

**TOWN OF AMHERST,  
NEW YORK**

*Basic Financial Statements, Required Supplementary  
Information, Supplementary Information and Federal  
Awards Information for the Year Ended  
December 31, 2019 and Independent Auditors' Reports*



**TOWN OF AMHERST, NEW YORK**

**Table of Contents**

**Year Ended December 31, 2019**

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	<u>Page</u>
Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	4
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	14
Statement of Activities.....	15
Fund Financial Statements:	
Balance Sheet—Governmental Funds .....	16
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position.....	17
Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)—Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities .....	19
Statement of Net Position—Proprietary Funds.....	20
Statement of Revenues, Expenses and Changes in Net Position— Proprietary Funds .....	21
Statement of Cash Flows—Proprietary Funds.....	22
Statement of Net Position—Fiduciary Fund.....	23
Statement of Changes in Net Position—Fiduciary Fund.....	24
Notes to the Financial Statements .....	25
<b>Required Supplementary Information:</b>	
Schedule of the Town's Proportionate Share of the Net Pension Liability—Police and Fire Retirement System .....	64
Schedule of the Town's Contributions—Police and Fire Retirement System .....	65
Schedule of the Town's Proportionate Share of the Net Pension Liability—Employees' Retirement System .....	66

(continued)



**TOWN OF AMHERST, NEW YORK**

**Table of Contents**

**Year Ended December 31, 2019**

---

Schedule of the Town’s Contributions—Employees’ Retirement System.....	67
Schedule of Changes in the Town’s Total OPEB Liability and Related Ratios.....	68
Schedule of Changes in the Town’s Total Pension Liability—LOSAP.....	69
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—General Fund.....	70
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Highway Fund.....	71
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Fire Protection Fund.....	72
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Sewer Fund .....	73
Notes to the Required Supplementary Information.....	74
<b>Supplementary Information:</b>	
Combining Balance Sheet—Nonmajor Governmental Funds.....	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds .....	76
Combining Balance Sheet—Nonmajor Special District Funds.....	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Special District Funds .....	78
Combining Statement of Net Position—Internal Service Funds.....	79
Combining Statement of Revenues, Expenses and Changes in Net Position— Internal Service Funds .....	80
Combining Statement of Cash Flows—Internal Service Funds.....	81
<b>Other Information:</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Town Outside Village Fund.....	82
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Lighting District Fund.....	83
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Community Environment Fund .....	84

(continued)



**TOWN OF AMHERST, NEW YORK**  
**Table of Contents**  
**Year Ended December 31, 2019**

---

	(concluded)
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Water District Fund.....	85
Schedule of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Drainage District Fund.....	86
<b>Federal Awards Information:</b>	
Schedule of Expenditures of Federal Awards .....	87
Notes to the Schedule of Expenditures of Federal Awards .....	88
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	89
Independent Auditors’ Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance .....	91
Schedule of Findings and Questioned Costs .....	93
Summary Schedule of Prior Audit Findings and Corrective Action Plan .....	96





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*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

Honorable Town Board  
Town of Amherst, New York

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

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

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Amherst Development Corporation (the "Corporation"), which represents the Town's business-type activity. We did not audit the financial statements of the Town of Amherst Industrial Development Agency (the "Agency"), which is shown as a discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Agency and the Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ended December 31, 2019, the Town implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

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

### ***Other Information***

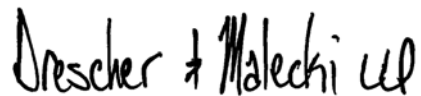
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town’s basic financial statements. The Supplementary Information and Other Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Other Information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2020 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "Drescher & Malecki LLP".

May 15, 2020



**TOWN OF AMHERST, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2019**

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As management of the Town of Amherst, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2019. This document should be read in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the Town's governmental activities exceeded the assets and deferred outflows of resources at the close of the most recent fiscal year by \$10,397,972 (*net position*). This consists of \$183,417,890 net investment in capital assets, \$21,696,258 restricted for specific purposes, and unrestricted net position of \$(215,512,120).
- The Town's governmental activities total net position increased \$7,403,911 during the year ended December 31, 2019.
- At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$42,187,542, an increase of \$545,747 in comparison with the prior year's fund balance of \$41,641,795, as restated.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$6,513,820, or 9.4 percent of total General Fund expenditures and transfers out. This amount is *available for spending* at the Town's discretion and constitutes approximately 64.5 percent of the General Fund's total fund balance of \$10,095,698 at December 31, 2019.
- The Town's bond anticipation notes outstanding increased \$2,622,720. Its total serial bonds outstanding increased by \$4,186,135 during the current year as a result of the issuance of serial bonds of \$12,335,000 offset by scheduled principal payments of \$8,148,165.

**Overview of the Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government support, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services and interest and other fiscal charges. The only business-type activity of the Town is the Amherst Development Corporation, a blended component unit.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate Industrial Development Agency for which the Town is financially accountable. Financial information presented for this discretely presented component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-15 of this report.

**Fund financial statements**—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Town maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway, Fire Protection, Sewer, Special Grant and Capital Projects funds, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of

these nonmajor governmental funds is provided in the form of combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

**Proprietary funds**—The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its business-type activity, the Amherst Development Corporation. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insurance and workers compensation insurance programs. Because these insurance services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Self Insurance Fund and for the Workers Compensation Fund. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the Supplementary Information section of this report.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**Fiduciary funds**—Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources are not available to support the Town's own programs. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Town maintains one fiduciary fund, the Custodial Fund.

The fiduciary fund financial statements can be found on pages 23-24 of this report.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-63 of this report.

**Other information**—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town's net pension liability for the police and fire retirement system and employees retirement system, the Town's total OPEB liability and related ratios, the Town's total pension liability related to its length of service awards program, and the Town's budgetary comparison schedules for each major fund with a legally adopted budget. Required Supplementary Information and the related notes can be found on pages 64-74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 75-81.

Other Information is included in these financial statements, specifically, the Schedules of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual for the Town's nonmajor funds. The Other Information can be found on pages 82-86 of this report.

The Federal Awards Information can be found on pages 87-97 of this report.

### Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as useful indicator of a government's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$10,309,417 at the close of the most recent year, as compared to \$16,866,226 at the close of the fiscal year ended December 31, 2018, as restated.

Table 1, as shown below, presents a condensed statement of net position as of December 31, 2019 and December 31, 2018.

**Table 1 – Condensed Statement of Net Position—Primary Government**

	Governmental Activities		Business-type Activity		Total	
	December 31,		December 31,		December 31,	
	2019	2018 (as restated)	2019	2018	2019	2018 (as restated)
Current assets	\$ 88,654,072	\$ 84,759,156	\$ 133,555	\$ 142,832	\$ 88,787,627	\$ 84,901,988
Noncurrent assets	277,906,707	273,469,819	5,000	5,000	277,911,707	273,474,819
Total assets	366,560,779	358,228,975	138,555	147,832	366,699,334	358,376,807
Deferred outflows	31,199,377	45,397,428	-	-	31,199,377	45,397,428
Current liabilities	52,239,283	47,921,200	-	-	52,239,283	47,921,200
Long-term liabilities	317,000,430	346,074,543	50,000	50,000	317,050,430	346,124,543
Total liabilities	369,239,713	393,995,743	50,000	50,000	369,289,713	394,045,743
Deferred inflows	38,918,415	26,594,718	-	-	38,918,415	26,594,718
Net position:						
Net investment in capital assets	183,417,890	183,782,531	-	-	183,417,890	183,782,531
Restricted	21,696,258	22,599,083	-	-	21,696,258	22,599,083
Unrestricted	(215,512,120)	(223,345,672)	88,555	97,832	(215,423,565)	(223,247,840)
Total net position	\$ (10,397,972)	\$ (16,964,058)	\$ 88,555	\$ 97,832	\$ (10,309,417)	\$ (16,866,226)

The largest portion of the Town's net position, \$183,417,890, reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$21,696,258, represents resources that are subject to external restrictions on how they may be used. While the last portion of net position is considered to be an unrestricted net position of \$(215,423,565).



Table 2, presented below, shows the changes in net position for the years ended December 31, 2019 and December 31, 2018.

**Table 2 – Condensed Statement of Changes in Net Position—Primary Government**

	Governmental Activities		Business-type Activity		Total	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2019	2018 (as restated)	2019	2018	2019	2018 (as restated)
Program revenues:						
Charges for services	\$ 13,879,881	\$ 12,443,422	\$ -	\$ 143,500	\$ 13,879,881	\$ 12,586,922
Operating grants and contributions	34,456,672	33,535,315	-	-	34,456,672	33,535,315
Capital grants and contributions	2,706,385	483,240	-	-	2,706,385	483,240
General revenues	117,648,577	108,358,683	-	780	117,648,577	108,359,463
Total revenues	<u>168,691,515</u>	<u>154,820,660</u>	<u>-</u>	<u>144,280</u>	<u>168,691,515</u>	<u>154,964,940</u>
Total expenses	<u>161,287,604</u>	<u>169,991,425</u>	<u>9,277</u>	<u>7,661</u>	<u>161,296,881</u>	<u>169,999,086</u>
Change in net position	7,403,911	(15,170,765)	(9,277)	136,619	7,394,634	(15,034,146)
Net position—beginning	(17,801,883)	(15,154,434)	97,832	(38,787)	(17,704,051)	(15,193,221)
Restatement	-	12,523,316	-	-	-	12,523,316
Net position—ending	<u>\$ (10,397,972)</u>	<u>\$ (17,801,883)</u>	<u>\$ 88,555</u>	<u>\$ 97,832</u>	<u>\$ (10,309,417)</u>	<u>\$ (17,704,051)</u>

A summary of sources of revenues of the primary government for the years ended December 31, 2019 and December 31, 2018 is presented below in Table 3.

**Table 3 – Summary of Sources of Revenues—Governmental Activities**

	Year Ended December 31,		Increase/(decrease)	
	2019	2018	Dollars	Percent (%)
Charges for services	\$ 13,879,881	\$ 12,443,422	\$ 1,436,459	11.5
Operating grants and contributions	34,456,672	33,535,315	921,357	2.7
Capital grants and contributions	2,706,385	483,240	2,223,145	460.0
Property and other taxes	102,312,084	96,502,967	5,809,117	6.0
Use of money and property	1,061,795	780,813	280,982	36.0
Sale of property and compensation for loss	265,378	224,343	41,035	18.3
Miscellaneous	9,781,485	6,887,395	2,894,090	42.0
State sources—unrestricted	4,227,835	3,963,165	264,670	6.7
Total revenues, net	<u>\$ 168,691,515</u>	<u>\$ 154,820,660</u>	<u>\$ 13,870,855</u>	9.0

Overall revenues of the governmental activities increased 9.0 percent from the prior year. This is due primarily to increases of property and other taxes of \$5,809,117, miscellaneous revenues of \$2,894,090 which increased mainly due to contributions and gains on LOSAP assets and capital grants and contributions increasing by \$2,223,145 due to increased federal aid on the Town's lighting and bike path capital projects.

The most significant source of revenues is property and other taxes, which accounts for \$102,312,084, or 60.6 percent of total revenues, for the year ended December 31, 2019, and \$96,502,967, or 62.3 percent of total revenues, for the year ended December 31, 2018. The next largest source of revenue is operating grants and contributions, which comprises \$34,456,672, or 20.4 percent of total revenues and \$33,535,315, or 21.7 percent of total revenues for the years ended December 31, 2019 and 2018, respectively. Another significant source of revenue for the Town is charges for services, which provided

\$13,879,881 or 8.2 percent of total revenues, and \$12,443,422 or 8.0 percent of total revenues, for the years ended December 31, 2019 and 2018, respectively.

A summary of program expenses for the years ended December 31, 2019 and December 31, 2018 is presented below in Table 4.

**Table 4 – Summary of Program Expenses—Governmental Activities**

	Year Ended December 31,		Increase/(decrease)	
	2019	2018	Dollars	Percent (%)
General government support	\$ 15,887,279	\$ 15,390,347	\$ 496,932	3.2
Public safety	45,096,360	47,707,365	(2,611,005)	(5.5)
Transportation	16,743,034	18,720,849	(1,977,815)	(10.6)
Economic assistance and opportunity	3,341,155	3,652,931	(311,776)	(8.5)
Culture and recreation	9,830,492	10,643,987	(813,495)	(7.6)
Home and community services	67,150,741	71,178,150	(4,027,409)	(5.7)
Interest and other fiscal charges	3,238,543	2,697,796	540,747	20.0
	<u>\$ 161,287,604</u>	<u>\$ 169,991,425</u>	<u>\$ (8,703,821)</u>	<u>(5.1)</u>

Total expenses decreased 5.1 percent from the year ended December 31, 2018, primarily due to a decrease in OPEB expense allocated to all functions of the Town.

The Town’s significant expense items for the year ended December 31, 2019 were home and community services of \$67,150,741 (primarily sewer, water, and sanitation services), public safety of \$45,096,360 (primarily police services), transportation of \$16,743,034 (primarily highway and road services) and general government support of \$15,877,279. Similarly, for the year ended December 31, 2018 significant expense items were home and community services of \$71,178,150 (primarily sewer, water, and sanitation services), public safety of \$47,707,365 (primarily police services), transportation of \$18,720,849 (primarily highway and road services) and general government support of \$15,390,347.

**Table 5—Summary of Revenues and Expenses—Business-type Activity**

	Year Ended December 31,		Increase/(Decrease)	
	2019	2018	Dollar	Percent (%)
Revenues:				
Administrative fees	\$ -	\$ 143,500	\$ (143,500)	(100.0)
Other nonoperating	-	780	(780)	(100.0)
Total revenues	<u>\$ -</u>	<u>\$ 144,280</u>	<u>\$ (144,280)</u>	<u>(100.0)</u>
Expenses:				
Administrative expenses	\$ 9,277	\$ 7,661	1,616	21.1
Total expenses	<u>\$ 9,277</u>	<u>\$ 7,661</u>	<u>\$ 1,616</u>	<u>21.1</u>

Revenues of the Town’s business-type activity decreased \$144,280 over the prior year. This was primarily due to tax-exempt bond issuances and refinancings in 2018 that did not occur in 2019.

Business-type expenses increased \$1,616 over the previous year primarily due to the increase in management fees paid to the Amherst Industrial Development Agency as a result of an increased level of Corporation projects, as well as new shared service agreement with the Agency, which increased the fees to the Corporation.

## Financial Analysis Governmental Funds

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

At December 31, 2019, the Town’s governmental funds reported a combined ending fund balance of \$42,187,542, an increase of \$545,747 from the prior year, as restated. Total unassigned fund balance at December 31, 2019 was \$(2,490,141). The Capital Projects Fund unassigned fund balance deficit was \$8,995,808, due to the Town issuing bond anticipation notes (“BANs”) which do not qualify for treatment as an issuance of a long-term liability, and the Special Grant Fund unassigned fund balance deficit of \$8,153 are partially offset by the General Fund unassigned fund balance of \$6,513,820. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that has already been committed for 1) prepaid items, 2) loans receivable, 3) LOSAP, 4) equipment and capital improvements, 5) special purposes, 6) payment of debt, 7) next year’s budget, 8) encumbrances or 9) specific fund use.

A discussion of the Town’s major governmental funds follows:

The Town’s General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,513,820. The total fund balance increased \$425,507 to a total fund balance of \$10,095,698 mainly due to less than expected expenditures within general government support and public safety coupled with additional transfers in from the close out of inactive special purpose trust accounts. These were partially offset by departmental income not meeting expectations. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures and transfers out. Unassigned fund balance represents approximately 9.4 percent of total General Fund expenditures and transfers out, while total General Fund fund balance represents 14.6 percent of that same amount.

During the year ended December 31, 2019 the Town’s Highway Fund fund balance increased \$134,665 from the prior year, resulting in an ending fund balance of \$3,534,374. The increase was primarily due to less than anticipated transportation expenditures. Approximately 69.8 percent of this amount, \$2,468,040 is reported as fund balance assigned for specific highway use.

The Town’s Fire Protection Fund ending fund balance was \$12,811,399. Approximately 1.5 percent, or \$192,292, of this amount is reported as fund balance assigned for specific Fire Protection Fund use. Additionally, a portion of the fund balance, \$12,606,402 is reported as restricted fund balance and represents monies held in trust for the administration of the Town’s Length of Service Awards Program (“LOSAP”). During the year ended December 31, 2019, the Fire Protection Fund fund balance increased \$610,929 from the prior year fund balance of \$12,200,470, as restated, mainly due to contributions and gains on LOSAP assets.

At December 31, 2019, the Town’s Sewer Fund reported fund balance of \$8,071,401, a decrease of \$1,109,866 in comparison with the prior year. The Town planned on using \$2,043,943 of fund balance, which was partially offset by unanticipated transfers in and less than expected home and community expenditures and transfers out. Approximately 45.5 percent of the Sewer Fund fund balance, \$3,671,266 is fund balance assigned for specific sewer use.

## General Fund Budgetary Highlights

The Town adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules for the General Fund and the major funds, except the Special Grant and Capital Projects funds since they do not adopt an annual budget, are presented within the Required Supplementary Information section of this report have been provided to demonstrate compliance with their budgets.

Additionally, budgetary comparison schedules for the Town’s nonmajor funds have been provided as other information, except the Debt Service fund since it does not adopt an annual budget.

The Town’s General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year’s encumbrances since the funds were allocated under the previous year’s budget, and the Town has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues or appropriation of fund balance. A budgetary comparison schedule within the required supplementary information section of this report has been provided to demonstrate compliance with their budget.

A summary of the General Fund results of operations for the year ended December 31, 2019 is presented below in Table 6.

**Table 6 – Summary of General Fund Results of Operations**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
Revenues and other financing sources	\$ 68,134,243	\$ 69,099,113	\$ 69,525,782	\$ 426,669
Expenditures and other financing uses	<u>70,034,826</u>	<u>70,679,890</u>	<u>69,100,275</u>	<u>1,579,615</u>
Deficiency of revenues and other financing sources over expenditures and other financing uses	<u>\$ (1,900,583)</u>	<u>\$ (1,580,777)</u>	<u>\$ 425,507</u>	<u>\$ 2,006,284</u>

**Original budget compared to final budget**—At the close of the fiscal year, the overall budgeted appropriations increased by \$645,064. Significant amendments to the budget included \$477,246 of supplemental appropriations within public safety expenditures related to unexpected retirement buyouts and a new multi-screen training simulator suite and \$285,639 of supplemental appropriations within transfers out to support ongoing capital projects.

**Final budget compared to actual results**—Total revenues and other financing sources exceeded the final budget by \$426,669 due to unanticipated transfers in as a result of inactive special purpose trust accounts transferred back to the General Fund during the year. Total expenditures and other financing uses were greater than the final budget by \$1,579,615. The General Fund has a favorable variance from final budgetary appropriations of \$1,579,615. Several positive variances were realized, most notably in general government support, public safety and economic assistance and opportunity related to less than anticipated expenditures.

**Capital Asset and Debt Administration**

**Capital Assets**—The Town’s investment in capital assets for its governmental activities as of December 31, 2019, amounted to \$277,906,707 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, land improvements, buildings, building improvements, machinery and equipment and ice rink facility.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the Town’s capital asset policy.

Capital assets net of depreciation for the governmental activities for the years ended December 31, 2019 and 2018 are presented in Table 7 on the following page.

**Table 7 – Summary of Capital Assets (Net of Depreciation)**

	December 31,	
	2019	2018
Land	\$ 10,791,459	\$ 10,791,459
Construction in progress	35,372,097	35,078,647
Infrastructure	110,734,348	105,249,782
Land improvements	9,397,492	9,060,811
Buildings	59,014,633	63,007,895
Building improvements	9,523,351	8,543,629
Machinery and equipment	31,921,322	30,259,454
Ice rink facility	11,152,005	11,478,142
Total	<u>\$ 277,906,707</u>	<u>\$ 273,469,819</u>

Additional information on the Town’s capital assets can be found in Note 5 to the financial statements.

**Long-term liabilities**—At December 31, 2019, the Town had bonded debt outstanding of \$84,246,000 as compared to \$80,059,060 at December 31, 2018. The Town issued of serial bonds of \$12,335,000 and made scheduled principal payments of \$8,148,165.

A summary of long-term liabilities for the governmental activities for the years ended December 31, 2019 and 2018 are presented below.

	Governmental Activities	
	December 31,	
	2019	2018
Serial bonds	\$ 84,246,000	\$ 80,059,865
Premium on serial bonds	3,459,560	3,063,662
Capital leases	217,131	430,771
Compensated absences	16,061,713	16,692,212
Other postemployment benefits	179,148,729	217,787,503
Net pension liability	15,310,127	8,610,935
Net pension liability—LOSAP	18,557,170	19,429,595
Total	<u>\$ 317,000,430</u>	<u>\$ 346,074,543</u>

Additional information on the Town’s long-term liabilities can be found in Note 13 to the financial statements.

### **Economic Factors and Next Year’s Budgets and Rates**

The Town’s comprehensive plan highlights that the Town is renowned for an exceptional quality of life that is based on three fundamental attributes: livability, community character and a shared direction with the Buffalo-Niagara region. While, key initiatives of the Town include: to become an area renowned for beauty, character and environmental quality; capitalize on the presence of institutions of higher education and outstanding public school districts; become a model for effective reinvestment and revitalization of older neighborhoods; and to exercise leadership by providing excellent services and facilities ensuring fiscal balance, and managing development to promote predictability, fairness and quality.

The comprehensive plan focuses on the follow elements:

- **Land use and development**—the Town strives to promote compact, pedestrian-friendly development that emphasizes community appearance and sense of place. It hopes to spur reinvestment and redevelopment in its older neighborhoods and its commercial corridors. A town-wide open space system linked by trails, greenways, stream corridors, and bicycle/pedestrian facilities is a part of its comprehensive plan.

- **Natural and cultural resources**—the Town is focused on preserving and enhancing its rich natural and cultural resources for the future. The open space policy identified in the land use and development element is a key to this objective, as well as a new initiative of community-wide “Greening Amherst”, program of tree planting and re-vegetation. In accordance with the plan the Town recently completed an update to its historic resources inventory and designated its first historic district.
- **Economic development**—the Town continues the promotion of a healthy tax and employment base, through the increasing economic development partnerships with governmental agencies and private businesses and institutions. Redevelopment and revitalization are key initiatives and the Town is revising its zoning to prevent adverse commercial development that would negatively affect community character and quality of life in neighborhoods while working to promote regional economic development.
- **Transportation**—the Town intends to encourage a more balanced, multi-modal transportation system that emphasizes alternative means of travel, to include walking, biking, and public transportation. To achieve these goals there are targeted capital and operational improvements to the road network, investments in the creating a bicycle/pedestrian network, and improved transit services.
- **Infrastructure**—the Town will work to ensure that its residents are provided with well-maintained and cost-effective public water, sewer, stormwater, and other utility infrastructure systems. Key initiatives are related to stormwater management and sanitary sewer improvements.
- **Housing and neighborhoods**—the Town is determined to maintain quality affordable housing and healthy and diverse neighborhoods are available to all residents. Affordable housing policies focus on continuing existing housing programs that promote home ownership and affordability, while policies for housing diversity are designed to encourage a variety of housing types. Finally, neighborhood conservation policies propose initiation of a program to promote revitalization of older neighborhoods through measures such as code enforcement and capital improvements.
- **Community facilities**—the Town anticipates the establishment of an on-going system to objectively identify community facility and service needs for use in planning and programming. Such a system will aid to identify opportunities for community facilities and ensure cost effective strategies.

The unemployment rate, not seasonally adjusted, for the Town during December 2019 was 4.7 percent. This compared to both the New York State and the national unemployment rate of 3.6 percent. These factors are considered in preparing the Town’s budget.

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the 2020 budget. The Town’s 2020 budget includes an appropriation of fund balance of \$4,715,242 and the Town was able to stay within the allowable levy growth factor, or the Property Tax Cap, without reducing the levels of service traditionally provided.

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and resulted in a severe disruption of operations for organizations. The extent of the impact of COVID-19 on the Town’s operational and financial performance will depend on further developments, including the duration and spread of the outbreak, impact on patients, employees and vendors all of which cannot be predicted.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Town’s finances and to show the Town’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Supervisor’s Office, Town of Amherst, 5583 Main St., Williamsville, NY 14221.

# BASIC FINANCIAL STATEMENTS





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**TOWN OF AMHERST, NEW YORK**  
**Statement of Net Position**  
**December 31, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activity	Total	Industrial Development Agency
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,505,338	\$ 133,555	\$ 17,638,893	\$ 1,390,329
Restricted cash and cash equivalents	31,047,408	-	31,047,408	64,507
Investments	-	5,000	5,000	-
Restricted investments	12,606,402	-	12,606,402	-
Receivables	3,153,170	-	3,153,170	-
Intergovernmental receivables	13,242,178	-	13,242,178	-
Internal balances	473,836	-	473,836	-
Loans receivable	7,277,718	-	7,277,718	-
Notes receivable	-	-	-	50,000
Prepaid items	3,348,022	-	3,348,022	5,027
Capital assets not being depreciated	46,163,556	-	46,163,556	100,000
Capital assets, net of accumulated depreciation	231,743,151	-	231,743,151	465,298
Total assets	<u>366,560,779</u>	<u>138,555</u>	<u>366,699,334</u>	<u>2,075,161</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows—relating to pensions	19,297,731	-	19,297,731	-
Deferred outflows—relating to OPEB	11,550,235	-	11,550,235	-
Deferred outflows—refunding bonds	351,411	-	351,411	-
Total deferred outflows of resources	<u>31,199,377</u>	<u>-</u>	<u>31,199,377</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	9,377,369	-	9,377,369	12,022
Accrued liabilities	8,339,249	-	8,339,249	-
Retainages payable	43,863	-	43,863	-
Intergovernmental payables	247	-	247	-
Bond anticipation notes payable	34,462,977	-	34,462,977	-
Unearned revenue	15,578	-	15,578	-
Noncurrent liabilities:				
Due within one year	10,080,735	-	10,080,735	326,647
Due in more than one year	306,919,695	50,000	306,969,695	-
Total liabilities	<u>369,239,713</u>	<u>50,000</u>	<u>369,289,713</u>	<u>338,669</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows—relating to pensions	7,229,664	-	7,229,664	-
Deferred outflows—relating to OPEB	29,348,077	-	29,348,077	-
Payment in lieu of taxes	37,979	-	37,979	-
Grant funding	2,302,695	-	2,302,695	-
Total deferred inflows of resources	<u>38,918,415</u>	<u>-</u>	<u>38,918,415</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	183,417,890	-	183,417,890	238,651
Restricted for:				
Loans receivable	7,277,718	-	7,277,718	-
LOSAP	12,606,402	-	12,606,402	-
Capital projects	192,004	-	192,004	-
Special purpose	1,620,134	-	1,620,134	-
Industrial development loans and mortgage escrow	-	-	-	64,507
Unrestricted	<u>(215,512,120)</u>	<u>88,555</u>	<u>(215,423,565)</u>	<u>1,433,334</u>
Total net position	<u>\$ (10,397,972)</u>	<u>\$ 88,555</u>	<u>\$ (10,309,417)</u>	<u>\$ 1,736,492</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2019**

Functions/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Unit
					Governmental Activities	Business-type Activity	Industrial Development Agency
<b>Primary government:</b>							
Governmental activities:							
General government support	\$ 15,887,279	\$ 2,479,111	\$ -	\$ -	\$ (13,408,168)	\$ -	\$ -
Public safety	45,096,360	3,836,913	121,218	-	(41,138,229)	-	-
Transportation	16,743,034	418,786	621,588	1,601,179	(14,101,481)	-	-
Economic assistance and opportunity	3,341,155	463,372	455,925	-	(2,421,858)	-	-
Culture and recreation	9,830,492	3,441,305	54,863	1,050,891	(5,283,433)	-	-
Home and community services	67,150,741	3,240,394	33,203,078	54,315	(30,652,954)	-	-
Interest and other fiscal charges	3,238,543	-	-	-	(3,238,543)	-	-
Total governmental activities	<u>\$161,287,604</u>	<u>\$13,879,881</u>	<u>\$34,456,672</u>	<u>\$ 2,706,385</u>	<u>(110,244,666)</u>	<u>-</u>	<u>-</u>
Business-type activity:							
Amherst Development Corporation	9,277	-	-	-	-	(9,277)	-
Total primary government	<u>\$161,296,881</u>	<u>\$13,879,881</u>	<u>\$34,456,672</u>	<u>\$ 2,706,385</u>	<u>\$ (110,244,666)</u>	<u>\$ (9,277)</u>	<u>-</u>
<b>Component unit:</b>							
Industrial Development Agency	<u>\$ 551,042</u>	<u>\$ 581,459</u>	<u>\$ -</u>	<u>\$ -</u>			<u>30,417</u>
		General revenues:					
					81,089,666	-	-
					21,222,418	-	-
					30,000		
					1,061,795	-	8,868
					265,378	-	-
					9,751,485	-	14,743
					4,227,835	-	-
					<u>117,648,577</u>	<u>-</u>	<u>23,611</u>
					7,403,911	(9,277)	54,028
					<u>(17,801,883)</u>	<u>97,832</u>	<u>1,682,464</u>
					<u>\$ (10,397,972)</u>	<u>\$ 88,555</u>	<u>\$ 1,736,492</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**December 31, 2019**

	General	Special Revenue				Capital Projects	Total Nonmajor Funds	Total Governmental Funds
		Highway	Fire Protection	Sewer	Special Grant			
<b>ASSETS</b>								
Cash and cash equivalents	\$ 224,173	\$ 1,206,533	\$ 205,834	\$ 5,599,857	\$ -	\$ 2,405,105	\$ 7,863,836	\$ 17,505,338
Restricted cash and cash equivalents	165,182	-	-	-	2,673,107	23,469,538	4,275,870	30,583,697
Restricted investments	-	-	12,606,402	-	-	-	-	12,606,402
Receivables	1,947,374	205,904	-	33,801	-	-	889,267	3,076,346
Due from other funds	1,553,481	1,662,342	-	1,776,567	-	197,359	368,071	5,557,820
Intergovernmental receivables	7,545,033	807,144	-	1,652,951	461,323	2,670,059	105,668	13,242,178
Prepaid items	2,424,963	267,191	-	318,618	8,153	-	329,097	3,348,022
Loans receivable	-	-	-	-	7,277,718	-	-	7,277,718
Total assets	<u>\$ 13,860,206</u>	<u>\$ 4,149,114</u>	<u>\$ 12,812,236</u>	<u>\$ 9,381,794</u>	<u>\$ 10,420,301</u>	<u>\$ 28,742,061</u>	<u>\$ 13,831,809</u>	<u>\$ 93,197,521</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 1,130,282	\$ 402,475	\$ 837	\$ 591,625	\$ 832,488	\$ 4,679,602	\$ 1,512,318	\$ 9,149,627
Accrued liabilities	2,207,011	185,899	-	425,171	7,153	-	354,783	3,180,017
Due to other funds	373,658	26,366	-	293,597	-	657,286	2,233,077	3,583,984
Intergovernmental payables	-	-	-	-	247	-	-	247
Bond anticipation notes payable	-	-	-	-	-	32,208,977	-	32,208,977
Unearned revenue	15,578	-	-	-	-	-	-	15,578
Total liabilities	<u>3,726,529</u>	<u>614,740</u>	<u>837</u>	<u>1,310,393</u>	<u>839,888</u>	<u>37,545,865</u>	<u>4,100,178</u>	<u>48,138,430</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Payment in lieu of taxes	37,979	-	-	-	-	-	-	37,979
Grant funding	-	-	-	-	2,302,695	-	-	2,302,695
Mortgage and lease receivable	-	-	-	-	-	-	530,875	530,875
Total deferred inflows of resources	<u>37,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,302,695</u>	<u>-</u>	<u>530,875</u>	<u>2,871,549</u>
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	2,424,963	267,191	-	1,818,618	8,153	-	329,097	4,848,022
Restricted	111,625	-	12,606,402	-	7,277,718	192,004	3,873,826	24,061,575
Assigned	1,045,290	3,267,183	204,997	6,252,783	-	-	4,997,833	15,768,086
Unassigned	6,513,820	-	-	-	(8,153)	(8,995,808)	-	(2,490,141)
Total fund balances (deficit)	<u>10,095,698</u>	<u>3,534,374</u>	<u>12,811,399</u>	<u>8,071,401</u>	<u>7,277,718</u>	<u>(8,803,804)</u>	<u>9,200,756</u>	<u>42,187,542</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 13,860,206</u>	<u>\$ 4,149,114</u>	<u>\$ 12,812,236</u>	<u>\$ 9,381,794</u>	<u>\$ 10,420,301</u>	<u>\$ 28,742,061</u>	<u>\$ 13,831,809</u>	<u>\$ 93,197,521</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Reconciliation of the Balance Sheet—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December 31, 2019**

Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Total fund balances (deficit)—governmental funds (page 16)		\$ 42,187,542
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$590,467,425 and the accumulated depreciation is \$312,560,718.		277,906,707
Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as deferred inflows of resources in the funds but are considered government-wide		
Deferred inflows of resources - mortgage and lease receivable		530,875
Retained percentages are not a current liability and, therefore, are not reported in the funds.		(43,863)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions	\$ 7,591,148	
Deferred outflows related to experience changes of assumptions, investment earnings, and changes in proportion	11,706,583	
Deferred outflows related to OPEB liability	11,550,235	
Deferred inflows related to pensions	(7,229,664)	
Deferred inflows related to OPEB liability	<u>(29,348,077)</u>	(5,729,775)
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide statements.		351,411
Net accrued interest expense for serial bonds, bond anticipation notes and capital leases is not reported in the funds.		(768,651)
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$ (84,246,000)	
Premium on serial bonds	(3,459,560)	
Capital leases	(217,131)	
Compensated absences	(16,061,713)	
OPEB obligation	(179,148,729)	
Net pension liability	(15,310,127)	
Net pension liability—LOSAP	<u>(18,557,170)</u>	(317,000,430)
Internal service funds' net position which is due to governmental activities and related charges for services provided.		<u>(7,831,788)</u>
Net position of governmental activities		<u>\$ (10,397,972)</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances (Deficit)—Governmental Funds**  
**Year Ended December 31, 2019**

	Special Revenue					Capital Projects	Total Nonmajor Funds	Total Governmental Funds
	General	Highway	Fire Protection	Sewer	Special Grant			
<b>REVENUES</b>								
Real property taxes	\$ 28,996,302	\$ 9,193,234	\$ 6,096,106	\$ 15,990,811	\$ -	\$ -	\$ 19,614,104	\$ 79,890,557
Other property tax items	1,199,109	-	-	-	-	-	-	1,199,109
Non property tax items	21,222,418	-	-	-	-	-	-	21,222,418
Departmental income	4,861,025	415,581	-	503,010	-	-	94,990	5,874,606
Intergovernmental charges	-	-	-	2,634,044	-	-	-	2,634,044
Use of money and property	383,538	68,852	7,134	198,464	-	141,944	247,197	1,047,129
Licenses and permits	40,678	-	-	-	-	-	3,435,732	3,476,410
Fines and forfeitures	1,924,821	-	-	-	-	-	-	1,924,821
Sale of property and compensation for loss	26,659	65,471	-	13,135	-	-	160,113	265,378
Miscellaneous	1,676,178	776,949	659,853	212,245	-	323,879	744,317	4,393,421
State aid	4,583,866	621,588	-	-	103,228	467,095	157,192	5,932,969
Federal aid	154,757	-	-	-	33,063,876	2,239,290	-	35,457,923
Total revenues	<u>65,069,351</u>	<u>11,141,675</u>	<u>6,763,093</u>	<u>19,551,709</u>	<u>33,167,104</u>	<u>3,172,208</u>	<u>24,453,645</u>	<u>163,318,785</u>
<b>EXPENDITURES</b>								
Current:								
General government support	12,144,531	8,808	-	-	-	-	-	12,153,339
Public safety	37,339,579	-	6,183,654	-	-	-	3,789,371	47,312,604
Transportation	2,118,097	9,576,184	-	-	-	-	3,160,151	14,854,432
Economic assistance and opportunity	3,358,806	-	-	-	-	-	-	3,358,806
Culture and recreation	8,822,759	-	-	-	-	-	30,188	8,852,947
Home and community services	836,804	-	-	15,329,291	33,018,941	-	13,045,756	62,230,792
Debt service:								
Principal	-	213,640	-	-	-	-	8,148,865	8,362,505
Interest	217,449	218,958	-	222,143	-	-	2,668,955	3,327,505
Capital outlay	-	-	-	-	-	15,472,153	-	15,472,153
Total expenditures	<u>64,838,025</u>	<u>10,017,590</u>	<u>6,183,654</u>	<u>15,551,434</u>	<u>33,018,941</u>	<u>15,472,153</u>	<u>30,843,286</u>	<u>175,925,083</u>
Excess (deficiency) of revenues over expenditures	231,326	1,124,085	579,439	4,000,275	148,163	(12,299,945)	(6,389,641)	(12,606,298)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	4,456,431	149,089	31,490	1,629,010	-	1,886,648	11,821,101	19,973,769
Transfers out	(4,262,250)	(1,138,509)	-	(6,739,171)	-	(814,383)	(7,019,456)	(19,973,769)
Proceeds of serial bonds	-	-	-	-	-	12,335,000	-	12,335,000
Premium on obligations	-	-	-	-	-	-	817,045	817,045
Total other financing sources (uses)	<u>194,181</u>	<u>(989,420)</u>	<u>31,490</u>	<u>(5,110,161)</u>	<u>-</u>	<u>13,407,265</u>	<u>5,618,690</u>	<u>13,152,045</u>
Net change in fund balances	425,507	134,665	610,929	(1,109,886)	148,163	1,107,320	(770,951)	545,747
Fund balances (deficit)—beginning, as restated	9,670,191	3,399,709	12,200,470	9,181,287	7,129,555	(9,911,124)	9,971,707	41,641,795
Fund balances (deficit)—ending	<u>\$ 10,095,698</u>	<u>\$ 3,534,374</u>	<u>\$ 12,811,399</u>	<u>\$ 8,071,401</u>	<u>\$ 7,277,718</u>	<u>\$ (8,803,804)</u>	<u>\$ 9,200,756</u>	<u>\$ 42,187,542</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities**  
**December 31, 2019**

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances—total governmental funds (page 18) \$ 545,747

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays, net of loss on disposition of capital assets, exceeded depreciation expense in the current period.

Capital asset additions	\$ 21,457,456	
Loss on disposition of capital assets	(123,933)	
Depreciation expense	<u>(16,896,635)</u>	4,436,888

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (136,729)

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (144,247)

Governmental funds report retained percentages expenditures on construction contracts when the retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues. 476,614

Net differences between pension contributions and OPEB changes recognized on the fund financial statements and the government-wide financial statements are as follows:

Town pension contributions	\$ 9,837,843	
Cost of benefits earned net of employee contributions	(11,697,033)	
Changes in OPEB assumptions	<u>(32,863,878)</u>	(34,723,068)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. (88,888)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, 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 measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Proceeds from serial bonds	\$ (12,335,000)	
Principal payments on serial bonds	8,148,865	
Premiums on serial bonds	(817,045)	
Amortization of bond premiums	421,147	
Payments on capital lease	213,640	
Change in compensated absences	630,499	
Change in OPEB obligation	<u>38,638,774</u>	34,900,880

Internal service funds are used by management to charge the cost of insurance, judgments, claims and related administrative expenses to individual funds. The net excess of charges for such services is reported within governmental activities. 2,136,714

Change in net position of governmental activities \$ 7,403,911

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

**TOWN OF AMHERST, NEW YORK**  
**Statement of Net Position—Proprietary Funds**  
**December 31, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	
	<u>Internal Service Funds</u>	<u>Amherst Development Corporation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 133,555	\$ 133,555
Restricted cash and cash equivalents	463,711	-	463,711
Investments	-	5,000	5,000
Receivables	76,824	-	76,824
Total current assets	<u>540,535</u>	<u>138,555</u>	<u>679,090</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	227,742	-	227,742
Accrued liabilities	4,390,581	-	4,390,581
Due to other funds	1,500,000	-	1,500,000
Bond anticipation notes payable	2,254,000	-	2,254,000
Total current liabilities	<u>8,372,323</u>	<u>-</u>	<u>8,372,323</u>
Noncurrent liabilities:			
Note payable	-	50,000	50,000
Total noncurrent liabilities	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total liabilities	<u>8,372,323</u>	<u>50,000</u>	<u>8,422,323</u>
<b>NET POSITION</b>			
Unrestricted	<u>(7,831,788)</u>	<u>88,555</u>	<u>(7,743,233)</u>
Net position	<u>\$ (7,831,788)</u>	<u>\$ 88,555</u>	<u>\$ (7,743,233)</u>

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



**TOWN OF AMHERST, NEW YORK**  
**Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds**  
**Year Ended December 31, 2019**

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	
	<u>Internal Service Funds</u>	<u>Amherst Development Corporation</u>	<u>Total</u>
Operating revenues:			
Contributions	\$ 5,360,850	\$ -	\$ 5,360,850
Miscellaneous	141,461	-	141,461
Total operating revenues	<u>5,502,311</u>	<u>-</u>	<u>5,502,311</u>
Operating expenses:			
Administrative expenses	475,270	9,277	484,547
Judgments and claim expenses	2,798,425	-	2,798,425
Total operating expenses	<u>3,273,695</u>	<u>9,277</u>	<u>3,282,972</u>
Operating income (loss)	<u>2,228,616</u>	<u>(9,277)</u>	<u>2,219,339</u>
Nonoperating revenues (expenses):			
Interest expense	(106,568)	-	(106,568)
Interest income	14,666	-	14,666
Total nonoperating revenues (expenses)	<u>(91,902)</u>	<u>-</u>	<u>(91,902)</u>
Income (loss) before transfers	<u>2,136,714</u>	<u>(9,277)</u>	<u>2,127,437</u>
Transfers in	400,000	-	400,000
Transfers out	(400,000)	-	(400,000)
Total transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	2,136,714	(9,277)	2,127,437
Net position—beginning	<u>(9,968,502)</u>	<u>97,832</u>	<u>(9,870,670)</u>
Net position—ending	<u>\$ (7,831,788)</u>	<u>\$ 88,555</u>	<u>\$ (7,743,233)</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Statement of Cash Flows—Proprietary Funds**  
**Year Ended December 31, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activity</b>	
	<b>Internal Service Funds</b>	<b>Amherst Development Corporation</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from participating funds	\$ 5,425,140	\$ -	\$ 5,425,140
Receipts from reimbursements and settlement recoveries	141,461	-	141,461
Payments for administrative fees, supporting services and judgments and claims	(6,346,534)	(9,277)	(6,355,811)
Net cash used for operating activities	(779,933)	(9,277)	(789,210)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payment of loans to the Sewer Fund	(1,500,000)	-	(1,500,000)
Principal reduction of bond anticipation notes	(1,025,000)	-	(1,025,000)
Interest on bond anticipation notes	(106,568)	-	(106,568)
Net cash used for noncapital financing activities	(2,631,568)	-	(2,631,568)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	14,666	-	14,666
Net cash provided by investing activities	14,666	-	14,666
Net (decrease) in cash and cash equivalents	(3,396,835)	(9,277)	(3,406,112)
Cash and cash equivalents—beginning	3,860,546	142,832	4,003,378
Cash and cash equivalents—ending	\$ 463,711	\$ 133,555	\$ 597,266
<b>Reconciliation of operating income (loss) to net cash used for operating activities:</b>			
Operating income (loss)	\$ 2,228,616	\$ (9,277)	\$ 2,219,339
Adjustments to reconcile operating income (loss) to net cash used for operations:			
(Increase) in receivables	(1,547)	-	(1,547)
Decrease in due from other funds	65,837	-	65,837
(Decrease) in accounts payable	(13,928)	-	(13,928)
Increase in accrued liabilities	76,402	-	76,402
(Decrease) in deferred inflows of resources	(3,135,313)	-	(3,135,313)
Total adjustments	(3,008,549)	-	(3,008,549)
Net cash used for operating activities	\$ (779,933)	\$ (9,277)	\$ (789,210)

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

**TOWN OF AMHERST, NEW YORK**  
**Statement of Net Position**  
**Fiduciary Fund**  
**December 31, 2019**

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	<u><b>Custodial Fund</b></u>
<b>ASSETS</b>	
Restricted cash and cash equivalents	\$ 2,359,067
Due from other funds	<u>3,000</u>
Total assets	<u>\$ 2,362,067</u>
<b>LIABILITIES</b>	
Accounts payable and other liabilities	\$ 1,885,231
Due to other funds	<u>476,836</u>
Total liabilities	<u>2,362,067</u>
<b>NET POSITION</b>	
Total net position	<u>\$ -</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Statement of Changes in Net Position**  
**Fiduciary Fund**  
**December 31, 2019**

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	<u>Custodial Fund</u>
<b>ADDITIONS</b>	
Funds received on behalf of individuals	\$ 9,135,808
Total contributions	<u>9,135,808</u>
<b>DEDUCTIONS</b>	
Funds distributed to individuals	<u>9,135,808</u>
Total deductions	<u>9,135,808</u>
Change in net position	-
Net position—beginning	<u>-</u>
Net position—ending	<u>\$ -</u>

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

**TOWN OF AMHERST, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2019**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Amherst, New York (the “Town”) have been prepared in conformity with the accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town’s accounting policies are described below.

***Description of Government-wide Financial Statements***

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The Town reports one business-type activity. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

***Reporting Entity***

The Town is a unit of local government created by the State of New York. The Town operates under provisions of New York State law and various local laws. The five-member Town Board is the legislative body responsible for overall operations. The Supervisor serves as both Chief Executive Officer and Chief Fiscal Officer.

Independently elected officials of the Town include:

Supervisor	Town Clerk
Councilmembers (4)	Superintendent of Highways
Town Justices (2)	

Units of local government which operate within the boundaries of the Town are the County of Erie and the Village of Williamsville. Public education is provided by four independent school districts within the Town.

Since 1997, the Town has participated in a cooperative organization known as Amherst Utility Cooperative (the “Cooperative”) which was formed pursuant to the General Municipal Laws of the State of New York. Any municipal corporation or school district duly incorporated under applicable State Law is eligible for membership in this organization. The Cooperative was formed for the purpose of helping its members by performing services connected with the purchase of various types of energy for their use.

On October 10, 2018, the Amherst Town Board approved a resolution for the Town of Amherst to vote to terminate the Amherst Utility Cooperative. The Cooperative members voted on October 31, 2018 to terminate the Amherst Utility Cooperative with a transition date within June 2019. On June 3, 2019, the Town Board approved a resolution authorizing the Town to join the Erie County Energy Aggregation Electric and Natural Gas Cooperative purchasing agreement.

The accompanying financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable.

***Discretely Presented Component Unit***—The component unit column in the basic financial statements include the financial data of the Town’s discretely presented component unit. This unit is reported in a separate column to emphasize that they are legally separate from the Town.

***Town of Amherst Industrial Development Agency***—The Town of Amherst Industrial Development Agency (the “Agency”) is a public benefit corporation created by Article 18A of New York State General Municipal Law to promote the economic welfare, recreation opportunities and prosperity of County inhabitants. Members of the Agency are appointed by the Town Board which exercises no oversight responsibility for fiscal matters. The Agency members have complete responsibility for management of the Agency and accountability for fiscal matters. The Town is not liable for agency bonds or notes. Separate financial statements can be obtained by writing the Agency’s administration office, 4287 Main Street, Amherst, New York 14226.

***Blended Component Unit***—The following blended component unit is legally separate from the Town, but is, in substance part of the Town’s operations and therefore data is combined with data of the Town. The Town of Amherst Development Corporation (the “Corporation”) was incorporated on May 23, 1977 under Section 402 of the Not-for-Profit Corporation Law to achieve the following lawful public quasi-public objectives:

- Relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instruction or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the Town by attracting new industry hereto and by encouraging the development or retention of industries in the Town and improving the economy and lessening the burdens of government and otherwise acting in the public interest, all within the Town;
- Construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants within said Town where projects assisted by the Empire State Development Corporation are to be located, and to assist financially in such construction, acquisition, rehabilitation and improvement and to maintain such plant for others;
- To study and promote, alone or in concert with local officials and interested local groups, the economic growth and business prosperity of the Town and such other areas of Western New York as may relate to and affect the Town and further the solution of other civic problems of the Western New York region.

***Excluded from the Financial Reporting Entity***—Although the following are related to the Town, they are not included in the County reporting entity for the reasons noted:

The Buffalo Niagara Heritage Village (the “Museum”) is an educational institution, chartered by the State of New York, whose purpose is to instill, educate and cultivate in a public audience an informed appreciation of the American past and its impact on current lifestyles, culture and historical development of the Town of Amherst. The chartered organization is legally responsible for the collections and is the fund-raising arm of the Museum. The artifacts and historical collections are property of the New York State Department of Education and are not included within the Town’s financial statements. In 2010, the Town granted a revocable license to the Museum to use the Town property at 3755 Tonawanda Creek Road beginning January 1, 2011 until December 31, 2035. The Museum financial statements can be obtained from the Museum’s Executive Director at Buffalo Niagara Heritage Village, 3755 Tonawanda Creek Road, Amherst, New York 14228-1599.

The Village of Williamsville and the Town of Amherst jointly own the Glen Park. The Boards of each municipality jointly act as the governing body for the joint venture. The Village and Town have created a Glen Park Joint Board to make studies and advise the Village and Town on the development and maintenance of the Park. Neither the Village nor the Town shall take any action with respect to Glen Park without submitting the matter to the Glen Park Joint Board for recommendation.

The Village and Town share equally in all expenses of development and maintenance of Glen Park. Such contribution is determined on an annual basis. The joint venture has not accumulated significant surpluses or deficits. The Treasurer of the Village of Williamsville has custody of all monies appropriated by the Town as its share of park maintenance on or about the 1<sup>st</sup> of June each year. The joint venture's financial statements can be obtained from the Village Administrator's office at 5565 Main Street, Williamsville, New York 14221.

### ***Basis of Presentation—Government-wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has a discretely presented component unit. The Town of Amherst Industrial Development Agency is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### ***Basis of Presentation—Fund Financial Statements***

The fund financial statements provide information about the Town's 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. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the principal operating fund of the Town and includes all operations not required to be recorded in other funds. The principal source of revenue for this fund is real property taxes.
- *Highway Fund*—The Highway Fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town. The major source of revenue for this fund is real property taxes.
- *Fire Protection Fund*—The Fire Protection Fund is used to record all revenues and expenditures related to fire protection in the Town. The principal source of revenue for the Fire Protection Fund is real property taxes.
- *Sewer Fund*—The Sewer Fund is used to record all revenues and expenditures related to operation and maintenance of the sewer districts. The major source of revenue for this fund is real property taxes.

- *Special Grant Fund*—The Special Grant Fund is used to record all activity related to the Federal Housing and Urban Development Community Development program. The major source of revenue for this fund is federal aid.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The Town reports the following proprietary funds:

- *Amherst Industrial Development Corporation (the “Corporation”)*—Reported as an enterprise fund, the Corporation promotes economic diversity and exists as a conduit for issuance of tax-exempt financing for not-for-profit borrowers, such as colleges and universities and civic groups, such as the YMCA.
- *Internal Service Fund*—The Internal Service Funds are used to account for the Town’s insurance program. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town’s various functions.

Additionally, the Town reports the following fund type:

- *Fiduciary Fund*—The Agency Fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary funds include monies from outside entities, controlled and administered by the Town for the benefit of others.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

### ***Measurement Focus and Basis of Accounting***

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

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



The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other postemployment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue sources (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue sources (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

#### ***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance***

***Cash and Cash Equivalents***—The Town’s cash and cash equivalents consist of cash on hand, demand deposits, and time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

***Restricted Cash and Cash Equivalents***—Restricted cash and cash equivalents represent cash from unearned revenue and deferred inflow or resources received, amounts to support fund balance restrictions, unspent proceeds of debt, premium from debt and amounts held on behalf of others.

***Unearned Revenue***—Certain revenues have not met the revenue recognition criteria for for government-wide or fund financial statement purposes. At December 31, 2019, the Town reported unearned revenues in the General Fund in the amount of \$15,578 for cash received in advance for which the Town has not performed the related services.

***Restricted Investments***—The Town’s restricted investments consist of annuity contracts related to the Town’s Length of Service Award Program (“LOSAP”).

***Fair Value Measurements***—Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- |         |                                                                                                                                                                                                                                                               |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.                                                                                               |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li></ul> |

- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Prepaid Items**—Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets**—Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred. Expenditures reported in the Capital Project Fund are classified as capital outlays. Routine capital expenditures in other funds are included in the appropriate functional category (i.e. purchase of new highway equipment as part of current expenditures—transportation). Additionally, from time to time the amount reported as capital outlays in the Capital Projects Fund includes certain non-capitalized costs (i.e. furnishings below the capitalization threshold).

The Town does not depreciate a capital asset until it is placed in service. The asset is accounted for as a construction in progress until it is placed in service.

Capital assets of the Town are depreciated using the straight line method over the estimated useful lives shown below:

Assets	Years
Buildings	50
Building improvements	20
Land improvements	10-25
Infrastructure:	
Water and sewer systems	50
Traffic control systems	30
Bridges and culverts	30-40
Roads	10-30
Street lighting	25
Machinery and equipment:	
Office equipment and furniture	10
Heavy equipment	15
Vehicles	5-10
Computers	5
Furniture	10
Other	10
Ice Rink Facility	10-50

### ***Discretely Presented Component Unit***

***Town of Amherst Industrial Development Agency***—Assets purchased or acquired with a useful life exceeding one year are capitalized. Contributed capital assets are recorded at fair value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. The Agency depreciates assets on the straight-line basis over the asset’s estimated useful lives ranging from 3 to 10 years.

***Deferred Outflows/Inflows of Resources***—In addition to assets, the statement of financial position and the balance sheet 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(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2019, the Town has three items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide financial statements. This represents the effect of the net change in the Town’s proportion of the collective net pension liability, the difference during the measurement period between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item represents the effects of the change in the Town’s proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability, and is reported on the government-wide financial statements. The last item is a deferred charge on refunding which the Town reports within the government-wide financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and the balance sheet 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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2019, the Town has three items that qualify for reporting in this category. The first item represents the effect of the net change in the Town’s proportion of the collective net pension liability and the difference during the measurement periods between the Town’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense and it is reported on the government-wide statements. The second item represents the effects of the change in the Town’s proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability, and is reported on the government-wide financial statements. The final item represents unavailable revenues. The Town reports unavailable revenues from three sources: a payment in lieu of taxes (“PILOT”) and grant funding reported on the fund financial statements and government-wide financial statements, and a mortgage and lease receivable reported solely on the fund financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Net Position Flow Assumption***—Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

***Fund Balance Flow Assumptions***—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the government that can, by Town Board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes, but do not meet the criteria to be classified as committed. The Town Board has by resolution authorized the Supervisor to assign fund balance. The Town Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

### ***Revenues and Expenditures/Expenses***

***Program Revenues***—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Property Taxes***—The Erie County Legislature prepares the levy in late December of each year and jointly bills the Town levy and Erie County real property taxes. Property taxes are levied and become a lien as of January 1 based on assessed property values as of that date.

In 2019 payments were due January 1<sup>st</sup> to February 15<sup>th</sup> without penalty; February 16<sup>th</sup> to 28<sup>th</sup> a 1.5% penalty; March 1<sup>st</sup> to 15<sup>th</sup> a 3.0% penalty; March 16<sup>th</sup> to April 1<sup>st</sup> a 4.5% penalty; April 2<sup>nd</sup> to 15<sup>th</sup> a 6.0% penalty; April 16<sup>th</sup> to 30<sup>th</sup> a 7.5% penalty; and 1.5% added each month thereafter.

The tax roll is returned to the Erie County Commissioner of Finance after June 30 at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items that are returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

The Town also bills and collects taxes for various school districts within Town limits. Collections of the school district taxes and remittances of them are accounted for by the Receiver of Taxes, independent of Town operations.

**Compensated Absences**—The Town labor agreements and Town Board rules and regulations provide for sick leave, vacations, and miscellaneous other paid absences. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Payment of sick leave and compensatory time is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of sick leave and compensatory time when such payment becomes due.

**Pension Plans**—The Town is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS") and the New York State Police and Fire Retirement System ("PFRS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 7.

**Service Awards**—The Town has adopted a Service Award Program for firefighters that serve on a volunteer basis. The Program is administered by an outside agency, with the Town as trustee. More information is included in Note 8.

**Other Postemployment Benefits**—In addition to providing pension benefits, the Town provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 9.

**Proprietary Funds Operating and Nonoperating Revenues and Expenses**—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the internal service funds and the business-type activity are charges to other funds for judgements and claims and workers' compensation costs and administrative fees, respectively. Operating expenses for internal service funds and the business-type activity include the cost of general and workers' compensation claims and administrative expenses, respectively. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Other**

**Estimates**—The preparation of the financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and during the reported period. Actual results could differ from those estimates.

**Adoption of New Accounting Pronouncements**—During the year ended December 31, 2019, the Town implemented GASB Statements No. 83, *Certain Asset Retirement Obligations*; No. 84, *Fiduciary Activities*; No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*; and No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a

liability and a corresponding deferred outflow of resources for asset retirement obligations (“AROs”). GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. Other than matter discussed in Note 2, the implementation of GASB Statements No. 83, 84, 88, 90 and 95 did not have a material impact on the Town’s financial position or results from operations.

***Future Impacts of Accounting Pronouncements***—The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the year ending December 31, 2021, and No. 87, *Leases*; No. 91, *Conduit Debt Obligations*; No. 92, *Omnibus 2020*; and No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2021, and No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending December 31, 2022. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 89, 91, 92, 93 and 94 will have on its financial position and results of operations when such statements are adopted.

#### ***Stewardship, Compliance and Accountability***

***Legal Compliance—Budgets***—The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 30, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5.
- The full Town Board reviews the tentative budget and may adjust same before approving a “preliminary” budget and calling for a public hearing, which is generally held in October.
- Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20.
- Formal annual budgetary accounts are employed as a management control device for the General and all Special Revenue Funds, except the Special Grants Funds.
- During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for the departmental budgetary control. All budget amendments and budget transfers require Town Board approval.
- Annual budgets for governmental funds, except the Special Grant Fund, the Capital Projects Fund, the Special Purpose Fund and the Debt Service Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A form of encumbrance accounting is employed as an extension of budgetary control in all governmental funds, under which certain contracts and other commitments outstanding at year-end for the expenditure of monies (encumbrances) are recorded as an assignment of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. On January 1, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year’s original budget.

- The Special Grant Fund, the Special Purpose Fund and the Capital Projects Fund appropriations are not included in the Town’s annual budget. Instead appropriations are approved through a Town Board resolution at the grant/funding/project’s inception and lapse upon completion/termination of the grant/funding/project.
- Debt Service Fund appropriations are budgeted within the Town’s operating funds and then are transferred to the Debt Service Fund where the principal and interest payments are made.
- Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification.

**Deficit Fund Balances**—The Capital Projects Fund has a fund balance of \$(8,803,804) at December 31, 2019. The deficit is caused by the Town’s issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Because the BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs.

Additionally, the Town’s Self Insurance Fund and Workers Compensation Fund had net positions of \$(4,112,340) and \$(3,719,448), respectively, at December 31, 2019. The Town anticipates that transfers from other funds will remedy the deficit.

**2. RESTATEMENT OF NET POSITION/FUND BALANCE**

During the year ended December 31, 2019, the Town implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statement No. 84 establishes criteria for identifying fiduciary activities of state and local governments. This Statement also provides for the recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

The effect of these restatements to the Town’s governmental funds and activities are summarized as follows:

	General Fund	Fire Protection Fund	Governmental Activities
Net position/fund balance—December 31, 2018, as previously stated	\$ 9,193,970	\$ 153,375	\$ (30,325,199)
GASB Statement No. 84 implementation—due from Custodial Fund	365,211	-	365,211
GASB Statement No. 84 implementation—fund balance restrictions	111,010	-	111,010
GASB Statement No. 84 implementation—restricted investments	-	12,047,095	12,047,095
Net position/fund balance—December 31, 2018, as restated	<u>\$ 9,670,191</u>	<u>\$ 12,200,470</u>	<u>\$ (17,801,883)</u>

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The Town’s investment policies are governed by State statutes. In addition, the Town has its own written investment policy. Town monies must be deposited in FDIC-insured commercial banks 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 demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Total cash, cash equivalents and investments, including restricted cash and investments, reported by the Town at December 31, 2019 is presented below:

	Governmental Activities	Business-type Activity	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 17,100	\$ -	\$ -	\$ 17,100
Deposits	48,535,646	133,555	2,359,067	51,028,268
Investments	12,606,402	5,000	-	12,611,402
Total	<u>\$ 61,159,148</u>	<u>\$ 138,555</u>	<u>\$ 2,359,067</u>	<u>\$ 63,656,770</u>

**Deposits with Financial Institutions**—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2019 as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 885,119	\$ 885,119
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	49,245,127	49,086,674
Not collateralized*	1,083,702	1,056,475
Total	<u>\$ 51,213,948</u>	<u>\$ 51,028,268</u>

\*At December 31, 2019, deposits held by a third-party contractor for the Town's Federally funded program were not collateralized.

**Custodial Credit Risk—Deposits**—Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2019, except as noted above, the Town's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Town's name.

**Investments**—At December 31, 2019, the Corporation, as part of its economic development mission, invests non-public source funds in equity securities for start-up companies. These investments, \$5,000, do not have readily available fair market value and therefore are valued at cost in the financial statements.

**Interest Rate Risk**—In accordance with its investment policy, the Town manages exposures by limiting investments to low risk type investments governed by New York State statute.

**Restricted Cash and Cash Equivalents**—The Town reports cash from unearned revenues and deferred inflows of resources received, unspent proceeds of debt, premiums from debt and amounts held on behalf of others as restricted cash and cash equivalents. At December 31, 2019, the Town reported \$31,047,408 of restricted cash and cash equivalents within its Governmental Activities and \$2,359,067 within the Fiduciary Fund.



**Restricted investments**—The Town restricted investments consist of annuity contracts related to the Town’s Length of Service Award Program (“LOSAP”), a defined benefit volunteer firefighter award program (see Note 8). These annuities are guaranteed fixed annuities, whereby the reported values are reported daily based on the valuation method disclosed in the annuity contract as calculated by the annuity provider and therefore are considered level 2 inputs for fair value measurement purposes. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period. The cost and fair value of the contracts amounted to \$12,606,402 as of December 31, 2019, and are recorded within the Fire Protection Fund.

**Discretely Presented Component Unit**

**Town of Amherst Industrial Development Agency**—The Agency had unrestricted deposits of \$1,390,329 and restricted deposits of \$64,507 which were insured or collateralized by securities held by the pledging financial institution’s trust department or agent in the Agency’s name. The Agency has also designated \$100,000 of unrestricted fund balance at December 31, 2019 to be used for future investments.

**4. RECEIVABLES**

Major revenues accrued by the Town at December 31, 2019 consisted of the following:

**Accounts receivable**—Represents franchise fees receivable and amounts due from other Town departments (e.g. Town Justice, Town Clerk and Receiver of Taxes, etc.) who are acting as intermediary collecting agents, collecting various fines, fees and other charges which are remitted to the Town in accordance with State statute. Other miscellaneous items are also included. Amounts due to the Town at December 31, 2019 are presented in the table below.

General Fund:		
Franchise fees	\$ 1,276,419	
Town Justice	208,489	
Ice facility	149,400	
Judgements	124,841	
Property code violations	38,638	
Insurance reimbursement	32,050	
Senior Center	22,679	
Town Clerk/Tax Receiver	18,497	
Museum	2,879	
Meals on Wheels	248	
Other	<u>73,234</u>	\$ 1,947,374
Highway Fund:		
Fuel purchases		205,904
Sewer Fund:		
Inspections		33,801
Nonmajor Funds:		
Town Clerk/Tax Receiver	357,427	
Mortgage and note receivable	530,875	
Recycling/waste management	<u>965</u>	<u>889,267</u>
Total governmental funds		<u>\$ 3,076,346</u>
Proprietary Funds:		
Workers Compensation		<u>76,824</u>
Total proprietary funds		<u>\$ 76,824</u>

***Mortgage and note receivable***—Within the Community Environment Fund accounts receivable are a mortgage and a note receivable totaling \$448,470 and \$82,405, respectively, related to the sale of the compost facility and related equipment. The mortgage receivable carries 5.84% interest rate. The note receivable carries 4.25% interest rate and payments from the borrowers are due monthly from the months of March through November for both. During the year ended December 31, 2019, the Town received \$179,590 of mortgage payments, consisting of \$144,247 and \$35,343 of principal and interest, respectively. Payments on the note receivable began March 1, 2013. These receivables are offset by deferred inflows in the balance sheet since the revenue recognition criteria has not been met.

***Intergovernmental receivables***—Represents amounts due from other units of government, such as Federal, New York State, County of Erie or other local governments. Intergovernmental receivables at December 31, 2019 are as follows:

General Fund:			
Erie County - sales tax	\$	7,173,747	
Erie County - grants		63,289	
New York State		233,538	
Federal government		56,541	
Other		17,918	\$ 7,545,033
<hr/>			
Highway Fund:			
New York State	\$	621,588	
Snow plowing		185,556	807,144
<hr/>			
Sewer Fund:			
Sewer fees			1,652,951
Special Grant Fund:			
Federal government			461,323
Capital Projects Fund:			
Grants			2,670,059
Nonmajor Funds:			
New York State	\$	84,835	
Federal government		20,833	105,668
<hr/>			
Total governmental funds			<u>\$ 13,242,178</u>

***Loans receivable***—Loans receivable of \$7,277,718 within the Special Grant Fund consist of loans which were made by the Community Development Office of the Town through implementation of the Community Development Block Grant program. The funds received from repayments of such loans will be used towards future Community Development Block Grant expenditures and the related programs implemented through such grant.

***Discretely Presented Component Unit***

***Town of Amherst Industrial Development Agency***—Significant receivables of the Agency include notes receivable. At December 31, 2019, the Agency had non-interest bearing notes receivable of \$50,000 with the Town of Amherst Development Corporation.

## 5. CAPITAL ASSETS

*Governmental activities*—Capital asset activity for governmental activities for fiscal year ended December 31, 2019 was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$ 10,791,459	\$ -	\$ -	\$ 10,791,459
Construction in progress	35,078,647	15,472,154	(15,178,704)	35,372,097
Total capital assets not being depreciated	<u>45,870,106</u>	<u>15,472,154</u>	<u>(15,178,704)</u>	<u>46,163,556</u>
Capital assets, being depreciated:				
Infrastructure	201,110,100	10,872,824	(1,122,090)	210,860,834
Land improvements	16,063,067	1,267,433	-	17,330,500
Buildings	205,265,517	-	-	205,265,517
Building improvements	15,746,169	1,629,266	-	17,375,435
Machinery and equipment	66,547,087	7,284,459	(197,200)	73,634,346
Ice rink facility	19,727,213	110,024	-	19,837,237
Total capital assets, being depreciated	<u>524,459,153</u>	<u>21,164,006</u>	<u>(1,319,290)</u>	<u>544,303,869</u>
Less accumulated depreciation for:				
Infrastructure	(95,860,318)	(5,388,258)	1,122,090	(100,126,486)
Land improvements	(7,002,256)	(930,752)	-	(7,933,008)
Buildings	(142,257,622)	(3,993,262)	-	(146,250,884)
Building improvements	(7,202,540)	(649,544)	-	(7,852,084)
Machinery and equipment	(36,287,633)	(5,498,658)	73,267	(41,713,024)
Ice rink facility	(8,249,071)	(436,161)	-	(8,685,232)
Total accumulated depreciation	<u>(296,859,440)</u>	<u>(16,896,635)</u>	<u>1,195,357</u>	<u>(312,560,718)</u>
Total capital assets being depreciated, net	<u>227,599,713</u>	<u>4,267,371</u>	<u>(123,933)</u>	<u>231,743,151</u>
Governmental activities capital assets, net	<u>\$ 273,469,819</u>	<u>\$ 19,739,525</u>	<u>\$ (15,302,637)</u>	<u>\$ 277,906,707</u>

Depreciation expense, for governmental activities, was charged to functions and programs of the primary government as follows:

### Governmental activities:

General government support	\$ 633,042
Public safety	599,939
Transportation	3,841,028
Economic assistance and opportunity	170,775
Culture and recreation	1,433,084
Home and community services	10,218,767
	<u>\$ 16,896,635</u>

**Discretely Presented Component Units**

**Town of Amherst Industrial Development Agency**—Capital asset activity for the Town of Amherst Industrial Development Agency was as follows:

	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Capital assets, being depreciated:				
Leasehold improvements	22,710	-	-	22,710
Equipment	188,412	3,102	-	191,514
Buildings	719,835	-	-	719,835
Total capital assets, being depreciated	<u>930,957</u>	<u>3,102</u>	<u>-</u>	<u>934,059</u>
Less accumulated depreciation for:				
Leasehold improvements	(18,853)	(806)	-	(19,659)
Equipment	(179,680)	(4,173)	-	(183,853)
Buildings	(247,086)	(18,163)	-	(265,249)
Total accumulated depreciation	<u>(445,619)</u>	<u>(23,142)</u>	<u>-</u>	<u>(468,761)</u>
Total capital assets being depreciated, net	<u>485,338</u>	<u>(20,040)</u>	<u>-</u>	<u>465,298</u>
Capital assets, net	<u>\$ 585,338</u>	<u>\$ (20,040)</u>	<u>\$ -</u>	<u>\$ 565,298</u>

**6. ACCRUED LIABILITIES**

Accrued liabilities include salary and other related liabilities. Accrued liabilities of the Town's governmental funds and proprietary funds at December 31, 2019 are:

General Fund:	
Salary	\$ 2,207,011
Highway Fund:	
Salary	185,899
Sewer Fund:	
Salary	\$ 417,671
Deposits	<u>7,500</u>
Total	425,171
Special Grant Fund:	
Salary	7,153
Nonmajor Funds:	
Salary	<u>354,783</u>
Total governmental funds	<u>\$ 3,180,017</u>
Proprietary Funds:	
Self Insurance	\$ 550,000
Workers Compensation	<u>3,840,581</u>
Total proprietary funds	<u>\$ 4,390,581</u>

## 7. RETIREMENT SYSTEM PENSION PLANS

### *Plan Descriptions and Benefits Provided*

***New York State and Local Police and Fire Retirement System (“PFRS”) and Employees’ Retirement System (“ERS”)—***The Town participates in the PFRS and ERS (the “Systems”). The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the Systems. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the Systems. System benefits are established under the provisions of the New York State Retirement and Social Security Law (“NYSRSSL”). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. The Systems are included in the State’s financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—***At December 31, 2019, the Town reported the liabilities as presented on the following page for its proportionate share of the net pension liability for each of the Systems. The net pension liabilities were measured as of March 31, 2019. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2018, with updated procedures used to roll forward the total net pension liabilities to the measurement date. The Town’s proportion of the net pension liabilities were 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 Systems in reports provided to the Town.

	PFRS	ERS
	March 31, 2019	March 31, 2019
Measurement date	March 31, 2019	March 31, 2019
Net pension liability	\$ 8,594,835	\$ 6,715,292
Town's portion of the Plan's total net pension liability	0.5124932%	0.0947778%

For the year ended December 31, 2019, the Town recognized pension expenses of \$5,731,998 and \$5,016,013, respectively, for PFRS and ERS. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	PFRS	ERS	PFRS	ERS
Differences between expected and actual experiences	\$ 2,087,923	\$ 1,322,381	\$ 917,640	\$ 450,785
Changes of assumptions	3,122,733	1,687,950	-	-
Net difference between projected and actual earnings on pension plan investments	-	-	1,721,336	1,723,515
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	522,210	1,516,537	314,916	325,620
Town contributions subsequent to the measurement date	3,481,894	3,242,170	-	-
Total	<u>\$ 9,214,760</u>	<u>\$ 7,769,038</u>	<u>\$ 2,953,892</u>	<u>\$ 2,499,920</u>

The Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	PFRS	ERS
2020	\$ 1,820,221	\$ 1,855,080
2021	(227,812)	(958,022)
2022	26,959	156,225
2023	968,902	973,665
2024	190,704	-

**Actuarial Assumptions**—The total pension liabilities as of the measurement date were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the following actuarial assumptions:

	PFRS	ERS
Measurement date	March 31, 2019	March 31, 2019
Actuarial valuation date	April 1, 2018	April 1, 2018
Interest rate	7.00%	7.00%
Salary scale	5.00%	4.20%
Decrement tables	April 1, 2010- March 31, 2015	April 1, 2010- March 31, 2015
Inflation rate	2.50%	2.50%
Cost-of-living adjustments	1.30%	1.30%

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

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 Asset class:	PFRS and ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2019	
Domestic equities	36.0 %	4.6 %
International equities	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.3
Total	<u>100.0 %</u>	

**Discount Rate**—The discount rate used to calculate the total pension liabilities was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. 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 of the Net Pension Liability to the Discount Rate Assumption**—The chart below presents the Town’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.0%) or one percentage-point higher (8.0%) than the current assumption.

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Employer's proportionate share of the net pension liability/(asset)—PFRS	\$ 31,060,447	\$ 8,594,835	\$ (10,166,560)
Employer's proportionate share of the net pension liability/(asset)—ERS	29,360,329	6,715,292	(12,308,145)

**Pension Plan Fiduciary Net Position**—The components of the current-year net pension liabilities of the employers as of the valuation dates, were as follows:

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	April 1, 2018	April 1, 2018	
Employers' total pension liability	\$ 34,128,100	\$ 189,803,429	\$ 223,931,529
Plan fiduciary net position	<u>32,451,037</u>	<u>182,718,124</u>	<u>215,169,161</u>
Employers' net pension liability	<u>\$ 1,677,063</u>	<u>\$ 7,085,305</u>	<u>\$ 8,762,368</u>
System fiduciary net position as a percentage of total pension liability	95.1%	96.3%	96.1%

## 8. PENSION OBLIGATIONS—LOSAP

**Plan Description**—The Town established a defined benefit Length of Service Awards Program (the “LOSAP”) for the active volunteer firefighters of Ellicott Creek Fire Protection District No. 9, Getzville Fire Protection District No. 11, Main-Transit Fire Protection District No. 14, North Amherst Fire Protection District No. 10 and North Bailey Fire Protection District No. 18. The program took effect January 1, 1992. The Program was established pursuant to Article 11-A of the General Municipal Law. The Program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the program.

Certain information contained in this note is based on information for LOSAP as of December 31, 2018, which is the most recent valuation date for which complete information related to the year ended December 31, 2019 is available.

**Participation, Vesting and Service Credit**—Active volunteer firefighters who have reached the age of eighteen and who have completed one year of firefighting service are eligible to participate in the program. The program’s entitlement age is age fifty-five. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values.

**Benefits**—A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life equal to twenty dollars multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed thirty. Except in the case disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

**Fiduciary Investment and Control**—Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board. The governing board of the sponsor has retained and designated Penflex, Inc. to assist in the administration of the program.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program.



Authority to invest program assets is vested in the Investment Committee. Subject to restrictions in the program document, program assets are invested in accordance with a statutory “prudent person” rule.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc. Portions of the following information are derived from the most recent report prepared by the actuary, dated March 12, 2020.

**Contributions**—New York State General Municipal Law §219(d) requires the Town to contribute an actuarially determined contribution on an annual basis. The actuarially determined contribution shall be appropriated annually by the Town.

**Trust Assets**—Although assets have been accumulated in an irrevocable trust such that the assets are dedicated to providing pensions to plan members in accordance with benefit terms, the trust assets are not legally protected from creditors of the Town. As such, the trust assets do not meet the criteria in paragraph 4 of GASB Statement No. 73.

***Measurement of Total Pension Liability***

The total pension liability at the December 31, 2018 measurement date was determined using an actuarial valuation as of that date.

**Actuarial Assumptions**—The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Male Mortality Table without projection for mortality improvement.

**Discount Rate**—The discount rate used to measure the total pension liability was 3.64%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody’s Investors Service’s, AA by Fitch, or AA by Standard & Poor’s Rating Services.

**Participants Covered by the Benefit Terms**—At the December 31, 2018 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	202
Inactive participants entitled to but not yet receiving benefit payments	247
Active participants	<u>169</u>
Total	<u>618</u>

**Changes in the Total Pension Liability**—The following table presents the changes to the total pension liability during the fiscal year, by source:

	<u>Total Pension Liability</u>
Balance as of 12/31/2017 measurement date	<u>\$ 19,429,595</u>
Changes for the year:	
Service cost	372,403
Interest	613,353
Changes of assumptions or other inputs	(1,285,680)
Differences between expected and actual experience	211,783
Benefit payments	<u>(784,284)</u>
Net changes	<u>(872,425)</u>
Balance as of 12/31/2018 measurement date	<u>\$ 18,557,170</u>

**Sensitivity of the Total Pension Liability to changes in the discount rate**—The following presents the total pension liability of the Town as of the December 31, 2018 measurement date, calculated using the discount rate of 3.64 percent, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.64 percent) or one percentage point higher (4.64 percent) than the current rate:

	<u>Decrease (2.64%)</u>	<u>Discount Rate (3.64%)</u>	<u>Increase (4.64%)</u>
Net pension liability	\$ 21,401,313	\$ 18,557,170	\$ 16,271,146

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**—For the year ended December 31, 2019, the Town recognized pension expense of \$928,605. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 478,262	\$ 55,601
Changes of assumptions or other inputs	968,587	1,720,251
Benefit payments & administrative expenses subsequent to the measurement date	<u>867,084</u>	<u>-</u>
Total	<u>\$ 2,313,933</u>	<u>\$ 1,775,852</u>

\$867,084 reported as deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending December 31, 2020.

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

Year Ending December 31,	
2020	\$ (86,972)
2021	(83,890)
2022	(22,077)
2023	(11,491)
2024	(83,272)
Thereafter	(41,301)

## 9. OTHER POSTEMPLOYMENT BENEFITS

**Plan Description**—The Town provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee’s total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Town provides two experience rated Preferred Provider Organization (“PPO”) plans and one experience rates traditional indemnity plan for its retirees and their dependents. In addition, the Town provides a Medicare Supplemental plan option for Medicare eligible retirees and dependents.

**Employees Covered by Benefit Terms**—At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	363
Active employees	<u>168</u>
	<u>531</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

### **Total OPEB Liability**

The Town’s total OPEB liability of \$179,148,729 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

**Actuarial Methods and Assumptions**—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2019 actuarial valuation, the Entry Age Normal over a level percent of pay was used. The actuarial assumptions included a valuation and measurement date of January 1, 2019. The discount rate used is 4.10%. The RPH-2014 Mortality Table, with generation mortality, using scale MP-2014 and projected forward using scale MP-2017, for males and females is used for mortality rates. The rates of decrement due to turnover and retirement are based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service’s

actuarial consultant report entitled “Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation.” Upon retirement it is assumed that 100% of eligible employees and their spouses will elect for post-employment health care benefits, while it is assumed that 70% of retirees will be married at the time of their retirement.

**Changes in the Total OPEB Liability**—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	<u>Total OPEB Liability</u>
Balances at 12/31/2018:	\$ 217,787,503
Changes for the year:	
Service Cost	4,289,006
Interest	7,536,995
Changes of assumptions	(31,665,697)
Differences between expected and actual experience	(8,315,741)
Changes in benefit terms	(4,527,725)
Contributions—employer	<u>(5,955,612)</u>
Net changes	<u>(38,638,774)</u>
Balances at 12/31/2019	<u>\$ 179,148,729</u>

**Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate**—The discount rate assumption can have an impact on the net OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the net OPEB liability:

	<u>Decrease (3.10%)</u>	<u>Discount Rate (4.10%)</u>	<u>Increase (5.10%)</u>
Total OPEB liability	\$ 212,719,028	\$ 179,148,729	\$ 153,014,191

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in current health cost trend rates as reported by the Town’s actuary:

	<u>1% Decrease</u>	<u>Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$ 151,875,277	\$ 179,148,729	\$ 214,565,856

**Funding Policy**—Authorization for the Town to pay a portion, or all, of retiree health insurance premiums was enacted by resolution of the Town Board or through union contracts, which are ratified by the Town Board. For an employee to be eligible for the Town’s postemployment health plan they must qualify for retirement as a member of the New York State retirement system. All current retirees, future eligible police retirees as well as future eligible non-police retirees (hired prior to January 1, 1977) receive full health care coverage with no contribution requirements for themselves, dependents, and surviving spouses. Eligible non-police retirees that were hired after January 1, 1977 will be required to pay 10% of the additional premium for spousal coverage, with surviving spouse being required to contribute 15% of the individual premium.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***—The Town reports deferred outflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability are required to be determined. The table below presents the Town’s deferred outflows and inflows of resources at December 31, 2019.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,104,108
Changes of assumptions	5,606,415	23,243,969
Town contributions subsequent to the measurement date	5,943,820	-
Total	<u>\$ 11,550,235</u>	<u>\$ 29,348,077</u>

The Town’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	
2020	\$ (7,129,352)
2021	(8,530,955)
2022	(8,081,355)

## 10. RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of damage to, and destruction of assets; injuries to employees; and natural disasters. The Town purchases insurance for: property (fire, flood, earthquake and boiler); computer equipment; and, employee fidelity. The Town purchases excess coverage for workers’ compensation for claims in excess of \$500,000. Workers’ compensation insurance coverage is limited to \$2 million per accident. The Town also purchases excess liability coverage for claims in excess of \$2 million limited to \$20 million per occurrence or wrongful act or employee benefit wrongful act. There is an aggregate \$20 million limit for products–completed operations hazards, errors and omissions liability and employee benefit liability aggregate.

There have been no significant reductions in the levels of commercial insurance from the prior year.

***Judgments and Claims***—The Town is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town reports all of its risk management activities in its Internal Service Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

At December 31, 2019, the judgments and claims liability and the workers’ compensation liability are recorded within the Town’s Internal Service Fund. This liability is the Town’s best estimate based on available information. Changes in the reported liabilities since January 1, 2018 resulted from the following:

	Liability, 1/1/2019	Claims	Payments	Liability, 12/31/2019
Judgments and claims	\$ 550,000	\$ -	\$ -	\$ 550,000
Workers' compensation	3,764,179	1,430,064	1,353,662	3,840,581

	Liability, 1/1/2018	Claims	Payments	Liability, 12/31/2018
Judgments and claims	-	\$ 550,000	\$ -	550,000
Workers' compensation	3,172,967	1,633,266	1,042,054	3,764,179

There are outstanding claims in the range of \$2,030,000 to \$3,157,606 which are classified as reasonably possible.

## 11. LEASE OBLIGATIONS

The Town has entered into agreements as lessee for financing the acquisition of certain highway equipment. The lease agreements qualify as a capital lease/installment purchase contracts for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations under the leases are summarized below:

Year ended December 31,	Governmental Activities Highway Equipment
2020	220,678
Total minimum lease payments	220,678
Less: Amount representing imputed interest costs	(3,547)
Present value of minimum lease payment	<u>\$ 217,131</u>

The Town has purchased the following assets with the proceeds of the lease:

	Governmental Activities
Assets:	
Highway equipment	\$ 2,119,936
Less: Accumulated depreciation	(1,171,045)
Total	<u>\$ 948,891</u>

## 12. SHORT-TERM DEBT

Liabilities for bond anticipation notes ("BANs") are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs used for assessable improvement projects may be renewed for periods equivalent to the life of the permanent financing provided that annual reductions of principal are made. The table below is a summary of the Town's short-term debt for the year ended December 31, 2019:

	Issued	Maturity	Interest Rate	Balance 1/1/2019	Issues	Redemptions	Balance 12/31/2019
Bond anticipation notes:							
Various capital projects	11/7/18	11/7/19	3.25%	\$ 28,561,257	\$ -	\$ 28,561,257	\$ -
Payment of settlement	11/7/18	11/7/19	3.25%	3,279,000	-	3,279,000	-
Various capital projects	11/6/19	11/6/20	1.75%	-	24,108,695	-	24,108,695
Payment of settlement	11/6/19	11/6/20	1.75%	-	2,254,000	-	2,254,000
Various capital projects	11/6/19	11/6/20	1.75%	-	8,100,282	-	8,100,282
				<u>\$ 31,840,257</u>	<u>\$ 34,462,977</u>	<u>\$ 31,840,257</u>	<u>\$ 34,462,977</u>

The BANs issued on November 6, 2019 included a premium of \$192,004 included within governmental activities.

### 13. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The Town's outstanding long-term liabilities include serial bonds, premium on serial bonds, capital leases, compensated absences, OPEB obligation and net pension liabilities. The serial bonds of the Town are secured by its general credit and revenue raising powers, as per State statute.

A summary of the Town's long-term debt at December 31, 2019 follows:

	Balance 1/1/2019	Additions	Reductions	Balance 12/31/2019	Due Within One Year
Governmental activities:					
Serial bonds	\$ 80,059,865	\$ 12,335,000	\$ 8,148,865	\$ 84,246,000	\$ 8,465,000
Premium on serial bonds	3,063,662	817,045	421,147	3,459,560	435,190
Net bonds payable	83,123,527	13,152,045	8,570,012	87,705,560	8,900,190
Capital leases	430,771	-	213,640	217,131	217,131
Compensated absences	16,692,212	197,658	828,157	16,061,713	963,414
OPEB obligation	217,787,503	11,826,001	50,464,775	179,148,729	-
Net pension liability*	8,610,935	6,699,192	-	15,310,127	-
Net pension liability—LOSAP	19,429,595	1,197,540	2,069,965	18,557,170	-
Total governmental activities	<u>\$ 346,074,543</u>	<u>\$ 33,072,436</u>	<u>\$ 62,146,549</u>	<u>\$ 317,000,430</u>	<u>\$ 10,080,735</u>

(\*additions to the net pension liability are shown net of reductions.)

**Serial Bonds**—The Town issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In the current year, the Town issued \$12,335,000 in Public Improvement Serial Bonds for various purposes and received a premium of \$817,045. The interest rate is 3.0% and the bonds will mature on November 1, 2037.

**Prior Year's Advanced Refunding**—During prior years, the Town issued \$14,230,000 in Refunding Serial Bonds—2007 Series A and \$1,155,000 in non-callable Refunding Bonds—2007 Series B, which collectively refund the previously issued 1999A bonds, originally issued to finance the acquisition of a parcel of real property and the existing building thereon. The 2007 Series A were called on December 1, 2017. The interest on Series B bonds yield 5.630%. The total net proceeds of \$15,712,576 (after deductions for net issuance costs, including underwriters discount) were used to purchase non-callable, direct obligations of the United States of America and placed in an irrevocable trust fund to pay for all future debt service payments of the original bonds. As a result, the original bonds are considered refunded and the liability of those bonds, \$4,295,000, has been removed from the financial statements.

Additionally, in prior years, the Town also advanced refunded \$17,980,000 of Tax-Exempt Lease Revenue Bonds 1997A of the Amherst Industrial Development Agency (the "AIDA Bonds") that were used to finance the construction of the Amherst Multi-Surface Ice Rink complex. The bond proceeds were placed into an irrevocable trust fund with an escrow agent to provide for all future debt service payments on the AIDA Bonds. As a result, the AIDA Bonds were considered to be defeased, and the December 31, 2019 financial statements do not reflect the obligation, now equal to \$4,895,000.

A summary of bonded indebtedness transactions for the year ended December 31, 2019 follows:

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2019	Issues	Redemptions	Principal Outstanding 12/31/2019
<b>General Fund:</b>						
Mill Street Land & Building	2009/2019	2.500-5.000%	\$ 150,000	\$ -	\$ 150,000	\$ -
Central Alarm Voice Recording Equipment	2011/2022	2.000-5.000%	71,674	-	16,599	55,075
Traffic Signals	2011/2022	2.000-5.000%	16,673	-	3,861	12,812
Amherst Park Master Plan	2011/2022	2.000-5.000%	48,735	-	11,286	37,449
Local Waterfront Rev Plan	2011/2022	2.000-5.000%	15,817	-	3,663	12,154
Veterans Canal Park Improvements	2014/2039	2.000-5.000%	30,000	-	5,000	25,000
Dellwood Park Improvements	2014/2039	2.000-5.000%	31,000	-	6,000	25,000
Golf Course Improvements	2014/2039	2.000-5.000%	422,000	-	66,000	356,000
Senior Center	2014/2020	2.000-5.000%	1,160,000	-	570,000	590,000
2014 Refunding Lehigh Valley Trailway	2014/2020	2.000-5.000%	5,000	-	5,000	-
2014 Refunding Lehigh Valley Trailway Construction	2014/2020	2.000-5.000%	10,000	-	10,000	-
Youth and Community Center Improvements	2015/2030	2.000-3.000%	110,000	-	22,500	87,500
Traffic Signals	2015/2030	2.000-3.000%	36,000	-	3,000	33,000
Parking Lot Improvement at the Clearfield Library	2015/2030	2.000-3.000%	68,000	-	34,000	34,000
Replacement of Traffic Signal Equipment at Various Intersections	2015/2030	2.000-3.000%	41,000	-	3,000	38,000
Various Improvements to Fetto Park	2015/2030	2.000-3.000%	41,482	-	6,000	35,482
Installation and Improv. to the Town's WAN	2015/2030	2.000-3.000%	194,000	-	98,000	96,000
Improvements of Parking Lots	2015/2030	2.000-3.000%	62,000	-	32,000	30,000
Harlem Rd. Community Center Sprinkler System	2015/2030	2.000-3.000%	14,000	-	8,000	6,000
Clearfield Recreation Center Roof Replacement	2015/2030	2.000-3.000%	98,000	-	51,000	47,000
Ice Rink Acquisition, G.O. Refunding 2007 Series B (taxable)	2007/2022	5.630%	365,000	-	85,000	280,000
2016A Refunding Bonds Acquisition (2007)	2016/2022	2.000-5.000%	150,000	-	35,000	115,000
2016A Refunding Bonds Improvements (2007)	2016/2022	2.000-5.000%	150,000	-	35,000	115,000
Parking Lot Improvements	2016/2039	3.000-3.125%	238,000	-	77,000	161,000
Traffic Signal Controls	2016/2039	3.000-3.125%	24,000	-	8,000	16,000
Recreation Dept. Facility and Park Improvements	2016/2039	3.000-3.125%	129,000	-	11,000	118,000
HVAC North Amherst Rec Center	2016/2039	3.000-3.125%	60,000	-	11,000	49,000
Parking Lot Improvements	2016/2039	3.000-3.125%	281,000	-	52,000	229,000
Recreation Dept. Facility and Park Improvements	2016/2039	3.000-3.125%	129,000	-	11,000	118,000
Central Fire Radio Repeater System Upgrade	2016/2039	3.000-3.125%	98,000	-	18,000	80,000
Various Traffic Signal Upgrades	2016/2039	3.000-3.125%	79,000	-	5,000	74,000
North Amherst Rec Center Garage B Roof Replacement	2016/2039	3.000-3.125%	53,000	-	10,000	43,000
Northtown Center Dasher Board Replacements	2016/2039	3.000-3.125%	207,000	-	18,000	189,000
Town Facility Park Lot Improvements 2013	2016/2039	3.000-3.125%	289,000	-	53,000	236,000
Harlem Rd. Community Center Building Improvements	2016/2039	3.000-3.125%	99,000	-	9,000	90,000
Bike Path and Trailway Repaving	2016/2039	3.000-3.125%	75,000	-	7,000	68,000

(continued)



Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2019	Issues	Redemptions	Principal Outstanding 12/31/2019
Improvements to Service Lifts HWY Garage A5132	2016/2039	3.000-3.125%	99,000	-	8,000	91,000
Upgrades to Central Alarm / Police Radio System	2016/2039	3.000-3.125%	19,000	-	19,000	-
Town Parking Lot Improvements	2016/2039	3.000-3.125%	352,000	-	53,000	299,000
Traffic Signal Controls Replacements	2016/2039	3.000-3.125%	55,000	-	7,000	48,000
Town Park Improvements	2016/2039	3.000-3.125%	340,000	-	27,000	313,000
Amherst Justice Facility Addition	2016/2039	3.000-3.125%	913,000	-	38,000	875,000
Clearfield Pool Liner Replacement	2016/2039	3.000-3.125%	57,000	-	5,000	52,000
2007 Series A Ice Rink Refunding Federally Taxable	2016/2022	1.320-2.000%	4,410,000	-	1,100,000	3,310,000
Northtown Center Ice Resurfacer	2016/2039	3.000-3.125%	117,000	-	11,000	106,000
Ballfield Canopy Backstops	2016/2022	2.000-3.000%	76,000	-	6,000	70,000
Police Secure Storage Building	2016/2039	2.000-3.000%	338,000	-	17,000	321,000
Veterans Park Improvements	2017/2035	2.000-3.000%	49,000	-	4,000	45,000
HRCC AUD HVAC Replacement	2017/2035	2.000-3.000%	217,000	-	33,000	184,000
Maplemere Traffic Signal	2017/2035	2.000-3.000%	105,000	-	6,000	99,000
Sportfield Backstops	2017/2035	2.000-3.000%	22,000	-	11,000	11,000
Egbertsville Youth Center Gym Roof Replacement	2017/2035	2.000-3.000%	31,000	-	4,000	27,000
Parking Lot Maintenance	2017/2035	2.000-3.000%	331,000	-	49,000	282,000
Recreation & Park Area Improvements	2017/2035	2.000-3.000%	28,000	-	2,000	26,000
Bike Path & Trailway Repaving Phase II	2017/2035	2.000-3.000%	86,000	-	7,000	79,000
Maple & Culpepper Traffic Signal Installation	2017/2035	2.000-3.000%	126,000	-	7,000	119,000
Highway HVAC Improvements	2017/2035	2.000-3.000%	149,000	-	19,000	130,000
Amherst State Park Improvements	2018/2040	4.0000%	225,000	-	14,000	211,000
Town Park Shelter Improvements	2018/2040	4.0000%	21,000	-	3,000	18,000
Amherst Sidewalks for Safety Transportation Enhancement	2018/2040	4.0000%	136,000	-	14,000	122,000
Central Amherst Little League Parking Lot Reconstruction	2018/2040	4.0000%	53,999	-	5,999	48,000
Northtown Center at Amherst Safety Updates	2018/2040	4.0000%	66,999	-	6,999	60,000
Amherst Police / Court ADA Restrooms & Entranceway	2018/2040	4.0000%	118,000	-	8,000	110,000
Town Facility Parking Lot Maintenance	2018/2040	4.0000%	449,662	-	44,662	405,000
Police & Court HVAC Systems Improvements	2018/2040	4.0000%	505,862	-	50,862	455,000
Bassett Park Accessibility & Pond Improvements	2018/2040	4.0000%	124,728	-	7,728	117,000
Northtown Center Softball Field Improvements	2018/2040	4.0000%	91,000	-	6,000	85,000
Traffic Signal Controls	2018/2040	4.0000%	70,999	-	3,999	67,000
Recreational Facility and Park Area Improvements	2018/2040	4.0000%	117,000	-	8,000	109,000
Police, Fire & Emergency Operations Center Radio	2018/2040	4.0000%	587,505	-	58,505	529,000
Museum Buildings & Grounds Improvements	2018/2040	4.0000%	77,416	-	8,416	69,000
Amherst State Park Improvements II	2019/2037	3.0000%	-	140,000	-	140,000
Police Court emergency Generator	2019/2037	3.0000%	-	115,000	-	115,000
Police Court HVAC & Lighting Phase II	2019/2037	3.0000%	-	300,000	-	300,000
Town Parking Lots	2019/2037	3.0000%	-	310,000	-	310,000
Pool Improvements	2019/2037	3.0000%	-	180,000	-	180,000
Recreation Equipment A	2019/2037	3.0000%	-	20,000	-	20,000
Recreation Equipment B	2019/2037	3.0000%	-	70,000	-	70,000
Engineering Equipment B	2019/2037	3.0000%	-	9,000	-	9,000
Highway Building Improvements	2019/2037	3.0000%	-	395,000	-	395,000
Amherst State Park Stairway Restoration	2019/2037	3.0000%	-	135,000	-	135,000
Bassett Park Accessibility & Pond Improvements II	2019/2037	3.0000%	-	90,000	-	90,000
Dann Lake Park Improvements	2019/2037	3.0000%	-	195,000	-	195,000
Traffic Signal Improvements	2019/2037	3.0000%	-	60,000	-	60,000
Harlem Rd. Community Center Improvements	2019/2037	3.0000%	-	145,000	-	145,000
General Fund Equipment B	2019/2037	3.0000%	-	44,154	-	44,154
Northtown Center Ice Resurfacer	2019/2037	3.0000%	-	250,000	-	250,000
<b>Total General Fund</b>			<u>15,616,551</u>	<u>2,458,154</u>	<u>3,223,079</u>	<u>14,851,626</u>

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2019	Issues	Redemptions	Principal Outstanding 12/31/2019
<b>Highway Fund:</b>						
Highway Equipment - Highway	2011/2022	2.000-5.000%	51,300	-	11,880	39,420
2014 Refunding Various Snow Plowing Equipment	2014/2020	2.000-5.000%	80,000	-	80,000	-
Various Town Road Pavements	2016/2039	3.000-3.125%	720,000	-	63,000	657,000
Higway Dept. Asphalt Paver	2016/2039	3.000-3.125%	244,000	-	21,000	223,000
Various Town Road Pavements 2013	2016/2039	3.000-3.125%	852,000	-	75,000	777,000
Plans for N. Bailey, Amsterdam, Emerson Intersection	2016/2039	3.000-3.125%	3,000	-	3,000	-
Paving & Curbing Improvements	2016/2039	3.000-3.125%	821,000	-	64,000	757,000
Improvements to Kings Highway	2016/2039	3.000-3.125%	225,000	-	18,000	207,000
Rehab Northledge Drive	2017/2035	2.000-3.000%	175,000	-	14,000	161,000
Town Road & Curbing Improvements	2017/2035	2.000-3.000%	834,000	-	65,000	769,000
N. Bailey/Emerson/Amsterdam Intersection Reconfig.	2017/2035	2.000-3.000%	10,000	-	5,000	5,000
Ditch 5 Culvert at Flint Road	2017/2035	2.000-3.000%	58,000	-	9,000	49,000
Town Road Pavement & Curbing Improvements	2018/2040	4.0000%	1,795,999	-	116,999	1,679,000
Town Paving and Curbing	2019/2037	3.0000%	-	1,835,000	-	1,835,000
Highway Equipment	2019/2037	3.0000%	-	495,000	-	495,000
Townwide Guide Rail Replacement	2019/2037	3.0000%	-	80,000	-	80,000
Highway Equipment A	2019/2037	3.0000%	-	528,426	-	528,426
Highway Equipment B	2019/2037	3.0000%	-	41,536	-	41,536
<b>Total Highway Fund</b>			<u>5,869,299</u>	<u>2,979,962</u>	<u>545,879</u>	<u>8,303,382</u>
<b>Sewer District Fund:</b>						
WWPC SSD#1 & SSD#16 Bar Screens	2009/2021	2.500-5.000%	440,000	-	155,000	285,000
Lehn Springs SSD#16 - Ext. 23 -SF	2009/2021	2.500-5.000%	195,000	-	65,000	130,000
Series 2011A (Refunded 2000A)	2011/2019	0.870-3.591%	60,000	-	60,000	-
SSD #1 & 16 WWTP Roofs (Phase II)	2011/2022	2.500-5.000%	96,045	-	22,242	73,803
SSD #1 Lafayette Blvd.	2011/2022	2.500-5.000%	32,063	-	7,425	24,638
SSD # 16 N. French	2011/2022	2.500-5.000%	217,740	-	50,424	167,316
SSD #1 & 16 Transformer Rehab Study	2011/2022	2.500-5.000%	25,650	-	5,940	19,710
SSD #1 & 16 Pelletizer Bagging Facility	2011/2022	2.500-5.000%	66,548	-	15,411	51,137
SSD #1 & 16 Centrifuge #5 Replacement	2011/2022	2.500-5.000%	63,983	-	14,817	49,166
SSD #1 & 16 Scum Removal System Replacement	2011/2022	2.500-5.000%	41,040	-	9,504	31,536
SSD #1 & 16 Elect System Load Curtailment	2011/2022	2.500-5.000%	66,548	-	15,411	51,137
SSD #1 & 16 Sand Filter Replacement	2011/2022	2.500-5.000%	152,475	-	35,310	117,165
Grit Collector/ Plant 16 Equipment	2014/2039	2.000-5.000%	115,000	-	5,000	110,000
Sewage Pump Motor Replacement	2014/2039	2.000-5.000%	325,000	-	14,000	311,000
Oxygen Deck Stage II Repairs	2014/2039	2.000-5.000%	156,500	-	7,500	149,000
Lift Station Control Panel	2014/2039	2.000-5.000%	63,000	-	3,000	60,000
Pump House Recovery	2014/2039	2.000-5.000%	88,500	-	4,500	84,000
Sanitary Sewers 16 Generators	2014/2039	2.000-5.000%	149,000	-	6,000	143,000
New Motor Control Center	2014/2039	2.000-5.000%	117,000	-	5,000	112,000
2014 Refunding Sewer Upgrades	2014/2020	2.000-5.000%	65,000	-	65,000	-
2014 Refunding WWTP Main Transformer	2014/2020	2.000-5.000%	40,000	-	40,000	-
2014 Refunding Incr. & Improv. SSD # 1, 16	2014/2020	2.000-5.000%	55,000	-	55,000	-
2014 Refunding Incr. & Improv. SSD # 16	2014/2020	2.000-5.000%	10,000	-	10,000	-
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	326,000	-	24,000	302,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	31,000	-	3,000	28,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	273,000	-	20,000	253,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	149,000	-	11,000	138,000
SS Dist. No. 1 & 16 WPCF Digester Rehab	2015/2030	2.000-3.000%	126,000	-	10,000	116,000
Incr. and Impr. of Sanitary Sewer District 1	2015/2030	2.000-3.000%	217,894	-	18,237	199,657
Incr. and Impr. of Sanitary Sewer District 1	2015/2030	2.000-3.000%	100,000	-	8,000	92,000
Incr. and Impr. of Sanitary Sewer District 16	2015/2030	2.000-3.000%	242,000	-	20,000	222,000
2016A Refunding Roof System Replacements (2005)	2016/2022	2.000-5.000%	125,000	-	60,000	65,000

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2019	Issues	Redemptions	Principal Outstanding 12/31/2019
2016A Refunding Lift Station Equipment Replacement (2005)	2016/2022	2.000-5.000%	25,000	-	15,000	10,000
2016A Refunding Various Sanitary Sewer (2005)	2016/2022	2.000-5.000%	20,000	-	10,000	10,000
2016A Refunding Sewer District No.1 Harlem & Kensington (2007)	2016/2022	2.000-5.000%	75,000	-	15,000	60,000
2016A Refunding Sand Filtration System Improvements (2007)	2016/2022	2.000-5.000%	1,445,000	-	335,000	1,110,000
2016A Refunding Various Plant 16 Improvements (2007)	2016/2022	2.000-5.000%	495,000	-	115,000	380,000
2016A Refunding LeBrun Storm Sewer (2007)	2016/2022	2.000-5.000%	65,000	-	15,000	50,000
Main Sewage Pump Motors	2016/2039	3.000-3.125%	432,000	-	29,000	403,000
Polymer System Replacement	2016/2039	3.000-3.125%	80,000	-	26,000	54,000
Oxygen Plant Optimization	2016/2039	3.000-3.125%	171,000	-	13,000	158,000
WPCF HVAC Facility Improvements	2016/2039	3.000-3.125%	7,000	-	4,000	3,000
WPCF Solids Handling	2016/2039	3.000-3.125%	716,000	-	47,000	669,000
Switchgear Replacement	2016/2039	3.000-3.125%	394,000	-	72,000	322,000
Underground Feeders / MMC	2016/2039	3.000-3.125%	145,000	-	17,000	128,000
HVAC Facility Improvements	2016/2039	3.000-3.125%	417,000	-	47,000	370,000
Hydraulic Actuators & Valve Replacement	2016/2039	3.000-3.125%	258,000	-	29,000	229,000
Scum Systems Replacement	2016/2039	3.000-3.125%	228,000	-	30,000	198,000
WPCF Basic, Scum System, Polymer, Hydraulic	2016/2039	3.000-3.125%	2,464,000	-	99,000	2,365,000
WPCF Roof Replacement	2016/2039	3.000-3.125%	80,000	-	8,000	72,000
WPCF Multiple Project Upgrades Phase II	2016/2039	3.000-3.125%	1,108,000	-	45,000	1,063,000
Allenhurst, Eggertsville, Capin Sanitary Sewer II & III	2016/2039	3.000-3.125%	964,000	-	39,000	925,000
WPCF EQ Basic	2016/2039	3.000-3.125%	513,000	-	21,000	492,000
WPCF Multiple Projects	2016/2039	3.000-3.125%	6,114,000	-	244,000	5,870,000
Brantwood, N. French, Harlem, Hancock Sanitary Sewer	2016/2039	3.000-3.125%	914,000	-	37,000	877,000
WPCF Oxygen System Rehabilitation	2016/2039	3.000-3.125%	2,604,000	-	104,000	2,500,000
WPCF Electric Upgrades Phase 5	2016/2039	3.000-3.125%	578,000	-	23,000	555,000
WPCF HVAC Facility Improvements	2016/2039	3.000-3.125%	198,000	-	8,000	190,000
WPCF Building Infrastructure Reconstruction	2016/2039	3.000-3.125%	218,000	-	10,000	208,000
Sanitary Sewer Lift Station Reconstruction	2016/2039	3.000-3.125%	47,000	-	6,000	41,000
WPCF Stage 1 & 2 Activated Sludge	2016/2039	3.000-3.125%	1,958,000	-	79,000	1,879,000
WPCF Dewatering Process Phase II	2016/2039	3.000-3.125%	1,000,000	-	40,000	960,000
Delta Rd./ Eggert Rd., Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	1,066,000	-	53,000	1,013,000
Chestnut Ridge Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	205,000	-	10,000	195,000
Capen Blvd Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	70,000	-	4,000	66,000
WPCF Lift Station Pump Control Improvements	2017/2035	2.000-3.000%	319,000	-	16,000	303,000
WPCF Asset Management	2017/2035	2.000-3.000%	131,000	-	7,000	124,000
WPCF Air Scrubber Building No. 4	2017/2035	2.000-3.000%	55,000	-	3,000	52,000
WPCF Claridier Grit Air Rehab	2017/2035	2.000-3.000%	5,184,000	-	258,000	4,926,000
Sanitary Sewer Bondcroft / Danebrock	2018/2040	4.0000%	733,383	-	28,383	705,000
WPCF RAS/WAS System Rehab, Phase II	2018/2040	4.0000%	684,000	-	25,000	659,000
WPCF Facility Various Projects	2018/2040	4.0000%	4,817,576	-	177,576	4,640,000
Maple Road Sanitary Sewer Upgrades	2018/2040	4.0000%	385,000	-	16,000	369,000
Maple Road Sanitary Sewer Upgrades II	2019/2037	3.0000%	-	110,000	-	110,000
Engineering Sewer Equipment A	2019/2037	3.0000%	-	266,000	-	266,000
Water Pollution Control Facility Multiple Projects	2019/2037	3.0000%	-	4,190,000	-	4,190,000
Sewer Equipment A	2019/2037	3.0000%	-	252,774	-	252,774
Sewer Equipment B	2019/2037	3.0000%	-	24,310	-	24,310
<b>Total Sewer District Fund</b>			<u>41,613,945</u>	<u>4,843,084</u>	<u>3,025,680</u>	<u>43,431,349</u>
<b>Town Outside Village Fund</b>						
Highway Equipment - Part Town	2011/2022	2.000-5.000%	3,278	-	759	2,519
<b>Total Town Outside Village Fund</b>			<u>3,278</u>	<u>-</u>	<u>759</u>	<u>2,519</u>
<b>Community Environment Fund:</b>						
Highway Equipment - Community Environment	2011/2022	2.000-5.000%	51,300	-	11,880	39,420
2016A Refunding Bonds Various Refuse District (2005)	2016/2022	2.000-5.000%	45,000	-	25,000	20,000
2016A Refunding Bonds Residential Refuse Containers (2007)	2016/2022	2.000-5.000%	510,000	-	120,000	390,000
<b>Total Community Environment Fund</b>			<u>606,300</u>	<u>-</u>	<u>156,880</u>	<u>449,420</u>

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2019			(concluded)
				Issues	Redemptions	Principal Outstanding 12/31/2019
<b>Water District Fund:</b>						
Waterline Country Pkwy	2011/2022	2.000-5.000%	131,670	-	30,492	101,178
Water District 15 Improvements	2014/2039	2.000-5.000%	1,184,000	-	47,000	1,137,000
2014 Refunding Hopkins Road Water System Improve	2014/2020	2.000-5.000%	80,000	-	80,000	-
Improvement of Facilities of Water District No. 15	2015/2030	2.000-3.000%	776,624	-	58,263	718,361
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	537,000	-	39,000	498,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	263,000	-	19,000	244,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	47,000	-	4,000	43,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	551,000	-	41,000	510,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	213,000	-	16,000	197,000
2016A Refunding Bonds Ayer Road Water District (2005)	2016/2022	2.000-5.000%	55,000	-	30,000	25,000
2016A Refunding Bonds Willowridge Road (2007)	2016/2022	2.000-5.000%	180,000	-	40,000	140,000
2016A Refunding Bonds Haussauer Road (2007)	2016/2022	2.000-5.000%	155,000	-	35,000	120,000
2016A Refunding Bonds Greengage Circle Phase II (2007)	2016/2022	2.000-5.000%	40,000	-	10,000	30,000
Indian Trail Waterline Replacement	2016/2039	3.000-3.125%	146,000	-	11,000	135,000
Indian Lakeside Drive Waterline	2016/2039	3.000-3.125%	79,000	-	6,000	73,000
Indian Smith Road Waterline	2016/2039	3.000-3.125%	188,000	-	14,000	174,000
2012 Waterline Replacement Projects	2016/2039	3.000-3.125%	1,033,000	-	41,000	992,000
Waterline Replacements	2016/2039	3.000-3.125%	2,619,000	-	105,000	2,514,000
Sheridan Dr. & Transit Waterline Ext./ Connection	2016/2039	3.000-3.125%	67,000	-	4,000	63,000
Muegel Rd. Waterline Replacement	2016/2039	3.000-3.125%	382,000	-	16,000	366,000
Meadowview Lane Waterline Replacements	2016/2039	3.000-3.125%	462,000	-	19,000	443,000
Presidents Walk Waterline Replacement	2016/2039	3.000-3.125%	360,000	-	15,000	345,000
Dodge Road Waterlines	2017/2035	2.000-3.000%	128,000	-	6,000	122,000
Waterline Replacement Robin Hill Road	2017/2035	2.000-3.000%	452,000	-	23,000	429,000
Waterline Replacement Northington Drive	2017/2035	2.000-3.000%	272,000	-	14,000	258,000
Waterline Replacement Clearfield Drive	2017/2035	2.000-3.000%	233,000	-	12,000	221,000
Waterline Replacement Odessa Srive & Lily Brooke Ct.	2017/2035	2.000-3.000%	274,000	-	14,000	260,000
Various Waterlines	2018/2040	4.0000%	1,633,737	-	59,737	1,574,000
Old Oak Post, Millbrook, & Park	2019/2037	3.0000%	-	1,905,000	-	1,905,000
<b>Total Water District Fund</b>			<u>12,542,031</u>	<u>1,905,000</u>	<u>809,492</u>	<u>13,637,539</u>
<b>Drainage Fund:</b>						
Highway Equipment - Drainage	2011/2022	2.500-5.000%	89,633	-	20,757	68,876
Storm Drain #4 McKinley / Harding	2011/2022	2.500-5.000%	118,845	-	27,522	91,323
Storm Drain #16 Eggerts / Bailey	2011/2022	2.500-5.000%	63,983	-	14,817	49,166
Drainage 16 Harding/McKinley/Caesar	2014/2039	2.000-5.000%	378,000	-	16,000	362,000
Drainage 26 Rambling Culvert	2014/2039	2.000-5.000%	117,000	-	5,000	112,000
Drainage 16 Bassett Park	2014/2039	2.000-5.000%	363,000	-	15,000	348,000
Drainage 26 Chapel Wood Culvert	2014/2039	2.000-5.000%	221,000	-	10,000	211,000
2014 Refunding Inc. & Imp. SWD	2014/2020	2.000-5.000%	5,000	-	5,000	-
2014 Refunding Storm Water Imp. Carmen Rd.	2014/2020	2.000-5.000%	20,000	-	20,000	-
2014 Refunding Inc. & Imp. SWD #4, 16, 26	2014/2020	2.000-5.000%	10,000	-	10,000	-
Improv. of SWD District 4, 16 & 26	2015/2030	2.000-3.000%	158,000	-	21,000	137,000
2016A Refunding Storm Water Drainage Delta Rd (2005)	2016/2022	2.000-5.000%	75,000	-	35,000	40,000
2016A Refunding Improvement of Storm Water Drainage (2005)	2016/2022	2.000-5.000%	105,000	-	50,000	55,000
2016A Refunding Various Drainage Improvements (2007)	2016/2022	2.000-5.000%	150,000	-	35,000	115,000
Amherston, Oakwood, Bellingham Drainage	2016/2039	3.000-3.125%	231,000	-	26,000	205,000
Oakwood, Amherston, Bellingham Improve Phase II	2016/2039	3.000-3.125%	586,000	-	24,000	562,000
Ditch 9-A Weir Replacement	2016/2039	3.000-3.125%	67,000	-	3,000	64,000
Oakwood, Amherston, Bellingham Improve Phase III	2016/2039	3.000-3.125%	411,000	-	17,000	394,000
Bramblewood Lane Drainage Stormwater	2016/2039	3.000-3.125%	299,000	-	13,000	286,000
Ditch 26D-1 Culvert Replacement	2016/2039	3.000-3.125%	9,000	-	2,000	7,000
Glenn Oak Culvert Replacement	2017/2035	2.000-3.000%	331,000	-	17,000	314,000
Drainage Equipment A	2019/2037	3.0000%	-	148,800	-	148,800
<b>Total Drainage Fund</b>			<u>3,808,461</u>	<u>148,800</u>	<u>387,096</u>	<u>3,570,165</u>
<b>Total governmental activities</b>			<u>\$ 80,059,865</u>	<u>\$ 12,335,000</u>	<u>\$ 8,148,865</u>	<u>\$ 84,246,000</u>

**Premiums on Serial Bonds**—Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental activities.

	Balance 1/1/2019	Additions	Reductions	Balance 12/31/2019
Premium on Serial Bonds	\$ 3,063,662	\$ 817,045	\$ 421,147	\$ 3,459,560

**Capital Leases**—The outstanding balance at December 31, 2019 for the First Niagara Bank leases was \$217,131. Refer to Note 11 for additional information related to the Town’s capital leases.

**Compensated Absences**—As explained in Note 1, the Town records the value of governmental fund type compensated absences. The annual budgets of the operating funds provide funding for these benefits as they become payable. The value recorded in the financial statements at December 31, 2019, for governmental activities is \$16,061,713. Management estimates that \$963,414 is due within one year. Since payments of compensated absences are dependent upon many factors, the timing of future payments is not readily determinable.

**OPEB Obligation**—As explained in Note 9, the Town provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee’s total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Town’s annual postemployment benefit (“OPEB”) cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability). The estimated long-term OPEB obligation is estimated to be \$179,148,729 at December 31, 2019.

**Net Pension Liability**—The Town reports a liability for its proportionate share of the net pension liability for the Police and Fire Retirement System and Employee’s Retirement System. The net pension liability is estimated to be \$15,310,127 in the governmental activities. Refer to Note 7 additional information related to the Town’s net pension liability.

**Net Pension Liability—LOSAP**—The Town reports a liability for its proportionate share of the net pension liability for the Length of Service Awards Program. The net pension liability is estimated to be \$18,557,170 in the governmental activities. Refer to Note 8 additional information related to the Town’s net pension liability.

A maturity schedule of the Town’s indebtedness is shown below.

	Serial Bonds	Premium on Serial Bonds	Capital Leases	Compensated Absences	OPEB Obligation	Net Pension Liability	Net Pension Liability LOSAP	Total
2020	\$ 8,465,000	\$ 435,190	\$ 217,131	\$ 963,414	\$ -	\$ -	\$ -	\$ 10,080,735
2021	7,610,000	273,171	-	-	-	-	-	7,883,171
2022	7,505,000	179,612	-	-	-	-	-	7,684,612
2023	5,115,000	160,593	-	-	-	-	-	5,275,593
2024	4,920,000	158,515	-	-	-	-	-	5,078,515
2025-2029	22,430,000	792,573	-	-	-	-	-	23,222,573
2030-2034	16,490,000	773,383	-	-	-	-	-	17,263,383
2035-2039	11,381,000	658,680	-	-	-	-	-	12,039,680
2040-thereafter	330,000	27,843	-	15,098,299	179,148,729	15,310,127	18,557,170	228,472,168
	<u>\$ 84,246,000</u>	<u>\$ 3,459,560</u>	<u>\$ 217,131</u>	<u>\$ 16,061,713</u>	<u>\$ 179,148,729</u>	<u>\$ 15,310,127</u>	<u>\$ 18,557,170</u>	<u>\$ 317,000,430</u>

Interest requirements on serial bonds are as follows:

Year ending <u>December 31,</u>	<u>Interest</u>
2020	\$ 2,562,400
2021	2,310,284
2022	2,082,343
2023	1,866,197
2024	1,710,697
2025-2029	6,424,983
2030-2034	3,376,645
2035-2039	1,095,016
2040	13,200
	<u>\$ 21,441,765</u>

***Discretely Presented Component Unit***

***Town of Amherst Industrial Development Agency***

The Agency’s mortgage with KeyBank amounted to \$326,647 and \$375,696 at December 31, 2019 and 2018, respectively. The mortgage bore interest at 6% per year and is payable in 60 monthly installments of \$6,225 comprising of principal and interest through December 31, 2014. At January 1, 2015, the interest rate adjusted daily to 2% above the Regular Fixed Advanced Rate offered by the Federal Home Loan Bank of New York for instruments having a term of five years. However, in no event will the rate fall below 6%. Payments will be made in 60 monthly installments based on a 10-year amortization of the outstanding balance at January 1, 2015. Amounts borrowed bear interest at 6% at December 31, 2019 and 2018. A balloon payment for the remaining balance is due in January 2020. The original agreement was still in effect as of December 31, 2019; however, in January 2020, the Agency refinanced its mortgage, extending the maturity date to January 1, 2040. Thus, the remaining balance will be paid in 240 monthly installments of \$2,121 comprising both principal and interest. The interest rate will be 4.75% until January 1, 2025, the first adjustment date, upon which time the interest rate will be adjusted. As this refinanced agreement was not yet effective as of December 31, 2019, the amounts below relate to the terms of the original agreement.

The terms of the mortgage require the Agency to maintain a restricted deposit with the bank which amounted to \$64,507 and \$64,378 at December 31, 2019 and 2018.

The mortgage requires the Agency to maintain at minimum debt coverage ratio of 1.2 to 1.0. The Agency obtained a waiver related to the minimum coverage covenant as of December 31, 2019 and met the minimum debt coverage covenant as of December 31, 2018.

**14. NET POSITION AND FUND BALANCE**

The government wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment in Capital Assets***—This category groups all capital assets including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or

improvement of these assets reduce the balance in this category. A reconciliation of the Town's governmental activities net investment in capital assets is presented below:

Capital assets, net of accumulated depreciation	\$ 277,906,707
Related debt:	
Serial bonds issued	(84,246,000)
Unamortized bond issue premium	(3,459,560)
Bond anticipation notes issued for capital assets	(32,208,977)
Unspent proceeds from debt	<u>25,642,851</u>
Debt issued and used for capital assets	(94,271,686)
Capital lease	<u>(217,131)</u>
Net investment in capital assets	<u>\$ 183,417,890</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position**—This category represents net position of the Town not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Town at December 31, 2019 includes:

	General Fund	Highway Fund	Sewer Fund	Special Grant Fund	Other Nonmajor Funds	Total
Prepaid items	\$ 2,424,963	\$ 267,191	\$ 318,618	\$ 8,153	\$ 329,097	\$ 3,348,022
Long-term interfund loan	-	-	1,500,000	-	-	1,500,000
	<u>\$ 2,424,963</u>	<u>\$ 267,191</u>	<u>\$ 1,818,618</u>	<u>\$ 8,153</u>	<u>\$ 329,097</u>	<u>\$ 4,848,022</u>

- **Prepaid Items**—Represents the portion of fund balance composed of prepaid assets. This balance is nonspendable as the asset does not represent an available resource.
- **Long-term interfund loan**—Represents the portion of fund balance composed of a receivable from the Self Insurance Fund that is expected to be realized as cash of the Self Insurance Fund becomes available through budgetary contributions within the 2021 budget.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balances of the Town at December 31, 2019 the amounts shown below:

	General Fund	Fire Protection Fund	Special Grant Fund	Capital Projects Fund	Other Nonmajor Funds	Total
Loans receivable	\$ -	\$ -	\$ 7,277,718	\$ -	\$ -	\$ 7,277,718
LOSAP	-	12,606,402	-	-	-	12,606,402
Capital projects	-	-	-	192,004	-	192,004
Special purpose	111,625	-	-	-	1,508,509	1,620,134
Debt	-	-	-	-	2,365,317	2,365,317
Total restricted fund balance	<u>\$ 111,625</u>	<u>\$ 12,606,402</u>	<u>\$ 7,277,718</u>	<u>\$ 192,004</u>	<u>\$ 3,873,826</u>	<u>\$ 24,061,575</u>

- **Loans receivable**—Represent community development loans within the Special Grant Fund, which are required to be maintained intact.
- **LOSAP**—Represents monies, \$12,606,402, held in trust for the administration of the Town’s LOSAP.
- **Restricted capital projects**—Represents unspent premiums to be used for capital projects or on related debt.
- **Restricted for special purpose**—Represents tree planting deposits, ditch escrows and public improvement permit deposits within the General Fund and monies for various purposes as accounted for in special purpose special revenue funds.
- **Restricted for debt**—Represents unspent debt proceeds which is restricted for the reduction of future debt service requirements.

In the fund financial statements, assignments are not legally required segregations, but are segregated for a specific purpose by the Town. At December 31, 2019, the following balances were considered to be assigned:

	General Fund	Highway Fund	Fire Protection Fund	Sewer Fund	Other Nonmajor Funds	Total
Subsequent year's expenditures	\$ 642,080	\$ 799,143	\$ 12,705	\$ 2,454,571	\$ 806,743	\$ 4,715,242
Encumbrances	403,210	-	-	126,946	25,703	555,859
Specific use:						
Highway expenditures	-	2,468,040	-	-	-	2,468,040
Sewer expenditures	-	-	-	3,671,266	-	3,671,266
Town outside village expenditures	-	-	-	-	1,414,518	1,414,518
Lighting expenditures	-	-	-	-	330,414	330,414
Community environment expenditures	-	-	-	-	640,445	640,445
Fire protection expenditures	-	-	192,292	-	-	192,292
Water district expenditures	-	-	-	-	1,081,100	1,081,100
Drainage district expenditures	-	-	-	-	698,910	698,910
Total assigned fund balance	<u>\$ 1,045,290</u>	<u>\$ 3,267,183</u>	<u>\$ 204,997</u>	<u>\$ 6,252,783</u>	<u>\$ 4,997,833</u>	<u>\$ 15,768,086</u>

- **Assigned to subsequent year’s expenditures**—Represents funds to be used to assist in supporting the subsequent year’s authorized appropriations.
- **Assigned to encumbrances**—Represents authorizations related to unperformed contracts or purchase orders for goods or services.
- **Assigned for specific use**—Represents remaining fund balance of special revenue funds to be used for each fund’s specific use.

Unassigned fund balance represents the residual classification of the government’s General Fund surplus, and Special Grant Fund and Capital Projects Fund deficits.

The Town will spend the most restricted dollars before less restricted where such spending is appropriate and the legal restriction does not limit the use of such restricted amount for the particular purpose in question in the following order: 1) nonspendable (if funds become spendable), 2) restricted, 3) committed, 4) assigned, and 5) unassigned.



## 15. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables of the Town at December 31, 2019 consisted of the following:

Fund	Interfund Receivables	Interfund Payables
Governmental funds:		
General Fund	\$ 1,553,481	\$ 373,658
Highway Fund	1,662,342	26,366
Sewer Fund	1,776,567	293,597
Capital Projects Fund	197,359	657,286
Other nonmajor funds	<u>368,071</u>	<u>2,233,077</u>
Subtotal governmental funds	<u>5,557,820</u>	<u>3,583,984</u>
Proprietary funds	-	1,500,000
Fiduciary funds	<u>3,000</u>	<u>476,836</u>
Total	<u>\$ 5,560,820</u>	<u>\$ 5,560,820</u>

The balances outstanding between funds are the result of transfers made to the proprietary funds to cover operating costs. Other balances result from payments made on behalf of other funds or temporary advances. All of these other balances are expected to be collected/paid within the subsequent year.

The Town made the following transfers during the year ended December 31, 2019:

Fund	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 4,456,431	\$ 4,262,250
Highway Fund	149,089	1,138,509
Fire Protection Fund	31,490	-
Sewer Fund	1,629,010	6,739,171
Capital Projects Fund	1,886,648	814,383
Nonmajor funds	<u>11,821,101</u>	<u>7,019,456</u>
Total	<u>\$ 19,973,769</u>	<u>\$ 19,973,769</u>

Transfers are used primarily to pay debt service expenditures, charge back allocations and to support capital projects.

A summary of the transfers out made during the year ended December 31, 2019 is follows:

	BAN Redemption	Debt Service - Serial Bonds		Capital and Other	Total
		Principal	Interest		
Governmental funds:					
General Fund	\$ 403,992	\$ 3,223,080	\$ 442,535	\$ 192,643	\$ 4,262,250
Highway Fund	221,431	545,879	185,897	185,302	1,138,509
Sewer Fund	211,883	3,025,680	1,304,516	2,197,092	6,739,171
Capital Projects Fund	-	-	-	814,383	814,383
Nonmajor funds	<u>82,953</u>	<u>1,354,226</u>	<u>527,872</u>	<u>5,054,405</u>	<u>7,019,456</u>
Total	<u>\$ 920,259</u>	<u>\$ 8,148,865</u>	<u>\$ 2,460,820</u>	<u>\$ 8,443,825</u>	<u>\$ 19,973,769</u>

## 16. LABOR RELATIONS

Town employees are represented by five bargaining units with the balance governed by Town Board rules and regulations. All bargaining units were settled as of December 31, 2019.

## 17. COMMITMENTS

**Encumbrances**—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. Significant encumbrances as of December 31, 2019, are as listed below:

<u>Fund</u>	<u>Purpose</u>	<u>Amount Encumbered</u>
General	Police Vehicles	\$ 197,076

## 18. TAX ABATEMENTS

The Town is subject to tax abatements granted by the Amherst Industrial Development Agency (“AIDA”) and the Town of Amherst under New York State private housing finance law. These programs have the stated purpose of increasing business activity and employment in the region and providing housing for senior citizens and disabled citizens with low to moderate income. Economic development agreements entered into by the AIDA includes the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the Town the abatements have resulted in reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by the AIDA and the Town, the Town collected \$856,314 during 2019 in payments in lieu of taxes (“PILOT”); these collections were made in lieu of \$1,219,855 in property taxes.

## 19. CONTINGENCIES

**Assessments**—The Town is a defendant in various litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Town vigorously defends assessments, the likelihood of success is on a case-by-case basis, and is dependent upon many factors including market values and appraised amounts. No potential amount or potential range of loss is determinable. However, management believes that level of such potential loss, if any, would be immaterial and no provisions have been made within the financial statements.

**Grants**—In the normal course of operations, the Town receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditure that may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

***Pollution Remediation Obligations***— On February 13, 2007, the Town was issued a consent order by the New York State Department of Environmental Conservation. As part of the consent order the Town submitted a plan for the abatement of the overflow of sanitary sewer discharge in February 2011. The NYSDEC approved the plan in September 2011. As of December 31, 2019, the Town has issued debt to remediate the notice of consent and additional liabilities will be financed as remediation progresses.

## **20. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 15, 2020, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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## REQUIRED SUPPLEMENTARY INFORMATION



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**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability—**  
**Police and Fire Retirement System**  
**Last Six Fiscal Years\***

	Year Ended December 31,					
	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Town's proportion of the net pension liability (asset)	0.5124932%	0.5318793%	0.5764179%	0.5741059%	0.5128572%	0.5128572%
Town's proportionate share of the net pension liability (asset)	<u>\$ 8,594,835</u>	<u>\$ 5,376,006</u>	<u>\$ 11,325,341</u>	<u>\$ 16,998,055</u>	<u>\$ 1,411,688</u>	<u>\$ 2,135,073</u>
Town's covered payroll	\$ 16,851,145	\$ 16,614,053	\$ 16,834,399	\$ 17,032,680	\$ 16,342,612	\$ 14,344,572
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	51.0%	32.4%	67.3%	99.8%	8.6%	14.9%
Plan fiduciary net position as a percentage of the total pension liability	95.1%	96.9%	93.5%	90.2%	99.0%	98.5%

\*Information prior to the year ended December 31, 2014 is not available.



**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Contributions—**  
**Police and Fire Retirement System**  
**Last Six Fiscal Years\***

	Year Ended December 31,					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,619,015	\$ 4,607,107	\$ 4,805,801	\$ 4,975,907	\$ 5,090,970	\$ 4,776,310
Contributions in relation to the contractually required contribution	<u>(4,619,015)</u>	<u>(4,607,107)</u>	<u>(4,805,801)</u>	<u>(4,975,907)</u>	<u>(5,090,970)</u>	<u>(4,776,310)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 17,358,513	\$ 16,761,253	\$ 16,465,208	\$ 16,072,173	\$ 16,616,683	\$ 16,330,150
Contributions as a percentage of covered payroll	26.6%	27.5%	29.2%	31.0%	30.6%	29.2%

\*Information prior to the year ended December 31, 2014 is not available.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability—**  
**Employees' Retirement System**  
**Last Six Fiscal Years\***

	Year Ended December 31,					
	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Town's proportion of the net pension liability (asset)	0.0947778%	0.1002319%	0.0924143%	0.0964040%	0.1006434%	0.1006434%
Town's proportionate share of the net pension liability (asset)	<u>\$ 6,715,292</u>	<u>\$ 3,234,929</u>	<u>\$ 8,683,451</u>	<u>\$ 15,473,115</u>	<u>\$ 3,399,979</u>	<u>\$ 4,547,932</u>
Town's covered payroll	\$ 29,718,225	\$ 29,546,930	\$ 30,348,302	\$ 27,434,989	\$ 27,210,703	\$ 27,768,404
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	22.6%	10.9%	28.6%	56.4%	12.5%	16.4%
Plan fiduciary net position as a percentage of the total pension liability	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

\*Information prior to the year ended December 31, 2014 is not available.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Contributions—**  
**Employees' Retirement System**  
**Last Six Fiscal Years\***

	Year Ended December 31,					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,330,347	\$ 4,411,549	\$ 4,220,001	\$ 4,794,259	\$ 4,947,837	\$ 6,019,128
Contributions in relation to the contractually required contribution	<u>(4,330,347)</u>	<u>(4,411,549)</u>	<u>(4,220,001)</u>	<u>(4,794,259)</u>	<u>(4,947,837)</u>	<u>(6,019,128)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 30,328,975	\$ 29,505,213	\$ 29,362,605	\$ 28,857,463	\$ 27,606,404	\$ 27,664,705
Contributions as a percentage of covered payroll	14.3%	15.0%	14.4%	16.6%	17.9%	21.8%

\*Information prior to the year ended December 31, 2014 is not available.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Changes in the Town's Total OPEB Liability and Related Ratios**  
**Last Two Fiscal Years\***

	<b>Year Ended December 31,</b>	
	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>		
Service cost	\$ 4,289,006	\$ 3,862,403
Interest	7,536,995	7,580,098
Changes of assumptions	(31,665,697)	12,614,433
Differences between expected and actual experience	(8,315,741)	-
Change in benefit terms	(4,527,725)	-
Benefit payments	(5,955,612)	(5,877,430)
Net change in total OPEB liability	(38,638,774)	18,179,504
Total OPEB liability—beginning	217,787,503	199,607,999
Total OPEB liability—ending	<u>\$ 179,148,729</u>	<u>\$ 217,787,503</u>
<b>Plan Fiduciary Net Position</b>		
Contributions—employer	5,955,612	5,877,430
Benefit payments	(5,955,612)	(5,877,430)
Net change in plan fiduciary net position	-	-
Plan fiduciary net position—beginning	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>
Town's net OPEB liability—ending	<u>\$ 179,148,729</u>	<u>\$ 217,787,503</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%
Covered-employee payroll	\$ 3,316,459	N/A

\*Information prior to the year ended December 31, 2018 is not available.

The notes to the Required Supplementary Information are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Changes in the Town's Total Pension Liability—LOSAP**  
**Last Three Fiscal Years\***

	December 31,		
	2019	2018	2017
<b>Total Pension Liability</b>			
Service cost	\$ 372,403	\$ 338,367	\$ 397,324
Interest	613,353	645,513	587,498
Changes of assumptions or other inputs	(1,285,680)	1,448,727	(1,314,183)
Differences between expected and actual experience	211,783	300,779	148,264
Benefit payments	<u>(784,284)</u>	<u>(729,348)</u>	<u>(710,703)</u>
Net changes in total pension liability	<u>(872,425)</u>	<u>2,004,038</u>	<u>(891,800)</u>
Total pension liability—beginning	<u>19,429,595</u>	<u>17,425,557</u>	<u>18,317,357</u>
Total pension liability—ending	<u>\$ 18,557,170</u>	<u>\$ 19,429,595</u>	<u>\$ 17,425,557</u>
Covered-employee payroll	N/A	N/A	N/A
Total pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A

\*Information prior to the year ended December 31, 2017 is not available.

The notes to the required supplementary information is an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 28,996,302	\$ 28,996,302	\$ 28,996,302	\$ -
Other property tax items	1,064,650	1,064,650	1,199,109	134,459
Non property tax items	21,396,850	21,396,850	21,222,418	(174,432)
Departmental income	5,339,854	5,386,201	4,861,025	(525,176)
Use of money and property	332,000	332,000	383,538	51,538
Licenses and permits	82,000	82,000	40,678	(41,322)
Fines and forfeitures	2,187,000	2,187,000	1,924,821	(262,179)
Sale of property and compensation for loss	1,500	5,400	26,659	21,259
Miscellaneous	1,064,814	1,393,149	1,676,178	283,029
State aid	3,900,533	4,221,999	4,583,866	361,867
Federal aid	51,840	251,840	154,757	(97,083)
Total revenues	<u>64,417,343</u>	<u>65,317,391</u>	<u>65,069,351</u>	<u>(248,040)</u>
<b>EXPENDITURES</b>				
Current:				
General government support	12,878,643	12,741,544	12,144,531	597,013
Public safety	37,509,011	37,986,257	37,339,579	646,678
Transportation	2,192,492	2,197,727	2,118,097	79,630
Economic assistance and opportunity	3,380,608	3,534,449	3,358,806	175,643
Culture and recreation	8,908,156	8,846,236	8,822,759	23,477
Home and community services	856,032	884,424	836,804	47,620
Debt service:				
Interest	333,271	227,001	217,449	9,552
Total expenditures	<u>66,058,213</u>	<u>66,417,638</u>	<u>64,838,025</u>	<u>1,579,613</u>
Deficiency of revenues over expenditures	<u>(1,640,870)</u>	<u>(1,100,247)</u>	<u>231,326</u>	<u>1,331,573</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,716,900	3,781,722	4,456,431	674,709
Transfers out	(3,976,613)	(4,262,252)	(4,262,250)	2
Total other financing sources (uses)	<u>(259,713)</u>	<u>(480,530)</u>	<u>194,181</u>	<u>674,711</u>
Net change in fund balances*	(1,900,583)	(1,580,777)	425,507	2,006,284
Fund balances—beginning, as restated	<u>9,670,191</u>	<u>9,670,191</u>	<u>9,670,191</u>	<u>-</u>
Fund balances—ending	<u>\$ 7,769,608</u>	<u>\$ 8,089,414</u>	<u>\$ 10,095,698</u>	<u>\$ 2,006,284</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance, and re-appropriation of prior year encumbrances.

The notes to the required supplementary information is an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Highway Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 9,193,234	\$ 9,193,234	\$ 9,193,234	\$ -
Departmental income	417,876	417,876	415,581	(2,295)
Use of money and property	45,000	45,000	68,852	23,852
Sale of property and compensation for loss	65,000	70,368	65,471	(4,897)
Miscellaneous	745,167	748,199	776,949	28,750
State aid	586,497	829,265	621,588	(207,677)
Total revenues	<u>11,052,774</u>	<u>11,303,942</u>	<u>11,141,675</u>	<u>(162,267)</u>
<b>EXPENDITURES</b>				
Current:				
General government support	8,808	9,327	8,808	519
Transportation	10,191,056	10,585,909	9,576,185	1,009,724
Debt service:				
Principal	213,640	213,640	213,639	1
Interest	265,390	258,600	218,958	39,642
Total expenditures	<u>10,678,894</u>	<u>11,067,476</u>	<u>10,017,590</u>	<u>1,049,886</u>
Deficiency of revenues over expenditures	<u>373,880</u>	<u>236,466</u>	<u>1,124,085</u>	<u>887,619</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	149,089	149,089
Transfers out	(1,128,559)	(1,145,604)	(1,138,509)	7,095
Total other financing sources (uses)	<u>(1,128,559)</u>	<u>(1,145,604)</u>	<u>(989,420)</u>	<u>156,184</u>
Net change in fund balances*	(754,679)	(909,138)	134,665	1,043,803
Fund balances—beginning	<u>3,399,709</u>	<u>3,399,709</u>	<u>3,399,709</u>	<u>-</u>
Fund balances—ending	<u>\$ 2,645,030</u>	<u>\$ 2,490,571</u>	<u>\$ 3,534,374</u>	<u>\$ 1,043,803</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information is an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Fire Protection Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 6,096,108	\$ 6,096,108	\$ 6,096,106	\$ (2)
Use of money and property	425	425	7,134	6,709
Miscellaneous	7,531	100,637	659,853	559,216
Total revenues	<u>6,104,064</u>	<u>6,197,170</u>	<u>6,763,093</u>	<u>565,923</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	6,104,945	6,228,660	6,183,654	45,006
Total expenditures	<u>6,104,945</u>	<u>6,228,660</u>	<u>6,183,654</u>	<u>45,006</u>
Excess of revenues over expenditures	<u>(881)</u>	<u>(31,490)</u>	<u>579,439</u>	<u>520,917</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	-	31,490	31,490	-
Total other financing sources	<u>-</u>	<u>31,490</u>	<u>31,490</u>	<u>-</u>
Net change in fund balances*	(881)	-	610,929	610,929
Fund balances—beginning, as restated	<u>12,200,470</u>	<u>12,200,470</u>	<u>12,200,470</u>	<u>-</u>
Fund balances—ending	<u>\$ 12,199,589</u>	<u>\$ 12,200,470</u>	<u>\$ 12,811,399</u>	<u>\$ 610,929</u>

\* The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

The notes to the required supplementary information is an integral part of this schedule.



**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Sewer Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 15,990,811	\$ 15,990,811	\$ 15,990,811	\$ -
Departmental income	591,701	603,057	503,010	(100,047)
Intergovernmental revenues	2,480,000	2,480,000	2,634,044	154,044
Use of money and property	92,500	92,500	198,464	105,964
Sale of property and compensation for loss	15,000	15,000	13,135	(1,865)
Miscellaneous	294,271	297,503	212,245	(85,258)
Total revenues	<u>19,464,283</u>	<u>19,478,871</u>	<u>19,551,709</u>	<u>72,838</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	15,940,015	15,442,589	15,329,291	113,298
Debt service:				
Interest	-	231,616	222,143	9,473
Total expenditures	<u>15,940,015</u>	<u>15,674,205</u>	<u>15,551,434</u>	<u>122,771</u>
Excess of revenues over expenditures	<u>3,524,268</u>	<u>3,804,666</u>	<u>4,000,275</u>	<u>195,609</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,006,161	1,006,161	1,629,010	622,849
Transfers out	(7,134,572)	(7,246,970)	(6,739,171)	507,799
Total other financing sources (uses)	<u>(6,128,411)</u>	<u>(6,240,809)</u>	<u>(5,110,161)</u>	<u>1,130,648</u>
Net change in fund balance*	(2,604,143)	(2,436,143)	(1,109,886)	1,326,257
Fund balances—beginning	<u>9,181,287</u>	<u>9,181,287</u>	<u>9,181,287</u>	<u>-</u>
Fund balances—ending	<u>\$ 6,577,144</u>	<u>\$ 6,745,144</u>	<u>\$ 8,071,401</u>	<u>\$ 1,326,257</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information is an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2019**

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**1. OPEB LIABILITY**

*Changes of Assumptions*—The actuarial cost method used as of January 1, 2019 was the Entry Age Normal Level Percent of Pay method as prescribed under GASB 75.

The rate used to discount future plan cash flows increased from 3.44% to 4.1% as of January 1, 2019 based on a review of a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

The mortality assumption was revised as of January 1, 2019 to the sex-distinct RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for mortality improvements with scale MP-2017 mortality improvement scale on a generational basis.

**2. PENSION LIABILITY—LOSAP**

*Changes of Assumptions or Other Inputs*—The discount rate used to measure the total pension liability was based on yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2018	3.64%
December 31, 2017	3.16%

*Trust Assets*—There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73 to pay related benefits.

**3. BUDGETARY INFORMATION**

*Budgetary Basis of Accounting*—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Special Grant Fund, the Special Purpose Fund, the Capital Projects Fund, and the Debt Service Fund. The Special Grant Fund, the Special Purpose Fund and the Capital Projects Fund appropriations are not included in the Town's annual budget. Instead appropriations are approved through a Town Board resolution at the grant/funding/project's inception and lapse upon completion/termination of the grant/funding/project. Debt Service Fund appropriations are budgeted within the Town's operating funds and then are transferred to the Debt Service Fund where the principal and interest payments are made.

The appropriated budget is prepared by fund, function, and department. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

## SUPPLEMENTARY INFORMATION



# COMBINING STATEMENTS OF NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

**Special Purpose Special Revenue Fund**—maintains funds that are handled by the Town, deposited on behalf of another party and designated for a specified purpose.

**Town Outside Village Special Revenue Fund**—accounts for selected services which by New York State statute cannot be charged to residents of the Village located within the Town.

**Nonmajor Special Districts Special Revenue Funds**—funds that maintain various systems throughout the Town but are not considered a major fund.

- **Lighting District**—accounts for lighting services provided to areas within the Town.
- **Community Environment**—accounts for sanitation services provided within the Town.
- **Water District**—accounts for water services provided to areas within the Town.
- **Drainage District**—accounts for drainage services provided to areas within the Town.

**Debt Service Fund**—accounts for the payment of principal and interest on serial bonds within all governmental funds.



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**TOWN OF AMHERST, NEW YORK**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**December 31, 2019**

	<u>Special Revenue</u>				
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>	<u>Debt Service Fund</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 1,645,219	\$ 6,218,617	\$ -	\$ 7,863,836
Restricted cash and cash equivalents	2,226,185	-	-	2,049,685	4,275,870
Receivables	-	351,900	537,367	-	889,267
Due from other funds	28,174	-	24,265	315,632	368,071
Intergovernmental receivables	20,833	49,523	35,312	-	105,668
Prepaid items	-	158,092	171,005	-	329,097
Total assets	<u>\$ 2,275,192</u>	<u>\$ 2,204,734</u>	<u>\$ 6,986,566</u>	<u>\$ 2,365,317</u>	<u>\$ 13,831,809</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 22,879	\$ 110,901	\$ 1,378,538	\$ -	\$ 1,512,318
Accrued liabilities	245	158,171	196,367	-	354,783
Due to other funds	743,559	247,945	1,241,573	-	2,233,077
Total liabilities	<u>766,683</u>	<u>517,017</u>	<u>2,816,478</u>	<u>-</u>	<u>4,100,178</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Mortgage and lease receivable	-	-	530,875	-	530,875
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>530,875</u>	<u>-</u>	<u>530,875</u>
<b>FUND BALANCES</b>					
Nonspendable	-	158,092	171,005	-	329,097
Restricted	1,508,509	-	-	2,365,317	3,873,826
Assigned	-	1,529,625	3,468,208	-	4,997,833
Total fund balances	<u>1,508,509</u>	<u>1,687,717</u>	<u>3,639,213</u>	<u>2,365,317</u>	<u>9,200,756</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,275,192</u>	<u>\$ 2,204,734</u>	<u>\$ 6,986,566</u>	<u>\$ 2,365,317</u>	<u>\$ 13,831,809</u>



**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances—**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2019**

	<u>Special Revenue</u>			<u>Debt Service Fund</u>	<u>Total Nonmajor Funds</u>
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>		
<b>REVENUES</b>					
Real property taxes	\$ 44,951	\$ 2,487,678	\$ 17,081,475	\$ -	\$ 19,614,104
Departmental income	40,616	12,650	41,724	-	94,990
Use of money and property	19,754	18,238	209,205	-	247,197
Licenses and permits	21,000	3,414,732	-	-	3,435,732
Sale of property and compensation for loss	-	15,866	144,247	-	160,113
Miscellaneous	471,201	112,656	160,460	-	744,317
State aid	-	121,218	35,974	-	157,192
Total revenues	<u>597,522</u>	<u>6,183,038</u>	<u>17,673,085</u>	<u>-</u>	<u>24,453,645</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	3,345,938	443,433	-	3,789,371
Transportation	-	-	3,160,151	-	3,160,151
Culture and recreation	30,188	-	-	-	30,188
Home and community services	132,752	1,550,418	11,362,586	-	13,045,756
Debt service:					
Principal	-	-	-	8,148,865	8,148,865
Interest	2,401	6,854	198,886	2,460,814	2,668,955
Total expenditures	<u>165,341</u>	<u>4,903,210</u>	<u>15,165,056</u>	<u>10,609,679</u>	<u>30,843,286</u>
Excess (deficiency) of revenues over expenditures	<u>432,181</u>	<u>1,279,828</u>	<u>2,508,029</u>	<u>(10,609,679)</u>	<u>(6,389,641)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	109,509	-	786,275	10,925,317	11,821,101
Transfers out	(996,710)	(34,248)	(2,939,409)	(3,049,089)	(7,019,456)
Premium on obligations	-	-	-	817,045	817,045
Total other financing sources (uses)	<u>(887,201)</u>	<u>(34,248)</u>	<u>(2,153,134)</u>	<u>8,693,273</u>	<u>5,618,690</u>
Net change in fund balances	(455,020)	1,245,580	354,895	(1,916,406)	(770,951)
Fund balances—beginning	<u>1,963,529</u>	<u>442,137</u>	<u>3,284,318</u>	<u>4,281,723</u>	<u>9,971,707</u>
Fund balances—ending	<u>\$ 1,508,509</u>	<u>\$ 1,687,717</u>	<u>\$ 3,639,213</u>	<u>2,365,317</u>	<u>\$ 9,200,756</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Balance Sheet—Nonmajor Special District Funds**  
**December 31, 2019**

	<u>Special Revenue</u>				<u>Total Nonmajor Special Districts</u>
	<u>Lighting District</u>	<u>Community Environment</u>	<u>Water District</u>	<u>Drainage District</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 622,010	\$ 1,864,498	\$ 1,589,040	\$ 2,143,069	\$ 6,218,617
Receivables	-	531,840	-	5,527	537,367
Due from other funds	-	-	24,265	-	24,265
Intergovernmental receivables	-	35,312	-	-	35,312
Prepaid items	7,588	46,436	-	116,981	171,005
Total assets	<u>\$ 629,598</u>	<u>\$ 2,478,086</u>	<u>\$ 1,613,305</u>	<u>\$ 2,265,577</u>	<u>\$ 6,986,566</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 257,407	\$ 1,015,442	\$ 47,014	\$ 58,675	\$ 1,378,538
Accrued liabilities	3,051	16,479	2,167	174,670	196,367
Due to other funds	1,138	188,409	2,276	1,049,750	1,241,573
Total liabilities	<u>261,596</u>	<u>1,220,330</u>	<u>51,457</u>	<u>1,283,095</u>	<u>2,816,478</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Mortgage and lease receivable	-	530,875	-	-	530,875
Total deferred inflows of resources	<u>-</u>	<u>530,875</u>	<u>-</u>	<u>-</u>	<u>530,875</u>
<b>FUND BALANCES</b>					
Nonspendable	7,588	46,436	-	116,981	171,005
Assigned	360,414	680,445	1,561,848	865,501	3,468,208
Total fund balances	<u>368,002</u>	<u>726,881</u>	<u>1,561,848</u>	<u>982,482</u>	<u>3,639,213</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 629,598</u>	<u>\$ 2,478,086</u>	<u>\$ 1,613,305</u>	<u>\$ 2,265,577</u>	<u>\$ 6,986,566</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances—**  
**Nonmajor Special District Funds**  
**Year Ended December 31, 2019**

	<u>Special Revenue</u>				<u>Total Nonmajor Special Districts</u>
	<u>Lighting District</u>	<u>Community Environment</u>	<u>Water District</u>	<u>Drainage District</u>	
<b>REVENUES</b>					
Real property taxes	\$ 3,216,617	\$ 7,406,812	\$ 1,121,124	\$ 5,336,922	\$ 17,081,475
Departmental income	-	41,724	-	-	41,724
Use of money and property	22,270	92,592	30,161	64,182	209,205
Sale of property and compensation for loss	-	144,247	-	-	144,247
Miscellaneous	2,283	27,040	-	131,137	160,460
State aid	-	35,312	-	662	35,974
Total revenues	<u>3,241,170</u>	<u>7,747,727</u>	<u>1,151,285</u>	<u>5,532,903</u>	<u>17,673,085</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	443,433	-	-	443,433
Transportation	3,160,151	-	-	-	3,160,151
Home and community services	-	6,919,701	92,475	4,350,410	11,362,586
Debt service:					
Interest	-	4,507	153,873	40,506	198,886
Total expenditures	<u>3,160,151</u>	<u>7,367,641</u>	<u>246,348</u>	<u>4,390,916</u>	<u>15,165,056</u>
Excess (deficiency) of revenues over expenditures	<u>81,019</u>	<u>380,086</u>	<u>904,937</u>	<u>1,141,987</u>	<u>2,508,029</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	26,625	317,222	442,428	786,275
Transfers out	(8,336)	(231,971)	(1,279,405)	(1,419,697)	(2,939,409)
Total other financing sources (uses)	<u>(8,336)</u>	<u>(205,346)</u>	<u>(962,183)</u>	<u>(977,269)</u>	<u>(2,153,134)</u>
Net change in fund balances	72,683	174,740	(57,246)	164,718	354,895
Fund balances—beginning	295,319	552,141	1,619,094	817,764	3,284,318
Fund balances—ending	<u>\$ 368,002</u>	<u>\$ 726,881</u>	<u>\$ 1,561,848</u>	<u>\$ 982,482</u>	<u>\$ 3,639,213</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Net Position—Internal Service Funds**  
**December 31, 2019**

	<b>Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents			
Restricted cash and cash equivalents	\$ 327,290	\$ 136,421	\$ 463,711
Receivables	-	76,824	76,824
Total current assets	<u>327,290</u>	<u>213,245</u>	<u>540,535</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	135,630	92,112	227,742
Accrued liabilities	550,000	3,840,581	4,390,581
Due to other funds	1,500,000	-	1,500,000
Bond anticipation notes payable	2,254,000	-	2,254,000
Total current liabilities	<u>4,439,630</u>	<u>3,932,693</u>	<u>8,372,323</u>
<b>NET POSITION</b>			
Unrestricted	<u>(4,112,340)</u>	<u>(3,719,448)</u>	<u>(7,831,788)</u>
Net position	<u>\$ (4,112,340)</u>	<u>\$ (3,719,448)</u>	<u>\$ (7,831,788)</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Net Position—Internal Service Funds**  
**December 31, 2019**

	<b>Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Total</b>
Operating revenues:			
Contributions	\$ 3,718,565	\$ 1,642,285	\$ 5,360,850
Miscellaneous	132,536	8,925	141,461
Total operating revenues	<u>3,851,101</u>	<u>1,651,210</u>	<u>5,502,311</u>
Operating expenses:			
Administrative expenses	428,370	46,900	475,270
Judgments and claim expenses	655,397	2,143,028	2,798,425
Total operating expenses	<u>1,083,767</u>	<u>2,189,928</u>	<u>3,273,695</u>
Operating income (loss)	<u>2,767,334</u>	<u>(538,718)</u>	<u>2,228,616</u>
Nonoperating revenues (expenses):			
Interest expense	(106,568)	-	(106,568)
Interest income	11,288	3,378	14,666
Total nonoperating revenues (expenses)	<u>(95,280)</u>	<u>3,378</u>	<u>(91,902)</u>
Income (loss) before transfers	<u>2,672,054</u>	<u>(535,340)</u>	<u>2,136,714</u>
Transfers in	-	400,000	400,000
Transfers out	(400,000)	-	(400,000)
Total transfers in (out)	<u>(400,000)</u>	<u>400,000</u>	<u>-</u>
Change in net position	2,272,054	(135,340)	2,136,714
Net position—beginning	<u>(6,384,394)</u>	<u>(3,584,108)</u>	<u>(9,968,502)</u>
Net position—ending	<u>\$ (4,112,340)</u>	<u>\$ (3,719,448)</u>	<u>\$ (7,831,788)</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Cash Flows—Internal Service Funds**  
**December 31, 2019**

	<b>Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from participating funds	\$ 3,737,423	\$ 1,687,717	\$ 5,425,140
Receipts from reimbursements and settlement recoveries	132,536	8,925	141,461
Payments for administrative fees, supporting services and judgments and claims	<u>(4,163,872)</u>	<u>(2,182,662)</u>	<u>(6,346,534)</u>
Net cash used for operating activities	<u>(293,913)</u>	<u>(486,020)</u>	<u>(779,933)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payment of loans to the Sewer Fund	(1,500,000)	-	(1,500,000)
Interfund transfers	(400,000)	400,000	-
Principal payments on bond anticipation notes	(1,025,000)	-	(1,025,000)
Interest on bond anticipation notes	<u>(106,568)</u>	<u>-</u>	<u>(106,568)</u>
Net cash (used for) provided by noncapital financing activities	<u>(3,031,568)</u>	<u>400,000</u>	<u>(2,631,568)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	11,288	3,378	14,666
Net cash provided by investing activities	<u>11,288</u>	<u>3,378</u>	<u>14,666</u>
Net (decrease) in cash and cash equivalents	(3,314,193)	(82,642)	(3,396,835)
Cash and cash equivalents—beginning	<u>3,641,483</u>	<u>219,063</u>	<u>3,860,546</u>
Cash and cash equivalents—ending	<u>\$ 327,290</u>	<u>\$ 136,421</u>	<u>\$ 463,711</u>
<b>Reconciliation of operating income (loss) to net cash used for operating activities:</b>			
Operating income (loss)	\$ 2,767,334	\$ (538,718)	\$ 2,228,616
Adjustments to reconcile operating income (loss) to net cash provided by operations:			
Decrease (increase) in receivables	18,858	(20,405)	(1,547)
Decrease in due from other funds	-	65,837	65,837
Increase (decrease) in accounts payable	55,208	(69,136)	(13,928)
Increase in accrued liabilities	-	76,402	76,402
(Decrease) in deferred inflows of resources	<u>(3,135,313)</u>	<u>-</u>	<u>(3,135,313)</u>
Total adjustments	<u>(3,061,247)</u>	<u>52,698</u>	<u>(3,008,549)</u>
Net cash used for operating activities	<u>\$ (293,913)</u>	<u>\$ (486,020)</u>	<u>\$ (779,933)</u>

## OTHER INFORMATION





**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Town Outside Village Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 2,487,678	\$ 2,487,678	\$ 2,487,678	\$ -
Departmental income	36,000	36,000	12,650	(23,350)
Use of money and property	9,000	9,000	18,238	9,238
Licenses and permits	2,884,000	2,884,000	3,414,732	530,732
Sale of property and compensation for loss	-	-	15,866	15,866
Miscellaneous	71,687	108,477	112,656	4,179
State aid	-	326,738	121,218	(205,520)
Total revenues	<u>5,488,365</u>	<u>5,851,893</u>	<u>6,183,038</u>	<u>331,145</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	4,074,525	4,041,892	3,345,938	695,954
Home and community services	1,480,720	1,873,114	1,550,418	322,696
Interest	-	6,854	6,854	-
Total expenditures	<u>5,555,245</u>	<u>5,921,860</u>	<u>4,903,210</u>	<u>1,018,650</u>
Excess (deficiency) of revenues over expenditures	<u>(66,880)</u>	<u>(69,967)</u>	<u>1,279,828</u>	<u>1,349,795</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(41,355)</u>	<u>(34,501)</u>	<u>(34,248)</u>	<u>253</u>
Total other financing uses	<u>(41,355)</u>	<u>(34,501)</u>	<u>(34,248)</u>	<u>253</u>
Net change in fund balances*	(108,235)	(104,468)	1,245,580	1,350,048
Fund balances—beginning	<u>442,137</u>	<u>442,137</u>	<u>442,137</u>	<u>-</u>
Fund balances—ending	<u>\$ 333,902</u>	<u>\$ 337,669</u>	<u>\$ 1,687,717</u>	<u>\$ 1,350,048</u>

\* The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Lighting District Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 3,216,617	\$ 3,216,617	\$ 3,216,617	\$ -
Use of money and property	13,350	13,350	22,270	8,920
Miscellaneous	1,774	1,772	2,283	511
Total revenues	<u>3,231,741</u>	<u>3,231,739</u>	<u>3,241,170</u>	<u>9,431</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>3,224,000</u>	<u>3,223,238</u>	<u>3,160,151</u>	<u>63,087</u>
Total expenditures	<u>3,224,000</u>	<u>3,223,238</u>	<u>3,160,151</u>	<u>63,087</u>
Deficiency of revenues over expenditures	<u>7,741</u>	<u>8,501</u>	<u>81,019</u>	<u>72,518</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(8,500)</u>	<u>(8,501)</u>	<u>(8,336)</u>	<u>165</u>
Total other financing uses	<u>(8,500)</u>	<u>(8,501)</u>	<u>(8,336)</u>	<u>165</u>
Net change in fund balances*	(759)	-	72,683	72,683
Fund balances—beginning	<u>295,319</u>	<u>295,319</u>	<u>295,319</u>	<u>-</u>
Fund balances—ending	<u>\$ 294,560</u>	<u>\$ 295,319</u>	<u>\$ 368,002</u>	<u>\$ 72,683</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Community Environment Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 7,406,812	\$ 7,406,812	\$ 7,406,812	\$ -
Departmental income	10,000	26,620	41,724	15,104
Use of money and property	57,433	57,433	92,592	35,159
Sale of property and compensation for loss	159,657	159,657	144,247	(15,410)
Miscellaneous	16,868	68,220	27,040	(41,180)
State Aid	-	51,352	35,312	(16,040)
Total revenues	<u>7,650,770</u>	<u>7,770,094</u>	<u>7,747,727</u>	<u>(22,367)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	453,723	551,530	443,433	108,097
Home and community services	6,996,047	7,008,711	6,919,701	89,010
Interest	-	4,507	4,507	-
Total expenditures	<u>7,449,770</u>	<u>7,564,748</u>	<u>7,367,641</u>	<u>197,107</u>
Excess of revenues over expenditures	<u>201,000</u>	<u>205,346</u>	<u>380,086</u>	<u>174,740</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	26,625	26,625	26,625	-
Transfers out	(236,109)	(231,971)	(231,971)	-
Total other financing sources (uses)	<u>(209,484)</u>	<u>(205,346)</u>	<u>(205,346)</u>	<u>-</u>
Net change in fund balances*	(8,484)	-	174,740	174,740
Fund balances—beginning	552,141	552,141	552,141	-
Fund balances—ending	<u>\$ 543,657</u>	<u>\$ 552,141</u>	<u>\$ 726,881</u>	<u>\$ 174,740</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Water District Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 1,121,124	\$ 1,121,124	\$ 1,121,124	\$ -
Use of money and property	<u>11,000</u>	<u>11,000</u>	<u>30,161</u>	<u>19,161</u>
Total revenues	<u>1,132,124</u>	<u>1,132,124</u>	<u>1,151,285</u>	<u>19,161</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	310,399	233,490	92,475	141,015
Debt service:				
Interest	<u>202,025</u>	<u>153,873</u>	<u>153,873</u>	<u>-</u>
Total expenditures	<u>512,424</u>	<u>387,363</u>	<u>246,348</u>	<u>141,015</u>
Excess of revenues over expenditures	<u>619,700</u>	<u>744,761</u>	<u>904,937</u>	<u>160,176</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	217,509	217,509	317,222	99,713
Transfers out	<u>(1,314,281)</u>	<u>(1,362,434)</u>	<u>(1,279,405)</u>	<u>83,029</u>
Total other financing sources (uses)	<u>(1,096,772)</u>	<u>(1,144,925)</u>	<u>(962,183)</u>	<u>182,742</u>
Net change in fund balances*	(477,072)	(400,164)	(57,246)	342,918
Fund balances—beginning	<u>1,619,094</u>	<u>1,619,094</u>	<u>1,619,094</u>	<u>-</u>
Fund balances—ending	<u>\$ 1,142,022</u>	<u>\$ 1,218,930</u>	<u>\$ 1,561,848</u>	<u>\$ 342,918</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances—**  
**Budget and Actual—Drainage District Fund**  
**Year Ended December 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 5,336,922	\$ 5,336,923	\$ 5,336,922	\$ (1)
Use of money and property	26,600	26,600	64,182	37,582
Miscellaneous	92,162	92,162	131,137	38,975
State aid	-	662	662	-
Total revenues	<u>5,455,684</u>	<u>5,456,347</u>	<u>5,532,903</u>	<u>76,556</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	4,526,684	4,438,043	4,350,410	87,633
Debt service:				
Interest	-	40,506	40,506	-
Total expenditures	<u>4,526,684</u>	<u>4,478,549</u>	<u>4,390,916</u>	<u>87,633</u>
Excess of revenues over expenditures	<u>929,000</u>	<u>977,798</u>	<u>1,141,987</u>	<u>164,189</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	436,523	436,523	442,428	5,905
Transfers out	(1,464,109)	(1,424,454)	(1,419,697)	4,757
Total other financing sources (uses)	<u>(1,027,586)</u>	<u>(987,931)</u>	<u>(977,269)</u>	<u>10,662</u>
Net change in fund balances*	(98,586)	(10,133)	164,718	174,851
Fund balances—beginning	<u>817,764</u>	<u>817,764</u>	<u>817,764</u>	<u>-</u>
Fund balances—ending	<u>\$ 719,178</u>	<u>\$ 807,631</u>	<u>\$ 982,482</u>	<u>\$ 174,851</u>

\* The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

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# FEDERAL AWARDS INFORMATION





**TOWN OF AMHERST, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2019**

<b>Federal Grantor/Pass-through Grantor/Program Title (1a)</b>	<b>Federal CFDA Number (1b)</b>	<b>Pass-Through Entity Identifying Number (1c)</b>	<b>Passed- Through to Subrecipients</b>	<b>Total Federal Expenditures (1d)</b>
<b>Department of Housing and Urban Development:</b>				
<i>Direct Programs:</i>				
Supportive Housing for Persons with Disabilities	14.181	N/A	\$ -	\$ 939,678
Community Development Block Grants/Entitlement Grants	14.218	N/A	119,961	428,385
Total Community Development Block Grants/Entitlement Grants Cluster			119,961	428,385
Home Investment Partnerships Program	14.239	N/A	-	731,780
Total Home Investment Partnerships Program			-	731,780
Lower Income Housing Assitance Program Section 8				
Moderate Rehabilitation	14.856	N/A	-	734,490
Total Section 8 Project-Based Cluster			-	734,490
Section 8 Housing Choice Vouchers	14.871	N/A	-	30,332,771
Total Housing Voucher Cluster			-	30,332,771
<b>Total U.S. Department of Housing and Urban Development</b>			<b>119,961</b>	<b>33,167,104</b>
<b>U.S. Department of Justice:</b>				
<i>Direct Program:</i>				
Equitable Sharing Program	16.922	N/A	-	40,154
<b>Total U.S. Department of Justice</b>			<b>-</b>	<b>40,154</b>
<b>U.S. Department of Transportation</b>				
<i>Passed through the NYS Department of Transportation</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	N/A	-	1,355,837
Highway Planning and Construction	20.205	N/A	-	1,383,045
Highway Planning and Construction	20.205	N/A	-	78,103
Total Highway Planning and Construction Cluster			-	2,816,985
<b>Total U.S. Department of Transportation</b>			<b>-</b>	<b>2,816,985</b>
<b>U.S. Department of Health and Human Services:</b>				
<i>Passed through the County of Erie, New York:</i>				
Aging Cluster				
Special Programs for the Aging—Title III				
Part C Nutrition Services	93.045	III C-1 2019	-	54,766
Total Aging Cluster			-	54,766
<b>Total U.S. Department of Health and Human Services</b>			<b>-</b>	<b>54,766</b>
<b>U.S. Department of Homeland Security:</b>				
<i>Direct Program:</i>				
Homeland Security Grant Program	97.067	N/A	-	101,188
<b>Total U.S. Department of Justice</b>			<b>-</b>	<b>101,188</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)</b>			<b>\$ 119,961</b>	<b>\$ 36,180,197</b>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2019**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Town under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town. The following notes were identified on the schedule of expenditures of federal awards:

- (a) Includes all federal award programs of the Town of Amherst, New York. The Amherst Industrial Development Agency and Amherst Development Corporation do not receive any federal awards.
- (b) Source: Catalog of Federal Domestic Assistance.
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the financial statements is available.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principle contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

**3. MATCHING COSTS**

Matching costs, i.e., the Town’s share of certain program costs, are not included in the reported expenditures.

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Certified Public Accountants

**INDEPENDENT AUDITORS' 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**

Honorable Town Board  
Town of Amherst, 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 activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Amherst, New York (the "Town") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 15, 2020 (which report includes an emphasis of matter paragraph regarding the implementation of GASB Statement No. 84). Our report includes a reference to other auditors who audited the financial statements of the Town of Amherst Industrial Development Agency and the Amherst Development Corporation, as described in our report on the Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2019-001 that we consider to be a significant deficiency.

### **Compliance and Other Matters**

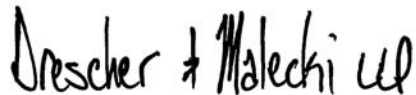
As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect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

### **The Town's Response to Findings**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



May 15, 2020

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Town Board  
Town of Amherst, New York:

**Report on Compliance for Each Major Federal Program**

We have audited Town of Amherst, New York's (the "Town") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget* ("OMB") *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2019. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The Town's basic financial statements include the operations of the Amherst Industrial Development Agency (the "Agency") and the Amherst Industrial Development Corporation (the "Corporation"), which represented that they did not receive federal awards, and are not included in the Schedule of Expenditures of Federal Awards during the year ended December 31, 2019. Our compliance audit, described below, did not include the operations of the Agency.

***Management's Responsibility***

The Town's management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

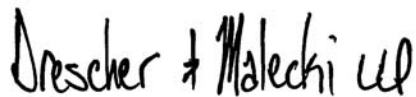
### **Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



May 15, 2020

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2019**

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**Section I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of report the auditor issued: Unmodified\*  
 (\* which report includes an emphasis of matter paragraph regarding the implementation of GASB  
 Statement No. 84 and includes a reference to other auditors)

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ <input checked="" type="checkbox"/> Yes	_____ None reported
Noncompliance material to the financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No

**Federal Awards:**

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported

Type of report the auditor issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	_____ <input checked="" type="checkbox"/> No
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Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs?		\$ <u>1,085,406</u>
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/> Yes	_____ No

## Section II. FINANCIAL STATEMENT FINDINGS SECTION

*We consider the deficiency presented below to be a significant deficiency in internal control.*

### **Finding 2019-001—Hiring, Termination and Transfer Process**

*Criteria:* The policies and procedures that are utilized within the Town when an employee is hired, terminated or transferred should be evaluated and updated periodically. The Town should have a universal separation policy that outlines these processes in order to assure all steps are properly being performed based on type of termination; whether it be retirement, resignation, termination, etc., and type of employee. These policies should include whether a change form to notify the Information Technology Department is required to be submitted, the timely notification of the Comptroller's office of all terminations and transfers and the process for the collection of keys. All affected departments should be notified in a timely manner when there is a change in employment status of an employee of the Town.

*Condition and Context:* The separation procedures followed by the Town vary by the type of employee and department; however, there is no formal documentation of the different processes. For example, a change form is required to be submitted to the Information Technology Department when an employee is hired, terminated or transferred. However, if the employee does not have rights to the Town's computer system, a change form is not required. The Town should adopt a formal policy which outlines the specific procedures to be followed for each type of employee.

Additionally, upon retirement, certain employees have the option of receiving a lump sum payment of their compensated absences balance or they can have this balance applied towards future health insurance payments. Upon termination or transfer, the Comptroller's office should be notified that it will be the employee's final paycheck prior to processing payroll in order for an additional review to be performed and to acknowledge the employee's pay out preference relating to their compensated absences balance. If the Comptroller's office is not notified as to which option the employee has chosen and a lump sum payout is made, the payout cannot be applied towards future health insurance payments.

Further, upon termination, department heads should be collecting employee keys if applicable and returning them to the Building Maintenance Department along with an updated Key Inventory Tracking System Log. It was noted that some departments are unaware of the procedures to be followed regarding the collection of keys and are not updating the Key Inventory Tracking System log.

*Cause:* The Town has not established a formal policies and procedures manual the hiring, termination and transfer of employees which outlines the procedures to be followed for each type of employee.

*Effect or Potential Effect:* Information technology access, payroll records and physical access may not be updated in a timely manner.

*Recommendation:* We recommend that uniform policies and procedures be established for each type of employee change including proper notification of the Information Technology Department, Comptroller's Department and Building Maintenance Department. Additionally, the checklists and forms that are currently utilized should be periodically evaluated and updated, if needed. Items within these forms should be dated and initialed once an action is completed. Periodic training sessions should be provided to all employees responsible for recordkeeping, tracking of employees'



timesheets and payroll to regarding Town's policies and procedures, union contracts and applicable laws and regulations.

*Managements Corrective Action Plan:* Similar to the prior year, while there are standard procedures in place for the various departments providing this information, due to the diversity in size and operations of the many departments in the Town, information is not always provided in a consistent manner. The Human Resources Department continues to plan on meeting with department heads and payroll personnel responsible for submitting documentation on separated employees in order to address this issue and develop more consistency among the departments in providing information in a more accurate and timely manner. Through these meetings a better understanding of exactly how their processes work should be obtained while focusing on the nuances of the department and any special issues or challenges they may face. Once a better understanding of how the processes work in each department, the Town can begin to develop and ultimately implement a series of guidelines and possibly a checklist to help facilitate more accurate and timely reporting. Once uniform guidelines that should work for every department based on the information gathered have been developed, the Human Resources Department will meet with all of the payroll personnel to introduce and train them on a more consistent, systematic method of providing that information. The Human Resources Department will also encourage departments to cross train and have backup people in place so that someone is ready and available to step in should regular payroll personnel retire or become incapacitated.

### **Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings noted.

**TOWN OF AMHERST, NEW YORK**  
**Summary Schedule of Prior Audit Findings**  
**and Corrective Action Plan**  
**Year Ended December 31, 2019**  
**(Follow-up of December 31, 2018 findings)**

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**Finding 2018-001—Hiring, Termination and Transfer Process**

*Criteria:* The policies and procedures that are utilized within the Town when an employee is hired, terminated or transferred should be evaluated and updated periodically. The Town should have a universal separation policy that outlines these processes in order to assure all steps are properly being performed based on type of termination; whether it be retirement, resignation, termination, etc., and type of employee. These policies should include whether a change form to notify the Information Technology Department is required to be submitted, the timely notification of the Comptroller's office of all terminations and transfers and the process for the collection of keys. All affected departments should be notified in a timely manner when there is a change in employment status of an employee of the Town.

*Condition and Context:* The separation procedures followed by the Town vary by the type of employee and department; however, there is no formal documentation of the different processes. For example, a change form is required to be submitted to the Information Technology Department when an employee is hired, terminated or transferred. However, if the employee does not have rights to the Town's computer system, a change form is not required. The Town should adopt a formal policy which outlines the specific procedures to be followed for each type of employee.

Additionally, upon retirement, certain employees have the option of receiving a lump sum payment of their compensated absences balance or they can have this balance applied towards future health insurance payments. Upon termination or transfer, the Comptroller's office should be notified that it will be the employee's final paycheck prior to processing payroll in order for an additional review to be performed and to acknowledge the employee's pay out preference relating to their compensated absences balance. If the Comptroller's office is not notified as to which option the employee has chosen and a lump sum payout is made, the payout cannot be applied towards future health insurance payments.

Further, upon termination, department heads should be collecting employee keys if applicable and returning them to the Building Maintenance Department along with an updated Key Inventory Tracking System Log. It was noted that some departments are unaware of the procedures to be followed regarding the collection of keys and are not updating the Key Inventory Tracking System log.

*Cause:* The Town has not established a formal policies and procedures manual the hiring, termination and transfer of employees which outlines the procedures to be followed for each type of employee.

*Effect or Potential Effect:* Information technology access, payroll records and physical access may not be updated in a timely manner.

*Recommendation:* We recommend that uniform policies and procedures be established for each type of employee change including proper notification of the Information Technology Department, Comptroller's Department and Building Maintenance Department. Additionally, the checklists and forms that are currently utilized should be periodically evaluated and updated, if needed. Items within these forms should be dated and initialed once an action is completed. Periodic training

sessions should be provided to all employees responsible for recordkeeping, tracking of employees' timesheets and payroll to regarding Town's policies and procedures, union contracts and applicable laws and regulations.

*Managements Corrective Action Plan:* The Human Resources Department has found that the majority of issues encountered, with regard to untimely reporting or mis-notifications regarding employee separations, are generated at the department level. They found the same is true in the case of timesheets submitted with inaccurate hours for such employees. While there are standard procedures in place for the various departments providing this information, due to the diversity in size and operations of the many departments in the Town, information is not always provided in a consistent manner.

In order to address this issue and develop more consistency among the departments in providing information in a more accurate and timely manner, the Human Resources Department is going to meet with department heads and payroll personnel responsible for submitting documentation on separated employees. Through these meetings a better understanding of exactly how their processes work should be obtained while focusing on the nuances of the department and any special issues or challenges they may face. Once a better understanding of how the processes work in each department, the Town can begin to develop and ultimately implement a series of guidelines and possibly a checklist to help facilitate more accurate and timely reporting. Once uniform guidelines that should work for every department based on the information gathered have been developed, the Human Resources Department will meet with all of the payroll personnel to introduce and train them on a more consistent, systematic method of providing that information. The Human Resources Department will also encourage departments to cross train and have backup people in place so that someone is ready and available to step in should regular payroll personnel retire or become incapacitated. Additionally, a new time and attendance program is in the process of being implemented at the Youth and Recreation Department.

*Current Status:* See Finding 2019-001 within the Schedule of Findings and Questioned Costs for current status.

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