

TOWN OF NORTH EAST, NEW YORK

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

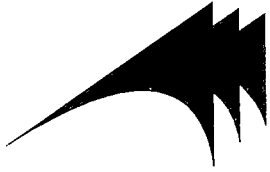
DECEMBER 31, 2020

TOWN OF NORTH EAST, NEW YORK

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Sickler, Torchia
Allen & Churchill, CPA's, PC
Your Partner When It Counts

Robert J. Allen, CPA
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INDEPENDENT ACCOUNTANT'S DISCLAIMER

To Town Board of the
Town of North East
Millerton, New York

The accompanying financial statements of the Town of North East (the Town) as of and for the year ended December 31, 2020, which collectively comprise the Town's financial report update document included in the accompanying prescribed form, were not subjected to an audit, review, or compilation engagement by us. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on them.

Sickler, Torchia, Allen & Churchill, CPA's, P.C.

Hudson, New York
February 23, 2021

All Numbers in This Report
Have Been Rounded To
The Nearest Dollar

ANNUAL FINANCIAL REPORT

UPDATE DOCUMENT

For The

TOWN of North East

County of Dutchess

For the Fiscal Year Ended 12/31/2020

AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. ***Every Municipal Corporation *** shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation ***

5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller *** It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report ***

State of NEW YORK
Office of The State Comptroller
Division of Local Government and School Accountability
Albany, New York 12236

TOWN OF North East

***** FINANCIAL SECTION *****

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2019 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2020:

- (A) GENERAL
- (B) GENERAL TOWN-OUTSIDE VG
- (CD) SPECIAL GRANT
- (CM) MISCELLANEOUS SPECIAL REV
- (DB) HIGHWAY-PART-TOWN
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (SW) WATER
- (TA) AGENCY
- (TC) CUSTODIAL
- (TE) PRIVATE PURPOSE TRUST
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2019 represent data filed by your government with OSC as reviewed and adjusted where necessary.

***** SUPPLEMENTAL SECTION *****

The Supplemental Section includes the following sections:

- 1) Statement of Indebtedness
- 2) Schedule of Time Deposits and Investments
- 3) Bank Reconciliation
- 4) Local Government Questionnaire
- 5) Schedule of Employee and Retiree Benefits
- 6) Schedule of Energy Costs and Consumption

All numbers in this report will be rounded to the nearest dollar.

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	969,148	A200	1,188,189
TOTAL Cash	969,148		1,188,189
Accounts Receivable		A380	
TOTAL Other Receivables (net)	0		0
Due From Other Funds	30,547	A391	7,115
TOTAL Due From Other Funds	30,547		7,115
Cash Special Reserve	10,164	A230	10,003
TOTAL Restricted Assets	10,164		10,003
TOTAL Assets and Deferred Outflows of Resources	1,009,859		1,205,307

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Balance Sheet

Code Description	2019	EdpCode	2020
Accounts Payable	10,655	A600	20,089
TOTAL Accounts Payable	10,655		20,089
Other Liabilities		A688	2,525
TOTAL Other Liabilities	0		2,525
TOTAL Liabilities	10,655		22,614
Fund Balance			
Unemployment Insurance Reserve	10,164	A815	10,003
TOTAL Restricted Fund Balance	10,164		10,003
Assigned Appropriated Fund Balance	124,000	A914	165,000
TOTAL Assigned Fund Balance	124,000		165,000
Unassigned Fund Balance	865,040	A917	1,007,690
TOTAL Unassigned Fund Balance	865,040		1,007,690
TOTAL Fund Balance	999,204		1,182,693
TOTAL Liabilities, Deferred Inflows And Fund Balance	1,009,859		1,205,307

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Real Property Taxes	1,108,939	A1001	1,144,093
TOTAL Real Property Taxes	1,108,939		1,144,093
Interest & Penalties On Real Prop Taxes	9,913	A1090	9,318
TOTAL Real Property Tax Items	9,913		9,318
Franchises	24,911	A1170	24,125
TOTAL Non Property Tax Items	24,911		24,125
Clerk Fees	1,784	A1255	1,751
Public Pound Charges, Dog Control Fees	119	A1550	62
Refuse & Garbage Charges		A2130	1,609
TOTAL Departmental Income	1,903		3,422
Interest And Earnings	29,405	A2401	8,494
TOTAL Use of Money And Property	29,405		8,494
Dog Licenses	3,300	A2544	2,601
Licenses, Other	263	A2545	280
Permits, Other	700	A2590	740
TOTAL Licenses And Permits	4,263		3,621
Fines And Forfeited Bail	16,244	A2610	12,296
TOTAL Fines And Forfeitures	16,244		12,296
Sales of Equipment		A2665	145
TOTAL Sale of Property And Compensation For Loss	0		145
Grants From Local Governments	145,250	A2706	
Unclassified (specify)	1,015	A2770	294
TOTAL Miscellaneous Local Sources	146,265		294
St Aid, Revenue Sharing	11,220	A3001	11,220
St Aid, Mortgage Tax	71,491	A3005	78,824
St Aid - Other (specify)		A3089	11,441
TOTAL State Aid	82,711		101,485
TOTAL Revenues	1,424,554		1,307,293
Interfund Transfers		A5031	10,000
TOTAL Interfund Transfers	0		10,000
TOTAL Other Sources	0		10,000
TOTAL Detail Revenues And Other Sources	1,424,554		1,317,293

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Legislative Board, Pers Serv	20,200	A10101	20,800
Legislative Board, Contr Expend	766	A10104	549
TOTAL Legislative Board	20,966		21,349
Municipal Court, Pers Serv	60,003	A11101	61,731
Municipal Court, Contr Expend	6,643	A11104	5,835
TOTAL Municipal Court	66,646		67,566
Supervisor, pers Serv	78,398	A12201	82,632
Supervisor, contr Expend	14,285	A12204	3,194
TOTAL Supervisor	92,683		85,826
Auditor, Contr Expend		A13204	9,255
TOTAL Auditor	0		9,255
Tax Collection, contr Expend	5,838	A13304	5,957
TOTAL Tax Collection	5,838		5,957
Assessment, Pers Serv	49,461	A13551	51,993
Assessment, Contr Expend	3,602	A13554	3,588
TOTAL Assessment	53,063		55,581
Clerk, pers Serv	52,525	A14101	53,739
Clerk, contr Expend	6,112	A14104	5,699
TOTAL Clerk	58,637		59,438
Law, Contr Expend	26,200	A14204	20,470
TOTAL Law	26,200		20,470
Engineer, Contr Expend	155,612	A14404	16,952
TOTAL Engineer	155,612		16,952
Records Mgmt, PerS. Serv.	5,084	A14601	1,749
Records Mgmt, Contr Expend	8,385	A14604	8,385
TOTAL Records Mgmt	13,469		10,134
Operation of Plant Pers Serv	6,099	A16201	5,250
Operation of Plant Equip & Cap Outlay	200	A16202	
Operation of Plant Contr Expend	12,354	A16204	12,794
TOTAL Operation of Plant Contr Expend	18,653		18,044
Central Comm System Contr Expend	6,498	A16504	7,704
TOTAL Central Comm System Contr Expend	6,498		7,704
Central Print & Mail Contr Expend	6,814	A16704	8,316
TOTAL Central Print & Mail Contr Expend	6,814		8,316
Central Data Process & Cap Outlay	5,926	A16802	11,788
Central Data Process, Contr Expend	6,956	A16804	12,025
TOTAL Central Data Process	12,882		23,813
Unallocated Insurance, Contr Expend	34,704	A19104	28,538
TOTAL Unallocated Insurance	34,704		28,538
Municipal Assn Dues, Contr Expend	1,000	A19204	1,000
TOTAL Municipal Assn Dues	1,000		1,000
TOTAL General Government Support	573,665		439,943
Traffic Control, Contr Expen	5,558	A33104	2,627
TOTAL Traffic Control	5,558		2,627
Control of Animals, Pers Serv	4,810	A35101	4,955

TOWN OF North East
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For the Fiscal Year Ending 2020

(A) GENERAL

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Control of Animals, Contr Expend	1,000	A35104	1,026
TOTAL Control of Animals	5,810		5,981
TOTAL Public Safety	11,368		8,608
Ambulance, Contr Expend	340,000	A45404	348,156
TOTAL Ambulance	340,000		348,156
TOTAL Health	340,000		348,156
Street Admin, Pers Serv	58,140	A50101	59,885
Street Admin, Contr Expend	1,719	A50104	1,019
TOTAL Street Admin	59,859		60,904
Garage, Contr Expend	49,610	A51324	17,307
TOTAL Garage	49,610		17,307
Street Lighting, Contr Expend	534	A51824	556
TOTAL Street Lighting	534		556
TOTAL Transportation	110,003		78,767
Community Action, Contr Expend	1,000	A63104	1,000
TOTAL Community Action	1,000		1,000
Veterans Service, Contr Expend	1,000	A65104	
TOTAL Veterans Service	1,000		0
Programs For Aging, Contr Expend	345	A67724	
TOTAL Programs For Aging	345		0
TOTAL Economic Assistance And Opportunity	2,345		1,000
Library, Contr Expend	125,000	A74104	145,000
TOTAL Library	125,000		145,000
TOTAL Culture And Recreation	125,000		145,000
Refuse & Garbage, Pers Serv	557	A81601	755
Refuse & Garbage, Contr Expend	4,240	A81604	3,424
TOTAL Refuse & Garbage	4,797		4,179
Conservation, Contr Expend	5,736	A87104	5,811
TOTAL Conservation	5,736		5,811
Cemetery, Pers Serv	2,541	A88101	1,962
Cemetery, Equip & Cap Outlay	8,066	A88102	
Cemetery, Contr Expend		A88104	216
TOTAL Cemetery	10,607		2,178
TOTAL Home And Community Services	21,140		12,168
State Retirement System	30,988	A90108	27,652
Social Security, Employer Cont	25,843	A90308	26,427
Worker's Compensation, Empl Bnfts	4,873	A90408	4,096
Unemployment Insurance, Empl Bnfts		A90508	778
Disability Insurance, Empl Bnfts	101	A90558	120
Hospital & Medical (dental) Ins, Empl Bnft	27,157	A90608	44,178
TOTAL Employee Benefits	88,962		103,251

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Results of Operation

Code/Description	2019	EdpCode	2020
Expenditures			
Debt Interest, Bond Anticipation Notes		A97307	9,761
TOTAL Debt Interest	0		9,761
TOTAL Expenditures	1,272,483		1,146,654
Trans To Risk Retention Fund		A99029	
Transfers, Capital Projects Fund	220,000	A99509	10,000
TOTAL Operating Transfers	220,000		10,000
TOTAL Other Uses	220,000		10,000
TOTAL Detail Expenditures And Other Uses	1,492,483		1,156,654

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	1,067,133	A8021	999,204
Prior Period Adj -Increase In Fund Balance		A8012	22,850
Restated Fund Balance - Beg of Year	1,067,133	A8022	1,022,054
ADD - REVENUES AND OTHER SOURCES	1,424,554		1,317,293
DEDUCT - EXPENDITURES AND OTHER USES	1,492,483		1,156,654
Fund Balance - End of Year	999,204	A8029	1,182,693

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Budget Summary

Code, Description	2020	EdpCode	2021
Estimated Revenues			
Est Rev - Real Property Taxes	1,144,093	A1049N	1,213,395
Est Rev - Real Property Tax Items	7,500	A1099N	7,500
Est Rev - Non Property Tax Items	21,500	A1199N	21,500
Est Rev - Departmental Income	1,150	A1299N	1,200
Est Rev - Use of Money And Property	10,000	A2499N	3,000
Est Rev - Licenses And Permits	3,650	A2599N	3,690
Est Rev - Fines And Forfeitures	22,000	A2649N	18,000
Est Rev - State Aid	50,000	A3099N	51,500
TOTAL Estimated Revenues	1,259,893		1,319,785
Appropriated Fund Balance	124,000	A599N	165,000
TOTAL Estimated Other Sources	124,000		165,000
TOTAL Estimated Revenues And Other Sources	1,383,893		1,484,785

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(A) GENERAL

Budget Summary

Code Description	2020	EdpCode	2021
Appropriations			
App - General Government Support	580,148	A1999N	586,455
App - Public Safety	14,205	A3999N	14,500
App - Health	340,000	A4999N	355,120
App - Transportation	93,235	A5999N	89,635
App - Economic Assistance And Opportunity	2,200	A6999N	2,200
App - Culture And Recreation	145,000	A7999N	155,000
App - Home And Community Services	20,184	A8999N	20,370
App - Employee Benefits	119,160	A9199N	93,012
TOTAL Appropriations	1,314,132		1,316,292
App - Interfund Transfer	69,761	A9999N	168,493
TOTAL Other Uses	69,761		168,493
TOTAL Appropriations And Other Uses	1,383,893		1,484,785

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	468,165	B200	520,553
TOTAL Cash	468,165		520,553
Accounts Receivable		B380	29,740
TOTAL Other Receivables (net)	0		29,740
Due From Other Governments	29,775	B440	
TOTAL Due From Other Governments	29,775		0
TOTAL Assets and Deferred Outflows of Resources	497,940		550,293

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(B) GENERAL TOWN-OUTSIDE VG

Balance Sheet

Code Description	2019	EdpCode	2020
Accounts Payable	2,494	B600	4,973
TOTAL Accounts Payable	2,494		4,973
TOTAL Liabilities	2,494		4,973
Fund Balance			
Assigned Appropriated Fund Balance	104,000	B914	103,000
Assigned Unappropriated Fund Balance	391,443	B915	442,318
TOTAL Assigned Fund Balance	495,443		545,318
TOTAL Fund Balance	495,443		545,318
TOTAL Liabilities, Deferred Inflows And Fund Balance	497,937		550,291

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

Code/Description	2019	EdpCode	2020
Revenues			
Real Property Taxes	60,905	B1001	62,324
TOTAL Real Property Taxes	60,905		62,324
Sales Tax (from County)	167,559	B1120	181,704
TOTAL Non Property Tax Items	167,559		181,704
Safety Inspection Fees	31,007	B1560	41,040
Zoning Fees	1,450	B2110	575
Planning Board Fees	1,475	B2115	1,750
TOTAL Departmental Income	33,932		43,365
Interest And Earnings	8,977	B2401	2,868
TOTAL Use of Money And Property	8,977		2,868
Grants From Local Governments	7,555	B2706	
TOTAL Miscellaneous Local Sources	7,555		0
TOTAL Revenues	278,928		290,261
TOTAL Detail Revenues And Other Sources	278,928		290,261

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(B) GENERAL TOWN-OUTSIDE VG

Results of Operation

Code, Description	2019	EdpCode	2020
Expenditures			
Police, Contr Expend	25,500	B31204	26,000
TOTAL Police	25,500		26,000
Safety Inspection, Pers Serv	39,932	B36201	43,804
Safety Inspection, Contr Expend	5,311	B36204	3,492
TOTAL Safety Inspection	45,243		47,296
TOTAL Public Safety	70,743		73,296
Registrar of Vital Statistics, Pers Serv	525	B40201	540
Registrar of Vital Stat Contr Expend	317	B40204	
TOTAL Registrar of Vital Stat Contr Expend	842		540
TOTAL Health	842		540
Youth Prog, Contr Expend	41,790	B73104	41,250
TOTAL Youth Prog	41,790		41,250
TOTAL Culture And Recreation	41,790		41,250
Zoning, Pers Serv	1,626	B80101	3,287
Zoning, Contr Expend	1,666	B80104	7,161
TOTAL Zoning	3,292		10,448
Planning, Pers Serv	979	B80201	187
Planning, Contr Expend	14,626	B80204	2,170
TOTAL Planning	15,605		2,357
Comm Beautification, Contr Expend	500	B85104	1,000
TOTAL Comm Beautification	500		1,000
TOTAL Home And Community Services	19,397		13,805
State Retirement, Empl Bnfts	7,252	B90108	6,472
Social Security , Empl Bnfts	3,294	B90308	3,658
Worker's Compensation, Empl Bnfts	1,623	B90408	1,365
Hospital & Medical (dental) Ins, Empl Bnft	1,789	B90608	
TOTAL Employee Benefits	13,958		11,495
TOTAL Expenditures	146,730		140,386
Transfers, Other Funds	90,000	B99019	100,000
TOTAL Operating Transfers	90,000		100,000
TOTAL Other Uses	90,000		100,000
TOTAL Detail Expenditures And Other Uses	236,730		240,386

TOWN OF North East
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(B) GENERAL TOWN-OUTSIDE VG

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	453,245	B8021	495,443
Restated Fund Balance - Beg of Year	453,245	B8022	495,443
ADD - REVENUES AND OTHER SOURCES	278,928		290,261
DEDUCT - EXPENDITURES AND OTHER USES	236,730		240,386
Fund Balance - End of Year	495,443	B8029	545,318

TOWN OF North East
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(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

Code Description	2020	EdpCode	2021
Estimated Revenues			
Est Rev - Real Property Taxes	62,324	B1049N	63,183
Est Rev - Non Property Tax Items	113,000	B1199N	113,000
Est Rev - Departmental Income	20,400	B1299N	21,500
Est Rev - Use of Money And Property	2,000	B2499N	1,200
TOTAL Estimated Revenues	197,724		198,883
Appropriated Fund Balance	104,000	B599N	103,000
TOTAL Estimated Other Sources	104,000		103,000
TOTAL Estimated Revenues And Other Sources	301,724		301,883

TOWN OF North East
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(B) GENERAL TOWN-OUTSIDE VG

Budget Summary

Code, Description	2020	EdpCode	2021
Appropriations			
App - General Government Support	12,000	B1999N	12,000
App - Public Safety	77,804	B3999N	79,290
App - Health	540	B4999N	540
App - Culture And Recreation	41,250	B7999N	41,750
App - Home And Community Services	54,058	B8999N	53,523
App - Employee Benefits	16,072	B9199N	14,780
TOTAL Appropriations	201,724		201,883
App - Interfund Transfer	100,000	B9999N	100,000
TOTAL Other Uses	100,000		100,000
TOTAL Appropriations And Other Uses	301,724		301,883

TOWN OF North East
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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Due From Other Funds	147	CD391	
TOTAL Due From Other Funds	147		0
TOTAL Assets and Deferred Outflows of Resources	147		0

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(CD) SPECIAL GRANT

Balance Sheet

Code Description	2019	Edp Code	2020
Due To Other Funds		CD630	6,969
TOTAL Due To Other Funds	0		6,969
TOTAL Liabilities	0		6,969
Fund Balance			
Assigned Unappropriated Fund Balance	147	CD915	
TOTAL Assigned Fund Balance	147		0
Unassigned Fund Balance		CD917	-6,969
TOTAL Unassigned Fund Balance	0		-6,969
TOTAL Fund Balance	147		-6,969
TOTAL Liabilities, Deferred Inflows And Fund Balance	147		0

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Results of Operation

Code Description	2019	EdpCode	2020
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(CD) SPECIAL GRANT

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Public Works Fac Site, Contr Expend		CD86624	7,116
TOTAL Public Works Fac Site	0		7,116
TOTAL Home And Community Services	0		7,116
TOTAL Expenditures	0		7,116
TOTAL Detail Expenditures And Other Uses	0		7,116

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(CD) SPECIAL GRANT

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	147	CD8021	147
Restated Fund Balance - Beg of Year	147	CD8022	147
DEDUCT - EXPENDITURES AND OTHER USES			7,116
Fund Balance - End of Year	147	CD8029	-6,969

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(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	52,236	CM200	53,431
TOTAL Cash	52,236		53,431
TOTAL Assets and Deferred Outflows of Resources	52,236		53,431

TOWN OF North East
Annual Update Document
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(CM) MISCELLANEOUS SPECIAL REV

Balance Sheet

Code Description	2019	EdpCode	2020
Accounts Payable		CM600	25,000
TOTAL Accounts Payable	0		25,000
TOTAL Liabilities	0		25,000
Fund Balance			
Assigned Unappropriated Fund Balance	52,236	CM915	28,431
TOTAL Assigned Fund Balance	52,236		28,431
TOTAL Fund Balance	52,236		28,431
TOTAL Liabilities, Deferred Inflows And Fund Balance	52,236		53,431

TOWN OF North East
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(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Other Home & Community Service Income	300	CM2189	900
TOTAL Departmental Income	300		900
Interest And Earnings	932	CM2401	295
TOTAL Use of Money And Property	932		295
TOTAL Revenues	1,232		1,195
TOTAL Detail Revenues And Other Sources	1,232		1,195

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(CM) MISCELLANEOUS SPECIAL REV

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Other Culture & Rec-Equip & Cap Outlay		CM79892	25,000
TOTAL Other Culture & Rec-Equip & Cap Outlay	0		25,000
TOTAL Culture And Recreation	0		25,000
TOTAL Expenditures	0		25,000
TOTAL Detail Expenditures And Other Uses	0		25,000

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(CM) MISCELLANEOUS SPECIAL REV

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	51,004	CM8021	52,236
Restated Fund Balance - Beg of Year	51,004	CM8022	52,236
ADD - REVENUES AND OTHER SOURCES	1,232		1,195
DEDUCT - EXPENDITURES AND OTHER USES			25,000
Fund Balance - End of Year	52,236	CM8029	28,431

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(DB) HIGHWAY-PART-TOWN

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	436,892	DB200	761,830
TOTAL Cash	436,892		761,830
Accounts Receivable	153,879	DB380	
TOTAL Other Receivables (net)	153,879		0
Due From Other Funds	5,874	DB391	
TOTAL Due From Other Funds	5,874		0
TOTAL Assets and Deferred Outflows of Resources	596,645		761,830

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(DB) HIGHWAY-PART-TOWN

Balance Sheet

Code Description	2019	EdpCode	2020
Accounts Payable	53,080	DB600	46,768
TOTAL Accounts Payable	53,080		46,768
Due To Other Funds		DB630	147
TOTAL Due To Other Funds	0		147
TOTAL Liabilities	53,080		46,915
Fund Balance			
Assigned Appropriated Fund Balance	98,056	DB914	146,926
Assigned Unappropriated Fund Balance	445,505	DB915	567,989
TOTAL Assigned Fund Balance	543,561		714,915
TOTAL Fund Balance	543,561		714,915
TOTAL Liabilities, Deferred Inflows And Fund Balance	596,641		761,830

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(DB) HIGHWAY-PART-TOWN

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Real Property Taxes	831,061	DB1001	880,069
TOTAL Real Property Taxes	831,061		880,069
Snow Removal Services-Other Govts	34,650	DB2302	69,300
TOTAL Intergovernmental Charges	34,650		69,300
Interest And Earnings	19,798	DB2401	4,913
TOTAL Use of Money And Property	19,798		4,913
Sales of Scrap & Excess Materials		DB2650	1,450
Sales of Equipment	11,923	DB2665	5,335
Insurance Recoveries	31,248	DB2680	
TOTAL Sale of Property And Compensation For Loss	43,171		6,785
St Aid, Consolidated Highway Aid	238,160	DB3501	95,265
TOTAL State Aid	238,160		95,265
TOTAL Revenues	1,166,840		1,056,332
Interfund Transfers	90,000	DB5031	100,000
TOTAL Interfund Transfers	90,000		100,000
Bond Anticipation Notes		DB5730	
TOTAL Proceeds of Obligations	0		0
TOTAL Other Sources	90,000		100,000
TOTAL Detail Revenues And Other Sources	1,256,840		1,156,332

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(DB) HIGHWAY-PART-TOWN

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Maint of Streets, Pers Serv	33,154	DB51101	54,648
Maint of Streets, Contr Expend	141,195	DB51104	208,992
TOTAL Maint of Streets	174,349		263,640
Perm Improve Highway, Contr Expend	393,829	DB51124	150,606
TOTAL Perm Improve Highway	393,829		150,606
Machinery, Pers Serv	70,391	DB51301	59,935
Machinery, Equip & Cap Outlay	64,506	DB51302	1,808
Machinery, Contr Expend	107,787	DB51304	87,978
TOTAL Machinery	242,684		149,721
Brush And Weeds, Pers Serv	55,652	DB51401	60,993
Brush And Weeds, Contr Expend	33,939	DB51404	28,981
TOTAL Brush And Weeds	89,591		89,974
Snow Removal, Pers Serv	38,772	DB51421	30,889
Snow Removal, Equip & Cap Outlay	4,417	DB51422	7,407
Snow Removal, Contr Expend	120,243	DB51424	66,741
TOTAL Snow Removal	163,432		105,037
TOTAL Transportation	1,063,885		758,978
State Retirement, Empl Bnfts	27,691	DB90108	24,711
Social Security, Empl Bnfts	15,145	DB90308	15,794
Worker's Compensation, Empl Bnfts	20,561	DB90408	17,294
Disability Insurance, Empl Bnfts	397	DB90558	426
Hospital & Medical (dental) Ins, Empl Bnft	66,093	DB90608	81,793
TOTAL Employee Benefits	129,887		140,018
Debt Principal, Installment Bonds	61,667	DB97206	80,900
TOTAL Debt Principal	61,667		80,900
Debt Interest, Installment Bonds	3,657	DB97207	4,992
TOTAL Debt Interest	3,657		4,992
TOTAL Expenditures	1,259,096		984,888
TOTAL Detail Expenditures And Other Uses	1,259,096		984,888

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(DB) HIGHWAY-PART-TOWN

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	545,817	DB8021	543,561
Restated Fund Balance - Beg of Year	545,817	DB8022	543,561
ADD - REVENUES AND OTHER SOURCES	1,256,840		1,156,332
DEDUCT - EXPENDITURES AND OTHER USES	1,259,096		984,888
Fund Balance - End of Year	543,561	DB8029	714,915

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(DB) HIGHWAY-PART-TOWN

Budget Summary

Code Description	2020	EdpCode	2021
Estimated Revenues			
Est Rev - Real Property Taxes	880,069	DB1049N	906,442
Est Rev - Use of Money And Property	78,300	DB2499N	71,700
TOTAL Estimated Revenues	958,369		978,142
Estimated - Interfund Transfer	100,000	DB5031N	100,000
Appropriated Fund Balance	98,056	DB599N	146,926
TOTAL Estimated Other Sources	198,056		246,926
TOTAL Estimated Revenues And Other Sources	1,156,425		1,225,068

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(DB) HIGHWAY-PART-TOWN

Budget Summary

Code Description	2020	EdpCode	2021
Appropriations			
App - Transportation	780,790	DB5999N	787,111
App - Employee Benefits	178,754	DB9199N	179,874
App - Debt Service	85,955	DB9899N	84,287
TOTAL Appropriations	1,045,499		1,051,272
App - Interfund Transfer	110,926	DB9999N	173,796
TOTAL Other Uses	110,926		173,796
TOTAL Appropriations And Other Uses	1,156,425		1,225,068

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	441,823	H200	261,023
TOTAL Cash	441,823		261,023
Accounts Receivable		H380	32,700
TOTAL Other Receivables (net)	0		32,700
TOTAL Assets and Deferred Outflows of Resources	441,823		293,723

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2019	EdpCode	2020
Accounts Payable	5,455	H600	8,272
TOTAL Accounts Payable	5,455		8,272
Bond Anticipation Notes Payable	454,000	H626	894,000
TOTAL Notes Payable	454,000		894,000
Due To Other Funds	20,929	H630	
TOTAL Due To Other Funds	20,929		0
TOTAL Liabilities	480,384		902,272
Fund Balance			
Assigned Unappropriated Fund Balance		H915	
TOTAL Assigned Fund Balance	0		0
Unassigned Fund Balance	-38,561	H917	-608,549
TOTAL Unassigned Fund Balance	-38,561		-608,549
TOTAL Fund Balance	-38,561		-608,549
TOTAL Liabilities, Deferred Inflows And Fund Balance	441,823		293,723

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Interest And Earnings	3,037	H2401	1,887
TOTAL Use of Money And Property	3,037		1,887
Grants From Local Governments	228,248	H2706	338,752
TOTAL Miscellaneous Local Sources	228,248		338,752
TOTAL Revenues	231,285		340,639
Interfund Transfers	220,000	H5031	
TOTAL Interfund Transfers	220,000		0
Statutory Installment Bonds	80,000	H5720	
Bond Anticipation Notes		H5730	
TOTAL Proceeds of Obligations	80,000		0
TOTAL Other Sources	300,000		0
TOTAL Detail Revenues And Other Sources	531,285		340,639

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Machinery, Equip & Cap Outlay	80,000	H51302	
TOTAL Machinery	80,000		0
Highway, Capital Projects	498,621	H51972	910,627
TOTAL Highway	498,621		910,627
TOTAL Transportation	578,621		910,627
TOTAL Expenditures	578,621		910,627
TOTAL Detail Expenditures And Other Uses	578,621		910,627

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(H) CAPITAL PROJECTS

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	8,775	H8021	-38,561
Restated Fund Balance - Beg of Year	8,775	H8022	-38,561
ADD - REVENUES AND OTHER SOURCES	531,285		340,639
DEDUCT - EXPENDITURES AND OTHER USES	578,621		910,627
Fund Balance - End of Year	-38,561	H8029	-608,549

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Land	52,800	K101	52,800
Buildings	200,954	K102	200,954
Machinery And Equipment	1,727,022	K104	1,727,022
Construction Work In Progress	498,621	K105	1,409,247
TOTAL Fixed Assets (net)	2,479,397		3,390,023
TOTAL Assets and Deferred Outflows of Resources	2,479,397		3,390,023

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2019	EdpCode	2020
Liabilities, Deferred Inflows And Fund Balance			
Total Non-Current Govt Assets	2,479,397	K159	3,390,023
TOTAL Investments in Non-Current Government Assets	2,479,397		3,390,023
TOTAL Fund Balance	2,479,397		3,390,023
TOTAL	2,479,397		3,390,023

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(SW) WATER

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	38,493	SW200	39,037
TOTAL Cash	38,493		39,037
TOTAL Assets and Deferred Outflows of Resources	38,493		39,037

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(SW) WATER

Balance Sheet

Code Description	2019	EdpCode	2020
Fund Balance			
Assigned Unappropriated Fund Balance	38,493	SW915	39,037
TOTAL Assigned Fund Balance	38,493		39,037
TOTAL Fund Balance	38,493		39,037
TOTAL Liabilities, Deferred Inflows And Fund Balance	38,493		39,037

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(SW) WATER

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Real Property Taxes	46,983	SW1001	46,520
TOTAL Real Property Taxes	46,983		46,520
Interest And Earnings	960	SW2401	318
TOTAL Use of Money And Property	960		318
TOTAL Revenues	47,943		46,838
TOTAL Detail Revenues And Other Sources	47,943		46,838

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(SW) WATER

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Water Administration, Contr Expend	120	SW83104	120
TOTAL Water Administration	120		120
Other Water, Contr Expend	6,445	SW83894	7,365
TOTAL Other Water	6,445		7,365
TOTAL Home And Community Services	6,565		7,485
Debt Principal, Serial Bonds	19,000	SW97106	20,000
TOTAL Debt Principal	19,000		20,000
Debt Interest, Serial Bonds	19,687	SW97107	18,810
TOTAL Debt Interest	19,687		18,810
TOTAL Expenditures	45,252		46,295
TOTAL Detail Expenditures And Other Uses	45,252		46,295

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(SW) WATER

Analysis of Changes in Fund Balance

Code Description	2019	EdpCode	2020
Analysis of Changes in Fund Balance			
Fund Balance - Beginning of Year	35,803	SW8021	38,494
Restated Fund Balance - Beg of Year	35,803	SW8022	38,494
ADD - REVENUES AND OTHER SOURCES	47,943		46,838
DEDUCT - EXPENDITURES AND OTHER USES	45,252		46,295
Fund Balance - End of Year	38,494	SW8029	39,037

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(SW) WATER

Budget Summary

Code Description	2020	EdpCode	2021
Estimated Revenues			
Est Rev - Real Property Taxes	39,675	SW1049N	39,753
Est Rev - Use of Money And Property	250	SW2499N	250
TOTAL Estimated Revenues	39,925		40,003
TOTAL Estimated Revenues And Other Sources	39,925		40,003

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(SW) WATER

Budget Summary

Code Description	2020	EdpCode	2021
Appropriations			
App - Home And Community Services	1,100	SW8999N	1,100
App - Employee Benefits	15	SW9199N	15
App - Debt Service	38,810	SW9899N	38,888
TOTAL Appropriations	39,925		40,003
TOTAL Appropriations And Other Uses	39,925		40,003

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TA) AGENCY

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	43,847	TA200	
TOTAL Cash	43,847		0
TOTAL Assets and Deferred Outflows of Resources	43,847		0

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TA) AGENCY

Balance Sheet

Code/Description	2019	EdpCode	2020
Due To Other Funds	15,639	TA630	
TOTAL Due To Other Funds	15,639		0
State Retirement	966	TA18	
Group Insurance	890	TA20	
Guaranty & Bid Deposits	26,352	TA30	
TOTAL Agency Liabilities	28,208		0
TOTAL Liabilities	43,847		0
TOTAL Liabilities, Deferred Inflows And Fund Balance	43,847		0

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TC) CUSTODIAL

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash		TC200	6,041
TOTAL Cash	0		6,041
TOTAL Assets and Deferred Outflows of Resources	0		6,041

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TC) CUSTODIAL

Balance Sheet

Code Description	2019	Edp Code	2020
Accounts Payable		TC600	558
TOTAL Accounts Payable	0		558
TOTAL Liabilities	0		558
Fund Balance			
Net Assets-Restricted For Other Purposes		TC923	5,483
TOTAL Net Position	0		5,483
TOTAL Fund Balance	0		5,483
TOTAL Liabilities, Deferred Inflows And Fund Balance	0		6,041

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TC) CUSTODIAL

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Unclassified (specify)		TC2770	5,829
TOTAL Miscellaneous Local Sources	0		5,829
TOTAL Revenues	0		5,829
TOTAL Detail Revenues And Other Sources	0		5,829

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TC) CUSTODIAL

Results of Operation

Code Description	2019	EdpCode	2020
Expenditures			
Other Custodial Activities Contractual		TC19354	2,679
Additional Description Expense from Escrow			
TOTAL Other Custodial Activities Contractual	0		2,679
TOTAL General Government Support	0		2,679
TOTAL Expenditures	0		2,679
TOTAL Detail Expenditures And Other Uses	0		2,679

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TC) CUSTODIAL

Analysis of Changes in Net Position

Code Description	2019	EdpCode	2020
Analysis of Changes in Net Position			
Fund Balance - Beginning of Year		TC8021	
Prior Period Adjustments,inc Fund Eqty		TC8012	2,333
Restated Fund Balance - Beg of Year		TC8022	2,333
ADD - REVENUES AND OTHER SOURCES			5,829
DEDUCT - EXPENDITURES AND OTHER USES			2,679
Fund Balance - End of Year		TC8029	5,483

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TE) PRIVATE PURPOSE TRUST

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Cash	9,182	TE200	9,234
TOTAL Cash	9,182		9,234
TOTAL Assets and Deferred Outflows of Resources	9,182		9,234

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TE) PRIVATE PURPOSE TRUST

Balance Sheet

Code Description	2019	EdpCode	2020
Fund Balance			
Net Assets-Restricted For Other Purposes	9,182	TE923	9,234
TOTAL Net Position	9,182		9,234
TOTAL Fund Balance	9,182		9,234
TOTAL Liabilities, Deferred Inflows And Fund Balance	9,182		9,234

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TE) PRIVATE PURPOSE TRUST

Results of Operation

Code Description	2019	EdpCode	2020
Revenues			
Interest And Earnings	144	TE2401	52
TOTAL Use of Money And Property	144		52
TOTAL Revenues	144		52
TOTAL Detail Revenues And Other Sources	144		52

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

Results of Operation

Code Description	2019	EdpCode	2020
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TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(TE) PRIVATE PURPOSE TRUST

Analysis of Changes in Net Position

Code Description	2019	EdpCode	2020
Analysis of Changes in Net Position			
Fund Balance - Beginning of Year	9,038	TE8021	9,182
Restated Fund Balance - Beg of Year	9,038	TE8022	9,182
ADD - REVENUES AND OTHER SOURCES	144		52
Fund Balance - End of Year	9,182	TE8029	9,234

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2019	EdpCode	2020
Assets			
Total Non-Current Govt Liabilities	741,191	W129	949,539
TOTAL Provision To Be Made In Future Budgets	741,191		949,539
TOTAL Assets and Deferred Outflows of Resources	741,191		949,539

TOWN OF North East
Annual Update Document
For the Fiscal Year Ending 2020

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2019	EdpCode	2020
Net Pension Liability -Proportionate Share	109,857	W638	419,195
TOTAL Other Liabilities	109,857		419,195
Bonds Payable	631,334	W628	530,344
TOTAL Bond And Long Term Liabilities	631,334		530,344
TOTAL Liabilities	741,191		949,539
TOTAL Liabilities	741,191		949,539

TOWN OF North East
Statement of Indebtedness
For the Fiscal Year Ending 2020

2/26/2021

County of: Dutchess

Municipal Code: 130359300000

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
2000	BOND E	Water Improvements			06/01/1999	06/01/2036	4.50%			\$29,000	\$1,000	\$0	\$0		\$28,000
2000	BOND E	Water Improvements			06/01/1999	06/01/2036	4.50%			\$399,000	\$19,000	\$0	\$0		\$380,000
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$0	\$428,000	\$20,000	\$0	\$0	\$0	\$408,000
2020	BAN N	Garage Storage Facility			08/24/2020	08/24/2021	0.95%		\$894,000	\$0			\$0		\$894,000
2019	BAN N	Garage Storage Facility			08/26/2019	08/26/2020	2.15%		\$454,000	\$454,000	\$454,000	\$454,000	\$0		\$0
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$894,000	\$454,000	\$454,000	\$454,000	\$0	\$0	\$894,000
2016	BOND N	HIGHWAY EQUIPMENT			11/01/2016	11/01/2021	1.74%		\$100,000	\$40,000	\$20,000	\$0	\$0		\$20,000
2018	BOND N	Plow Truck			11/19/2018	11/19/2021	2.05%		\$125,000	\$83,334	\$41,667	\$0	\$0		\$41,667
2019	BOND N	Highway Equipment			05/10/2019	05/10/2023	2.30%		\$80,000	\$80,000	\$19,323	\$0	\$0		\$60,677
Total for Type/Exempt Status - Sums Issued Amts only made in AFR Year									\$0	\$203,334	\$80,990	\$0	\$0	\$0	\$122,344
AFR Year Total for All Debt Types - Sums Issued Amts only made in AFR Year									\$894,000	\$1,085,334	\$554,990	\$454,000	\$0	\$0	\$1,424,344

TOWN OF North East
Schedule of Time Deposits and Investments
For the Fiscal Year Ending 2020

	EDP Code	Amount
CASH:		
On Hand	9Z2001	\$100.00
Demand Deposits	9Z2011	\$2,883,315.00
Time Deposits	9Z2021	
Total		\$2,883,415.00
COLLATERAL:		
- FDIC Insurance	9Z2014	\$1,210,414.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$1,672,901.00
Total		\$2,883,315.00
INVESTMENTS:		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

TOWN OF North East
Bank Reconciliation
For the Fiscal Year Ending 2020

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
*****2426	\$5,223	\$0	\$0	\$5,223
*****2434	\$549	\$0	\$0	\$549
*****2442	\$25,323	\$0	\$0	\$25,323
*****2450	\$10,003	\$0	\$0	\$10,003
*****2469	\$6,769	\$0	\$0	\$6,769
*****2477	\$39,037	\$0	\$0	\$39,037
*****2493	\$2,571	\$0	\$0	\$2,571
*****2507	\$9,234	\$0	\$0	\$9,234
*****2515	\$53,431	\$0	\$0	\$53,431
*****3910	\$101	\$0	\$0	\$101
*****3937	\$100	\$0	\$0	\$100
*****3945	\$101	\$0	\$0	\$101
*****3961	\$32,395	\$0	\$32,395	\$0
*****3988	\$6,041	\$0	\$0	\$6,041
*****3996	\$4,205	\$0	\$1,680	\$2,525
*****426	\$1,169,918	\$0	\$0	\$1,169,918
*****434	\$519,904	\$0	\$0	\$519,904
*****442	\$736,406	\$0	\$0	\$736,406
*****469	\$251,683	\$0	\$0	\$251,683
*****6589	\$10,323	\$0	\$0	\$10,323
Total Adjusted Bank Balance				\$2,849,240
Petty Cash				\$100.00
Adjustments				\$.00
Total Cash			9ZCASH *	\$2,849,340
Total Cash Balance All Funds			9ZCASHB *	\$2,849,341
* Must be equal				

[illegible]

- [illegible]

TOWN OF North East
Employee and Retiree Benefits
For the Fiscal Year Ending 2020

Total Full Time Employees:		6			
Total Part Time Employees:		28			
Account Code	Description	Total Expenditures (All Funds)	# of Full Time Employees	# of Part Time Employees	# of Retirees
90108	State Retirement System	\$58,835.00	6	6	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$45,880.00	6	28	
90408	Worker's Compensation Insurance	\$22,755.00	6	28	
90458	Life Insurance				
90508	Unemployment Insurance	\$777.00		1	
90558	Disability Insurance	\$546.00	6		
90608	Hospital and Medical (Dental) Insurance	\$125,971.00	6		
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
Total		\$254,764.00			
Computed Total From Financial Section (comparative purposes only)		\$254,764.00			

TOWN OF North East
Energy Costs and Consumption
For the Fiscal Year Ending 2020

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline	\$6,400	4,288	gallons	
Diesel Fuel	\$15,138	9,893	gallons	
Fuel Oil	\$5,892	3,547	gallons	
Natural Gas			cubic feet	
Electricity	\$6,340	32,982	kilowatt-hours	
Coal			tons	
Propane			gallons	

CERTIFICATION OF CHIEF FISCAL OFFICER

I, Chris Kennan, hereby certify that I am the Chief Fiscal Officer of the Town of North East, and that the information provided in the annual financial report of the Town of North East, for the fiscal year ended 12/31/2020, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the Town of North East, and adopted by me as my signature for use in conjunction with the filing of the Town of North East's annual financial report, I am evidencing my express intent to authenticate my certification of the Town of North East's annual financial report for the fiscal year ended 12/31/2020 and filed by means of electronic data transmission.

Sickler, Torchia, Allen & Chur
Name of Report Preparer if
different than Chief Fiscal Officer

(518) 828-4616
Telephone Number

02/26/2021
Date of Certification

Michael A Torchia Jr CPA CVA
Name

Shareholder
Title

4071 US Route 9 HUDSON, NY 12534
Official Address

(518) 828-4616
Official Telephone Number

TOWN OF North East
Financial Comments
For the Fiscal Year Ending 2020

(A) GENERAL

Adjustment Reason

Account Code A8012 Implementatioin of GASB 84

(TC) CUSTODIAL

Adjustment Reason

Account Code TC8012 Compliance with GASB 84

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The fund financial statements of the Town of North East, New York (Town) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units, to the extent appropriate for the prescribed form. The prescribed form is intended to comply with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity:

The Town is governed by its charter, municipal law and other general laws of the State of New York, and various local laws and ordinances. The Town Board, which is the legislative body responsible for the overall operation of the Town, consists of five members (with each member having an equal vote). The Town Supervisor serves as chief executive and fiscal officer of the Town.

The following basic services are provided: public safety, health, transportation, highways and streets, culture and recreation, public improvements, economic assistance and opportunity, home and community services, and general administrative services.

All governmental activities and functions performed for the Town are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the Town of North East, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statements 14, 39, 61, and 80.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14, 39, 61 and 80 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria the following is a brief review of certain entities considered in determining the Town of North East's reporting entity.

I. There are no other entities included in the reporting entity, nor are there any joint ventures excluded from the reporting entities.

II. Excluded from Reporting Entity:

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Although the following organizations, functions or activities are related to the Town they are not included in the Town's reporting entity because of the reasons noted:

The Town exercises no oversight over the operations of the Joint Fire District of the Town and Village of Millerton. The Town levies and collects real property taxes and turns them over to the fire district. This amounted to \$400,420 for the year ended December 31, 2020.

B. Fund Accounting:

The Town uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The Town records its transactions in the fund types and account groups described below:

I. Fund Categories:

a. Governmental Funds:

Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is based upon determination of financial position and changes in financial position (the sources, uses, and balances of current financial resources).

The following are the Town's governmental fund types:

1. General Fund:

The General Fund is the principal fund of the Town and includes all operations not required to be recorded in other funds.

2. Special Revenue Funds:

Special Revenue Funds are used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditures for

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

specified purposes other than debt service or capital projects. The following Special Revenue Funds are utilized:

- (a) Highway Funds are used to account for revenues and expenditures for maintenance of Town highways.
- (b) Special District Funds are used to account for the resources of special districts.
- (c) Water Funds are used to account for revenues and expenditures for maintenance of the North East Water District.
- (d) Special Grant Funds are used to account for grant funds received from governmental sources.
- (e) Miscellaneous Special Revenue Fund accounts for trust arrangements under which principal and income will be used to benefit the Town's regular programs.
- (f) General Town – Outside are used to account for funds received for that purpose.

3. Capital Projects Fund:

Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds.

b. Fiduciary Funds:

Fiduciary Funds are used to account for assets held by the local government in a trustee or custodial capacity.

1. Custodial Funds:

Custodial Funds are used to account for fiduciary activities that are not required to be reported in a private purpose trust fund.

2. Private-Purpose Trust Funds:

Private-Purpose Trust Funds are used to account for all other trust arrangements under which principal and interest benefit individuals, private organizations or other governments.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

II. Account Groups:

Account groups are used to establish accounting control and accountability for the Town's non-current government assets and non-current government liabilities. The two account groups are not "funds". They are concerned only with the measurement of financial position, and not with the results of operations.

a. Non-Current Government Assets Account Group:

This group of accounts is used to account for land, buildings, improvements other than buildings and equipment utilized for general government purposes.

b. Non-Current Government Liability Account Group:

This group of accounts is established to account for all long-term debts.

C. Basis of Accounting/Measurement Focus:

Basis of accounting refers to when revenues and expenditures/expenses and the related assets, liabilities, and deferred revenues are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus. Measurement focus is the determination of what is measured, i.e. expenditures or expenses.

I. Modified Accrual Basis:

All Governmental Funds and Fiduciary Funds, are accounted for using the modified accrual basis of accounting.

Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days of the end of the current fiscal year.

Material revenues that are accrued include real property taxes, state and federal aid, sales tax, and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made, all other grant requirements have been met, and the resources are available.

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

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

- a. Expenditures for prepaid and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when payment is due (see Note 1, H).
- d. Other post-employment benefits are charged as expenditures when payment is due.

II. Account Groups:

Non-current government assets are recorded at actual or estimated cost or, in the case of gifts and contributions, at the fair market value at the time received. No provision for depreciation is made. Non-current government liabilities are recorded at the par value of the principal amount. No liability is recorded for interest payable to maturity. Long-term liabilities for retirement and compensated absences are recorded when the Town's obligation can be reasonably estimated.

D. Fund Balances:

Fund Balance is broken down into five different classifications: non-spendable, restricted, committed, assigned, and unassigned focusing on the constraints imposed on resources in governmental funds:

I. Non-Spendable:

Consists of assets that are inherently non-spendable 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.

II. 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.

III. 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

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

of the fiscal year, and that require the same level of formal action to remove the constraint. The Board is the decision-making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town has no committed fund balance as of December 31, 2020.

IV. 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. The Board, by resolution, to adopt the 2021 budget, has authorized the Town Supervisor to assign fund balance. Appropriated fund balance is reported in the various funds as follows: General Fund – Town-Wide \$165,000 General Fund – Outside \$103,000, and Highway Fund – Outside \$146,926.

V. Unassigned:

Represents the residual classification of 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.

When resources are available from multiple classifications, the Town spends funds in the following order: restricted, committed, assigned, unassigned.

The Town has the authority to carry over a "reasonable amount" of committed, assigned and unassigned fund balance consistent with the "Reasonable Amount" statutes.

E. Encumbrances:

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

F. Property, Plant, and Equipment – General:

Fixed assets purchased for general governmental purposes are recorded as expenditures in

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

the governmental funds and are capitalized at cost (or estimated historical cost) in the Non-Current Government Assets Account Group. Contributed fixed assets are recorded at fair market value at the date received. Historical records are incomplete and, as such, are considered to be valued for insurance purposes only and cannot be supported as cost.

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 are not capitalized.

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

Therefore, the purpose of stewardship for capital expenditures can be satisfied without recording these assets. No depreciation has been provided on Schedule of Non-Current Government Assets Account Group nor has interest on non-current government assets construction-in-progress been capitalized.

G. Investments:

An investment is a security or other asset (a) that a government holds primarily for the purpose of income or profit and (b) with present service capacity that is based solely on its ability to generate cash or to be sold to generate cash. Capital assets held for resale are excluded from being classified as investments.

Investments are generally reported at fair value, except certificates of deposit, which are reported at cost.

H. Compensated Absences:

The Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation, subject to certain maximum limitations.

No accrual has been recorded due to the number of variables involved. However, management believes that sufficient resources will be available for payment when such payment becomes due.

I. Post-Employment Benefits:

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits and survivors' benefits are provided through an insurance company whose premiums are based on the benefits paid during the year.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is given on them.

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the current year, \$1,789 was paid on behalf of one retiree and recorded as an expenditure.

J. Departures from Generally Accepted Accounting Principles (GAAP):

The Town has prepared these statements in the accompanying prescribed form to comply with the requirements of the State of New York Office of State Comptroller, Division of Local Government and School Accountability, Albany, New York, and are not intended to be presented in accordance with accounting principles generally accepted in the United States of America. Notable departures from GAAP include:

- I. No provision for capitalizing infrastructure has been recorded;
- II. No provision for depreciation of Non-Current Government Assets has been recorded;
- III. The absence of an entity-wide Statement of Net Positions and Statement of Activities;
- IV. The absence of a Management, Discussion and Analysis;
- V. A statement comparing budget vs. actual is required under generally accepted accounting principles. While the Annual Update document includes both actual and budget schedules, there is no direct comparison of the two;
- VI. A Schedule of Funding Progress for Other Post-Employment Benefits is required under GAAP.
- VII. A Schedule of the Local Government's Proportionate Share of the Net Pension Liability for the New York State Employees' Retirement System is required under GAAP.
- VIII. A Schedule of the Local Government's Contribution for the New York State Employees' Retirement System is required under GAAP.
- IX. The absence of references to the "accompanying notes and accountant's disclaimer" on each page of the financial statements and to the "accountant's disclaimer" on each page of any supplementary information.
- X. Post closure landfill care costs not calculated and listed in General Long-Term Debt section.

The effect of these departures on the financial statements has not been determined.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

K. Insurance

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

L. New Accounting Standards:

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2020, the Town implemented the following new standards issued by GASB:

-- The GASB has issued Statement No. 84, *Fiduciary Activities*, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

-- The GASB has issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

-- The GASB has issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

M. Future Changes in Accounting Standards:

-- The GASB has issued Statement No. 87, *Leases*, which will better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

-- The GASB has issued Statement No. 91, *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

-- The GASB has issued Statement No. 92, *Omnibus 2020*, which enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021. The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021. The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021. Earlier application is encouraged and is permitted by topic.

-- The GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, which provides exceptions to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged.

-- The GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will improve financial reporting by addressing issues related to public-private and public-public partnerships arrangements (PPPs). Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Earlier application encouraged.

-- The GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is given on them.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Earlier application encouraged.

-- The GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – An Amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, which provides increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. Costs will be mitigated associated with the reporting of certain defined contribution pension plans. The relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Town will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

N. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY:

A. Budgetary Data:

The budget policies are as follows:

- I. No later than September 30, the budget officer submits a tentative budget to the Town Clerk, who then has until October 5 to submit the budget to the Town Board for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE, ACCOUNTABILITY (CONTINUED):

- II. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
- III. All modifications of the budget must be approved by the governing board.
- IV. Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

B. Property Taxes:

Real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to May 31. Taxes for the Town and special district purposes are levied together with the taxes for the county purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bill. The County assumes enforcement responsibility for all taxes levied in the Town. In June of 2011, New York State passed Chapter 97 of the Laws of 2011 (Tax Cap Law). This law applies to all local governments in New York State. The Tax Cap Law restricts the amount of property taxes that may be levied by the Town of North East in a particular year, beginning with the 2012 fiscal year. The growth in annual levy is limited to the lesser of two percent or annual change in the national unadjusted Consumer Price Index for All Urban Consumers – All Items (CPI-U), subject to certain limited exceptions and adjustments.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLE:

For the fiscal year ended December 31, 2020, the Town implemented GASB Statement No. 84, *Fiduciary Activities*. The New York State Office of the State Comptroller implementation bulletin of the statement provided guidance to Town's regarding the identification of fiduciary activities, financial reporting and updating related account codes for governmental, fiduciary and proprietary funds.

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS:

A. Assets:

I. Cash and Investment Policies:

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

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Collateral is required for demand deposits and certificates of deposit at 105 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, and obligations of the state and its municipalities and school districts.

For purposes of reporting cash flow, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and near their maturity.

II. Cash and Cash Equivalents – Custodial Credit, Concentration of Credit, Interest Rate, and Foreign Currency Risks:

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

As of December 31, 2020, \$0- of the Town's bank balance of \$2,883,315 was exposed to custodial credit risk as follows:

	Bank Balance 12/31/20	FDIC Coverage	Collateral	Total Coverage 12/31/20
Salisbury Bank	\$ 2,883,315	\$ 1,210,414	\$ 1,672,901	\$ 2,883,315

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute or contributor guidance to be reserved for various purposes. Restricted cash as of year-end includes \$10,003 within the governmental funds.

III. Changes in Non-Current Government Assets:

A summary of changes in non-current government assets follows:

	Balance 12/31/2019	Additions	Deletions	Balance 12/31/2020
Land	\$ 52,800	\$ -	\$ -	\$ 52,800
Buildings	200,954	-	-	200,954
Construction in Progress	498,621	910,626	-	1,409,247
Machinery and Equipment	1,727,022	-	-	1,727,022
	<u>\$ 2,479,397</u>	<u>\$ 910,626</u>	<u>\$ -</u>	<u>\$ 3,390,023</u>

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

B. Liabilities:

I. Pension Plans:

a. General Information:

The Town participates in the New York State Employees' Retirement System (NYSERS). This is a cost-sharing, multiple-employer public employee retirement system. The System offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability.

b. Plan Description:

The Town participates in the New York State and Local Employees' Retirement System (ERS) which is referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

c. Benefits Provided:

The System provides retirement benefits as well as death and disability benefits.

i. Tiers 1 and 2:

Eligibility: Tier 1 members must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members must have five years of service and be at least age 55 to be eligible to collect a retirement benefit.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

ii. Tiers 3, 4, and 5:

Eligibility: Tier 3 and 4 members must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

iii. Tier 6:

Eligibility: Tier 6 members must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

iv. Ordinary Disability Benefits:

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

v. Accidental Disability Benefits:

For all eligible Tier 1 and Tier 2 ERS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5 and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

vi. Ordinary Death Benefits:

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

vii. Post-Retirement Benefit Increases:

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

d. Contributions:

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years 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 Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	ERS
2020	58,835
2019	65,931
2018	65,383

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

At December 31, 2020, the Town reported a liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is given on them.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

liability was determined by an actuarial valuation as of that date. The Town's proportion of the net position liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

This information was provided by the ERS System in reports provided to the Town.

	ERS
Actuarial Valuation Date	4/1/2019
Net Pension (Asset)/Liability	\$ 419,195
Town's Portion of the Plan's Total	
Net Pension Asset/(Liability)	0.0015830%

For the year ended December 31, 2020, the Town recognized pension expense of \$58,835 for ERS, within the fund financial statements. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	ERS
Differences Between Expected and Actual Experience	\$ 24,671	\$ -
Changes of Assumptions	8,441	7,288
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	214,900	-
Changes in Proportion and Differences Between the Town's Contributions and Proportionate Share of Contributions	7,813	6,793
Town's Contributions Subsequent to the Measurement Date	58,835	-
Total	\$ 314,660	\$ 14,081

\$58,835 reported as deferred outflows of resource related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

	ERS
Year Ended:	
2021	\$ 38,024
2022	60,862
2023	79,180
2024	63,678
2025	-
Thereafter	-
	<u>\$ 241,744</u>

i. Actuarial Assumptions:

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following assumptions:

	ERS
Measurement Date	March 31, 2020
Actuarial Valuation Date	April 1, 2019
Interest Rate	6.80%
Salary Scale	4.20%
Decrement Tables	April 1, 2010 - March 31, 2015
	System's Experience
Inflation Rate	2.50%

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

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

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 are summarized below:

Asset Class	Target Allocation	Expected Real Rate of Return
Domestic Equity	36%	4.05%
International Equity	14%	6.15%
Private Equity	10%	6.75%
Real Estate	10%	4.95%
Alternative Investments	5%	3.25% -4.65%
Total Equities	75%	
Domestic Fixed Income Securities	0%	0.00%
Global Fixed Income Securities	0%	0.00%
Real Assets	3%	5.95%
Bonds and Mortgages	17%	0.75%
Short-Term	1%	0.00%
Inflation-Indexed Bonds	4%	0.50%
Total Fixed Income	25%	
Total	100%	

ii. Discount Rate:

The discount rate used to calculate the total pension liability was 6.8 % for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' 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.

iii. Sensitivity of the Proportionate Share of the Net Pension to the Discount Rate Assumption:

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8% for ERS, as well as what the Town's proportionate share of the net pension (asset)/liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.80% for ERS) or 1-percentage point higher (7.80% for ERS) than the current rate:

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

ERS	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's Proportionate Share of the Net Pension (Asset) Liability	\$ 769,341	\$ 419,195	\$ 96,709

iv. Pension Plan Fiduciary Net Position:

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

	(Dollars in the Thousands)
	ERS
Valuation Date	4/1/2019
Employers' Total Pension Liability	\$ 194,596,261
Plan Net Position	168,115,682
Employers' Net Pension Liability/(Asset)	\$ 26,480,579
Plan Net Position as a Percentage to the Systems' Total Pension Liability/(Asset)	86.39%

v. Payables to the Pension Plan:

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2020 represent the projected employer contribution for the period of April 1, 2020 through December 31, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2020, amounted to \$0 payable, as the Town paid the March 2021 obligation in full prior to year-end.

II. Indebtedness:

a. Debt Limit:

At December 31, 2020, the total outstanding indebtedness of the Town aggregated \$1,423,667 of which \$1,015,667 was subject to the constitutional debt limit. This amount represented 3.04% of its debt limit.

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

b. Short-Term Debt:

Bond Anticipation Note

The Town may issue Bond Anticipation Notes in anticipation of the proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of the bonds. State law requires that BANs issued for capital purposes be converted to long-term financing within five years of the original issue date.

The Town issued \$894,000 short-term debt on August 24, 2020 with an interest rate of 0.95% and a maturity date of August 24, 2021.

c. Serial Bonds:

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

d. Summary of Long-Term Liabilities:

The following is the summary of long-term liabilities outstanding at December 31, 2020:

	Balance 12/31/19	Additions	Payments	Balance 12/31/20
Serial Bonds	\$ 428,000	\$ -	\$ 20,000	\$ 408,000
Highway Equipment	40,000	-	20,000	20,000
Highway Plow Truck	83,334	-	41,667	41,667
Highway Equipment (Backhoe)	80,000	-	19,323	60,677
Net Pension Liability - Proportionate Share	51,650	367,545	-	419,195
	<u>\$ 682,984</u>	<u>\$ 367,545</u>	<u>\$ 100,990</u>	<u>\$ 949,539</u>

e. Maturity:

The following is a statement of Serial Bonds with corresponding maturity schedules:

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

Description of Issue	Issue Date	Original Amount	Interest Rate	Maturity Date	Outstanding 12/31/2020	Collateral
Water	06/01/99	\$ 694,300	4.50%	06/01/36	\$ 408,000	*
Highway	11/01/16	100,000	1.74%	11/01/21	20,000	Gradall
Highway	11/19/18	125,000	2.05%	11/19/21	41,667	Truck
Highway	05/10/19	80,000	2.30%	05/10/24	60,677	Equipment
					<u>\$ 530,344</u>	

* Faith and credit of Town pledge.

f. Debt Service:

The following table summarizes the Town's future debt service requirements as of December 31, 2019:

	Principal	Interest
2021	102,434	20,490
2022	41,222	17,883
2023	41,687	16,473
2024	21,000	15,053
2025	23,000	14,063
2026-2030	122,000	59,738
2031-2035	147,000	24,323
2036-2040	32,000	720
	<u>\$ 530,344</u>	<u>\$ 168,742</u>

III. Landfill Maintenance:

State and federal laws and regulations require the Town to place a final cover on its refuse landfill site when it stops accepting waste, and also requires certain maintenance and monitoring functions at the site for 30 years after closure. The Town established a capital project to aid in paying the costs for the closure. Cumulative expenditures for landfill closure costs were \$1,181,475 for the year ended December 31, 2020. The Town has applied for, and was awarded, State Aid in the amount of \$1,201,294 to aid in paying the cost to date and for future costs.

C. Interfund Receivables and Payables:

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

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 4 – DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS (CONTINUED):

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General Fund	\$ 7,116	\$ -	\$ -	\$ -
General Fund - Town Outside	-	-	-	100,000
Special Revenue:				
Highway Part Town	-	147	100,000	-
Water	-	-	-	-
Special Grant	-	6,969	-	-
Capital Projects	-	-	-	-
Fiduciary Trust and Agency	-	-	-	-
Totals	<u>\$ 7,116</u>	<u>\$ 7,116</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>

D. Fund Equity:

Designation and Assignment of Fund Balance:

The Town has designated the following amounts to be used to reduce taxes for the year ending December 31, 2020:

Fund	Appropriated Fund Balance
General	\$ 165,000
General - Town Outside	103,000
Highway - Town Outside	146,926
	<u>\$ 414,926</u>

E. Restricted Reserves:

The general fund equity includes reserve funds established for the following purposes:

Fund	Purpose	Balance at 12/31/20
General	Unemployment Reserve	<u>\$ 10,003</u>

TOWN OF NORTH EAST, NEW YORK

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2020

NOTE 5 – COMMITMENTS AND CONTINGENCIES:

- A. The Town has received grants in varying amounts, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the State and Federal governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.
- B. The Coronavirus (COVID-19), first detected in China, has since spread worldwide and has been declared a pandemic by the World Health Organization (WHO). The health risks are not to be underestimated, but the economic affect to business, other organizations, and the general population may be in the billions of dollars (or more)

Some of the possible economic effects and business disruptions are as follows

- 1. Supply chain disruption
 - a. Some business entities have been forced to close for an indefinite period.
 - b. Providers may be unable to obtain materials used in their process.
 - c. Inability to obtain supplies and equipment could drive up costs.
- 2. Workers
 - a. Contracting the virus; working remote; and maintaining social distancing will impact current routine procedures and require adapting to new established protocol.
 - b. Concern about future reductions in workers.
- 3. Revenue Loss
 - a. Most operations will experience a decrease in revenue.
 - b. How much and for how long are not known at this time.

Compliance with Government Restrictions may include additional training and learning proper use of personal protective equipment.

The duration of the effects of the virus and its economic impact are not known at this time, however, the longer this health issue affects the Town the more costly it may become.

C. Landfill Closure Costs:

The Town has not reported post closure care costs as a liability at December 31, 2020, in either the General Fund or the Non-Current Government Liabilities Account Group. The amount of this liability has not been calculated however; and is deemed to be material.

NOTE 6 – RESTATEMENT OF FUND BALANCE:

For fiscal year December 31, 2020, the Town reclassified funds from the Trust and Agency Fund and moved them to the Custodial Fund as part of the adaptation of GASB Statement 84. The December 31, 2020 opening fund balance for the Custodial Fund was restated by \$2,333.

These financial statements have not been subjected to an audit, review, or compilation engagement, and no assurance is given on them.

TOWN OF NORTH EAST, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

NOTE 6 – RESTATEMENT OF FUND BALANCE (CONTINUED):

For the fiscal year ended December 31, 2020, the District retired the Trust and Agency Fund. The transfer of funds requires a transfer of Fund Balance into the Custodial Fund for funds meeting that criteria. The Town's fund balance has been restated as follows:

	Governmental Fund Statements
Fund Balance Beginning of Year, as Previously Stated	<u>\$ -</u>
Removal of Trust and Agency Fund	-
Replacement with Custodial Fund Under GASB 84	<u>2,333</u>
Fund Balance Beginning of Year, as Restated	<u><u>\$ 2,333</u></u>