

Town of West Seneca, New York

*Basic Financial Statements, Required Supplementary
Information, and Supplemental Schedules
for the Year Ended December 31, 2020
and Independent Auditors' Report*

TOWN OF WEST SENECA, NEW YORK
Table of Contents
For the Year Ended December 31, 2020

	Page
Independent Auditors' Report.....	4
Management's Discussion and Analysis	8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Notes to the Financial Statements	24
Required Supplementary Information:	
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios.....	52
Schedule of the Town's Proportional Share of the Net Pension Liability – Employees' Retirement System.....	53
Schedule of the Town's Contributions – Employees' Retirement System.....	54
Schedule of the Town's Proportionate Share of the Net Pension Liability – Police and Fire Retirement System.....	55
Schedule of the Town's Contributions – Police and Fire Retirement System.....	56
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - General Fund.....	57
Statement of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual - Highway Fund.....	58
Statement of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual - Sewer Fund	59

(Continued)

TOWN OF WEST SENECA, NEW YORK
Table of Contents
For the Year Ended December 31, 2020

(Concluded)

	Page
Supplementary Information:	
Non-Major Governmental Funds:	
Combining Balance Sheet—Non-Major Governmental Funds.....	62
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Non-Major Governmental Funds.....	63
Capital Projects Fund:	
Combining Balance Sheet	64
Combining Schedule of Revenues, Expenditures and Other Financing Sources and Changes in Fund Balances (Deficits).....	65
Government Auditing Standards Report	
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>	66



Kenneth S. Frank, CPA
Roger J. Lis, Jr. CPA
Julie L. Jagoda-Booth, CPA
Kathryn A. Larracuente, CPA
Christopher M. Zera, CPA

R. A. MERCER & CO., P.C.
Certified Public Accountants
290 Center Road
West Seneca, New York 14224
Phone 716-675-4270 Fax 716-675-4272
www.ramercercpa.com

Raymond A. Mercer, CPA 1931-1983

INDEPENDENT AUDITORS' REPORT

To the Honorable Town Board
Town of West Seneca, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of West Seneca, New York (the "Town") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund



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

Emphasis of a Matter

As discussed in Note 20 to the financial statements, the COVID-19 outbreak has resulted in mandatory and voluntary closures of many governmental and private businesses. It is anticipated that this may negatively impact the Department's revenue stream in the subsequent year.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and other RSI 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements 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 combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Town's internal control over financial reporting and compliance.

R.A. Mercer & Co., P.C.

R.A. Mercer & Co., P.C.

West Seneca, New York
June 24, 2021

THIS PAGE LEFT INTENTIONALLY BLANK

TOWN OF WEST SENECA, NEW YORK
Management's Discussion and Analysis
For the Year Ended December 31, 2020

As management of the Town of West Seneca, 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, 2020. This document should be read in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The liabilities and deferred inflows of resources of the Town exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$125,159,182 (net position). This amount consists of \$28,853,650 net investment in capital assets and \$5,367,750 restricted for specific purposes offset by negative unrestricted net position of \$159,380,582, \$144,021,398 of which relates to the OPEB liability and \$19,369,482 of which relates to the Town's proportionate share of the New York State pension liability.
- The Town's total net position decreased by \$3,899,717. This decrease is attributable to a number of factors. The Town's net position decreased by \$1,752,673 due to depreciation expense exceeding the cost of new fixed asset additions. The Town's net position decreased by \$2,757,827 as a result of an increase to its OPEB liability (and the associated changes in the deferred outflows and deferred inflows). Additionally, the Town's net position decreased by \$3,540,712 as a result of an increase to its' New York State pension liability (and the associated changes in the deferred outflows and deferred inflows). These variances were partially offset by increases to the Town's net position that resulted from revenues exceeding expenses before the recording of changes in the OPEB and New York State Retirement liabilities.
- At the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,542,291, an increase of \$169,150 in comparison with the prior year due primarily to overall revenues exceeding expenditures.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,247,413, or approximately 15.2% of total General Fund expenditures.
- The Town's total bonded debt decreased by \$3,485,000 based on principal payments made. The Town issued a deficiency note payable during 2020 which matures in 2022. Because this liability does not mature within one year of the Town's year-end date of December 31, 2020, it is considered a long-term liability as is reported as such on these financial statements.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise 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 the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The *statement of net position* presents information on all of the Town's assets and liabilities, with the difference between the two 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., uncollected taxes and 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, public safety, highways and streets, sanitation, economic development, and culture and recreation. The Town does not have any business-type activities.

The government-wide financial statements can be found on pages immediately following this section as the first two pages of the basic financial statements.

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 of the funds of the Town can be divided into two categories: governmental 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* 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 expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the General, Highway, Sewer, and Capital Projects Funds, all of which are considered to be major funds. Data from the other three governmental 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* elsewhere in this report.

The Town adopts an annual budget for all governmental funds, except Capital Projects, Special Purpose, and Debt Service Funds. A budgetary comparison statement has been provided for all major governmental funds to demonstrate compliance with their budgets.

The financial statements for governmental funds can be found in the fund financial statements, following the government-wide financial statements.

Notes to the Financial Statements. The financial statements also include notes that explain some of the information in the financial statements and provide detailed data. They are 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 following the fund financial statements section 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 funding its obligation to provide post-employment benefits to its employees, the Town's net pension liability, and the Town's budgetary comparison schedules for each major fund with a legally adopted budget. The required supplementary information can be found following the notes to the financial statements of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds as well as the combining Balance Sheet and combining Statement of Revenues, Expenditures, and Other Financing Sources and Changes in Fund Balances (Deficits) for the capital projects fund are presented immediately following the Required Supplementary Information in the Supplementary Information section of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a 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 \$125,159,182 at the close of the 2020 fiscal year.

Table 1 – Condensed Statement of Net Position

	Governmental Activities		Dollar Change
	2020	2019	
Current Assets	\$ 21,520,184	20,743,454	776,730
Capital Assets	80,063,404	81,816,077	(1,752,673)
Total Assets	101,583,588	102,559,531	(975,943)
Deferred Outflows of Resources	44,839,877	26,652,863	18,187,014
Current Liabilities	12,539,489	5,724,554	6,814,935
Long-Term Liabilities	219,363,861	206,381,167	12,982,694
Total Liabilities	231,903,350	212,105,721	19,797,629
Deferred Inflows of Resources	39,679,297	38,366,138	1,313,159
Net Position:			
Net Investment in Capital Assets	28,853,650	27,199,004	1,654,646
Restricted	5,367,750	7,401,122	(2,033,372)
Unrestricted	(159,380,582)	(155,859,591)	(3,520,991)
Total Net Position	\$ (125,159,182)	(121,259,465)	(3,899,717)

At the end of the current fiscal year, the Town's is able to report positive balances in two categories of net position. Both net investment in capital assets and restricted net position report positive balances. Unrestricted net position reports a deficit balance, which indicates its long-term outlook relies on future revenue streams.

The largest portion of the Town's net position (\$28,853,650) reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. 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, \$5,367,750, represents resources subject to external restrictions on how they may be used and are reported as restricted net position. The remaining category of total net position (negative \$159,380,582), is considered to be unrestricted. This deficit does not mean the Town does not have the assets available to meet its obligations in the upcoming year, but rather, it is the result of having long-term commitments that are greater than its currently available resources. Payments for these liabilities will be budgeted in the year that the actual payments will be made.

Governmental activities. Governmental activities decreased the Town's net position by \$3,899,717. Table 2 shows the changes in net position for the years ended December 31, 2020 and 2019.

Table 2 – Changes in Net Position

	Governmental Activities		
	2020	2019	Dollar Change
Revenue:			
Program Revenues:			
Charges for Services	\$ 4,801,945	5,489,905	(687,960)
Operating Grants and Contributions	2,961,038	2,731,184	229,854
General Revenues:			
Real Property Taxes and Tax Items	37,263,396	35,988,107	1,275,289
Non-Property Taxes	7,107,401	7,375,634	(268,233)
Use of Money and Property	115,063	593,595	(478,532)
Premium on Bonds and BANs	274,059	274,059	-
Total Revenues	<u>52,522,902</u>	<u>52,452,484</u>	<u>70,418</u>
Expenses:			
General Government Support	5,270,323	4,910,240	360,083
Public Safety	18,481,387	15,646,151	2,835,236
Health	6,073	4,892	1,181
Transportation	12,394,174	11,857,813	536,361
Economic Assistance and Opportunity	16,915	16,800	115
Culture and Recreation	4,046,805	4,302,291	(255,486)
Home and Community Services	14,055,244	14,038,518	16,726
Interest and Fiscal Charges	2,128,847	2,211,788	(82,941)
Loss on Disposal of Equipment	22,851	35,580	(12,729)
Total Expenses	<u>56,422,619</u>	<u>53,024,073</u>	<u>3,398,546</u>
Change in Net Position	(3,899,717)	(571,589)	(3,328,128)
Net Position - Beginning of Year	<u>(121,259,465)</u>	<u>(120,687,876)</u>	
Net Position - End of Year	<u>\$ (125,159,182)</u>	<u>(121,259,465)</u>	

As previously noted, the change in the Town's net position for 2020 was a decrease of \$3,899,717 which is a larger decrease than the previous year amount of \$571,589. An analysis of revenues and expenses reveals the following:

- The most significant revenue sources are real property and other tax items, charges for services, and non-property taxes (which is largely an allocation of sales tax collected within the County of Erie) which account for 70.9%, 10.7% and 13.5% of revenues, respectively. Combined, these three revenue types make up 95.2% of all Town revenue.
- The most significant expense items include home and community services (services such as sanitary sewers, garbage and refuse), public safety (services such as police and safety inspection), and transportation (services such as road maintenance and repair and snow removal) which

account for 24.9%, 32.8% and 22.0% of all expenses respectively. Combined, these three expense types make up 79.6% of all Town expenses.

- Significant expense increases were noted in the general government support, transportation, and public safety categories. Large expense decreases were noted in the culture and recreation category.

Program revenues for 2020 and 2019 Governmental Activities were as follows:

Table 3 – Sources of Revenues – Primary Government

	2020		2019		Dollar
	Amount		Amount		Change
Charges for Services	\$ 4,801,945	9.1%	5,489,905	10.5%	(687,960)
Operating Grants and Contributions	2,961,038	5.6%	2,731,184	5.2%	229,854
Real Property Taxes and Tax Items	37,263,396	71.0%	35,988,107	68.6%	1,275,289
Non-Property Taxes (Sale Tax)	7,107,401	13.5%	7,375,634	14.1%	(268,233)
Use of Money and Property	115,063	0.2%	593,595	1.1%	(478,532)
Premium on Bonds and BANs	274,059	0.5%	274,059	0.5%	-
Total General Revenues	<u>\$ 52,522,902</u>		<u>52,452,484</u>		<u>70,418</u>

Program expenses for 2020 and 2019 Governmental Activities were as follows:

Table 4 – Expense by Function

	2020		2019		Dollar
	Amount		Amount		Change
General Government Support	\$ 5,270,323	9.3%	4,910,240	9.3%	360,083
Public Safety	18,481,387	32.8%	15,646,151	29.5%	2,835,236
Health	6,073	0.0%	4,892	0.0%	1,181
Transportation	12,394,174	22.0%	11,857,813	22.4%	536,361
Economic Assistance	16,915	0.0%	16,800	0.0%	115
Culture and Recreation	4,046,805	7.2%	4,302,291	8.1%	(255,486)
Home and Community Services	14,055,244	24.9%	14,038,518	26.5%	16,726
Interest and Fiscal Charges	2,128,847	3.8%	2,211,788	4.2%	(82,941)
Loss on Disposal of Equipment	22,851	0.0%	35,580	0.1%	(12,729)
Total General Expenses	<u>\$ 56,422,619</u>		<u>53,024,073</u>		<u>3,398,546</u>

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

Governmental Funds – The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned and assigned fund balances* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund

balances of \$16,542,291, an increase of \$169,150, in comparison with the prior year. This increase in fund balance is due to revenues exceeding expenditures during the year. *Unassigned fund balance* is \$2,956,686. Additionally, the Town's *assigned fund balances* total \$7,097,105. *Nonspendable* fund balance amounts total \$1,120,750 at December 31, 2020. These nonspendable fund balance 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. For the Town as of December 31, 2020, these nonspendable amounts represent prepaid assets. *Restricted* amounts, totaling \$5,367,750 at December 31, 2020, represent net current financial resources that are constrained to specific purposes by their providers.

The 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 \$4,247,413, while total fund balance amounted to \$5,968,941. 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 fund expenditures. Unassigned fund balance represents approximately 15.2 percent of total General Fund expenditures, while total fund balance represents approximately 21.3 percent of total General Fund expenditures.

General Fund Budgetary Highlights

A summary of the General Fund results of operations for the year ended December 31, 2020 is presented below in Table 5:

Table 5 – Summary of General Fund Results of Operations

	Budgeted Amount		Budgetary	Actual	Variance with
	Original	Final	Variance		Final Budget
Revenues	\$ 28,223,780	28,453,683	229,903	29,647,201	1,193,518
Expenditures and Other					
Financing Uses	28,473,780	28,813,225	339,445	28,015,575	797,650
Excess (Deficiency) of Revenues over					
Expenditures and Other Financing Uses	\$ (250,000)	(359,542)	(109,542)	1,631,626	1,991,168

Original budget compared to final budget. During the year, the Town increased the estimated original revenues and the original budgeted appropriations by \$229,903.

Final budget compared to actual results. A review of actual revenues and expenditures compared to the estimated revenues and appropriations in the final budget yields favorable variances of \$257,401 within non-property tax revenues, \$456,323 within state aid, \$288,945 within federal aid, \$86,661 within other property tax items, and \$845,162 within employee benefits, and negative variances of \$307,486 within fines and forfeitures income, and \$201,225 within departmental income. The variance within non-property tax revenues was created through sales tax distributions from Erie County exceeding the estimated amount. The variances within the other categories were caused by circumstances that occurred after the budget was adopted and for which no budgetary adjustments were made.

Capital Assets and Debt Administration

Capital Assets - The Town's investment in capital assets as of December 31, 2020 amounted to \$80,063,404 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, infrastructure, buildings and improvements, machinery and equipment.

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 are presented in the table below:

	Governmental Activities	
	2020	2019
Land	\$ 543,871	543,871
Construction in Progress	2,594,171	514,120
Land Improvements	179,791	659,675
Buildings	15,595,072	16,182,516
Building Improvements	3,741,489	3,777,729
Machinery and Equipment	3,290,430	3,688,429
Infrastructure	54,118,580	56,449,737
Total	<u>\$ 80,063,404</u>	<u>81,816,077</u>

The Town's infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide financial statements. The Town has elected to depreciate their infrastructure assets. Additional information on the Town's capital assets can be found in the notes to the financial statements.

Debt - At December 31, 2020, the Town had total bonded debt outstanding of \$43,315,000 (which was comprised of a \$600,000 deficiency note payable and \$42,715,000 of serial bonds payable) as compared to \$46,200,000 in the prior year as result of the Town's scheduled principal payments made of \$3,485,000 exceeding new debt issued. Additional information on the Town's long-term debt can be found in the notes to the financial statements.

Economic Factors

The unemployment rate for the Buffalo-Niagara region was 6.2 percent as of the end of April, 2021. This compares to New York State's average unemployment rate of 8.2 percent as of the same date. The national unemployment rate as of the end of April, 2021 was 6.1 percent.

While these factors were considered in preparing the Town's 2021 budget, the costs for employee health insurance, workers' compensation, and retirement costs mandated by the New York State and Local Employees Retirement System and the New York State Police and Fire Retirement System continue to rise and have significant influence on the Town's budget.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Supervisor's Office, Town of West Seneca, 1250 Union Road, West Seneca, New York 14224.

THIS PAGE LEFT INTENTIONALLY BLANK

BASIC FINANCIAL STATEMENTS

THIS PAGE LEFT INTENTIONALLY BLANK

TOWN OF WEST SENECA, NEW YORK
Statement of Net Position
December 31, 2020

	<u>Primary Governmental Activities</u>
ASSETS	
Cash	\$ 14,761,326
Restricted Cash	4,446,528
Accounts Receivable	77,295
Prepays	351,445
Due from Other Governments	1,883,590
Capital Assets not being Depreciated	3,138,042
Capital Assets net of Accumulated Depreciation	<u>76,925,362</u>
Total Assets	<u>101,583,588</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - ERS/PFRS	14,842,433
Deferred Outflows - OPEB	<u>29,997,444</u>
Total Deferred Outflows of Resources	<u>44,839,877</u>
 LIABILITIES	
Accounts Payable	4,723,612
Accrued Liabilities	1,102,262
Due to Other Governments	152,856
Bond Anticipation Notes	360,000
Noncurrent Liabilities:	
Due Within One Year	6,200,759
Due in More Than One Year	<u>219,363,861</u>
Total Liabilities	<u>231,903,350</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - ERS/PFRS	746,956
Deferred Inflows - OPEB	<u>38,932,341</u>
Total Deferred Inflows of Resources	<u>39,679,297</u>
 NET POSITION	
Net Investment in Capital Assets	28,853,650
Restricted for:	
Capital Purchases	5,275,039
Grants	92,711
Unrestricted	<u>(159,380,582)</u>
Total Net Position	<u>\$ (125,159,182)</u>

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

TOWN OF WEST SENECA, NEW YORK
Statement of Activities
For the Year Ended December 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Primary</u>
				<u>Government</u>
				<u>Governmental</u>
				<u>Activities</u>
Primary Government:				
Governmental Activities:				
General Government Support	\$ 5,270,323	605,405	1,799,779	(2,865,139)
Public Safety	18,481,387	820,798	304,235	(17,356,354)
Health	6,073	21,796	-	15,723
Transportation	12,394,174	247,504	394,371	(11,752,299)
Economic Assistance and Opportunity	16,915	-	-	(16,915)
Culture and Recreation	4,046,805	244,213	461,614	(3,340,978)
Home and Community Services	14,055,244	2,862,229	1,039	(11,191,976)
Interest and Fiscal Charges	2,128,847	-	-	(2,128,847)
Loss on Disposal of Equipment	22,851	-	-	(22,851)
Total Primary Government	<u>\$ 56,422,619</u>	<u>4,801,945</u>	<u>2,961,038</u>	<u>(48,659,636)</u>
General Revenues:				
				37,263,396
				7,107,401
				115,063
				<u>274,059</u>
				44,759,919
				(3,899,717)
				<u>(121,259,465)</u>
				<u>\$ (125,159,182)</u>

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

TOWN OF WEST SENECA, NEW YORK
Balance Sheet - Governmental Funds
December 31, 2020

	<u>Special Revenue</u>			Capital Projects	Other Governmental Funds	Total Governmental Funds
	General	Highway	Sewer			
ASSETS						
Cash	\$ 5,077,152	1,057,843	7,439,773	-	1,186,558	14,761,326
Restricted Cash	92,711	815,218	-	3,538,599	-	4,446,528
Accounts Receivable	74,654	2,641	-	-	-	77,295
Prepaid Items	974,393	97,742	34,908	-	13,707	1,120,750
Due from Other Governments	1,138,693	364,564	378,908	-	1,425	1,883,590
Due from Other Funds	440,186	93,161	10,272	-	14,272	557,891
Total Assets	<u>7,797,789</u>	<u>2,431,169</u>	<u>7,863,861</u>	<u>3,538,599</u>	<u>1,215,962</u>	<u>22,847,380</u>
LIABILITIES						
Accounts Payable	954,544	274,657	3,487,739	5,000	1,672	4,723,612
Accrued Liabilities	419,846	74,391	16,493	-	-	510,730
Due to Other Funds	301,602	193,078	58,706	4,505	-	557,891
Due to Other Governments	152,856	-	-	-	-	152,856
Bond Anticipation Notes Payable	-	-	-	360,000	-	360,000
Total Liabilities	<u>1,828,848</u>	<u>542,126</u>	<u>3,562,938</u>	<u>369,505</u>	<u>1,672</u>	<u>6,305,089</u>
FUND BALANCES (DEFICITS)						
Nonspendable	974,393	97,742	34,908	-	13,707	1,120,750
Restricted	92,711	815,218	-	4,459,821	-	5,367,750
Assigned	654,424	976,083	4,266,015	-	1,200,583	7,097,105
Unassigned	4,247,413	-	-	(1,290,727)	-	2,956,686
Total Fund Balances (Deficits)	<u>5,968,941</u>	<u>1,889,043</u>	<u>4,300,923</u>	<u>3,169,094</u>	<u>1,214,290</u>	<u>16,542,291</u>
Total Liabilities and Fund Balances (Deficits)	<u>\$ 7,797,789</u>	<u>2,431,169</u>	<u>7,863,861</u>	<u>3,538,599</u>	<u>1,215,962</u>	<u>22,847,380</u>

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

TOWN OF WEST SENECA, NEW YORK
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2020

Amounts reported for Governmental Activities in the Statement of Net Position (page 15) are different because:

Total fund balances (deficits) - governmental funds (page 17)	\$ 16,542,291
Capital Assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$142,419,317 and the accumulated depreciation is \$60,603,240.	80,063,404
To recognize interest accrual on long term debt.	(591,532)
To recognize the net pension liability.	(19,369,482)
To recognize the deferred outflows related to the net pension liability	14,842,433
To recognize the deferred inflows related to the net pension liability	(746,956)
To recognize the deferred outflows related to the OPEB liability.	29,997,444
To recognize the deferred inflows related to the OPEB liability.	(38,932,341)
To eliminate the prepaid amount to NYS pension expense.	(769,305)
To record the premium on the issuance of bonds.	(2,345,315)

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 payable	(42,715,000)
Long-term deficiency notes issued	(600,000)
Energy Performance Contract	(9,323,038)
Other post-employment benefits payable	(144,021,398)
Judgments and claims payable	(3,703,299)
Compensated absences payable	<u>(3,487,088)</u>
	<u>(203,849,823)</u>
Net position of governmental activities	<u>\$ (125,159,182)</u>

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

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2020

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Highway</u>	<u>Sewer</u>			
REVENUES						
Real Property Taxes	\$ 15,713,906	11,065,400	9,666,320	-	384,591	36,830,217
Other Property Tax Items	433,179	-	-	-	-	433,179
Non-property Tax Items	7,107,401	-	-	-	-	7,107,401
Departmental Income	622,253	135,023	-	-	18,569	775,845
Intergovernmental Charges	-	111,397	68,268	-	-	179,665
Use of Money and Property	96,628	8,423	-	9,568	444	115,063
Sale of Property and						
Compensation for Loss	42,888	8,572	-	-	-	51,460
Licenses and Permits	407,722	-	-	-	-	407,722
Fines and Forfeitures	492,514	-	-	-	-	492,514
Miscellaneous	3,307	1,084	-	96,387	-	100,778
Interdistrict Revenues	-	-	2,793,961	-	-	2,793,961
Interfund Revenues	1,893,680	1,542,632	-	-	-	3,436,312
State Aid	1,714,875	282,426	-	340,951	-	2,338,252
Federal Aid	518,848	103,938	-	-	-	622,786
Total Revenues	<u>29,047,201</u>	<u>13,258,895</u>	<u>12,528,549</u>	<u>446,906</u>	<u>403,604</u>	<u>55,685,155</u>
EXPENDITURES						
Current:						
General Government Support	3,075,166	-	-	-	4,999	3,080,165
Public Safety	9,559,816	-	-	-	-	9,559,816
Health	6,073	-	-	-	-	6,073
Transportation	406,416	6,292,071	-	-	-	6,698,487
Economic Assistance and Opportunity	16,915	-	-	-	-	16,915
Culture and Recreation	1,948,079	-	-	-	10,146	1,958,225
Home and Community Services	3,135,223	-	10,910,276	-	91,522	14,137,021
Employee Benefits	7,811,719	3,617,781	315,619	-	-	11,745,119
Debt Service:						
Principal	1,390,593	1,920,185	928,338	-	207,295	4,446,411
Interest	665,575	654,821	741,025	-	90,283	2,151,704
Capital Outlay	-	-	-	2,316,069	-	2,316,069
Total Expenditures	<u>28,015,575</u>	<u>12,484,858</u>	<u>12,895,258</u>	<u>2,316,069</u>	<u>404,245</u>	<u>56,116,005</u>
Excess (deficiency) of Revenues Over Expenditures	<u>1,031,626</u>	<u>774,037</u>	<u>(366,709)</u>	<u>(1,869,163)</u>	<u>(641)</u>	<u>(430,850)</u>
OTHER FINANCING SOURCES (USES)						
Long-term deficiency notes issued	600,000	-	-	-	-	600,000
Total Other Financing Sources and Uses	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Net Change in Fund Balance	1,631,626	774,037	(366,709)	(1,869,163)	(641)	169,150
Fund Balances (Deficit) - Beginning	4,337,315	1,115,006	4,667,632	5,038,257	1,214,931	16,373,141
Fund Balances (Deficit) - Ending	<u>\$ 5,968,941</u>	<u>1,889,043</u>	<u>4,300,923</u>	<u>3,169,094</u>	<u>1,214,290</u>	<u>16,542,291</u>

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

TOWN OF WEST SENECA, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Net change in fund balances (deficit) - total governmental funds (page 19) \$ 169,150

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 exceeded depreciation and disposals. (1,752,673)

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 resources. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Proceeds from issuance of long-term deficiency notes	(600,000)	
Repayment of serial bonds	3,485,001	
Repayment of installment purchase debt	961,410	
Net change in accrued interest - serial bonds	22,857	
Amortization of bond premium	<u>274,059</u>	4,143,327

(Increases) decreases in the proportionate share of the net pension liability reported in the Statement of Activities do not provide for or require the use of current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds. (3,540,712)

Some expenses reported in the statement of activities (i.e. compensated absences, judgments and claims, and other post-employment benefits) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The net effect of these differences is as follows:

Decrease in compensated absences	212,410	
Decrease in judgments and claims	(373,392)	
Increase in other post-employment benefits	<u>(2,757,827)</u>	<u>(2,918,809)</u>

Change in net position of governmental activities \$ (3,899,717)

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

TOWN OF WEST SENECA, NEW YORK
Notes to the Financial Statements
December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of West Seneca, New York (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government 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 the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. *Governmental activities* are supported by taxes and intergovernmental revenues. The Town reports no business-type activities or component units.

Financial 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 with authority vested by those statutes provides services and facilities in the areas of police, highway, sanitation, parks, recreation, sanitary and storm sewerage and general administration. The three-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 consist of the following:

Supervisor	Town Clerk
Councilmembers (4)	Receiver of Taxes and Assessments
Town Justices (2)	Superintendent of Highways

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

The County of Erie is a unit of local government, which operates within the boundaries of the Town. Public education is provided by three independent school districts within the Town.

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. Separate financial statements are provided for governmental funds and a fiduciary fund, even though the latter is excluded from 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 rule are payments and charges between the Town'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, including its fiduciary funds. Separate statements for each fund category—governmental 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.

The Town considers the following governmental funds as major funds:

- General Fund – is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- Highway Fund – this fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town.
- Sewer Fund – this fund is used to record all revenues and expenditures related to operation and maintenance of the sewer districts.
- Capital Projects Fund – this fund accounts for the acquisition and construction of the Town's major capital facilities.

During the course of operations, the Town 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 the 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, 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 source. 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 source. All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgetary Information

Budgetary Basis of Accounting – Annual budgets for all governmental funds, except the Capital Projects, Debt Service, and Special Purpose Funds, 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 purchase orders, 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 1st, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year's original budget.

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 project's inception and lapse upon completion of the project.

The Town reported encumbrances of \$4,093 and \$253,505 in the General and Sewer Funds at December 31, 2020.

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

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, demand deposits, time deposits and short-term, highly liquid investments which are readily convertible to known amounts of cash and have a maturity date within 90 days of the Town's original acquisition date.

Restricted Cash and Cash Equivalents – Unspent proceeds from debt are reported as restricted cash and cash equivalents within the Capital Projects Fund. The proceeds of debt can only be used for the stated purpose of the borrowing.

Prepaids – Certain retirement payments reflect costs applicable to future accounting 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 appropriate governmental column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost equal to or greater than \$25,000 and an estimated useful life in excess of two 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.

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

Assets	Years
Buildings	40
Buildings and Land Improvements	20
Infrastructure:	
Dams and Drainage Systems	100
Water and Sewer Systems	50
Traffic Control Systems	40
Bridges and Culverts	30
Roads	10
Machinery and Equipment:	
Office Equipment and Furniture	7
Heavy Equipment	15
Other	5
Vehicles	8
Computers	3

Deferred Outflows/Inflows of Resources – In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2020, the Town has two items that qualify for reporting in this category. The first item represents the effect of the net change in the Town’s share of the collective net pension liability, the difference during the measurement period between the Town’s contributions and its proportionate share of the total contribution to the pension system not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The second item represents the change in assumptions used in calculating the collective net OPEB liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the Statement of Net

Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is related to the Town's other post-employment liability amount reported in the Statement of Net Position.

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 government'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 Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) 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 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.

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 partially paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Estimated sick leave and compensatory time accumulated by governmental fund type employees is reported on the entity-wide financial statements. Payment of sick leave and compensatory time is budgeted and recorded as expenditure in the governmental funds on an annual basis as amounts are paid. Management believes that sufficient resources will be made available for the payments of sick leave and compensatory time when such payments become due.

Adoption of New Accounting Pronouncements – During the year ended December 31, 2020, the Town adopted the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing effective dates of certain provisions in certain GASB statements.

Future Impacts of Accounting Pronouncements – The Town has not completed the process of evaluating the impact that will result from adopting the provisions of GASB Statement No. 87, *Leases*, effective for the year ended December 31, 2022, GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ended December 31, 2021, GASB Statement No. 91, *Conduit Debt Obligation*, effective for the year ended December 31, 2022, GASB Statement No. 92, *Omnibus 2020*, effective for the year ended December 31, 2022, GASB Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ended December 31, 2022, GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ended December 31, 2023, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ended December 31, 2023, and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code 457 Deferred Compensation Plans – an Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, effective for the year ended December 31, 2022. The Town is, therefore, unable to disclose the impact that adopting GASB Statements Nos. 87, 89, 91, 92, 93, 94, 96, and 97 will have on its financial position and results of operations.

2. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting – The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 30, the Town Supervisor files a "tentative" budget with the Town Clerk for the following fiscal year to commence on January 1st. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5th.
2. 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.
3. Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20th.
4. Formal annual budgetary accounts are employed as a management control device for the General, Highway, Sewer and Special District Funds.

5. 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.
6. Annual budgets for governmental funds, except the Capital Projects Fund and Special Purpose 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 purchase orders, 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 1st, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year's original budget.
7. 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 project's inception and lapse upon termination of the project.
8. Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification. During the year ended December 31, 2020, the Town's General, and Water funds overspent their budget in total due to circumstances that occurred after the budget was adopted and budgetary adjustments were not made.

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 deposits and certificates of deposits in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal government. The Town had no investments at December 31, 2020.

Cash at year-end consisted of:

	Governmental Funds
Petty Cash (Uncollateralized)	\$ 3,850
Deposits	<u>19,204,004</u>
Total	<u><u>\$ 19,207,854</u></u>

Deposits – All deposits are carried at fair value. The following is a summary of deposits:

	Carrying Balance	Bank Balance
Insured (FDIC)	\$ 1,000,000	1,000,000
Uninsured:		
Collateral held by bank's agent in the Town's name	18,204,004	18,348,053
Petty Cash	3,850	N/A
Total	<u>\$ 19,207,854</u>	<u>19,348,053</u>

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. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2020, the Town's deposits were FDIC insured or collateralized.

Restricted Cash—The Town reports restricted cash of \$92,711 within the General Fund and \$815,218 within the Highway Fund. The Town also reports restricted cash of \$3,538,599 within the Capital Projects Fund for amounts representing nonoperating cash that has been raised through borrowings. The use of these proceeds is limited to the specific purpose of the issue.

4. PROPERTY TAX

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.

Tax payments are due January 1 to February 15 without penalty; February 16 to 28 a 1.5% penalty; March 1 to 15 a 3% penalty; March 16 to 31 a 4.5% penalty; April 1 to 15 a 6% penalty; April 16 to 30 a 7.5% penalty; and 1.5% added each month thereafter.

The tax roll is returned to the Erie County Commissioner of Finance after May 1 at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items 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 and Assessments, independent of Town operations.

5. RECEIVABLES

Major revenue accrued by the Town at December 31, 2020 are:

Accounts receivable – Represents amounts due to the Town from outside parties for various purposes.

General Fund:		
Special Assessments	\$ 70,899	
Miscellaneous	<u>3,755</u>	74,654
Highway Fund:		
Other Transportation Departmental Income		
Other Transportation Departmental Income		<u>2,641</u>
Total Accounts Receivable		<u>\$ 77,295</u>

Due from other governments – Represents amounts due from other units of government, such as Federal, New York State, County of Erie, or other local governments. Amount due the Town at December 31, 2020 are:

General Fund:		
Erie County - sales tax	\$ 723,612	
FEMA Grant	288,945	
Justice fees	51,763	
Town clerk fees	36,283	
Workers' Compensation Reimbursement	21,206	
Miscellaneous	<u>16,884</u>	1,138,693
Highway Fund:		
NYS DOT Apportionments	282,426	
Workers' Compensation Reimbursement	46,968	
Multi Modal grant	25,000	
Miscellaneous	<u>10,170</u>	364,564
Sewer Fund:		
Sewer Charges	378,408	
Town Clerk Fees	<u>500</u>	378,908
Special Purpose Fund:		
Miscellaneous	<u>1,425</u>	<u>1,425</u>
Total Due from Other Governments		<u>\$ 1,883,590</u>

6. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance			Balance
	1/1/2020	Additions	Disposals	12/31/2020
Capital Assets, not being Depreciated:				
Land	\$ 543,871	-	-	543,871
Construction in Progress	514,120	2,316,069	(236,018)	2,594,171
Total Capital Assets, not being Depreciated	<u>1,057,991</u>	<u>2,316,069</u>	<u>(236,018)</u>	<u>3,138,042</u>
Capital Assets, being Depreciated				
Land Improvements	8,056,038	-	-	8,056,038
Buildings	22,494,144	-	-	22,494,144
Building Improvements	5,252,974	204,378	-	5,457,352
Machinery and Equipment	16,162,784	414,202	(355,175)	16,221,811
Infrastructure	89,395,386	557,284	-	89,952,670
Total Capital Assets, being Depreciated	<u>141,361,326</u>	<u>1,175,864</u>	<u>(355,175)</u>	<u>142,182,015</u>
Less Accumulated Depreciation for:				
Land Improvements	7,396,363	479,884	-	7,876,247
Buildings	6,311,628	587,444	-	6,899,072
Building Improvements	1,475,245	240,618	-	1,715,863
Machinery and Equipment	12,557,254	706,451	(332,324)	12,931,381
Infrastructure	32,862,750	2,971,340	-	35,834,090
Total Accumulated Depreciation	<u>60,603,240</u>	<u>4,985,737</u>	<u>(332,324)</u>	<u>65,256,653</u>
Total Capital Assets, being Depreciated, net	<u>80,758,086</u>	<u>(3,809,873)</u>	<u>(22,851)</u>	<u>76,925,362</u>
Total Capital Assets, Net	<u>\$ 81,816,077</u>	<u>(1,493,804)</u>	<u>(258,869)</u>	<u>80,063,404</u>

Depreciation expense was charged to functions/programs of the governmental activities for the year ended December 31, 2020 as follows:

Function/Program	Allocated Depreciation
General government support	\$ 876,638
Public safety	100,453
Transportation	1,854,397
Culture and recreation	450,162
Home and community services	1,704,087
	<u>\$ 4,985,737</u>

7. ACCRUED LIABILITIES

Accrued liabilities reported by governmental activities at December 31, 2020 were as follows:

	<u>General Fund</u>	<u>Highway Fund</u>	<u>Sewer Fund</u>	<u>Total Governmental Funds</u>
Salary and Employee Benefits	\$ 419,846	74,391	16,493	510,730
Total Accrued Liabilities	<u>419,846</u>	<u>74,391</u>	<u>16,493</u>	510,730
Accrued Interest				<u>591,532</u>
Total Accrued Liabilities - Government-Wide				<u>\$ 1,102,262</u>

8. DUE TO OTHER GOVERNMENTS

Liabilities for amounts owed to other governmental entities at December 31, 2020 were as follow:

Excess CARES funding received, not spent	\$ 151,131
Miscellaneous	<u>1,725</u>
Total due to other governments	<u>\$ 152,856</u>

9. PENSION PLANS

New York State Employees' Retirement System ("ERS") and Police and Fire Retirement System ("PFRS") - The Town participates in the New York State and Local Employees' Retirement System ("ERS"), the New York State and Local Police and Fire Retirement System ("PFRS") (the "Systems"). These are cost-sharing, multiple-employer retirement systems. The net position of the Systems is 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 Social Security Law ("NYSRSSL"). Once a public employer elects to participate in the Systems, 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 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 or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

The Systems are noncontributory for employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, but prior to January 1, 2010, the contribution employee contribution requirement is 3% of the employees' salary for the first ten years of membership. Employees who joined the Systems on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) are generally required to contribute three percent (3%) to three and one half percent (3.5%) of their salary for the 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 Systems' fiscal year ending March 31.

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

	<u>ERS</u>	<u>PFRS</u>
2020	\$ 1,396,314	1,680,908
2019	\$ 1,427,039	1,532,369
2018	\$ 1,434,332	1,551,547

The Town's contributions made to the Systems were equal to 100 percent of the contributions required for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At December 31, 2020, the Town reported the following liability for its proportionate share of the net pension liabilities for the ERS and PFRS Systems. The net pension liability was measured as of March 31, 2020 for ERS/PFRS. The total pension liability used to calculate the net pension liabilities were measured as of March 31, 2020. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2019, with update procedures used to roll forward the total net pension liabilities to the measurement date. The Town's proportion of the net pension liabilities was based on projections 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.

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2020	March 31, 2020
Net pension liability	\$ 10,307,174	\$ 9,062,308
Town's portion of the Plan's total		
Net pension liability	0.0389235%	0.1695494%

For the year ended December 31, 2020, the Town's recognized pension expense of \$3,400,921 for ERS and \$3,187,560 for PFRS. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	ERS	PFRS	ERS	PFRS
Differences between expected and actual experience	\$ 606,619	603,454	-	151,793
Change of assumptions	207,538	774,608	179,205	-
Net difference between projected and actual earnings on pension plan investments	5,283,958	4,081,042	-	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	73,726	134,266	263,065	152,893
Town's contributions subsequent to the measurement date	<u>1,396,314</u>	<u>1,680,908</u>	<u>-</u>	<u>-</u>
Total	<u>\$7,568,155</u>	<u>7,274,278</u>	<u>442,270</u>	<u>304,686</u>

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

	ERS	PFRS
Year Ended:		
2021	\$ 899,590	1,107,955
2022	1,416,130	1,232,339
2023	1,895,016	1,560,248
2024	1,518,835	1,318,216
2025	-	69,926
Thereafter	-	-

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

	<u>ERS</u>	<u>PFRS</u>
Measurement Date	March 31, 2020	March 31, 2020
Actuarial Valuation Date	April 1, 2019	April 1, 2019
Interest Rate	6.8%	6.8%
Salary Scale	4.2%	5.0%
Decrement Tables	April 1, 2010 - March 31, 2015 System's experience	April 1, 2010 - March 31, 2015 System's experience
Inflation Rate	2.5%	2.5%
Cost of Living Adjustment	1.3%	1.3%

The annuitant mortality rates are based on April 1, 2010 – March 31, 2015 Systems’ experience with adjustments for mortality improvements based on MP-2014. The actuarial assumptions used in the April 1, 2019 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.

ERS and PFRS
Measurement Date: March 31, 2020

<u>Asset type</u>	<u>Percentage</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategie	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation indexed bonds	<u>4.00%</u>	0.50%
	<u>100.00%</u>	

Discount Rate - The discount rate used to calculate the total pension liability was 6.8%. 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 following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8%, 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 1 percentage point lower (5.8%) or 1 percentage point higher (7.8%) than the current assumption:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
ERS			
Employer's proportionate share of the net pension (asset) liability	\$18,916,574	10,307,174	2,377,880
		Current Assumption	1% Increase
PFRS	(6.0%)	(7.0%)	(8.0%)
Employer's proportionate share of the net pension (asset) liability	\$16,203,591	9,062,308	2,667,127

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report.

The components of the current-year net pension liabilities of the employers as of the valuation dates were as follows:

	(Dollars in Thousands)		
	ERS	PFRS	Total
Valuation date	April 1, 2019	April 1, 2019	
Employers' total pension liability	\$194,596,261	35,309,017	229,905,278
Plan fiduciary net position	168,115,682	29,964,080	198,079,762
Employers' net pension liability	<u>\$ 26,480,579</u>	<u>5,344,937</u>	<u>31,825,516</u>
Systems' fiduciary net position as a percentage of total pension liability	86.39%	84.86%	86.16%

10. OTHER POSTEMPLOYMENT BENEFIT ("OPEB") OBLIGATIONS

Plan Description – The Town pays for a portion of eligible retirees' health insurance, depending on the type of health plan provided. Eligibility for postretirement benefits is based on age, years of service, accumulated sick leave and depends upon associated group or union as follows: (1) *The West Seneca Police Benevolent Association*, (2) *Town of West Seneca Blue Collar Unit (CSEA, Local 1000 AFSCME, AFL-CIO)*, (3) *Town of West Seneca White Collar Unit (CSEA, Local 1000 AFSCME, AFL-CIO)* and (4) *those covered under administrative rules and regulations*. The plan is a single-employer defined benefit OPEB plan administered by the Town. No assets are accumulated in a trust that meets the criteria in paragraph 5 of GASB Statement No. 75. The Plan does not issue

financial statements and is not a trust.

Funding Policy – Authorization for the Town to pay a portion of retiree health insurance premiums was enacted through various contracts, which were ratified by the Town Board. Upon retirement, the Town generally pays a portion of the cost of the employee's current coverage at the time of retirement for a period of time as outlined in the various contracts.

Employees covered by benefit terms – At December 31, 2020, the total number of participants in the OPEB plan were comprised as follows:

Active employees	187
Retirees	169
Survivors	<u>17</u>
Total	<u><u>373</u></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 year using the current discount rate.

Total OPEB liability – The Town’s OPEB liability of \$144,021,398 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

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

Healthcare cost trend rates – The annual rate of increase in healthcare costs was developed based on a review of published national trend survey data in relation to the retiree health plan offerings and updated long-term rates based on the Society of Actuaries Long Term Healthcare Cost Trend Model v2020_b (the Getzen model) with adjustments based on Labor-Management Health Fund’s expectations for short-term Pre-65 medical and prescription trend. The pre-65 assumed medical rates of increase range from 6.75% in 2019 to 3.784% in 2075 and beyond. The post-65 assumed Medicare Advantage medical trend rates of increase range from 4.5% in 2020 to 3.784% in 2075 and beyond. The prescription drug assumed rates of increase range from 7% in 2019 to 3.784% in 2075 and beyond. The Medicare Part B assumed medical rates of increase range from 5.75% in 2020 to 3.784% in 2075 and beyond. The assumed rate for additional benefits is 3.25%.

Salary increases – Salaries are assumed to increase 4% per year. The salary scale was based on the Town’s review of historical experience as well as future expectations.

Mortality – The mortality assumption was updated to the sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees, healthy retirees, and contingent survivors, and then adjusted for mortality improvements with the Scale MP-2019 mortality improvement scale on a generational basis. The revised assumption resulted in a net increase in liabilities.

Discount rate – 2.75% as of January 1, 2020 and 2.00% as of December 31, 2020.

Changes in the total OPEB liability – The following table presents the changes in the total OPEB liability during the year ended December 31, 2020:

	Total OPEB Liability
Balance at December 31, 2019	\$ 134,619,282
Changes for the year:	
Service cost	4,642,422
Interest cost	3,475,917
Differences between expected and actual experience	(12,857,420)
Change of assumptions or other inputs	16,290,893
Actual benefit payments	(2,149,696)
Balance at December 31, 2020	<u>\$ 144,021,398</u>

Sensitivity of the total OPEB liability to the changes in the discount rate – The following table presents the total OPEB liability of the Town, as well as what the Town’s OPEB liability would be if it were calculated using a discount rate that was 1 percentage point higher or lower than the current rate.

	1% Decrease (1.00%)	Discount rate (2.00%)	1% Increase (3.00%)
Total OPEB liability	\$ 170,606,922	144,021,398	122,873,122

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate – The following table presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that was 1 percentage point higher or lower than the current rate.

	1% Decrease (2.00%)	Discount rate (2.00%)	1% Increase (3.00%)
Total OPEB liability	\$ 119,840,485	144,021,398	175,791,994

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended December 31, 2020, the Town recognized an OPEB expense of \$4,907,523. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	31,038,271
Change of assumptions	29,997,444	7,894,070
Total	<u>\$ 29,997,444</u>	<u>38,932,341</u>

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

<u>Year Ended December 31,</u>	<u>Amount</u>
2021	\$ 3,210,816
2022	3,210,816
2023	2,945,014
2024	234,134
2025	(553,518)
Thereafter	(112,365)

11. 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 carries commercial insurance for coverage with respect to Town buildings, equipment, and employee theft. The Town self-insures for risks relating to workers' compensation insurance and general liability. The Town currently reports all of its risk management activities in its general fund, highway fund, and sewer 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. These losses include an estimate of claims that have been incurred but not reported. Total expenditures for claims, judgments and workers compensation recorded in the Town's governmental funds for the year ended December 31, 2020 were \$995,546.

Additionally, at December 31, 2020, the amount of the Government Funds long-term liabilities totaled \$3,703,299, which was recorded net of accrued liabilities in the General Fund, Highway Fund and Sewer Fund. This liability is the Town's best estimate based on available information. Changes in the reported liability resulted from the following:

		<u>Beginning of</u> <u>Year Balance</u>	<u>Claims</u> <u>Additions</u>	<u>Claims</u> <u>Payments</u>	<u>End of</u> <u>Year Balance</u>
2020	Workers' Comp.	\$ 3,329,907	1,368,938	(995,546)	3,703,299
2019	Workers' Comp.	3,077,509	1,632,579	1,380,181	3,329,907

Pollution Remediation—In 2004 the New York State Department of Environmental Conservation ("NYSDEC") issued the Town a notice of consent relating to the abatement of overflow sanitary sewer discharges. The notice of consent was amended in 2008 and the Town has responded and continues to study and plan for remedial actions. As of December 31, 2020, the Town has issued bonds to remediate the notice of consent and any additional liabilities will be financed by future bond or BAN financing.

12. SHORT-TERM DEBT

On February 13, 2020, the Town issued a bond anticipation note (“BAN”) in the amount of \$360,000 for the purpose of financing the acquisition of two garbage trucks. Principal payments on the BAN must be made annually. The table below is a summary of the Town’s short-term debt for the year ended December 31, 2020:

	<u>Issued</u>	<u>Maturity</u>	<u>Interest Rate</u>	<u>Balance 1/1/2020</u>	<u>Issues</u>	<u>Redemptions</u>	<u>Balance 12/31/2020</u>
Acquisition of garbage trucks	2/13/2020	2/13/2021	1.53%	\$ -	360,000	-	360,000
Total:				<u>\$ -</u>	<u>360,000</u>	<u>-</u>	<u>360,000</u>

13. LONG-TERM LIABILITIES

Summary of Changes in Indebtedness – The following is a summary of changes in long-term debt for the year ended December 31, 2020:

	<u>Balance at 1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 12/31/2020</u>	<u>Due Within One Year</u>
Serial Bonds	\$ 46,200,000	-	3,485,000	42,715,000	3,350,000
Bond Premium	2,619,374	-	274,059	2,345,315	274,059
Long-term deficiency notes payable	-	600,000	-	600,000	-
Lease Purchases	10,284,449	-	961,411	9,323,038	1,002,346
OPEB Obligation	134,619,282	9,402,116	-	144,021,398	-
Workers' Comp.	3,329,907	1,354,556	981,164	3,703,299	1,400,000
NYS Retirement - ERS	2,747,205	7,559,969	-	10,307,174	-
NYS Retirement - PFRS	2,881,452	6,180,856	-	9,062,308	-
Compensated Absences	3,699,498	-	212,410	3,487,088	174,354
Total	<u>\$ 206,381,167</u>	<u>25,097,497</u>	<u>5,914,044</u>	<u>225,564,620</u>	<u>6,200,759</u>

Serial Bonds - The Town issues serial bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 40 years. The following is a summary of changes in bonded debt for the year ended December 31, 2020:

	<u>Year of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Interest Rate</u>	<u>Balance at 1/1/2020</u>	<u>New Debt Issued</u>	<u>Principal Payments</u>	<u>Balance at 12/31/2020</u>
General fund							
Various Purpose refunding bonds	2015/2028	2,255,669	3.0-5.0	\$ 1,185,000	-	270,000	915,000
Burchfield, Metz, general town rec.	2016/2028	200,000	2.0-5.0	149,418	-	17,442	131,976
Addition of police headquarters	2016/2028	1,520,000	2.0-5.0	1,135,581	-	132,557	1,003,024
Road reconstruction & repaving	2017/2030	135,000	5.0-1.5	125,000	-	10,000	115,000
Library and comm. cnt. exp.	2018/2045	10,222,045	5.0-3.0	9,895,000	-	320,000	9,575,000
Accounting software	2018/2045	300,000	5.0-3.0	240,000	-	60,000	180,000
Radio system upgrades & GPS units	2018/2025	29,200	5.0	26,000	-	3,000	23,000
Purchase of certain eq.t & vehicles	2018/2025	276,037	5.0	239,395	-	35,815	203,580
Acq. of equipment & replacing floor	2018/2021	18,100	5.0	12,000	-	6,000	6,000
Various purposes	2018/2021	63,600	5.0	43,000	-	21,000	22,000
				<u>13,050,394</u>	<u>-</u>	<u>875,814</u>	<u>12,174,580</u>
Highway fund							
Various purpose refunding bonds	2014/2020	2,353,488	2.0	240,001	-	240,001	-
Various purpose refunding bonds	2015/2028	8,735,000	3.0-5.0	6,120,000	-	720,000	5,400,000
Road reconstruction & repaving	2017/2030	4,405,000	5.0-1.5	3,910,000	-	255,000	3,655,000
Steph. Ave, N. Am. Dr, Comm. Pkwy	2018/2045	2,400,000	5.0-3.0	2,195,000	-	205,000	1,990,000
Purchase of certain eq. & vehicles	2018/2025	1,627,664	5.0	1,411,605	-	211,185	1,200,420
Acq. of vehicles & repaving of roads	2018/2021	867,200	5.0	589,000	-	289,000	300,000
				<u>14,465,606</u>	<u>-</u>	<u>1,920,186</u>	<u>12,545,420</u>
Special Districts Fund							
Sanitary and sewer facilities	2018/2045	17,155,000	5.0-3.0	16,655,000	-	500,000	16,155,000
2015 Water Improvements	2018/2045	1,650,000	5.0-3.0	1,605,000	-	45,000	1,560,000
Waterway/drainage imp. to Caz. Creek	2018/2045	90,000	5.0-3.0	60,000	-	30,000	30,000
Imp. to Facilities of W.D. #3	2018/2025	34,300	5.0	30,000	-	5,000	25,000
Imp. to Facilities of W.D. #3 Lydecker	2018/2025	187,800	5.0	163,000	-	25,000	138,000
Improvements to W.D. #1	2018/2021	179,500	5.0	122,000	-	60,000	62,000
Improvements to W.D. #13	2018/2021	71,600	5.0	49,000	-	24,000	25,000
Total Special Districts Fund				<u>18,684,000</u>	<u>-</u>	<u>689,000</u>	<u>17,995,000</u>
Total				<u>\$ 46,200,000</u>	<u>-</u>	<u>3,485,000</u>	<u>42,715,000</u>

The following schedule sets forth the remaining annual maturities and annual interest payments on serial bonds at December 31, 2020:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 3,350,000	1,703,006	5,053,006
2022	3,015,000	1,535,506	4,550,506
2023	3,115,000	1,384,756	4,499,756
2024	2,845,000	1,230,556	4,075,556
2025	2,950,000	1,089,606	4,039,606
2026-2030	9,600,000	3,856,830	13,456,830
2031-2035	6,420,000	2,501,112	8,921,112
2036-2040	7,145,000	1,467,107	8,612,107
2041-2045	4,275,000	304,809	4,579,809
Total	<u>\$ 42,715,000</u>	<u>15,073,288</u>	<u>57,788,288</u>

Defeasance – During October, 2018, the Town issued \$3,355,000 in general obligation bonds with an interest rate of 5.0% and used the proceeds to redeem \$3,520,000 of outstanding bonds with interest rates of 3.8% and 4.0%. As a result, the retired bonds were considered to be defeased, and the liability for these bonds has been removed from the Town’s financial statements, replaced with the liability for the new bonds. The economic gain on the transactions (the difference between the amount owed on the bonds defeased and the amount owed on the new bonds acquired) was \$165,000. This amount is included in the bond premium amount and is being amortized over 86 months, the life of the new bonds.

Deficiency Note Payable – In accordance with Section 29.20 of the local finance laws of the State of New York, any municipality, school district, or district corporation may issue deficiency notes during any fiscal year to finance a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for such current fiscal year. Such notes may be issued in such amounts as the finance board shall determine to be necessary, but not to exceed five per cent of the amount of the annual budget of such municipality, school district, or district corporation. On November 18, 2020, the Town issued a \$600,000 deficiency note with an interest rate of 1.03 percent. This note is redeemable at maturity on November 18, 2022, which extends beyond one year and, therefore, is reported as a long-term obligation.

Energy Performance Contract - Installment Purchase Debt – The Town has entered into energy performance contracts for modifications to various facilities. The modifications were made to improve energy efficiency. Principal and interest payments are made quarterly. The following is a summary of lease purchase transactions of the Town for the year ended December 31, 2020:

Year of Issue/ Maturity	Amount of Original Issue	Interest Rate	Balance at 1/1/2020	Payment			Payment Range
				Issued During 2020	During 2020	Balance at 12/31/2020	
2012/2028	\$ 9,474,049	3.39%	5,911,095	-	622,057	5,289,038	\$ 118,556 - \$ 125,294
2016/2032	5,313,003	2.37%	4,373,354	-	339,354	4,034,000	\$ 65,000 - \$150,000
Total			<u>\$ 10,284,449</u>	<u>-</u>	<u>961,411</u>	<u>9,323,038</u>	

The following is a maturity schedule of installment purchase debt:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,002,346	263,565	1,265,911
2022	1,048,229	232,682	1,280,911
2023	1,100,531	200,380	1,300,911
2024	1,164,209	166,527	1,330,736
2025	1,234,353	130,833	1,365,186
2026-2030	3,385,048	208,688	3,593,736
2031-2032	<u>388,322</u>	<u>6,922</u>	<u>395,244</u>
	<u>\$ 9,323,038</u>	<u>1,209,597</u>	<u>10,532,635</u>

Other Postemployment Benefits ("OPEB") Obligation – As explained in Note 9, the Town provides a portion of health care benefits for retirees. The Town's annual OPEB cost is calculated based on the annual required contributions of the employer, an amount determined in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pension*. The Town's long-term OPEB obligation is estimated to be \$144,021,398 at December 31, 2020.

Judgments and Claims – As explained in Note 10, the Town's judgments and claims obligation represents liabilities relating to self-insured workers compensation and other judgments and claims.

Compensated Absences – As explained in Note 1, the Town reports the value of governmental fund type compensated absences as a long-term liability. The annual budgets of the operating funds provide funding for these benefits as they become payable.

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.

The following is a reconciliation of the Town's net investment in capital assets—governmental activities.

Capital assets, net of depreciation		\$ 80,063,404
Debt issued to acquire capital assets:		
Serial bonds	(42,715,000)	
Bond anticipation note	(360,000)	
Unamortized bond issue premium	(2,345,315)	
Installment purchase debt	(9,323,038)	
Unexpended debt proceeds	<u>3,533,599</u>	<u>(51,209,754)</u>
Net investment in capital assets		<u>\$ 28,853,650</u>

- **Restricted Component of Net Position** – This category represents 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. The components of the Town’s restricted net position are disclosed below.
- **Unrestricted Component of 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, 2020 includes:

- **Prepays** - Represents amounts that are applicable to future accounting periods. The total amount of \$1,120,750 recorded in the governmental funds includes \$769,305 which is prepaid to the New York State retirement system that are applicable to future accounting periods. This amount is eliminated through the GASB Statement No. 34 conversion to government-wide financial statements.

Restrictions represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restricted fund balance maintained by the Town at December 31, 2020 included the following:

	Capital Equipment		Total
	Purchases	Grants	Restricted
General Fund	\$ -	92,711	92,711
Highway Fund	815,218	-	815,218
Capital Projects Fund	<u>4,459,821</u>	<u>-</u>	<u>4,459,821</u>
	<u>\$ 5,275,039</u>	<u>92,711</u>	<u>5,367,750</u>

- **Capital Equipment Purchases** – Represents amounts of \$815,218 in the Highway Fund and \$4,459,821 in the Capital Projects Fund, reserved for future purchases of capital equipment and debt service. Commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Town's highest level of decision-making authority. The Town reported no commitments of fund balance as of December 31, 2020.

- **Grants** – Represents \$92,711 in the General Fund to be spend under the terms set forth by the grantors.

Assignments represent amounts that are intended to be used by the Town for specific purposes. Assignments of fund balance at December 31, 2020 include:

	Subsequent Year's Expenditures	Casualty and liability	Special Revenue Funds	Special Purpose Funds	Encumbrances	Total Assigned
General Fund	\$ 150,000	500,385	-	-	4,039	654,424
Highway Fund	-	-	976,083	-	-	976,083
Sewer Fund	-	-	4,012,510	-	253,505	4,266,015
Other Governmental Funds	-	-	695,009	505,574	-	1,200,583
	<u>\$ 150,000</u>	<u>500,385</u>	<u>5,683,602</u>	<u>505,574</u>	<u>257,544</u>	<u>7,097,105</u>

- **Subsequent Year's Expenditures**—Represents available fund balance being appropriated to meet expenditure requirements in the 2020 fiscal year.
- **Encumbrances**—Represents amounts which have been committed through purchase orders or contracts. As of December 31, 2020, the Town reported \$4,039 of encumbrances for the General Fund and \$253,505 for the Sewer Fund. The detail of encumbrances by category is as follows:

	General Fund	Sewer Fund	Total
Public Safety	\$ 4,039	-	4,039
Home and community services	-	253,505	253,505
Total	<u>\$ 4,039</u>	<u>253,505</u>	<u>257,544</u>

- **Casualty and Liability**— Represents funds accumulated for non-insured liability and casualty losses, for worker's compensation claims, and uncollectible receivable amounts.
- **Special Revenue Funds**— Represents fund balance within the special revenue funds that is assigned for a specific purpose.

If the Town must use funds for emergency expenditures, the Town Board shall authorize the Supervisor to expend funds first from funds classified under GASB 54 as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB 54 will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available the Town will use unassigned fund balance.

15. INTERFUND BALANCES AND ACTIVITY

The outstanding balances between funds result from payments made on behalf of other funds or temporary advances. These balances are expected to be collected/paid within the subsequent year. Interfund transfers are used primarily to support capital project expenditures. Interfund receivables, payables, and transfers of the Town as of, and for the year ended December 31, 2020, consisted of the following:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 440,186	301,602
Highway Fund	93,161	193,078
Sewer Fund	10,272	58,706
Capital Projects Fund	-	4,505
Other Governmental Funds:		
Special Purpose	14,272	-
Total	<u>\$ 557,891</u>	<u>557,891</u>

16. LABOR RELATIONS

The majority of Town employees are represented by three bargaining units, White Collar, Police Benevolent Association ("PBA") and Blue Collar. Some department heads and most part-time employees are governed by Town Board policies. The White-Collar employees, Police employees, and Blue-Collar employees have negotiated contracts in place through December 31, 2023, December 31, 2022, and December 31, 2020 respectively.

17. CONTINGENCIES

Assessments—The Town is a defendant in 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 various 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 with 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 expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Litigation- The Town is subject to a number of lawsuits in the ordinary course of its affairs. Town Management, after considering all relevant facts, including the opinion of the Town attorney and outside counsel in certain instances, is of the opinion that such litigation will not, in the aggregate, have a material adverse effect on the Town's financial position.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 24, 2021, 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.

19. TAX ABATEMENTS

The Town enters into property tax abatement agreements with local businesses through the Erie County Industrial Development Agency and the Town of West Seneca Industrial Development

Agency for the purpose of attracting or retaining businesses within the Town's jurisdiction in an effort to provide a solid start-up base for new commercial development to ensure growth within the Town.

The Town collected \$165,684 during 2020 in payments in lieu of taxes ("PILOT.") These collections were made in lieu of \$262,397 in property taxes. The Town abated property taxes totaling \$96,713.

20. COVID-19 PANDEMIC

Since March, 2020, the United States has been in the midst of a national health emergency related to the COVID-19 pandemic. The ultimate consequences of this pandemic on a national, regional, and local level are unknown at this time, but the economic impact could potentially be significant. The ultimate impact of this pandemic on the Town cannot be reasonably determined at this time.

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE LEFT INTENTIONALLY BLANK

TOWN OF WEST SENECA, NEW YORK
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios
Last Three Fiscal Years *

	Year Ended		
	December 31, 2020	December 31, 2019	December 31, 2018
Measurement date	December 31, 2020	December 31, 2019	December 31, 2018
Total OPEB liability			
Service Cost	\$ 4,642,422	3,547,823	4,104,546
Interest	3,475,917	5,032,908	4,843,155
Differences between expected and actual experience in the measurement of the total OPEB liability	(12,857,420)	(29,872,147)	(1,031,318)
Changes in assumptions or other inputs	16,290,893	24,708,660	(16,037,882)
Benefit payments	<u>(2,149,696)</u>	<u>(1,816,072)</u>	<u>(2,149,450)</u>
Net change in OPEB liability	9,402,116	1,601,172	(10,270,949)
Total OPEB liability - beginning	<u>134,619,282</u>	<u>133,018,110</u>	<u>143,289,059</u>
Total OPEB liability - ending	<u>\$ 144,021,398</u>	<u>134,619,282</u>	<u>133,018,110</u>
Covered payroll	\$ 18,619,800	18,619,800	18,006,768
Total OPEB liability as a percentage of covered payroll	773.49%	722.99%	738.71%

* Ten years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until ten years of historical data is available.

The accompanying independent auditors' report should be read in conjunction with these financial statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Proportionate Share
of the Net Pension Liability - Employees' Retirement System
Last Seven Years *

Measurement date	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
	March 31, 2020	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	0.0389235%	0.0387733%	0.0368174%	0.0396172%	0.0393371%	0.0387080%	0.0387080%
Town's proportionate share of the net pension liability	\$ 10,307,174	2,747,205	1,188,260	3,722,518	6,313,719	1,307,653	1,749,162
Town's covered-employee payroll	\$ 9,804,783	10,060,975	9,740,536	8,950,780	9,355,036	9,015,252	9,072,777
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	105.1%	27.3%	12.2%	41.6%	67.5%	14.5%	19.3%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%	98.50%

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

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Contributions -
Employees' Retirement System
Last Seven Years *

	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,396,314	\$ 1,427,039	1,434,332	1,327,298	1,426,037	1,666,916	1,779,337
Contributions in relation to the contractually required contribution	(1,396,314)	(1,427,039)	(1,434,332)	(1,327,298)	(1,426,037)	(1,666,916)	(1,779,337)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Town's covered-employee payroll	\$ 10,414,313	\$ 9,964,068	10,037,097	9,390,240	9,354,997	9,424,813	9,862,173
Contributions as a percentage of covered-employee payroll	13.4%	14.3%	14.3%	14.1%	15.2%	17.7%	18.0%

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

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Proportionate Share
of the Net Pension Liability - Police and Fire Retirement System
Last Seven Years *

Measurement date	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
	March 31, 2020	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	0.1695494%	0.1718153%	0.1771639%	0.1922942%	0.1978449%	0.1870713%	0.1870713%
Town's proportionate share of the net pension liability	\$ 9,062,308	\$ 2,881,452	\$ 1,790,696	\$ 3,985,590	\$ 5,857,766	\$ 514,932	\$ 778,796
Town's covered-employee payroll	\$ 6,938,388	\$ 6,488,487	\$ 6,595,388	\$ 6,563,090	\$ 6,589,174	\$ 6,133,266	\$ 6,080,305
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	130.6%	44.4%	27.2%	60.7%	88.9%	8.4%	12.8%
Plan fiduciary net position as a percentage of the total pension liability	84.86%	95.09%	96.93%	93.46%	90.24%	99.03%	98.50%

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

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Schedule of the Town's Contributions -
Police and Fire Retirement System
Last Seven Years *

	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,680,908	\$ 1,532,369	1,551,547	1,585,804	1,572,569	1,482,515	1,654,760
Contributions in relation to the contractually required contribution	<u>(1,680,908)</u>	<u>(1,532,369)</u>	<u>(1,551,547)</u>	<u>(1,585,804)</u>	<u>(1,572,569)</u>	<u>(1,482,515)</u>	<u>(1,654,760)</u>
Contribution deficiency (excess)	-	-	-	-	-	-	-
Town's covered-employee payroll	\$ 6,687,775	\$ 6,888,301	6,480,358	6,622,994	6,722,152	6,553,620	6,446,544
Contributions as a percentage of covered-employee payroll	25.1%	22.2%	23.9%	23.9%	23.4%	22.6%	25.7%

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

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Varaince with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real Property Taxes	\$ 15,701,830	15,701,830	15,713,906	12,076
Other Property Tax Items	346,518	346,518	433,179	86,661
Non-property Tax Items	6,850,000	6,850,000	7,107,401	257,401
Departmental Income	1,231,200	1,231,200	1,029,975	(201,225)
Use of Money and Property	81,000	81,000	96,628	15,628
Sale of Property and Compensation for Loss	46,000	46,000	42,888	(3,112)
Fines and Forfeitures	800,000	800,000	492,514	(307,486)
Miscellaneous	15,000	15,000	3,307	(11,693)
Interfund Revenues	1,893,680	1,893,680	1,893,680	-
State Aid	1,258,552	1,258,552	1,714,875	456,323
Federal Aid	-	229,903	518,848	288,945
Total Revenues	<u>28,223,780</u>	<u>28,453,683</u>	<u>29,047,201</u>	<u>593,518</u>
EXPENDITURES				
Current:				
General Government Support	3,254,653	3,075,166	3,075,166	-
Public Safety	8,842,002	9,559,816	9,559,816	-
Health	5,723	6,073	6,073	-
Transportation	432,500	406,416	406,416	-
Economic Assistance and Opportunity	2,500	16,915	16,915	-
Culture and Recreation	2,403,724	1,948,079	1,948,079	-
Home and Community Services	3,024,122	3,135,238	3,135,223	15
Employee Benefits	8,449,915	8,656,881	7,811,719	845,162
Debt Service:				
Principal	1,354,777	1,354,777	1,390,593	(35,816)
Interest	653,864	653,864	665,575	(11,711)
Total Expenditures	<u>28,423,780</u>	<u>28,813,225</u>	<u>28,015,575</u>	<u>797,650</u>
Excess (deficiency) of Revenues Over Expenditures	<u>(200,000)</u>	<u>(359,542)</u>	<u>1,031,626</u>	<u>1,391,168</u>
OTHER FINANCING USES				
Transfers Out	(50,000)	-	-	-
Long-term deficiency notes issued	-	-	600,000	600,000
Total Other Financing Uses	<u>(50,000)</u>	<u>-</u>	<u>600,000</u>	<u>600,000</u>
Net Change in Fund Balances	(250,000)	(359,542)	1,631,626	1,991,168
Fund Balances - Beginning	<u>4,337,315</u>	<u>4,337,315</u>	<u>4,337,315</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,087,315</u>	<u>3,977,773</u>	<u>5,968,941</u>	<u>1,991,168</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Highway Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Varaince with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real Property Taxes	\$ 11,056,894	11,056,894	11,065,400	8,506
Departmental Income	-	-	135,023	135,023
Intergovernmental Charges	144,000	144,000	111,397	(32,603)
Use of Money and Property	12,000	12,000	8,423	(3,577)
Sale of Property and Compensation for Loss	-	-	8,572	8,572
Miscellaneous	-	-	1,084	1,084
Interfund Revenues	1,542,632	1,542,632	1,542,632	-
State Aid	-	282,426	282,426	-
Federal Aid	-	103,938	103,938	-
Total Revenues	<u>12,755,526</u>	<u>13,141,890</u>	<u>13,258,895</u>	<u>117,005</u>
EXPENDITURES				
Current:				
Transportation	6,306,449	6,455,495	6,292,071	163,424
Employee Benefits	3,686,452	4,060,363	3,617,781	442,582
Debt Service:				
Principal	1,956,000	1,956,000	1,920,185	35,815
Interest	666,625	666,625	654,821	11,804
Total Expenditures	<u>12,615,526</u>	<u>13,138,483</u>	<u>12,484,858</u>	<u>653,625</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>140,000</u>	<u>3,407</u>	<u>774,037</u>	<u>770,630</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(140,000)	-	-	-
Total Other Financing Sources and Uses	<u>(140,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances*	-	3,407	774,037	770,630
Fund Balances - Beginning	1,115,006	1,115,006	1,115,006	-
Fund Balances - Ending	<u>\$ 1,115,006</u>	<u>1,118,413</u>	<u>1,889,043</u>	<u>770,630</u>

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

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - Sewer Fund
For the Year Ended December 31, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Varaince with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Real Property Taxes	\$ 9,666,320	9,666,320	9,666,320	-
Intergovernmental Charges	92,352	92,352	68,268	(24,084)
Interdistrict Revenues	<u>2,708,185</u>	<u>2,708,185</u>	<u>2,793,961</u>	<u>85,776</u>
Total Revenues	<u>12,466,857</u>	<u>12,466,857</u>	<u>12,528,549</u>	<u>61,692</u>
EXPENDITURES				
Current:				
Home and Community Services	10,983,482	10,983,482	10,910,276	73,206
Employee Benefits	-	-	315,619	(315,619)
Debt Service:				
Principal	928,338	928,338	928,338	-
Interest	<u>741,037</u>	<u>741,037</u>	<u>741,025</u>	<u>12</u>
Total Expenditures	<u>12,652,857</u>	<u>12,652,857</u>	<u>12,895,258</u>	<u>(242,401)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(186,000)</u>	<u>(186,000)</u>	<u>(366,709)</u>	<u>(180,709)</u>
Net Changes in Fund Balances	(186,000)	(186,000)	(366,709)	(180,709)
Fund Balances - Beginning	<u>4,667,632</u>	<u>4,667,632</u>	<u>4,667,632</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 4,481,632</u>	<u>4,481,632</u>	<u>4,300,923</u>	<u>(180,709)</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

SUPPLEMENTARY INFORMATION

THIS PAGE LEFT INTENTIONALLY BLANK

TOWN OF WEST SENECA, NEW YORK
Non-Major Governmental Funds
Combining Balance Sheet
December 31, 2020

	Special District Funds	Special Purpose Funds	Total
ASSETS			
Cash and Cash Equivalents	\$ 696,681	489,877	1,186,558
Prepaid Expenses	13,707	-	13,707
Due from Other Governments	-	1,425	1,425
Due from Other Funds	-	14,272	14,272
Total Assets	<u>710,388</u>	<u>505,574</u>	<u>1,215,962</u>
LIABILITIES			
Accounts Payable	<u>1,672</u>	-	<u>1,672</u>
Total Liabilities	<u>1,672</u>	-	<u>1,672</u>
FUND BALANCES (DEFICIT)			
Not in Spendable Form	13,707	-	13,707
Assigned	<u>695,009</u>	<u>505,574</u>	<u>1,200,583</u>
Total Fund Balances (Deficits)	<u>708,716</u>	<u>505,574</u>	<u>1,214,290</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 710,388</u>	<u>505,574</u>	<u>1,215,962</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ending December 31, 2020

	Special District Funds	Special Purpose Funds	Total
REVENUES			
Real Property Taxes	\$ 384,591	-	384,591
Departmental Income	-	18,569	18,569
Use of Money and Property	-	444	444
Miscellaneous	-	-	-
Total Revenues	<u>384,591</u>	<u>19,013</u>	<u>403,604</u>
EXPENDITURES			
Current:			
General Government Support	-	4,999	4,999
Culture and Recreation	-	10,146	10,146
Home and Community Services	91,522	-	91,522
Debt Service	<u>297,578</u>	-	<u>297,578</u>
Total Expenditures	<u>389,100</u>	<u>15,145</u>	<u>404,245</u>
Excess of Revenues over Expenditures	<u>(4,509)</u>	<u>3,868</u>	<u>(641)</u>
Net Change in Fund Balance	(4,509)	3,868	(641)
Fund Balance - Beginning	<u>713,225</u>	<u>501,706</u>	<u>1,214,931</u>
Fund Balance - Ending	<u>\$ 708,716</u>	<u>505,574</u>	<u>1,214,290</u>

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Capital Projects Fund
Combining Balance Sheet
For the Year Ended December 31, 2020

Project	Assets				Liabilities				Fund Balances (Deficits)				Total Liabilities and Fund Balances (Deficits)		
	Restricted		Total		Accounts Payable		Due to Other Funds		BANS Payable		Total Liabilities			Total Fund Balances (Deficits)	
	Cash	Total Assets	Payable	Funds	Funds	Restricted	Unassigned	Balances (Deficits)	Balances (Deficits)						
General Fund:															
Recreation and Playgrounds	\$ 99,206	99,206	-	-	-	99,206	-	-	-	-	-	-	99,206	99,206	
Town Hall / Police Department Improvements	44,173	44,173	-	-	-	44,173	-	-	-	-	-	-	44,173	44,173	
Energy Performance Contract	1,490	1,490	-	-	-	1,490	-	-	-	-	-	-	1,490	1,490	
Burchfield & Other Improvements	(30,652)	(30,652)	-	-	-	-	(30,652)	-	-	(30,652)	-	-	(30,652)	(30,652)	
Energy Performance Contract II	1,612	1,612	-	-	-	1,612	-	-	-	-	-	-	1,612	1,612	
Town Hall & Senior Center ADA Restrooms	(35,818)	(35,818)	-	-	-	-	(35,818)	-	-	(35,818)	-	-	(35,818)	(35,818)	
Seneca Place Project	(1,157)	(1,157)	-	-	-	-	(1,157)	-	-	(1,157)	-	-	(1,157)	(1,157)	
Buildings & Grounds Reconstruction	57,481	57,481	-	-	-	57,481	-	-	-	-	-	-	57,481	57,481	
Community Center / Library Construction	237,175	237,175	5,000	4,505	-	227,670	-	-	-	227,670	-	-	227,175	237,175	
Cazenovia Creek Ice Control	12,868	12,868	-	-	-	12,868	-	-	-	-	-	-	12,868	12,868	
Sidewalk Repair	68,576	68,576	-	-	-	68,576	-	-	-	-	-	-	68,576	68,576	
Software / Hardware Conversion	(83,503)	(83,503)	-	-	-	-	(83,503)	-	-	(83,503)	-	-	(83,503)	(83,503)	
Switzer Park Improvements	(254,695)	(254,695)	-	-	-	-	(254,695)	-	-	(254,695)	-	-	(254,695)	(254,695)	
Ice Rink DASNY	93,600	93,600	-	-	-	93,600	-	-	-	-	-	-	93,600	93,600	
Animal Shelter Rehab.	11,611	11,611	-	-	-	11,611	-	-	-	-	-	-	11,611	11,611	
Garbage Trucks	2,574	2,574	-	-	-	-	(357,426)	-	-	(357,426)	-	-	(357,426)	2,574	
Highway Fund:															
Highway Equipment	65,322	65,322	-	-	-	65,322	-	-	-	-	-	-	65,322	65,322	
ECCDBG Street Projects	20,264	20,264	-	-	-	20,264	-	-	-	-	-	-	20,264	20,264	
Town Roads Construction	626,848	626,848	-	-	-	626,848	-	-	-	-	-	-	626,848	626,848	
Sewer Fund:															
Sanitary Sewer Project	3,001,099	3,001,099	-	-	-	3,001,099	-	-	-	-	-	-	3,001,099	3,001,099	
Sewer Consolidation Grant	(3,000)	(3,000)	-	-	-	-	(3,000)	-	-	(3,000)	-	-	(3,000)	(3,000)	
Plant 6 Repairs	(6,158)	(6,158)	-	-	-	-	(6,158)	-	-	(6,158)	-	-	(6,158)	(6,158)	
Fisher Road Sewer	(23,024)	(23,024)	-	-	-	-	(23,024)	-	-	(23,024)	-	-	(23,024)	(23,024)	
East Center Road Sanitary Sewer	(8,536)	(8,536)	-	-	-	-	(8,536)	-	-	(8,536)	-	-	(8,536)	(8,536)	
Water Fund:															
ECWA Direct Access	35,462	35,462	-	-	-	35,462	-	-	-	-	-	-	35,462	35,462	
Orchard Park Road Water Main	(451,934)	(451,934)	-	-	-	-	(451,934)	-	-	(451,934)	-	-	(451,934)	(451,934)	
Seneca Creek Water Main	68,504	68,504	-	-	-	68,504	-	-	-	-	-	-	68,504	68,504	
Leydecker Water Main (WD #3)	11,701	11,701	-	-	-	11,701	-	-	-	-	-	-	11,701	11,701	
East & West Water Main (WD #3)	4,987	4,987	-	-	-	4,987	-	-	-	-	-	-	4,987	4,987	
Elmsford Circle Water Main	7,347	7,347	-	-	-	7,347	-	-	-	-	-	-	7,347	7,347	
2009-10: East & West-Water District #3	(34,224)	(34,224)	-	-	-	-	(34,224)	-	-	(34,224)	-	-	(34,224)	(34,224)	
2009-10: East & West-Water District #4	(600)	(600)	-	-	-	-	(600)	-	-	(600)	-	-	(600)	(600)	
	\$ 3,538,599	3,538,599	5,000	4,505	-	4,459,821	(1,290,727)	-	-	3,169,094	369,505	360,000	3,538,599	3,538,599	

The accompanying independent auditors' report should be read in conjunction with these statements.

TOWN OF WEST SENECA, NEW YORK
Capital Projects Fund
Combining Schedule of Revenues, Expenditures and Other Financing Sources and Changes in fund Balances (Deficits)
For the Year Ended December 31, 2020

Project	Revenues			Other Financing Sources			Total Expenditures and Other Financing Uses	Total Fund Balances (Deficits) 12/31/2020
	Fund Balances (Deficits) 1/1/2020	Interest	Grant Revenue	Other	Revenue and Other Financing Sources	Capital Outlay		
General Fund:								
Recreation and Playgrounds	\$ 99,028	178	-	-	178	-	-	99,206
Town Hall / Police Department Improvements	44,094	79	-	-	79	-	-	44,173
Energy Performance Contract	1,487	3	-	-	3	-	-	1,490
Burchfield & Other Improvements	(30,652)	-	-	-	-	-	-	(30,652)
Energy Performance Contract II	58,453	-	-	-	-	56,841	56,841	1,612
Town Hall & Senior Center ADA Restrooms	(35,818)	-	-	-	-	-	-	(35,818)
Seneca Place Project	(1,157)	-	-	-	-	-	-	(1,157)
Buildings & Grounds Reconstruction	57,378	103	-	-	103	-	-	57,481
Community Center / Library Construction	135,797	337	91,536	-	91,873	-	-	227,670
Cazenovia Creek Ice Control	12,845	23	-	-	23	-	-	12,868
Sidewalk Repair	(27,847)	36	-	96,387	96,423	-	-	12,868
Software / Hardware Conversion	(64,050)	-	-	-	-	19,453	19,453	(83,503)
Switzer Park Improvements	(254,695)	-	-	-	-	-	-	(254,695)
Ice Rink DASNY	(155,815)	-	249,415	-	249,415	-	-	93,600
Animal Shelter Rehab.	50,820	10	-	-	10	39,219	39,219	11,611
Garbage Trucks	(357,426)	-	-	-	-	-	-	(357,426)
Highway Fund:								
Highway Equipment	65,205	117	-	-	117	-	-	65,322
ECCDBG Street Projects	20,228	36	-	-	36	-	-	20,264
Town Roads Construction	625,777	1,071	-	-	1,071	-	-	626,848
Sewer Fund:								
Sanitary Sewer Project	5,194,309	7,346	-	-	7,346	2,200,556	2,200,556	3,001,099
Sewer Consolidation Grant	(3,000)	-	-	-	-	-	-	(3,000)
Plant 6 Repairs	(6,158)	-	-	-	-	-	-	(6,158)
Fisher Road Sewer	(23,024)	-	-	-	-	-	-	(23,024)
East Center Road Sanitary Sewer	(8,536)	-	-	-	-	-	-	(8,536)
Water Fund:								
ECWA Direct Access	35,399	63	-	-	63	-	-	35,462
Orchard Park Road Water Main	(451,934)	-	-	-	-	-	-	(451,934)
Seneca Creek Water Main	68,381	123	-	-	123	-	-	68,504
Leydecker Water Main (WD #3)	11,680	21	-	-	21	-	-	11,701
East & West Water Main (WD #3)	4,978	9	-	-	9	-	-	4,987
Elmsford Circle Water Main	7,334	13	-	-	13	-	-	7,347
2009-10: East & West-Water District #3	(34,224)	-	-	-	-	-	-	(34,224)
2009-10: East & West-Water District #4	(600)	-	-	-	-	-	-	(600)
	\$ 5,038,257	9,568	340,951	96,387	446,906	2,316,069	2,316,069	3,169,094

The accompanying independent auditors' report should be read in conjunction with these statements.



Kenneth S. Frank, CPA
 Roger J. Lis, Jr. CPA
 Julie L. Jagoda-Booth, CPA
 Kathryn A. Larracuente, CPA
 Christopher M. Zera, CPA

R. A. MERCER & CO., P.C.
Certified Public Accountants
 290 Center Road
 West Seneca, New York 14224
 Phone 716-675-4270 Fax 716-675-4272
www.ramercercpa.com

Raymond A. Mercer, CPA 1931-1983

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

To the Honorable Town Board
 Town of West Seneca, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of West Seneca, New York (the “Town”), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements, and have issued our report thereon dated June 24, 2021.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Purpose of this Report

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

R.A. Mercer & Co., P.C.

R.A. Mercer & Co., P.C.

West Seneca, New York
June 24, 2021