

TOWN OF TUXEDO, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2019

TOWN OF TUXEDO, NEW YORK

DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Supervisor and Board Members of
The Town of Tuxedo
Tuxedo, New York

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business – type activities, each major fund and the aggregate remaining fund information of the Town of Tuxedo, New York, as of December 31, 2019, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and other required supplementary information on pages 4 through 9 and 52 through 58, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

The prior year summarized comparative information has been derived from the Town’s December 31, 2018 financial statements and, in our report dated August 20, 2019, we expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2020 on our consideration of the Town of Tuxedo, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tuxedo, New York's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Cooper Arias" followed by a stylized flourish.

Mongaup Valley, New York
June 10, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

Town of Tuxedo

Year Ended December 31, 2019

Town of Tuxedo

The following is a discussion and analysis of the Town’s financial performance for the fiscal year ended December 31, 2019. This section is a summary of the Town’s financial activity based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town’s financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for 2019 are as follows:

Town – Wide Statements

- The Town’s main revenue sources were as follows:

	<u>Amount</u>	<u>%</u>	Prior Year <u>%</u>
Property Tax Revenues	\$ 6,082,189	78%	77%
Non-Property Tax Items	591,907	8%	7%
Departmental Income	226,062	3%	3%
Fine And Forfeitures	452,750	6%	5%
State Aid	172,263	2%	3%

- The Town’s main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	Prior Year <u>%</u>
General Government Support	\$ 1,359,130	19%	19%
Public Safety	2,507,093	35%	35%
Transportation	1,757,032	25%	23%

- Total Net Position was negative \$638,390 at December 31, 2019, up \$ 718,930 from the prior year.

Fund Financial Statements

- The highlights of the activity in the governmental funds is as follows:

General Fund – Town Wide

	<u>Amount</u>	<u>%</u>	Prior Year <u>%</u>
Property Tax Revenues	\$ 2,052,217	68%	66%
Fines and Forfeitures	452,750	15%	13%
General Government Support	1,020,009	36%	35%
Transportation	352,518	13%	13%
Health	543,288	19%	20%
Employee Benefits	382,479	14%	13%

General Fund – Town Outside

	<u>Amount</u>	<u>%</u>	<u>Prior Year</u> <u>%</u>
Property Tax Revenues	\$ 2,363,629	78%	78%
Non-Property Tax Items	591,907	20%	19%
Public Safety	1,392,743	61%	63%
Employee Benefits	817,920	35%	31%

- The Highway Funds had combined tax revenues of \$1,238,183, which accounted for 94% of their total combined revenues of \$1,337,664.

Using this Comprehensive Annual Report

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the Town as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the Town as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the Town's finances is "Is the Town better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the Town's net position and changes in net position. The change in net position provides the reader a tool to assist in determining whether the Town's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws and facility conditions in arriving at their conclusion regarding the overall health of the Town.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole.

Some funds are required to be established by State statute, while many other funds are established by the Town to help manage money for particular purposes and compliance with various grant provisions. The Town's two fund types, governmental and fiduciary, use different accounting approaches.

Governmental Funds

Most of the Town's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the Town's programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the Town's Fiduciary Responsibilities

The Town is the trustee or fiduciary for assets that belong to others such as payroll withholdings. It is the Town's responsibility to ensure that assets reported in these funds are being used for their intended purposes. The Town's fiduciary activities are reported in a separate "Statement of Fiduciary Net Position and Changes in Fiduciary Net Position" schedule, as the Town may not use these assets to finance its operations.

The Town's Governmental Activities

	<u>2019</u>	<u>2018</u>
NET POSITION		
Current Assets	\$ 4,594,664	\$ 3,406,115
Capital Assets – Net	<u>8,999,705</u>	<u>8,991,998</u>
Total Assets	<u>13,594,369</u>	<u>12,398,113</u>
Pensions	766,463	1,256,896
OPEB	<u>482,689</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>1,249,152</u>	<u>1,256,896</u>
Current Liabilities	725,496	482,176
Long-Term Liabilities	<u>13,930,107</u>	<u>12,990,945</u>
Total Liabilities	<u>14,655,603</u>	<u>13,473,121</u>
Pensions	458,181	1,201,564
OPEB	<u>368,127</u>	<u>326,644</u>
Total Deferred Inflows of Resources	<u>826,308</u>	<u>1,528,208</u>
Net Investment in Capital Assets	6,246,071	6,225,076
Unrestricted	<u>(6,884,461)</u>	<u>(7,571,396)</u>
Total Net Position	<u>\$ (638,390)</u>	<u>\$ (1,346,320)</u>

	<u>2019</u>	<u>2018</u>
REVENUES		
Real Property Taxes	\$ 6,082,189	\$ 5,974,135
Other Tax Items	29,193	27,936
Non-Property Tax Items	591,907	575,167
Charges For Services	851,542	931,634
Grants and Contributions	72,495	72,493
Investment Earnings	-	47
Sale Of Property And Compensation For Loss	87,890	23,712
Miscellaneous Local Sources	14,243	2,000
State Sources	<u>99,768</u>	<u>129,208</u>
Total Revenues	<u>7,829,227</u>	<u>7,736,332</u>
EXPENDITURES		
General Government Support	1,359,130	1,235,492
Public Safety	2,507,293	2,293,378
Health	543,288	525,076
Transportation	1,757,032	1,527,321
Economic Assistance And Opportunity	9,836	8,248
Culture And Recreation	224,669	244,567
Home And Community Service	576,748	554,588
Debt Service	<u>132,301</u>	<u>125,000</u>
Total Expenditures	<u>7,110,297</u>	<u>6,513,670</u>
CHANGE IN NET POSITION	<u>\$ 718,930</u>	<u>\$ 1,222,662</u>

Governmental Activities

The Town's Funds

Information about the Town's major funds starts on page 13. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$8,247,472 and expenditures of \$7,284,907, resulting in an increase in fund balance of \$962,565.

	<u>2019 Fund Balance</u>	<u>2018 Fund Balance</u>	<u>Increase/(Decrease)</u>
General A Fund	\$ 1,536,839	\$ 1,329,384	\$ 207,455
General B Fund	752,404	33,674	718,730
Highway DA Fund	463,755	457,951	5,804
Non-Major Funds	<u>1,180,604</u>	<u>1,150,028</u>	<u>30,576</u>
Total Governmental	<u>\$ 3,933,602</u>	<u>\$ 2,971,037</u>	<u>\$ 962,565</u>

BUDGET INFORMATION

The Town's budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. Budget to actual statements for all major governmental funds are required under Governmental Accounting Standards Board Statement No. 34 and are presented in the financial statements as "Required Supplementary Information" beginning on page 52. Budget to actual statements for non-major governmental funds are *not* required under Governmental Accounting Standards Board Statement No. 34 but have been presented for analytical purposes in the "Supplemental Schedules" beginning on page 59 of the financial statements.

Capital Assets

The Town had \$8,999,705 invested in capital assets, net of \$4,094,965 in accumulated depreciation, as of December 31, 2019. Depreciation for the year ended December 31, 2019 was \$211,221.

Debt

As of December 31, 2019, the Town had \$2,740,000 in outstanding bonds and \$213,634 in outstanding installment purchase debt. The Town paid \$125,965 in interest throughout the year.

Contacting the Town's Financial Management

It is the intent of this report to provide the Town's citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Town Supervisor at Town of Tuxedo, 1 Temple Road, Tuxedo, NY 10987.

Contacting the Component Unit's Financial Management

The Tuxedo Farms Local Development Corporation (the "Corporation") was established pursuant to Section 1411 of the New York Not-For-Profit Corporation Law pursuant to a resolution adopted by the Town of Tuxedo on January 7, 2015. The Corporation was formed for the purpose of assisting in the financing, construction, acquisition and operation of sewer system improvements. The Town of Tuxedo Supervisor appoints the board members of the Corporation with the consent of the Town Board, and the Corporation is reflected as a blended component unit within the Town's audited financial statements. However, the Management's Discussion and Analysis includes information related to the governmental activities only, and excludes information related to the component unit. Additional information regarding the component unit of the Town can be obtained by contacting Tuxedo Farms Local Development Corporation, 1 Temple Drive, Tuxedo, NY 10987.

TOWN OF TUXEDO, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities Tuxedo Farms Local Development Corporation</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash	\$ 4,210,665	\$ -	\$ 4,210,665
Accounts Receivable	130,205	4,355	134,560
Investments	-	1,484,320	1,484,320
Due From Other Governments	186,162	-	186,162
Due From Fiduciary Funds	27,654	-	27,654
Prepaid Expenses	<u>39,978</u>	<u>-</u>	<u>39,978</u>
Total Current Assets	<u>4,594,664</u>	<u>1,488,675</u>	<u>6,083,339</u>
Non-Current Assets:			
Restricted Cash	-	784,545	784,545
Capital Assets – Net	<u>8,999,705</u>	<u>29,209,880</u>	<u>38,209,585</u>
Total Non-Current Assets	<u>8,999,705</u>	<u>29,994,425</u>	<u>38,994,130</u>
TOTAL ASSETS	<u>13,594,369</u>	<u>31,483,100</u>	<u>45,077,469</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	766,463	-	766,463
OPEB Liability	<u>482,689</u>	<u>-</u>	<u>482,689</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,249,152</u>	<u>-</u>	<u>1,249,152</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2019

(Continued)

	Governmental Activities	Business-Type Activities Tuxedo Farms Local Development Corporation	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 181,704	\$ 34,812	\$ 216,516
Accrued Liabilities	157,298	380,296	537,594
Due To Fiduciary Fund	77,343	-	77,343
Due To ERS	<u>309,151</u>	<u>-</u>	<u>309,151</u>
Total Current Liabilities	<u>725,496</u>	<u>415,108</u>	<u>1,140,604</u>
Non-Current Liabilities			
Due Within One Year:			
Serial Bonds	175,000	-	175,000
Installment Purchase Debt	38,462	-	38,462
Total OPEB Liability	230,000	-	230,000
Due Beyond One Year:			
Serial Bonds	2,565,000	29,502,600	32,067,600
Installment Purchase Debt	175,172	-	175,172
Total OPEB Liability	9,647,425	-	9,647,425
Compensated Absences	456,193	-	456,193
Net Pension Liability	<u>642,855</u>	<u>-</u>	<u>642,855</u>
Total Non-Current Liabilities	<u>13,930,107</u>	<u>29,502,600</u>	<u>43,432,707</u>
TOTAL LIABILITIES	<u>14,655,603</u>	<u>29,917,708</u>	<u>44,573,311</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	458,181	-	458,181
OPEB Liability	<u>368,127</u>	<u>-</u>	<u>368,127</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>826,308</u>	<u>-</u>	<u>826,308</u>
NET POSITION			
Net Investment In Capital Assets	6,246,071	2,795,482	9,041,553
Restricted	-	50,000	50,000
Unrestricted	<u>(6,884,461)</u>	<u>(1,280,090)</u>	<u>(8,164,551)</u>
TOTAL NET POSITION	<u>\$ (638,390)</u>	<u>\$ 1,565,392</u>	<u>\$ 927,202</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	Business-Type Activities
	\$	\$	\$	\$	2018
GOVERNMENTAL ACTIVITIES:					
General Government Support	1,359,130	618,712	-	-	(681,338)
Public Safety	2,507,293	78,299	-	-	(2,197,147)
Health	543,288	47,505	-	-	(466,183)
Transportation	1,757,032	43,142	72,495	-	(1,409,463)
Economic Assistance And Opportunity	9,836	-	-	-	(9,836)
Culture And Recreation	224,669	56,629	-	-	(194,627)
Home And Community Services	576,748	7,255	-	-	(427,537)
Debt Service	132,301	-	-	-	(125,000)
TOTAL GOVERNMENTAL ACTIVITIES	<u>7,110,297</u>	<u>851,542</u>	<u>72,495</u>	<u>-</u>	<u>(6,186,260)</u>
BUSINESS TYPE-ACTIVITIES:					
Tuxedo Farms Local Development Corporation	51,272	2,028,213	-	-	856,580
TOTAL PRIMARY GOVERNMENT	<u>7,161,569</u>	<u>2,879,755</u>	<u>72,495</u>	<u>-</u>	<u>(4,652,963)</u>
GENERAL REVENUES					
Real Property Taxes				6,082,189	5,974,135
Other Tax Items				29,193	27,936
Non-Property Tax Items				591,907	575,167
Miscellaneous Local Sources				14,243	2,000
Investment Earnings				-	47
Sale Of Property And Compensation For Loss				87,890	23,712
State Aid				99,768	129,208
TOTAL GENERAL REVENUES				<u>6,905,190</u>	<u>6,732,205</u>
CHANGE IN NET POSITION				1,976,941	2,079,242
TOTAL NET POSITION - Beginning Of Year (Restated)				<u>(411,549)</u>	<u>(3,837,111)</u>
TOTAL NET POSITION - End Of Year				<u>\$ 1,565,392</u>	<u>\$ (1,757,869)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>GENERAL TOWNWIDE</u>	<u>GENERAL TOWN OUTSIDE</u>	<u>HIGHWAY TOWNWIDE</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2018</u>
ASSETS						
Cash	\$ 1,670,322	\$ 836,745	\$ 511,220	\$ 1,192,378	\$ 4,210,665	\$ 2,946,683
Accounts Receivable	72,051	58,154	-	-	130,205	124,794
Due From Other Governments	51,620	134,542	-	-	186,162	189,577
Due From Other Funds	27,654	-	10,000	24,000	61,654	167,487
Prepaid Expenses	-	<u>39,978</u>	-	-	<u>39,978</u>	<u>145,061</u>
TOTAL ASSETS	<u>\$ 1,821,647</u>	<u>\$ 1,069,419</u>	<u>\$ 521,220</u>	<u>\$ 1,216,378</u>	<u>\$ 4,628,664</u>	<u>\$ 3,573,602</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019

(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>GENERAL TOWNWIDE</u>	<u>GENERAL TOWN OUTSIDE</u>	<u>HIGHWAY TOWNWIDE</u>	<u>NON-MAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	<u>2018</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 131,275	\$ 14,311	\$ 22,580	\$ 13,338	\$ 181,704	\$ 272,294
Accrued Liabilities	20,090	57,019	15,755	-	92,864	92,865
Due To Other Governments	-	-	-	-	-	45,914
Due To Other Funds	75,043	33,500	1,500	1,300	111,343	180,492
Due To ERS/PFRS	<u>58,400</u>	<u>212,185</u>	<u>17,630</u>	<u>20,936</u>	<u>309,151</u>	<u>-</u>
TOTAL LIABILITIES	<u>284,808</u>	<u>317,015</u>	<u>57,465</u>	<u>35,774</u>	<u>695,062</u>	<u>591,565</u>
FUND BALANCES						
Non-spendable:						
Prepaid Items	-	39,978	-	-	39,978	145,061
Assigned:						
Appropriated	160,000	-	35,000	50,000	245,000	-
Unappropriated	-	712,426	428,755	1,130,604	2,271,785	1,580,817
Unassigned	<u>1,376,839</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376,839</u>	<u>1,256,159</u>
TOTAL FUND BALANCES	<u>1,536,839</u>	<u>752,404</u>	<u>463,755</u>	<u>1,180,604</u>	<u>3,933,602</u>	<u>2,982,037</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,821,647</u>	<u>\$ 1,069,419</u>	<u>\$ 521,220</u>	<u>\$ 1,216,378</u>	<u>\$ 4,628,664</u>	<u>\$ 3,573,602</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET WITH THE STATEMENT OF NET POSITION
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>2019</u>	<u>2018</u>
Total Fund Balance – Governmental Funds	\$ 3,933,602	\$ 2,982,037
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2019 are \$13,094,670 and \$4,094,965, respectively.</p>		
	8,999,705	8,991,998
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Serial Bonds	(2,740,000)	
Installment Purchase Debt	(213,634)	
Compensated Absences	<u>(456,193)</u>	(3,408,499)
	(3,409,827)	
<p>Long term asset and liabilities associated with OPEB are not current financial resources or obligations and are not reported in the government funds.</p>		
Total OPEB Liability	(9,877,425)	
Deferred Inflows of Resources	(368,127)	
Deferred Outflows of Resources	<u>482,689</u>	(9,496,235)
	(9,762,863)	
<p>Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.</p>		
Deferred Outflows of Resources	766,463	
Deferred Inflows of Resources	(458,181)	
Net Pension Liability	<u>(642,855)</u>	(357,523)
	(334,573)	
<p>Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.</p>		
	<u>(64,434)</u>	<u>(58,098)</u>
Net Position of Governmental Activities	<u>\$ (638,390)</u>	<u>\$ (1,346,320)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	GENERAL TOWNWIDE	GENERAL TOWN OUTSIDE	HIGHWAY TOWNWIDE	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2018
REVENUES						
Real Property Taxes	\$ 2,052,217	\$ 2,363,629	\$ 747,965	\$ 918,378	\$ 6,082,189	\$ 5,974,135
Other Tax Items	29,193	-	-	-	29,193	27,936
Non-Property Tax Items	-	591,907	-	-	591,907	575,167
Intergovernmental Charges	4,999	-	-	2,106	7,105	15,167
Departmental Income	148,798	77,264	-	-	226,062	245,294
Use Of Money And Property	61,468	-	-	-	61,468	51,013
Licenses And Permits	12,135	-	-	-	12,135	10,336
Fines And Forfeitures	452,750	-	-	-	452,750	392,195
Sale Of Property And Compensation For Loss	151,141	-	9,410	19,361	179,912	124,502
Miscellaneous Local Sources	14,243	-	-	-	14,243	118,884
State Aid	99,768	-	-	72,495	172,263	201,701
TOTAL REVENUES	<u>3,026,712</u>	<u>3,032,800</u>	<u>757,375</u>	<u>1,012,340</u>	<u>7,829,227</u>	<u>7,736,330</u>
EXPENDITURES						
General Government Support	1,020,009	53,502	1,500	1,300	1,076,311	989,092
Public Safety	38,950	1,392,743	-	-	1,431,693	1,476,658
Health	543,288	-	-	-	543,288	523,004
Transportation	352,518	-	524,980	393,787	1,271,285	1,081,279
Economic Assistance And Opportunity	9,836	-	-	-	9,836	8,246
Culture And Recreation	154,828	-	-	-	154,828	181,607
Home And Community Service	11,659	49,905	-	436,524	498,088	475,799
Employee Benefits	382,479	817,920	123,508	150,153	1,474,060	1,336,973
Debt Service:						
Principal	185,000	-	96,308	-	281,308	190,314
Interest	120,690	-	5,275	-	125,965	117,809
Capital Outlay	-	-	-	218,020	218,020	115,980
TOTAL EXPENDITURES	<u>2,819,257</u>	<u>2,314,070</u>	<u>751,571</u>	<u>1,199,784</u>	<u>7,084,682</u>	<u>6,496,761</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	GENERAL TOWNWIDE	GENERAL TOWN OUTSIDE	HIGHWAY TOWNWIDE	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 207,455	\$ 718,730	\$ 5,804	\$ (187,444)	\$ 744,545	2018 \$ 1,239,569
OTHER FINANCING SOURCES (USES)						
Proceeds of Long Term Debt	-	-	-	218,020	218,020	115,980
Operating Transfer Out	-	-	-	(200,225)	(200,225)	(4,260)
Operating Transfer In	-	-	-	200,225	200,225	4,260
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	218,020	218,020	115,980
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	207,455	718,730	5,804	30,576	962,565	1,355,549
FUND BALANCE -- Beginning Of Year (Restated)	1,329,384	33,674	457,951	1,150,028	2,971,037	1,626,488
FUND BALANCE -- End Of Year	<u>\$ 1,536,839</u>	<u>\$ 752,404</u>	<u>\$ 463,755</u>	<u>\$ 1,180,604</u>	<u>\$ 3,933,602</u>	<u>\$ 2,982,037</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	<u>2019</u>	<u>2018</u>
Total Net Change in Fund Balances – Governmental Funds	\$ 962,565	\$ 1,355,549

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

Depreciation Expenses	(211,221)		
Capital Outlay	<u>218,928</u>	7,707	(58,199)

Repayments of principal on long term debt are expenditures in the governmental funds, but the repayments reduce long-term liabilities in the statement of net position and are not reported in the statement of activities.

Serial Bonds	185,000		
Installment Purchase Debt	<u>96,308</u>	281,308	190,314

In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when paid amount exceeds the earned amount, the difference is an addition to the reconciliation.

Compensated Absences		(64,616)	(3,259)
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In the statement of activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Current Year Accrued Interest	(64,434)		
Prior Year Accrued Interest	<u>58,098</u>	(6,336)	(7,191)

TOWN OF TUXEDO, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2018)

(Continued)

	<u>2019</u>	<u>2018</u>
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		
Employee Retirement System	\$ 13,461	
Police And Fire Retirement System	<u>9,489</u>	10,272
(Increase) Decrease in OPEB liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenue or expenditures in the governmental funds	(266,628)	(148,844)
In the governmental funds, proceeds of long-term debt are reported as "other financing sources" and increase the Town's fund balance. In the Town wide statements, the debt proceeds increase long-term liabilities in the statement of net position and are not reported in the statement of activities.		
Installment Purchase Debt	<u>(218,020)</u>	<u>(115,980)</u>
Change in Net Position of Governmental Activities	<u>\$ 718,930</u>	<u>\$ 1,222,662</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 DECEMBER 31,

	<u>AGENCY FUND</u>	
	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 105	\$ 28,870
Due From Governmental Funds	77,343	13,005
Due From Other Governments	<u>9,335</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 86,783</u>	<u>\$ 41,875</u>
LIABILITIES		
Due To Governmental Funds	\$ 27,654	\$ -
Agency Liabilities	<u>59,129</u>	<u>41,875</u>
TOTAL LIABILITIES	<u>\$ 86,783</u>	<u>\$ 41,875</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Tuxedo, New York, operates in accordance with Town Law and various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation, and the Town Supervisor serves as chief executive and chief financial officer.

The Town provides the following basic services: general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services.

The accounting policies for the Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Town's more significant accounting policies:

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. Other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity are the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities, and any financial benefit or burden resulting from the relationship. Based on these criteria, the following entity has been included in the financial statements as a component unit of the Town:

Tuxedo Farms Local Development Corporation

The Tuxedo Farms Local Development Corporation (the "Corporation") was established pursuant to Section 1411 of the New York Not-For-Profit Corporation Law pursuant to a resolution adopted by the Town of Tuxedo on January 7, 2015. The Corporation was formed for the purpose of assisting in the financing, construction, acquisition and operation of sewer system improvements. The Town of Tuxedo Supervisor appoints the board members of the Corporation with the consent of the Town Board. The Corporation has been reflected as a blended component unit of the Town. Audited financial statements for the Corporation can be obtained by contacting Tuxedo Farms Local Development Corporation, 1 Temple Drive, Tuxedo, NY 10987.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

1. Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town as a whole. These statements include the financial activities of the overall Town, except those that are fiduciary.

Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants. Business type activities are financed by fees charged to external parties.

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

2. Fund financial statements:

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

The Town reports the following major Governmental Funds:

- a. General Fund – Townwide - The General Fund is the principal operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds – The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major Special Revenue Funds of the Town are as follows:

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fund - Town Outside Village – used for transactions which by statute affect only those areas outside the boundaries of the village located within the Town.

Highway Fund -- Townwide - used to account for revenues and expenditures for highway purposes as defined in the Highway Law of the State of New York.

The Town reports the following non-major Governmental Funds:

a. Highway Fund – Parttown - used to account for highway transactions which are required by statute to be charged on the area of the Town outside the village.

b. Special Revenue Funds

Special Districts Fund – used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole Town. The Town reports the following non-major Special District funds:

- a) Refuse
- b) Drainage District
- c) Sewer District

c. Capital Projects Fund – These funds are used to account for financial resources to be used for acquisition or construction of major capital facilities.

Additionally, the Town reports the following fund type:

a. Fiduciary Fund

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Town acts as trustee or agent for resources that belong to others. These activities are not included in the Town-wide financial statements because their resources do not belong to the Town and are not available to be used.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting/Measurement Focus

The Town-wide and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations.

On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

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

D. Property Taxes

County 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 April 1. Taxes for County purposes are levied together with taxes for Town and special district 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 bills. The County assumes enforcement responsibility for all taxes levied in the Town.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budget Policies

The Town follows the procedures enumerated below in establishing the budgetary data reflected in the financial statement.

- a) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the Office of the Town Clerk on or before September 30th.
- b) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- c) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with the law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- d) On or before the Thursday following the general election, the Town Board shall hold a public hearing on the preliminary budget.
- e) After the public hearing, the preliminary budget as submitted or amended shall be adopted by resolution no later than November 20th.
- f) Budgets for General, Special Revenue and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Capital Projects and Community Development Funds are budgeted on a project basis.
- g) The Town Board maintains control of the budget at the function level of expenditure.
- h) Appropriations in the General and Special Revenue Funds lapse at the end of the fiscal year except that outstanding encumbrances are re-appropriated in the succeeding year.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Encumbrances

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

G. Budget Basis Of Accounting

Except as indicated below, budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

H. Compensated Absences

Vacation and sick leave are accrued pursuant to the terms of the Town's contracts, personnel policies and/or procedures. Consistent with GASB Statement 16, *Accounting for Compensated Absences*, an accrual for accumulated vacation and/or sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated on the pay rates in effect at year-end.

For the town-wide statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and, therefore, are not a fund liability and represent a reconciling item between the fund level and town-wide presentations.

I. Post Employment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their family. 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. The Town recognizes the cost of providing benefits in the governmental funds by recording its share of insurance premiums as an expenditure in the year paid. In the Town-wide statements, the liability is reported at actuarially calculated amounts (Note 9).

TOWN OF TUXEDO, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Cash and Cash Equivalents

For financial statement purposes, the Town considers all highly liquid investments of three months or less as cash equivalents.

K. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would be immaterial.

L. Capital Assets

The Town has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. 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 capitalization threshold used by the Town is \$500.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Buildings	50
Site Improvements	20
Machinery & Equipment	5-20
Infrastructure	50

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

M. Interfund Activity

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities/business type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications

In the Town-wide statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the Town.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Town and determine which classification of net position will be charged.

In the fund basis statements there are five classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The Town has \$39,978 in non-spendable fund balances related to prepaid expenses.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town has no restricted fund balances as of December 31, 2019.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Town's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Town 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 balances as of December 31, 2019.

Assigned – includes 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 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. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Town Board is the decision making authority that can, by resolution, assign fund balance.

Unassigned – represents the residual classification for the 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 fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has three items that qualify for reporting in this category.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the Town contributions to the pension systems subsequent to the measurement date. The third item relates to OPEB reporting in the statement of net position. The Town reports \$766,463 and \$482,689 in deferred outflows of resources related to pensions and OPEB reporting, respectively, as of December 31, 2019.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The second item relates to OPEB reporting in the statement of net position. The Town reports \$458,181 and \$368,127 in deferred inflows of resources related to pensions and OPEB reporting, respectively, as of December 31, 2019.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions and OPEB reporting resulted in a net increase of \$422,844 to unrestricted net position as of December 31, 2019.

Q. New Accounting Standards

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2019 the Town implemented the following new standards:

GASB 83 – *Certain Asset Retirement Obligations*

GASB 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*

GASB 90 – *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*

TOWN OF TUXEDO, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance.

R. Future Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 84 – *Fiduciary Activities*, for the year ended December 31, 2020.

GASB 87 – *Leases*, effective for the year ending December 31, 2022.

GASB 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending December 31, 2021.

GASB 91 – *Conduit Debt Obligations*, effective for the year ending December 31, 2022.

GASB 92 – *Omnibus*, effective for the year ending December 31, 2022.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The variance in the Employee Benefits was caused by normal employee benefit cost and was funded with available fund balance.

A. Overdrawn Appropriations

Expenditures for the year ended December 31, 2019 materially exceeded appropriations in the funds and/or functions identified below:

<u>FUND/FUNCTION</u>	<u>APPROPRIATIONS AS MODIFIED</u>	<u>EXPENDITURES AND ENCUMBRANCES</u>	<u>UNFAVORABLE VARIANCE</u>
General Fund/Employee Benefits	\$ 323,103	\$ 382,479	\$ (59,376)
General Fund/Town Outside/Employee Benefits	787,746	817,920	(30,174)

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENT

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities

Total fund balances of the Town’s governmental funds differ from “net position” of governmental activities reported in the Statement of Net Position. The difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheet.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

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

1. Long-term revenue and expenditure differences arise because governmental funds report revenues only when they are considered “available”, whereas the Statement of Activities report revenues when earned.

Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2. Capital related differences include the differences between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 3 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENT (Continued)

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

NOTE 4 – CASH AND INVESTMENTS

The Town of Tuxedo investment policies are governed by State statutes. Town monies must be deposited in FDIC-Insured commercial banks or trust companies 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, repurchase agreements, and obligations of New York State or its localities.

Collateral is required for time deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and their municipalities and schools.

The Town's aggregate cash balances include balances not covered by depository insurance at year-end, collateralized as follows:

Collateralized with securities held by the pledging financial institution, or its trust department, but not in the Town's name.	<u>\$ 4,413,800</u>
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Tuxedo Farms Local Development Corporation

Cash and cash equivalents consisted entirely of investments in money market mutual funds as of December 31, 2019. Cash and cash equivalents are carried at cost, which approximates fair market value.

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned. There is no custodial credit risk to these accounts as the entire bank balance was covered by federal depository insurance or collateralized in accordance with the provisions under the Trust Indenture.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 – CASH AND INVESTMENTS (Continued)

B. Interest Rate Risk

Interest rate risk is the risk that an interest rate change could adversely affect an investment's fair value. As a means of limiting exposure to fair value losses arising from rising interest rates, the Indenture requires the investment of moneys in the Debt Service Reserve Fund must mature or be payable at the option of the Trustee by the time the Trustee may need such money for the purposes of the bond issue. The Corporation's investments in money market funds are withdraw-able on demand.

C. Credit Risk

Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations. The Indenture specifies the minimum rating of permitted investments. Investments at December 31, 2019 and 2018 were in money market mutual funds that met the specified credit ratings.

Although state statute does not impose credit standards on repurchase agreement counterparties, bankers' acceptances, or money market mutual funds, the Indenture establishes stringent credit standards for these investments to minimize portfolio risk.

D. Concentration of Credit Risk

Concentration of credit risk can arise by failing to adequately diversify investments. The Indenture does not limit portfolio composition by issuer or by investment type.

E. Investments

Investments are reported at amortized cost and are segregated into short-term and long-term components based on the maturity date of the investment. Investments maturing within one year are considered short-term. Investments consisted of the following at December 31, 2019:

	<u>Par Value</u>	<u>Interest Rate</u>	<u>Maturity</u>
Federal Home Loan Mortgage Corporation Note	\$1,486,000	1.375%	5/1/2020

Amortization of investment premiums or discounts is calculated using the straight-line method over the term of the investment. All investments are expected to be held until maturity.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The Corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. The Corporation's investments in U.S. government securities totaling \$1,484,230 as of December 31, 2019, are valued using quoted market prices (Level 1 inputs).

NOTE 5 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2019 were as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>RETIREMENTS/ RECLASSIFICATIONS</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 5,890,151	\$ -	\$ -	\$ 5,890,151
Total non-depreciable historical cost	<u>5,890,151</u>	<u>-</u>	<u>-</u>	<u>5,890,151</u>
Capital assets that are depreciated:				
Building and Improvements	4,523,917	-	-	4,523,917
Infrastructure	621,960	-	-	621,960
Machinery and Equipment	<u>1,843,509</u>	<u>218,928</u>	<u>3,795</u>	<u>2,058,642</u>
Total depreciable historical cost	<u>6,989,386</u>	<u>218,928</u>	<u>3,795</u>	<u>7,204,519</u>
Less accumulated depreciation:				
Building and Improvements	1,876,699	104,234	-	1,980,933
Infrastructure	599,483	2,027	-	601,510
Machinery and Equipment	<u>1,411,357</u>	<u>104,960</u>	<u>3,795</u>	<u>1,512,522</u>
Total Accumulated Depreciation	<u>3,887,539</u>	<u>211,221</u>	<u>3,795</u>	<u>4,094,965</u>
Total historical cost, net	<u>\$ 8,991,998</u>	<u>\$ 7,707</u>	<u>\$ -</u>	<u>\$ 8,999,705</u>

Depreciation was charged to governmental functions as follows:

General Governmental Support	\$ 28,343
Public Safety	54,863
Transportation	103,902
Culture and Recreation	5,824
Home and Community Services	<u>18,289</u>
	<u>\$ 211,221</u>

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 5 – CAPITAL ASSETS (Continued)

Tuxedo Farms Local Development Corporation

Capital assets consist of construction in progress and financing costs. Construction in progress consists of costs of constructing the sewerage facilities. Pursuant to the Memorandum of Understanding, the sewerage facilities will be owned by the Corporation upon completion.

The Corporation’s capital asset activity for the year ended December 31, 2019 was as follows:

<u>2019</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Construction in progress	\$ 20,316,527	\$ 165,647	\$ -	\$ 20,482,174
Capitalized bond interest	7,033,057	1,988,460	-	9,021,517
Capitalized investment income	(240,833)	(52,978)	-	(293,811)
Total Capital Assets	<u>\$ 27,108,751</u>	<u>\$ 2,101,129</u>	<u>\$ -</u>	<u>\$ 29,209,880</u>

As of December 31, 2019, the core infrastructure components of the public and private improvements are substantially complete. The wastewater treatment plant has been fully tested and a contract has been awarded to GA Fleet to maintain the equipment on a monthly basis until the plant is put into regular operations with sewer flows from the project. The remaining budget is limited to the demolition of the existing sewer plant and the subsequent grading, landscaping, and paving of that area.

NOTE 6 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2019 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund - Townwide	\$ 27,654	\$ 75,043	\$ -	\$ -
General Fund – Town Outside	-	33,500	-	-
Highway Townwide	10,000	1,500	-	-
Highway Partown	17,000	800	-	-
Sewer Fund	7,000	500	-	-
Refuse District	-	-	200,225	200,225
Total Governmental Funds	<u>61,654</u>	<u>111,343</u>	<u>200,225</u>	<u>200,225</u>
Agency Fund	<u>77,343</u>	<u>27,654</u>	<u>-</u>	<u>-</u>
Total Fiduciary Funds	<u>77,343</u>	<u>27,654</u>	<u>-</u>	<u>-</u>
TOTALS	<u>\$ 138,997</u>	<u>\$ 138,997</u>	<u>\$ 200,225</u>	<u>\$ 200,225</u>

TOWN OF TUXEDO, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 6 – INTERFUND TRANSACTIONS (Continued)

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position.

The Town transfers funds from various governmental funds to the Capital Projects Fund for the purpose of making capital expenditures.

The Town typically loans resources between funds for the purpose of relieving cash flow issues.

NOTE 7 - LIABILITIES

1. **Long-Term Debt**

Serial Bonds - The Town of Tuxedo, New York 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.

Other Long-Term Debt - In addition to the above long-term debt the local government had the following non-current liabilities:

Compensated Absences – Represents the value of earned and unused portion of the liability for compensated absences.

Installment Purchase Debt – Represents the remaining payments for equipment purchased under installment contracts.

Total OPEB Liability - Represents the liability related to the Town’s post employment health insurance benefits. (See Note 9)

Long-Term Debt Interest

Interest expense on long-term debt consisted of the following:

Interest Paid	\$ 125,965
Less: Interest Accrued in Prior Year	(58,098)
Plus: Interest Accrued In Current Year	<u>64,434</u>
 TOTAL EXPENSE	 <u>\$ 132,301</u>

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

Changes

The following is a summary of changes in long-term liabilities for the period ended December 31, 2019.

	BALANCE <u>01/01/19</u>	ADDITIONS	DELETIONS	BALANCE <u>12/31/19</u>	AMOUNTS DUE WITHIN <u>ONE YEAR</u>
Serial Bonds –					
General Obligations	\$ 2,675,000	\$ -	\$ 135,000	\$ 2,540,000	\$ 125,000
Serial Bonds –					
Direct Placement	250,000	-	50,000	200,000	50,000
Installment Purchase Debt –					
Direct Borrowings	91,922	218,020	96,308	213,634	38,462
Total OPEB Liability	9,169,591	1,138,448	430,614	9,877,425	230,000
Compensated Absences	<u>391,577</u>	<u>64,616</u>	<u>-</u>	<u>456,193</u>	<u>-</u>
	<u>\$ 12,578,090</u>	<u>\$ 1,421,084</u>	<u>\$ 711,922</u>	<u>\$ 13,287,252</u>	<u>\$ 443,462</u>

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

Maturity

Long term debt at December 31, 2019 is comprised of the following individual issues:

<u>PURPOSE</u>	<u>ISSUE DATE</u>	<u>FINAL MATURITY</u>	<u>INTEREST RATE</u>	<u>OUTSTANDING 12/31/19</u>
Various	2003	2027	3.00%-4.75%	\$ 625,000
Quarry Field	2014	2044	3.00%-4.00%	1,915,000
Judgments and Claims	2017	2023	3.98%	<u>200,000</u>
Total Bonds				<u>2,740,000</u>
Highway Vehicles	2018	2022	5.45%	44,556
Highway Vehicles	2019	2023	6.70%	123,597
Highway Vehicle	2019	2023	5.33%	<u>45,481</u>
Total Installment Purchase Debt				<u>213,634</u>
Total Long Term Debt				<u>\$ 2,953,634</u>

TOWN OF TUXEDO, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

The following totals summarize the Town’s future debt service requirements as of December 31, 2019:

<u>YEAR ENDED DECEMBER 31,</u>	<u>GENERAL OBLIGATIONS</u>		<u>DIRECT BORROWINGS AND DIRECT PLACEMENTS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2020	\$ 125,000	\$ 86,281	\$ 88,441	\$ 22,580
2021	130,000	81,431	110,582	16,927
2022	140,000	94,531	118,352	11,052
2023	125,000	88,481	96,259	4,937
2024	130,000	83,013	-	-
2025-2029	520,000	331,776	-	-
2030-2034	360,000	246,600	-	-
2035-2039	450,000	168,000	-	-
2040-2044	<u>560,000</u>	<u>69,800</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,540,000</u>	<u>\$ 1,249,913</u>	<u>\$ 413,634</u>	<u>\$ 55,496</u>

2. Pension Plan

Plan Description

The Town of Tuxedo, New York participates in the New York State and Local Employees’ Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS), and the Public Employees’ Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems.

The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. For those joining after July 27, 1976 and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute.

Employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), contribute 3% of their salary throughout their active membership. Employees who joined the Systems on or after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, based on the employees' gross salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed 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:

	<u>ERS</u>	<u>PFRS</u>
2019	\$ 146,861	\$ 257,588
2018	154,153	244,949
2017	191,017	293,949

3. Short-Term Debt

Bond Anticipation Notes (BAN)

State law requires that BAN's issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. The Town had no outstanding BAN's for the years ended December 31, 2019 or 2018.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

4. Tuxedo Farms Local Development Corporation

A. Revenue Bonds, Series 2015

Bonds payable consisted of the following at December 31, 2019:

<u>2019</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>	<u>Due within One Year</u>
Series 2015 Bonds	\$ 30,000,000	\$ -	\$ -	\$ 30,000,000	\$ -
Less: Unamortized discount	<u>(520,860)</u>	<u>-</u>	<u>23,460</u>	<u>(497,400)</u>	<u>23,460</u>
Total Bonds Payable	<u>\$ 29,479,140</u>	<u>\$ -</u>	<u>\$ 23,460</u>	<u>\$ 29,502,600</u>	<u>\$ 23,460</u>

On June 17, 2015, the Corporation issued \$30,000,000 in Revenue Bonds, Series 2015, to finance the sewerage facility, to fund a debt service reserve fund, to fund the payment of interest on the Bonds prior to and during construction, and to pay costs of issuing the Bonds. The Town, on behalf of the Corporation, will impose and collect the special assessments and has agreed to apply its customary tax payment enforcement procedures to the collection of any delinquent payments of the special assessments.

The Bonds are special limited obligations of the Corporation payable solely from and secured by a pledge of the service fees and certain funds held by the Trustee.

Interest on the Bonds is payable according to the terms specified by the Indenture semiannually on November 1 and May 1 of each year beginning on November 1, 2015. Interest on the Bonds is calculated on the basis of a 360-day year comprised of twelve 30-day months. The Bonds bear interest at 6.550% per annum. Interest payments totaled \$1,965,000 for the year ended December 31, 2019.

The Bonds were issued at a discount totaling \$600,000, which is being amortized using the effective interest method over the life of the bonds.

The Bonds are subject to optional redemption, special mandatory redemption, and mandatory sinking fund redemption. Principal payments on the Bonds are due each November 1, beginning November 1, 2021 according to the mandatory sinking fund redemption schedule.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

B. Optional Redemption

The Bonds are subject to redemption prior to maturity at the option of the Corporation on or after May 1, 2027 from any money available for such purpose, in whole or in part, plus accrued interest to the redemption date, at the following redemption prices:

<u>Redemption Period</u>	<u>Redemption Price</u>
May 1, 2017 – April 30, 2028	102.00%
May 1, 2028 – April 30, 2029	101.00%
May 1, 2029 and thereafter	100.00%

C. Special Mandatory Redemption

The Bonds are subject to special mandatory redemption prior to maturity, in whole or in part, in minimum amounts of \$5,000, at a redemption price equal to the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption by application of money remaining on or after the completion date in the Construction Account of the Project Fund not reserved for the payment of any remaining part of the cost of the Sewerage Facilities, or from any money in the Net Proceeds Account remaining after payment of the cost of any repair or restoration of the Sewerage Facilities from any insurance recovery or condemnation award.

D. Mandatory Sinking Fund Redemption

The Bonds are required to be redeemed each November 1, beginning November 1, 2021, in the years and in the amounts set forth below:

For year ending December 31:	Principal	Interest
2020	\$ -	\$ 1,965,000
2021	5,000	1,965,000
2022	45,000	1,964,673
2023	90,000	1,961,725
2024	135,000	1,955,830
2025-2029	1,540,000	9,573,153
2030-2034	3,420,000	8,841,518
2035-2039	6,150,000	7,390,038
2040-2044	10,060,000	4,899,728
2045-2047	8,555,000	1,152,800
Total	\$ 30,000,000	\$ 41,669,465

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 7 – LIABILITIES (Continued)

E. Additional Bonds

Additional bonds may be issued by the Corporation under the Indenture for the purpose of refunding or defeasing outstanding Bonds, providing funds to the Corporation to purchase outstanding Bonds, or to finance the construction of the facilities or capital additions upon satisfaction of certain requirements contained in the Indenture. In the case of additional Bonds issued to finance the construction of the facilities, the Corporation must comply with specific conditions set forth in the Indenture. Any additional bonds issued shall be equally and ratably secured with the Bonds then outstanding.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

FEDERAL AND NEW YORK STATE GRANTS

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

LITIGATION

The Town, in common with other municipalities, receives numerous notices of claims for money damages. Of the claims currently pending none are expected to have a material effect on the financial position of the Town if adversely settled.

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS

A. General Information about the OPEB Plan

Plan Description - The healthcare plan is a defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the Town. The plan is a pay as you go funding plan. The plan is a single-employer defined benefit OPEB plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

TOWN OF TUXEDO, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

Benefits Provided – The Town provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on whether they are covered under the union contract or non-union policy that each employee falls under. The Town discounts the medical premium by Medicare Part B premiums (when applicable, including spouses), and it pays 100% of the premium for the highway and police retirees and dependents and 65% to 70% of the total premium for a family policy for Town/office retirees.

Employees Covered by Benefit Terms – At December 31, 2018, the following employees were covered by the benefit terms:

Retired Employees	17
Active Employees	<u>16</u>
	<u>33</u>

B. Total OPEB Liability

The Town’s total OPEB liability of \$ 9,877,425 was measured as of December 31, 2019, using an actuarial valuation as of January 1, 2019.

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

Measurement Date	December 31, 2019
Salary Scale	3.00%
Withdrawal	Sarrasson T-5 Table
Discount Rate	3.26%
Initial Healthcare Cost Trend Rate	8.00%
Ultimate Healthcare Cost Trend Rate	5.00%
Actuarial Method	Entry Age Normal

The discount rate was based on the S&P Municipal Bond 20-year High Grade Rate Index as of December 31, 2019.

Mortality rates were based on the RP-2014 mortality table with MP-2016 projection.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

C. Changes in the Total OPEB Liability

Balance at January 1, 2019		\$ 9,169,591
Changes for the Year -		
Service Cost	165,277	
Interest	329,585	
Changes of Benefit Terms	-	
Differences between expected and actual experience	(200,486)	
Changes in assumptions or other inputs	643,586	
Benefit Payments	<u>(230,128)</u>	
Net Changes		<u>707,834</u>
Balance at December 31, 2019		<u>\$ 9,877,425</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.26%) or 1 – percentage point higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Current Assumption (3.26%)	1% Increase (4.26%)
Total OPEB Liability	<u>\$ 11,570,665</u>	<u>\$ 9,877,425</u>	<u>\$ 8,184,184</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trends Rate – The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.00%-4.00%) or 1 – percentage point higher (9.0% -6.0%) than the current discount rate:

	1% Decrease (7.00% -4.00%)	Current Assumption (8.00% - 5.00%)	1% Increase (9.00% - 6.00%)
Total OPEB Liability	<u>\$ 8,056,980</u>	<u>\$ 9,877,425</u>	<u>\$ 12,082,507</u>

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 – POST EMPLOYMENT HEALTH INSURANCE BENEFITS (Continued)

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Town recognized OPEB expense of \$496,756. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 368,127
Changes of assumptions or other inputs	<u>482,689</u>	<u>-</u>
Total	<u>\$ 482,689</u>	<u>\$ 368,127</u>

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

2020	\$ 1,894
2021	1,894
2022	110,774
2023	-
2024	-
Thereafter	<u>-</u>
TOTAL	<u>\$ 114,562</u>

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees' Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) are included in Note 8-A to the financial statements.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

At December 31, 2019, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2019 for ERS and PFRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Town’s proportion of the net pension asset/(liability) was based on a projection of the Town’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Town.

	<u>ERS</u>	<u>PFRS</u>
Actuarial valuation date	April 1, 2018	April 1, 2018
Net pension asset/(liability)	\$ (197,473)	\$ (445,382)
Town’s portion of the Plan’s total net pension asset/(liability)	0.0027871%	0.0265572%

For the year ended December 31, 2019, the Town recognized pension expense of \$133,398 for ERS and \$ 248,100 for PFRS. At December 31, 2019, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 38,887	\$ 108,196	\$ 13,256	\$ 47,552
Changes of assumptions	49,637	161,819	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	50,682	89,199
Changes in proportion and differences between the Town’s contributions and proportionate share of contributions	79,205	19,568	100,384	157,108
Town’s contributions subsequent to the measurement date	<u>110,188</u>	<u>198,963</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 277,917</u>	<u>\$ 488,546</u>	<u>\$ 164,322</u>	<u>\$ 293,859</u>

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Town contributions subsequent to the measurement date of \$110,188 and \$198,963 for ERS and PFRS, respectively, which will be recognized as a reduction of the net pension liability in the year 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:

	<u>ERS</u>	<u>PFRS</u>
2020	\$ 36,589	\$ 45,393
2021	(49,708)	(52,508)
2022	(9,231)	(31,450)
2023	25,757	27,596
2024	-	6,693
Thereafter	-	-
TOTAL	<u>\$ 3,407</u>	<u>\$ (4,276)</u>

Actuarial Assumptions

The total pension liability as of the measurement date was measured 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 valuations used the following significant actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Interest rate	7.0%	7.0%
Salary scale	4.2%	4.5%
Decrement tables	April 1, 2010-March 31, 2015 System's Experience	April 1, 2010-March 31, 2015 System's Experience
Inflation rate	2.5%	2.5%

For ERS and PFRS, annuitant mortality rates are based on April 1, 2010-March 31, 2015 Systems' experience with adjustments for mortality improvements based on MP-2014. The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010-March 31, 2015.

TOWN OF TUXEDO, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

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

Measurement date	<u>ERS/PFRS</u> March 31, 2019
Asset Type:	
Domestic Equity	4.55%
International Equity	6.35
Real Estate	5.55
Alternative Investments	3.75 – 5.68
Mortgages	1.31
Short-term	1.00
Private Equities	7.50

Discount Rate

The discount rate used to calculate the total pension liability was 7.00% for ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employees 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.

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

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00% for ERS and PFRS, 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 (6.00%) or 1-percentage point higher (8.00% for ERS) than the current rate:

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

<u>ERS</u>	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension asset (liability)	\$ (863,383)	\$ (197,473)	\$ 361,939
<u>PFRS</u>	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension asset (liability)	\$ (1,609,543)	\$ (445,382)	\$ 526,828

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>ERS (in thousands)</u> April 1, 2018	<u>PFRS (in thousands)</u> April 1, 2018
Valuation date		
Employers' total pension (liability)	\$ (189,803,429)	\$ (34,128,100)
Plan Net Position	<u>182,718,124</u>	<u>32,451,037</u>
Employer's net pension asset/(liability)	<u>\$ (7,085,305)</u>	<u>\$ (1,677,063)</u>
 Ration of plan net position to the Employer's total pension asset/(liability)	 96.27%	 95.09%

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the Systems' fiscal year which ends on March 31st. Accrued retirement contributions as of December 31 represent the projected employer contribution for the period of April 1, through December 31 based on paid ERS and PFRS wages multiplied by the employer's contribution rate, by tier. The Town had accrued retirement contributions of \$309,151 as of December 31, 2019.

TOWN OF TUXEDO, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

Net Fixed Assets	\$ 8,999,705
Less: Bonds Payable	(2,540,000)
Installment Debt Payable	<u>(213,634)</u>
Net Investment in Capital Assets	<u>\$ 6,246,071</u>

NOTE 12 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2019 and June 10, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 13 – RESTATED BALANCES

The beginning fund balance in the General A Fund has been decreased by \$11,000 to account for understated health insurance expenses in prior years.

TOWN OF TUXEDO, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- COMPARED TO BUDGET
GENERAL FUND-TOWNWIDE
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 2,059,872	\$ 2,059,872	\$ 2,052,217	\$ (7,655)	\$ 1,933,510
Other Tax Items	27,054	27,054	29,193	2,139	27,936
Departmental Income	136,500	149,500	148,798	(702)	150,259
Intergovernmental Charges	-	-	4,999	4,999	-
Use Of Money And Property	43,670	55,670	61,468	5,798	50,999
Licenses And Permits	6,750	6,750	12,135	5,385	10,336
Fines And Forfeitures	375,000	410,000	452,750	42,750	392,195
Sale Of Property And Compensation For Loss	40,000	40,000	151,141	111,141	124,502
Miscellaneous Local Sources	-	-	14,243	14,243	118,884
State Aid	94,000	94,000	99,768	5,768	129,208
TOTAL REVENUES	<u>2,782,846</u>	<u>2,842,846</u>	<u>3,026,712</u>	<u>183,866</u>	<u>2,937,829</u>
EXPENDITURES					
General Government Support	1,079,297	1,095,797	1,020,009	75,788	933,651
Public Safety	44,721	46,721	38,950	7,771	36,211
Health	547,200	547,200	543,288	3,912	523,004
Transportation	380,034	392,034	352,518	39,516	364,916
Economic Assistance And Opportunity	12,000	12,000	9,836	2,164	8,246
Culture And Recreation	148,050	171,550	154,828	16,722	181,607
Home and Community Service	-	7,000	11,659	(4,659)	12,543
Employee Benefits	265,103	323,103	382,479	(59,376)	357,868
Debt Service:					
Principal	185,000	185,000	185,000	-	140,000
Interest	121,441	121,441	120,690	751	114,366
TOTAL EXPENDITURES	<u>2,782,846</u>	<u>2,901,846</u>	<u>2,819,257</u>	<u>82,589</u>	<u>2,672,412</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(59,000)	207,455	266,455	265,417
OTHER FINANCING SOURCES					
Operating Transfers In	-	-	-	-	4,260
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	(59,000)	207,455	266,455	269,677
FUND BALANCE – Beginning Of Year (Restated)	-	59,000	1,329,384	1,270,384	1,070,707
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,536,839</u>	<u>\$ 1,536,839</u>	<u>\$ 1,340,384</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE- COMPARED TO BUDGET
 GENERAL FUND-TOWN OUTSIDE
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 2,374,530	\$ 2,374,530	\$ 2,363,629	\$ (10,901)	\$ 2,318,778
Non Property Tax Items	415,000	444,000	591,907	147,907	575,167
Departmental Income	<u>22,000</u>	<u>22,000</u>	<u>77,264</u>	<u>55,264</u>	<u>95,035</u>
TOTAL REVENUES	<u>2,811,530</u>	<u>2,840,530</u>	<u>3,032,800</u>	<u>192,270</u>	<u>2,988,980</u>
EXPENDITURES					
General Government Support	117,056	80,056	53,502	26,554	54,024
Public Safety	1,542,658	1,543,658	1,392,743	150,915	1,440,447
Home And Community Service	66,454	68,454	49,905	18,549	51,122
Employee Benefits	724,746	787,746	817,920	(30,174)	701,412
Debt Service:					
Principal	30,000	30,000	-	30,000	26,256
Interest	<u>2,616</u>	<u>2,616</u>	<u>-</u>	<u>2,616</u>	<u>1,313</u>
TOTAL EXPENDITURES	<u>2,483,530</u>	<u>2,512,530</u>	<u>2,314,070</u>	<u>198,460</u>	<u>2,274,574</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	328,000	328,000	718,730	309,730	714,406
OTHER FINANCING USES					
Other Budgetary Purposes	<u>(328,000)</u>	<u>(328,000)</u>	<u>-</u>	<u>328,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	718,730	718,730	714,406
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>-</u>	<u>33,674</u>	<u>33,674</u>	<u>(680,732)</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 752,404</u>	<u>\$ 752,404</u>	<u>\$ 33,674</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
 COMPARED TO BUDGET
 HIGHWAY FUND - TOWNWIDE
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 750,055	\$ 750,055	\$ 747,965	\$ (2,090)	\$ 882,044
Intergovernmental Charges	5,000	5,000	-	(5,000)	5,000
Sale Of Property And Compensation For Loss	-	9,000	9,410	410	-
TOTAL REVENUES	<u>755,055</u>	<u>764,055</u>	<u>757,375</u>	<u>(6,680)</u>	<u>887,044</u>
EXPENDITURES					
General Government Support	35,700	700	1,500	(800)	949
Transportation	510,041	521,541	524,980	(3,439)	478,889
Employees Benefits	209,314	196,814	123,508	73,306	125,043
Debt Service:					
Principal	45,558	96,658	96,308	350	24,058
Interest	<u>2,279</u>	<u>5,079</u>	<u>5,275</u>	<u>(196)</u>	<u>2,130</u>
TOTAL EXPENDITURES	<u>802,892</u>	<u>820,792</u>	<u>751,571</u>	<u>69,221</u>	<u>631,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(47,837)	(56,737)	5,804	62,541	255,975
FUND BALANCE – Beginning Of Year	<u>47,837</u>	<u>56,737</u>	<u>457,951</u>	<u>401,214</u>	<u>201,976</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,755</u>	<u>\$ 463,755</u>	<u>\$ 457,951</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
 YEAR ENDED DECEMBER 31, 2019

	<u>2019</u>	<u>2018</u>
Service Cost	\$ 165,277	\$ 172,720
Interest	329,585	335,683
Changes of Benefit Terms	-	-
Differences between expected and actual experience	(200,486)	(435,526)
Changes of Assumptions	643,586	-
Benefit payments and expenses	<u>(230,128)</u>	<u>(250,677)</u>
Net Changes	707,834	(177,800)
Beginning Total OPEB Liability	<u>9,169,591</u>	<u>9,347,391</u>
Ending Total OPEB Liability	<u>\$ 9,877,425</u>	<u>\$ 9,169,591</u>
Covered Employee Payroll	<u>\$ 1,628,996</u>	<u>\$ 1,754,237</u>
Total OPEB Liability as a Percentage of Covered Employee Payroll	606.35%	522.71%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

Changes of Benefit Terms

None

Changes of Assumptions or Other Inputs

The discount rates used in the actuarial calculations were as follows:

December 31, 2019:	3.26%
December 31, 2018:	3.64%

Trust Assets

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

TOWN OF TUXEDO, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
 YEAR ENDED DECEMBER 31, 2019

ERS System – Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0027871%	0.0035540%	0.0046407%	0.0065489%	0.0065371%
The Town's proportionate share of the net pension liability	\$ 197,473	\$ 114,702	\$ 436,053	\$ 1,051,122	\$ 220,839
The Town's covered employee payroll	973,666	1,149,015	1,490,758	1,695,401	\$ 1,716,325
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	20.28%	9.98%	29.25%	62.00%	12.87%
Plan Fiduciary net position as a percentage of the total pension liability	96.27%	98.24%	94.7%	90.7%	97.9%

PFRS System – Liability

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0265572%	0.0294980%	0.0457118%	0.0502110%	0.0487208%
The Town's proportionate share of the net pension liability	\$ 445,382	\$ 298,153	\$ 947,447	\$ 1,486,641	\$ 134,109
The Town's covered employee payroll	985,402	1,123,098	1,440,636	1,441,366	\$ 1,378,121
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	45.20%	26.55%	65.77%	103.14%	9.73%
Plan Fiduciary net position as a percentage of the total pension liability	95.09%	96.93%	93.5%	90.2%	99.0%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
 YEAR ENDED DECEMBER 31, 2019

ERS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 146,861	\$ 154,153	\$ 191,017	\$ 254,948	\$ 327,897	\$ 353,625	\$ 317,027	\$ 270,488	N/A	N/A
Contribution in relation to the contractually required contribution	<u>146,861</u>	<u>154,153</u>	<u>191,017</u>	<u>254,948</u>	<u>327,897</u>	<u>353,625</u>	<u>317,027</u>	<u>270,488</u>	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution as a percentage of covered employee payroll	15.29%	15.83%	16.63%	17.10%	19.34%	20.60%	N/A	N/A	N/A	N/A

PERS System

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 257,588	\$ 244,949	\$ 293,949	\$ 354,066	\$ 377,643	\$ 390,759	\$ 350,463	\$ 280,491	N/A	N/A
Contribution in relation to the contractually required contribution	<u>257,588</u>	<u>244,949</u>	<u>293,949</u>	<u>354,066</u>	<u>377,643</u>	<u>390,759</u>	<u>350,463</u>	<u>280,491</u>	N/A	N/A
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution as a percentage of covered employee payroll	23.95%	24.86%	26.18%	24.58%	26.20%	28.35%	N/A	N/A	N/A	N/A

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2019

	HIGHWAY PARTTOWN	SEWER	REFUSE	DRAINAGE	CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS						
Cash	\$ 419,680	\$ 435,443	\$ 276,859	\$ 60,295	\$ 101	\$ 1,192,378
Due From Other Funds	<u>17,000</u>	<u>7,000</u>	-	-	-	<u>24,000</u>
TOTAL ASSETS	<u>\$ 436,680</u>	<u>\$ 442,443</u>	<u>\$ 276,859</u>	<u>\$ 60,295</u>	<u>\$ 101</u>	<u>\$ 1,216,378</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 13,538	\$ -	\$ -	\$ -	\$ 13,538
Due From Other Funds	800	500	-	-	-	1,300
Due To ERS	<u>20,936</u>	-	-	-	-	<u>20,936</u>
TOTAL LIABILITIES	<u>21,736</u>	<u>14,038</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,774</u>
FUND BALANCES						
Assigned:						
Assigned	50,000	-	-	-	-	50,000
Unappropriated	<u>364,944</u>	<u>428,405</u>	<u>276,859</u>	<u>60,295</u>	<u>101</u>	<u>1,130,604</u>
TOTAL FUND BALANCES	<u>414,944</u>	<u>428,405</u>	<u>276,859</u>	<u>60,295</u>	<u>101</u>	<u>1,180,604</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 436,680</u>	<u>\$ 442,443</u>	<u>\$ 276,859</u>	<u>\$ 60,295</u>	<u>\$ 101</u>	<u>\$ 1,216,378</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2019

	HIGHWAY PARTTOWN	SEWER	REFUSE	DRAINAGE	CAPITAL PROJECTS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES						
Real Property Taxes	\$ 490,218	\$ 159,828	\$ 268,332	\$ -	\$ -	\$ 918,378
Intergovernmental Charge	-	2,106	-	-	-	2,106
Sale Of Property And Compensation For Loss	17,576	1,785	-	-	-	19,361
State Aid	<u>72,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,492</u>
TOTAL REVENUES	<u>580,289</u>	<u>163,719</u>	<u>268,332</u>	<u>-</u>	<u>-</u>	<u>1,012,340</u>
EXPENDITURES						
General Governmental Support	800	500	-	-	-	1,300
Transportation	393,787	-	-	-	-	393,787
Home And Community Services	-	166,964	269,560	-	-	436,524
Capital Outlay	-	-	-	-	218,020	218,020
Employee Benefits	<u>114,807</u>	<u>35,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,153</u>
TOTAL EXPENDITURES	<u>509,394</u>	<u>202,810</u>	<u>269,560</u>	<u>-</u>	<u>218,020</u>	<u>1,199,784</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	70,895	(39,091)	(1,228)	-	(218,020)	(187,444)
OTHER FINANCING SOURCES (USES)						
Proceeds of Long Term Debt	-	-	-	-	218,020	218,020
Operating Transfers In	-	-	200,225	-	-	200,225
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>(200,225)</u>	<u>-</u>	<u>-</u>	<u>(200,225)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>218,020</u>	<u>218,020</u>
NET CHANGE IN FUND BALANCE	70,895	(39,091)	(1,228)	-	-	30,576
FUND BALANCE - Beginning Of Year	<u>344,049</u>	<u>467,496</u>	<u>278,087</u>	<u>60,295</u>	<u>101</u>	<u>1,150,028</u>
FUND BALANCE - End Of Year	<u>\$ 414,944</u>	<u>\$ 428,405</u>	<u>\$ 276,859</u>	<u>\$ 60,295</u>	<u>\$ 101</u>	<u>\$ 1,180,604</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
GENERAL FUND - TOWNWIDE
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 1,670,322	\$ 1,368,213
Accounts Receivable	72,051	84,949
Due From Other Funds	27,654	107,487
Due From Other Governments	51,620	47,124
Prepaid Expenses	<u>-</u>	<u>19,602</u>
TOTAL ASSETS	<u>\$ 1,821,647</u>	<u>\$ 1,627,375</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 131,275	\$ 154,982
Accrued Liabilities	20,090	20,090
Due To Other Funds	75,043	66,005
Due To Other Governments	-	45,914
Due To ERS	<u>58,400</u>	<u>-</u>
TOTAL LIABILITIES	<u>284,808</u>	<u>286,991</u>
 FUND BALANCE		
Non-spendable:		
Prepaid Items	-	19,602
Assigned:		
Appropriated	160,000	-
Unassigned	<u>1,376,839</u>	<u>1,320,782</u>
TOTAL FUND BALANCE	<u>1,536,839</u>	<u>1,340,384</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,821,647</u>	<u>\$ 1,627,375</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
GENERAL FUND - TOWN OUTSIDE
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 836,745	\$ 250
Accounts Receivable	58,154	35,000
Due From Other Governments	134,542	123,410
Prepaid Expenses	<u>39,978</u>	<u>98,297</u>
TOTAL ASSETS	<u>\$ 1,069,419</u>	<u>\$ 256,957</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 14,311	\$ 51,776
Accrued Liabilities	57,019	57,020
Due To Other Funds	33,500	114,487
Due To ERS/PFRS	<u>212,185</u>	<u>-</u>
TOTAL LIABILITIES	<u>317,015</u>	<u>223,283</u>
FUND BALANCES		
Non-Spendable:		
Prepaid Items	39,978	98,297
Assigned:		
Unappropriated	712,426	-
Unassigned	<u>-</u>	<u>(64,623)</u>
TOTAL FUND BALANCE	<u>752,404</u>	<u>33,674</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,069,419</u>	<u>\$ 256,957</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
HIGHWAY FUND
COMBINING BALANCE SHEET
DECEMBER 31, 2019
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>TOWNWIDE</u>	<u>PARTTOWN</u>	<u>2019 TOTALS</u>	<u>2018 TOTALS</u>
ASSETS				
Cash	\$ 511,220	\$ 419,680	\$ 930,900	\$ 765,072
Due From Other Funds	10,000	17,000	27,000	56,500
Prepaid Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,595</u>
TOTAL ASSETS	<u>\$ 521,220</u>	<u>\$ 436,680</u>	<u>\$ 957,900</u>	<u>\$ 846,167</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 22,580	\$ -	\$ 22,580	\$ 28,412
Accrued Liabilities	15,755	-	15,755	15,755
Due To Other Fund	1,500	800	2,300	-
Due To ERS	<u>17,630</u>	<u>20,936</u>	<u>38,566</u>	<u>-</u>
TOTAL LIABILITIES	<u>57,465</u>	<u>21,736</u>	<u>79,201</u>	<u>44,167</u>
FUND BALANCES				
Non-spendable:				
Prepaid Items	-	-	-	24,595
Assigned:				
Appropriated	35,000	50,000	85,000	-
Unappropriated	<u>428,755</u>	<u>364,944</u>	<u>793,699</u>	<u>777,405</u>
TOTAL FUND BALANCES	<u>463,755</u>	<u>414,944</u>	<u>878,699</u>	<u>802,000</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 521,220</u>	<u>\$ 436,680</u>	<u>\$ 957,900</u>	<u>\$ 846,167</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
COMPARED TO BUDGET
HIGHWAY FUND -PARTTOWN
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 490,218	\$ 490,218	\$ 490,218	\$ -	\$ 400,638
Sale Of Property And Compensation For Loss	-	-	17,576	17,576	-
State Aid	<u>51,000</u>	<u>56,000</u>	<u>72,495</u>	<u>16,495</u>	<u>72,493</u>
TOTAL REVENUES	<u>541,218</u>	<u>546,218</u>	<u>580,289</u>	<u>34,071</u>	<u>473,131</u>
EXPENDITURES					
General Government Support	100,453	453	800	(347)	330
Transportation	328,354	412,854	393,787	19,067	237,474
Employees Benefits	<u>112,411</u>	<u>132,911</u>	<u>114,807</u>	<u>18,104</u>	<u>112,116</u>
TOTAL EXPENDITURES	<u>541,218</u>	<u>546,218</u>	<u>509,394</u>	<u>36,824</u>	<u>349,920</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	70,895	70,895	123,211
FUND BALANCE – Beginning Of Year	-	-	<u>344,049</u>	<u>344,049</u>	<u>220,838</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 414,944</u>	<u>\$ 414,944</u>	<u>\$ 344,049</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 REFUSE DISTRICTS
 COMBINING BALANCE SHEET
 DECEMBER 31, 2019
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018)

	<u>REFUSE AND GARBAGE REMOVAL</u>	<u>LEAF AND YARD WASTE REMOVAL</u>	<u>TOTALS</u>	<u>2018 TOTALS</u>
ASSETS				
Cash	\$ 276,859	\$ -	\$ 276,859	\$ 302,854
TOTAL ASSETS	<u>\$ 276,859</u>	<u>\$ -</u>	<u>\$ 276,859</u>	<u>\$ 302,854</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ 24,767
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,767</u>
FUND BALANCES				
Assigned:				
Unappropriated	<u>276,859</u>	<u>-</u>	<u>276,859</u>	<u>278,087</u>
TOTAL FUND BALANCES	<u>276,859</u>	<u>-</u>	<u>276,859</u>	<u>278,087</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 276,859</u>	<u>\$ -</u>	<u>\$ 276,859</u>	<u>\$ 302,854</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 REFUSE AND GARBAGE REMOVAL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE- BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	<u>\$ 269,559</u>	<u>\$ 269,559</u>	<u>\$ 268,331</u>	<u>\$ (1,228)</u>	<u>\$ 269,309</u>
TOTAL REVENUES	<u>269,559</u>	<u>269,559</u>	<u>268,331</u>	<u>(1,228)</u>	<u>269,309</u>
EXPENDITURES					
Home And Community Services	<u>269,559</u>	<u>269,559</u>	<u>269,559</u>	<u>-</u>	<u>277,514</u>
TOTAL EXPENDITURES	<u>269,559</u>	<u>269,559</u>	<u>269,559</u>	<u>-</u>	<u>277,514</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(1,228)	(1,228)	(8,205)
OTHER FINANCING SOURCES					
Operating Transfers In	<u>-</u>	<u>-</u>	<u>200,225</u>	<u>200,225</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES, AND OTHER SOURCES OVER EXPENDITURES	-	-	198,997	198,997	8,205
FUND BALANCE – Beginning Of Year	<u>-</u>	<u>-</u>	<u>77,862</u>	<u>77,862</u>	<u>86,067</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,859</u>	<u>\$ 276,859</u>	<u>\$ 77,862</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 LEAF AND YARD WASTE REMOVAL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE- BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2019
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	<u>ORIGINAL BUDGET</u>	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>2018 ACTUAL</u>
REVENUES					
Real Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Home And Community Services	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF (DEFICIENCY) REVENUES OVER EXPENDITURES	-	-	-	-	-
OTHER FINANCING USES					
Operating Transfer Out	-	(200,225)	(200,225)	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	-	(200,225)	(200,225)	-	-
FUND BALANCE – Beginning Of Year	-	200,225	200,225	-	200,225
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,225</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
SEWER DISTRICT
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ 435,443	\$ 449,898
Accounts Receivable	-	4,845
Due From Other Funds	7,000	3,500
Due From Other Governments	-	19,043
Prepaid Expenses	<u>-</u>	<u>2,567</u>
 TOTAL ASSETS	 <u>\$ 442,443</u>	 <u>\$ 479,853</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 13,538	\$ 12,357
Due To Other Funds	<u>500</u>	<u>-</u>
 TOTAL LIABILITIES	 <u>14,038</u>	 <u>12,357</u>
 FUND BALANCES		
Non-Spendable:		
Prepaid Items	-	2,567
Assigned:		
Unappropriated	<u>428,405</u>	<u>464,929</u>
 TOTAL FUND BALANCES	 <u>428,405</u>	 <u>467,496</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 442,443</u>	 <u>\$ 479,853</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET TO ACTUAL
SEWER DISTRICT
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	2018 ACTUAL
REVENUES					
Real Property Taxes	\$ 159,829	\$ 159,829	\$ 159,828	\$ (1)	\$ 169,856
Intergovernmental Charges	9,487	9,487	2,106	(7,381)	10,167
Sale Of Property And Compensation For Loss	-	-	1,785	1,785	-
TOTAL REVENUES	<u>169,316</u>	<u>169,316</u>	<u>163,719</u>	<u>(5,597)</u>	<u>180,023</u>
EXPENDITURES					
General Government Support	212	212	500	(288)	138
Home And Community Services	99,495	169,995	166,964	3,031	134,620
Employee Benefits	57,709	53,709	35,346	18,363	40,534
Debt Service:					
Principal	9,200	-	-	-	-
Interest	2,700	-	-	-	-
TOTAL EXPENDITURES	<u>169,316</u>	<u>223,916</u>	<u>202,810</u>	<u>21,106</u>	<u>175,292</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(54,600)	(39,091)	15,509	4,731
FUND BALANCE – Beginning Of Year	-	54,600	467,496	412,896	462,765
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,405</u>	<u>\$ 428,405</u>	<u>\$ 467,496</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
DRAINAGE DISTRICT
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ <u>60,925</u>	\$ <u>60,295</u>
TOTAL ASSETS	<u>\$ 60,925</u>	<u>\$ 60,295</u>
LIABILITIES AND FUND BALANCES		
TOTAL LIABILITIES	\$ <u>-</u>	\$ <u>-</u>
FUND BALANCES		
Assigned:		
Unappropriated	<u>60,925</u>	<u>60,295</u>
TOTAL FUND BALANCES	<u>60,925</u>	<u>60,295</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 60,925</u>	<u>\$ 60,295</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
DRAINAGE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE- BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2019
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2018)

	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2018 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Home And Community Services	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE – Beginning Of Year	-	<u>60,295</u>	<u>60,295</u>	<u>60,295</u>
FUND BALANCE – End Of Year	<u>\$ -</u>	<u>\$ 60,295</u>	<u>\$ 60,295</u>	<u>\$ 60,295</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31,

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash	\$ <u>101</u>	\$ <u>101</u>
 TOTAL ASSETS	 <u>\$ 101</u>	 <u>\$ 101</u>
 LIABILITIES AND FUND BALANCE		
 TOTAL LIABILITIES	 \$ _____ -	 \$ _____ -
 FUND BALANCE		
Assigned	_____ 101	_____ 101
 TOTAL FUND BALANCE	 _____ 101	 _____ 101
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 101</u>	 <u>\$ 101</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF TUXEDO, NEW YORK
 CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 YEARS ENDED DECEMBER 31,

	<u>2019</u>	<u>2018</u>
REVENUES		
Use Of Money And Property	\$ _____ -	\$ _____ 14
TOTAL REVENUES	_____ -	_____ 14
EXPENDITURES		
Capital Outlay	<u>218,020</u>	<u>115,980</u>
TOTAL EXPENDITURES	<u>218,020</u>	<u>115,980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(218,020)</u>	<u>(115,966)</u>
OTHER FINANCING SOURCES		
Proceeds of Long-Term Debt	218,020	115,980
Operating Transfer Out	_____ -	<u>(4,260)</u>
TOTAL OTHER FINANCING SOURCES	<u>218,020</u>	<u>111,720</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	(4,246)
FUND BALANCE – Beginning Of Year	_____ 101	_____ 4,347
FUND BALANCE – End Of Year	<u>\$ _____ 101</u>	<u>\$ _____ 101</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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

To the Supervisor and Town Board of the
Town of Tuxedo, New York
Tuxedo, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business – type activities, each major fund and the aggregate remaining fund information of the Town of Tuxedo, New York as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town of Tuxedo, New York's basic financial statements and have issued our report thereon dated June 10, 2020.

Internal Control Over Financial Reporting

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

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

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

Management does not possess the necessary training required to prepare the Town's financial statements in accordance with accounting principles generally accepted in the United States of America.

Compliance and Other Matters

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

Purpose of this Report

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



Mongaup Valley, New York
June 10, 2020