -                             | 452                             | -                          | 30,365                     |
| Receivables                              |                               |                                 |                            |                            |
| Water and sewer rents                    | 21,187                        | 242,504                         | -                          | 12,655                     |
| Due from other funds                     | -                             | -                               | -                          | -                          |
|  | <u>21,187</u>                 | <u>242,504</u>                  | <u>-</u>                   | <u>12,655</u>              |
| Prepaid expenditures                     | -                             | 6,754                           | -                          | -                          |
| Total Assets                             | <u>\$ 22,039</u>              | <u>\$ 309,804</u>               | <u>\$ 4,951</u>            | <u>\$ 76,584</u>           |
| <b>LIABILITIES AND FUND<br/>BALANCES</b> |                               |                                 |                            |                            |
| Liabilities                              |                               |                                 |                            |                            |
| Accounts payable                         | \$ 78                         | \$ 39,508                       | \$ -                       | \$ 346                     |
| Accrued liabilities                      | -                             | 4,621                           | -                          | -                          |
| Unearned revenues                        | -                             | 10,594                          | -                          | -                          |
| Due to other funds                       | -                             | -                               | -                          | -                          |
| Total Liabilities                        | <u>78</u>                     | <u>54,723</u>                   | <u>-</u>                   | <u>346</u>                 |
| Fund balances                            |                               |                                 |                            |                            |
| Nonspendable                             | -                             | 6,754                           | -                          | -                          |
| Assigned                                 | <u>21,961</u>                 | <u>248,327</u>                  | <u>4,951</u>               | <u>76,238</u>              |
| Total Fund Balances                      | <u>21,961</u>                 | <u>255,081</u>                  | <u>4,951</u>               | <u>76,238</u>              |
| Total Liabilities and<br>Fund Balances   | <u>\$ 22,039</u>              | <u>\$ 309,804</u>               | <u>\$ 4,951</u>            | <u>\$ 76,584</u>           |

See independent auditors' report.

| Sewer District    | Street Lighting Districts |                      | Totals            |                   |
|-------------------|---------------------------|----------------------|-------------------|-------------------|
|                   | No. 1                     | No. 1 - Croton Falls | No. 2 - Shenorock | 2019              |
| \$ 163,552        | \$ 5,371                  | \$ 29,430            | \$ 297,814        | \$ 261,168        |
| 873               | -                         | -                    | 31,690            | -                 |
| 51,352            | -                         | -                    | 327,698           | 318,321           |
| -                 | -                         | -                    | -                 | 4,166             |
| 51,352            | -                         | -                    | 327,698           | 322,487           |
| -                 | -                         | -                    | 6,754             | 6,284             |
| <u>\$ 215,777</u> | <u>\$ 5,371</u>           | <u>\$ 29,430</u>     | <u>\$ 663,956</u> | <u>\$ 589,939</u> |
| \$ 2,234          | \$ 14                     | \$ 940               | \$ 43,120         | \$ 36,009         |
| -                 | -                         | -                    | 4,621             | 6,946             |
| -                 | -                         | -                    | 10,594            | -                 |
| -                 | -                         | -                    | -                 | 4,166             |
| 2,234             | 14                        | 940                  | 58,335            | 47,121            |
| -                 | -                         | -                    | 6,754             | 6,284             |
| 213,543           | 5,357                     | 28,490               | 598,867           | 536,534           |
| 213,543           | 5,357                     | 28,490               | 605,621           | 542,818           |
| <u>\$ 215,777</u> | <u>\$ 5,371</u>           | <u>\$ 29,430</u>     | <u>\$ 663,956</u> | <u>\$ 589,939</u> |

**Town of Somers, New York**

Special Districts Fund  
 Combining Schedule of Revenues, Expenditures and Changes  
 in Fund Balances - Sub Funds  
 Year Ended December 31, 2019  
 (With Comparative Totals for 2018)

|  | Water Districts               |                                 |                            |                            |
|--|-------------------------------|---------------------------------|----------------------------|----------------------------|
|  | No. 1 -<br>Amawalk<br>Heights | No. 2 -<br>Amawalk<br>Shenorock | No. 3 -<br>Percy<br>Mullen | No. 4 -<br>Windsor<br>Farm |
| <b>REVENUES</b>                                      |                               |                                 |                            |                            |
| Real property taxes                                  | \$ -                          | \$ 445,173                      | \$ -                       | \$ -                       |
| Departmental income                                  | 62,592                        | 872,954                         | -                          | 38,677                     |
| Use of money and property                            | 17                            | 5,096                           | 7                          | 433                        |
| Interfund revenues                                   | -                             | 94,104                          | -                          | -                          |
| Miscellaneous  | -                             | -                               | -                          | -                          |
| <b>Total Revenues</b>                                | <b>62,609</b>                 | <b>1,417,327</b>                | <b>7</b>                   | <b>39,110</b>              |
| <b>EXPENDITURES</b>                                  |                               |                                 |                            |                            |
| Current  |                               |                                 |                            |                            |
| Transportation                                       | -                             | -                               | -                          | -                          |
| Home and community services                          | 62,866                        | 833,454                         | -                          | 30,254                     |
| Employee benefits                                    | -                             | 116,643                         | -                          | -                          |
| <b>Total Expenditures</b>                            | <b>62,866</b>                 | <b>950,097</b>                  | <b>-</b>                   | <b>30,254</b>              |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (257)                         | 467,230                         | 7                          | 8,856                      |
| <b>OTHER FINANCING USES</b>                          |                               |                                 |                            |                            |
| Transfers out  | -                             | (445,170)                       | -                          | -                          |
| <b>Net Change in Fund Balances</b>                   | <b>(257)</b>                  | <b>22,060</b>                   | <b>7</b>                   | <b>8,856</b>               |
| <b>FUND BALANCES</b>                                 |                               |                                 |                            |                            |
| Beginning of Year                                    | 22,218                        | 233,021                         | 4,944                      | 67,382                     |
| End of Year  | \$ 21,961                     | \$ 255,081                      | \$ 4,951                   | \$ 76,238                  |

See independent auditors' report.

| Sewer District    | Street Lighting Districts |                         | Totals               |                   |
|-------------------|---------------------------|-------------------------|----------------------|-------------------|
|                   | No. 1                     | No. 1 -<br>Croton Falls | No. 2 -<br>Shenorock | 2019              |
| \$ -              | \$ 1,995                  | \$ 21,970               | \$ 469,138           | \$ 464,375        |
| 179,711           | -                         | -                       | 1,153,934            | 1,096,390         |
| 1,073             | 8                         | 47                      | 6,681                | 3,352             |
| -                 | -                         | -                       | 94,104               | 93,898            |
| -                 | -                         | -                       | -                    | 79,646            |
| <u>180,784</u>    | <u>2,003</u>              | <u>22,017</u>           | <u>1,723,857</u>     | <u>1,737,661</u>  |
| -                 | 1,821                     | 20,965                  | 22,786               | 23,238            |
| 149,881           | -                         | -                       | 1,076,455            | 1,066,038         |
| -                 | -                         | -                       | 116,643              | 110,735           |
| <u>149,881</u>    | <u>1,821</u>              | <u>20,965</u>           | <u>1,215,884</u>     | <u>1,200,011</u>  |
| 30,903            | 182                       | 1,052                   | 507,973              | 537,650           |
| -                 | -                         | -                       | (445,170)            | (441,131)         |
| 30,903            | 182                       | 1,052                   | 62,803               | 96,519            |
| <u>182,640</u>    | <u>5,175</u>              | <u>27,438</u>           | <u>542,818</u>       | <u>446,299</u>    |
| <u>\$ 213,543</u> | <u>\$ 5,357</u>           | <u>\$ 28,490</u>        | <u>\$ 605,621</u>    | <u>\$ 542,818</u> |

**Town of Somers, New York**

Special Purpose Fund  
Comparative Balance Sheet  
December 31,

---

|                                     | <u>2019</u>         | <u>2018</u>         |
|-------------------------------------|---------------------|---------------------|
| <b>ASSETS</b>                       |                     |                     |
| Cash and equivalents                | \$ 3,165,091        | \$ 139,597          |
| Investments                         | -                   | 2,961,572           |
| Due from other funds                | <u>451,375</u>      | <u>-</u>            |
| Total Assets                        | <u>\$ 3,616,466</u> | <u>\$ 3,101,169</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                     |                     |
| Liabilities                         |                     |                     |
| Due to other funds                  | \$ 157              | \$ 17               |
| Fund balance                        |                     |                     |
| Restricted                          | <u>3,616,309</u>    | <u>3,101,152</u>    |
| Total Liabilities and Fund Balance  | <u>\$ 3,616,466</u> | <u>\$ 3,101,169</u> |

See independent auditors' report.

**Town of Somers, New York**

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

---

|                                      | <u>2019</u>                | <u>2018</u>                |
|--------------------------------------|----------------------------|----------------------------|
| <b>REVENUES</b>                      |                            |                            |
| Departmental income                  | \$ 497,374                 | \$ 632,500                 |
| Use of money and property            | 58,346                     | 31,421                     |
| Miscellaneous                        | <u>15,022</u>              | <u>22,874</u>              |
| Total Revenues                       | 570,742                    | 686,795                    |
| <b>EXPENDITURES</b>                  |                            |                            |
| Current                              |                            |                            |
| Culture and recreation               | <u>9,922</u>               | <u>13,876</u>              |
| Excess of Revenues Over Expenditures | 560,820                    | 672,919                    |
| <b>OTHER FINANCING USES</b>          |                            |                            |
| Transfers out                        | <u>(45,663)</u>            | <u>(22,906)</u>            |
| Net Change in Fund Balance           | 515,157                    | 650,013                    |
| <b>FUND BALANCE</b>                  |                            |                            |
| Beginning of Year                    | <u>3,101,152</u>           | <u>2,451,139</u>           |
| End of Year                          | <u><u>\$ 3,616,309</u></u> | <u><u>\$ 3,101,152</u></u> |

See independent auditors' report.

**Town of Somers, New York**

Permanent Fund  
Comparative Balance Sheet  
December 31,

---

|                      | <u>2019</u>       | <u>2018</u>       |
|----------------------|-------------------|-------------------|
| <b>ASSETS</b>        |                   |                   |
| Cash and equivalents | \$ -              | \$ 137,200        |
| Investments          | <u>293,289</u>    | <u>150,077</u>    |
| Total Assets         | <u>\$ 293,289</u> | <u>\$ 287,277</u> |
| <b>FUND BALANCE</b>  |                   |                   |
| Nonspendable         | \$ 284,878        | \$ 284,878        |
| Restricted           | <u>8,411</u>      | <u>2,399</u>      |
| Total Fund Balance   | <u>\$ 293,289</u> | <u>\$ 287,277</u> |

See independent auditors' report.

**Town of Somers, New York**

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

---

|                            | <u>2019</u>              | <u>2018</u>              |
|----------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>            |                          |                          |
| Use of money and property  | \$ 6,012                 | \$ 573                   |
| <b>EXPENDITURES</b>        |                          |                          |
|                            | <u>-</u>                 | <u>-</u>                 |
| Net Change in Fund Balance | 6,012                    | 573                      |
| <b>FUND BALANCE</b>        |                          |                          |
| Beginning of Year          | <u>287,277</u>           | <u>286,704</u>           |
| End of Year                | <u><u>\$ 293,289</u></u> | <u><u>\$ 287,277</u></u> |

See independent auditors' report.