

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

ANNUAL FINANCIAL REPORT  
UPDATE DOCUMENT  
For The  
TOWN of Canaan  
County of Columbia  
For the Fiscal Year Ended 12/31/2019

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AUTHORIZATION

ARTICLE 3, SECTION 30 of the GENERAL MUNICIPAL LAW:

1. \*\*\*Every Municipal Corporation \*\*\* shall annually make a report of its financial condition to the Comptroller. Such report shall be made by the Chief Fiscal Officer of such Municipal Corporation \*\*\*
  
5. All reports shall be certified by the officer making the same and shall be filed with the Comptroller \*\*\* It shall be the duty of the incumbent officer at the time such reports are required to be filed with the Comptroller to file such report \*\*\*

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

TOWN OF Canaan

\*\*\* FINANCIAL SECTION \*\*\*

Financial Information for the following funds and account groups are included in the Annual Financial Report filed by your government for the fiscal year ended 2018 and has been used by the OSC as the basis for preparing this update document for the fiscal year ended 2019:

- (A) GENERAL
- (CR) RECREATION
- (DA) HIGHWAY-TOWN-WIDE
- (H) CAPITAL PROJECTS
- (K) GENERAL FIXED ASSETS
- (SF) FIRE PROTECTION
- (SL) LIGHTING
- (SM) MISCELLANEOUS
- (TA) AGENCY
- (W) GENERAL LONG-TERM DEBT

All amounts included in this update document for 2018 represent data filed by your government with OSC as reviewed and adjusted where necessary.

\*\*\* SUPPLEMENTAL SECTION \*\*\*

The Supplemental Section includes the following sections:

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

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

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(A) GENERAL

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Cash	144,464	A200	158,500
Petty Cash	200	A210	200
Cash With Fiscal Agent	3,991	A223	2,635
<b>TOTAL Cash</b>	<b>148,655</b>		<b>161,335</b>
Accounts Receivable	3,111	A380	3,000
<b>TOTAL Other Receivables (net)</b>	<b>3,111</b>		<b>3,000</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>151,766</b>		<b>164,335</b>

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(A) GENERAL

Balance Sheet

Code Description	2018	EdpCode	2019
Accrued Liabilities	2,012	A601	345
<b>TOTAL Accrued Liabilities</b>	<b>2,012</b>		<b>345</b>
<b>TOTAL Liabilities</b>	<b>2,012</b>		<b>345</b>
<b>Fund Balance</b>			
Committed Fund Balance	3,991	A913	2,635
<b>TOTAL Committed Fund Balance</b>	<b>3,991</b>		<b>2,635</b>
Assigned Appropriated Fund Balance	76,000	A914	75,000
<b>TOTAL Assigned Fund Balance</b>	<b>76,000</b>		<b>75,000</b>
Unassigned Fund Balance	69,763	A917	86,355
<b>TOTAL Unassigned Fund Balance</b>	<b>69,763</b>		<b>86,355</b>
<b>TOTAL Fund Balance</b>	<b>149,754</b>		<b>163,990</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>151,766</b>		<b>164,335</b>

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(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
<b>Revenues</b>			
Real Property Taxes	298,869	A1001	328,545
<b>TOTAL Real Property Taxes</b>	<b>298,869</b>		<b>328,545</b>
Interest & Penalties On Real Prop Taxes	7,938	A1090	8,438
<b>TOTAL Real Property Tax Items</b>	<b>7,938</b>		<b>8,438</b>
Non Prop Tax Dist By County		A1120	30,000
Franchises	5,901	A1170	6,932
<b>TOTAL Non Property Tax Items</b>	<b>5,901</b>		<b>36,932</b>
Clerk Fees	3,759	A1255	2,435
Zoning Fees	125	A2110	50
Planning Board Fees	250	A2115	400
<b>TOTAL Departmental Income</b>	<b>4,134</b>		<b>2,885</b>
Share of Joint Activity, Other Govts	2,904	A2390	3,528
<b>TOTAL Intergovernmental Charges</b>	<b>2,904</b>		<b>3,528</b>
Interest And Earnings	742	A2401	2,032
<b>TOTAL Use of Money And Property</b>	<b>742</b>		<b>2,032</b>
Dog Licenses	1,746	A2544	1,760
Building And Alteration Permits	16,204	A2555	12,098
<b>TOTAL Licenses And Permits</b>	<b>17,950</b>		<b>13,858</b>
Fines And Forfeited Bail	44,464	A2610	62,570
<b>TOTAL Fines And Forfeitures</b>	<b>44,464</b>		<b>62,570</b>
Gifts And Donations	1,004	A2705	10,017
<b>TOTAL Miscellaneous Local Sources</b>	<b>1,004</b>		<b>10,017</b>
St Aid, Revenue Sharing	7,934	A3001	7,934
St Aid, Mortgage Tax	67,600	A3005	39,666
St Aid, Other Health	15,234	A3489	14,935
<b>TOTAL State Aid</b>	<b>90,768</b>		<b>62,535</b>
<b>TOTAL Revenues</b>	<b>474,674</b>		<b>531,340</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>474,674</b>		<b>531,340</b>

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(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
<b>Expenditures</b>			
Legislative Board, Pers Serv	7,200	A10101	7,200
<b>TOTAL Legislative Board</b>	<b>7,200</b>		<b>7,200</b>
Municipal Court, Pers Serv	45,269	A11101	48,476
Municipal Court, Contr Expend	5,837	A11104	5,407
<b>TOTAL Municipal Court</b>	<b>51,106</b>		<b>53,883</b>
Supervisor,pers Serv	5,000	A12201	5,000
<b>TOTAL Supervisor</b>	<b>5,000</b>		<b>5,000</b>
Budget, Contr Expend	10,637	A13404	10,847
<b>TOTAL Budget</b>	<b>10,637</b>		<b>10,847</b>
Assessment, Pers Serv	28,977	A13551	27,111
Assessment, Equip & Cap Outlay	300	A13552	113
Assessment, Contr Expend	7,232	A13554	1,572
<b>TOTAL Assessment</b>	<b>36,509</b>		<b>28,796</b>
Clerk,pers Serv	50,015	A14101	51,851
Clerk,contr Expend	7,349	A14104	1,665
<b>TOTAL Clerk</b>	<b>57,364</b>		<b>53,516</b>
Law, Contr Expend	4,419	A14204	1,431
<b>TOTAL Law</b>	<b>4,419</b>		<b>1,431</b>
Central Services Admin,equip & Cap Outlay		A16102	32,162
<b>TOTAL Central Services Admin</b>	<b>0</b>		<b>32,162</b>
Buildings, Pers Serv	5,364	A16201	5,946
Buildings, Equip & Cap Outlay	1,249	A16202	
Buildings, Contr Expend	22,743	A16204	28,320
<b>TOTAL Buildings</b>	<b>29,356</b>		<b>34,266</b>
Central Print & Mail,contr Expend	4,317	A16704	3,737
<b>TOTAL Central Print &amp; Mail</b>	<b>4,317</b>		<b>3,737</b>
Central Data Process & Cap Outlay	1,618	A16802	1,413
Central Data Process, Contr Expend	8,716	A16804	8,140
<b>TOTAL Central Data Process</b>	<b>10,334</b>		<b>9,553</b>
Unallocated Insurance, Contr Expend	17,221	A19104	18,010
<b>TOTAL Unallocated Insurance</b>	<b>17,221</b>		<b>18,010</b>
Municipal Assn Dues, Contr Expend	800	A19204	700
<b>TOTAL Municipal Assn Dues</b>	<b>800</b>		<b>700</b>
<b>TOTAL General Government Support</b>	<b>234,263</b>		<b>259,101</b>
Traffic Control, Contr Expen	741	A33104	432
<b>TOTAL Traffic Control</b>	<b>741</b>		<b>432</b>
Control of Animals, Pers Serv	5,000	A35101	5,000
Control of Animals, Contr Expend		A35104	650
<b>TOTAL Control of Animals</b>	<b>5,000</b>		<b>5,650</b>
Safety Inspection, Pers Serv	17,437	A36201	17,925
Safety Inspection, Contr Expend	4,864	A36204	6,133
<b>TOTAL Safety Inspection</b>	<b>22,301</b>		<b>24,058</b>
<b>TOTAL Public Safety</b>	<b>28,042</b>		<b>30,140</b>

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(A) GENERAL

Results of Operation

Code Description	2018	EdpCode	2019
<b>Expenditures</b>			
Registrar of Vital Statistics, Pers Serv	349	A40201	358
<b>TOTAL Registrar of Vital Statistics</b>	<b>349</b>		<b>358</b>
<b>TOTAL Health</b>	<b>349</b>		<b>358</b>
Street Admin, Pers Serv	71,004	A50101	73,338
Street Admin, Contr Expend	1,092	A50104	2,453
<b>TOTAL Street Admin</b>	<b>72,096</b>		<b>75,791</b>
Garage, Contr Expend	19,674	A51324	16,603
<b>TOTAL Garage</b>	<b>19,674</b>		<b>16,603</b>
<b>TOTAL Transportation</b>	<b>91,770</b>		<b>92,394</b>
Veterans Service, Contr Expend	575	A65104	
<b>TOTAL Veterans Service</b>	<b>575</b>		<b>0</b>
Programs For Aging, Contr Expend	7,189	A67724	7,072
<b>TOTAL Programs For Aging</b>	<b>7,189</b>		<b>7,072</b>
<b>TOTAL Economic Assistance And Opportunity</b>	<b>7,764</b>		<b>7,072</b>
Youth Prog, Pers Serv	5,446	A73101	5,470
Youth Prog, Contr Expend	2,193	A73104	2,541
<b>TOTAL Youth Prog</b>	<b>7,639</b>		<b>8,011</b>
Library, Pers Serv	5,790	A74101	6,000
Library, Contr Expend	1,352	A74104	1,339
<b>TOTAL Library</b>	<b>7,142</b>		<b>7,339</b>
Historian, Contr Expend		A75104	547
<b>TOTAL Historian</b>	<b>0</b>		<b>547</b>
<b>TOTAL Culture And Recreation</b>	<b>14,781</b>		<b>15,897</b>
Zoning, Pers Serv	516	A80101	144
<b>TOTAL Zoning</b>	<b>516</b>		<b>144</b>
Planning, Pers Serv	772	A80201	1,607
Planning, Contr Expend	3	A80204	45
<b>TOTAL Planning</b>	<b>775</b>		<b>1,652</b>
Cemetery, Contr Expend	25,687	A88104	23,537
<b>TOTAL Cemetery</b>	<b>25,687</b>		<b>23,537</b>
<b>TOTAL Home And Community Services</b>	<b>26,978</b>		<b>25,333</b>
State Retirement System	29,663	A90108	28,273
Social Security, Employer Cont	18,540	A90308	19,081
Hospital & Medical (dental) Ins, Empl Bnft	36,741	A90608	39,455
<b>TOTAL Employee Benefits</b>	<b>84,944</b>		<b>86,809</b>
<b>TOTAL Expenditures</b>	<b>488,891</b>		<b>517,104</b>
Transfers, Other Funds	50,205	A99019	
<b>TOTAL Operating Transfers</b>	<b>50,205</b>		<b>0</b>
<b>TOTAL Other Uses</b>	<b>50,205</b>		<b>0</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>539,096</b>		<b>517,104</b>

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(A) GENERAL

**Analysis of Changes in Fund Balance**

Code Description	2018	EdpCode	2019
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>214,176</b>	<b>A8021</b>	<b>149,754</b>
<b>Restated Fund Balance - Beg of Year</b>	<b>214,176</b>	<b>A8022</b>	<b>149,754</b>
ADD - REVENUES AND OTHER SOURCES	474,674		531,340
DEDUCT - EXPENDITURES AND OTHER USES	539,096		517,104
<b>Fund Balance - End of Year</b>	<b>149,754</b>	<b>A8029</b>	<b>163,990</b>



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(A) GENERAL

Budget Summary

Code Description	2019	EdpCode	2020
<b>Estimated Revenues</b>			
Est Rev - Real Property Tax Items	328,545	A1099N	388,652
Est Rev - Non Property Tax Items	14,000	A1199N	15,500
Est Rev - Departmental Income	7,137	A1299N	4,848
Est Rev - Use of Money And Property	1,000	A2499N	2,500
Est Rev - Licenses And Permits	17,200	A2599N	15,000
Est Rev - Fines And Forfeitures	65,000	A2649N	65,000
Est Rev - Miscellaneous Local Sources	5,000	A2799N	2,500
Est Rev - State Aid	88,500	A3099N	78,000
<b>TOTAL Estimated Revenues</b>	<b>526,382</b>		<b>572,000</b>
Appropriated Fund Balance	76,000	A599N	75,000
<b>TOTAL Estimated Other Sources</b>	<b>76,000</b>		<b>75,000</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>602,382</b>		<b>647,000</b>

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(A) GENERAL

Budget Summary

Code Description	2019	EdpCode	2020
<b>Appropriations</b>			
App - General Government Support	292,982	A1999N	302,450
App - Public Safety	35,193	A3999N	33,295
App - Health	358	A4999N	365
App - Transportation	102,639	A5999N	103,597
App - Economic Assistance And Opportunity	8,700	A6999N	8,700
App - Culture And Recreation	19,350	A7999N	21,350
App - Home And Community Services	51,160	A8999N	86,243
App - Employee Benefits	87,500	A9199N	91,000
<b>TOTAL Appropriations</b>	<b>597,882</b>		<b>647,000</b>
App - Interfund Transfer	4,500	A9999N	
<b>TOTAL Other Uses</b>	<b>4,500</b>		<b>0</b>
<b>TOTAL Appropriations And Other Uses</b>	<b>602,382</b>		<b>647,000</b>

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(CR) RECREATION

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Cash	3,365	CR200	3,488
<b>TOTAL Cash</b>	<b>3,365</b>		<b>3,488</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>3,365</b>		<b>3,488</b>

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(CR) RECREATION

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Fund Balance</b>			
Assigned Unappropriated Fund Balance	3,365	CR915	3,488
<b>TOTAL Assigned Fund Balance</b>	<b>3,365</b>		<b>3,488</b>
<b>TOTAL Fund Balance</b>	<b>3,365</b>		<b>3,488</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>3,365</b>		<b>3,488</b>

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(CR) RECREATION

Results of Operation

Code Description	2018	EdpCode	2019
<b>Revenues</b>			
Interest And Earnings	17	CR2401	123
<b>TOTAL Use of Money And Property</b>	<b>17</b>		<b>123</b>
<b>TOTAL Revenues</b>	<b>17</b>		<b>123</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>17</b>		<b>123</b>

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(CR) RECREATION

Results of Operation

Code Description	2018	EdpCode	2019
<b>Expenditures</b>			
Playground & Recreation-Equip & Cap Outlay	4,279	CR71402	
<b>TOTAL Playground &amp; Recreation-Equip &amp; Cap Outlay</b>	<b>4,279</b>		<b>0</b>
<b>TOTAL Culture And Recreation</b>	<b>4,279</b>		<b>0</b>
<b>TOTAL Expenditures</b>	<b>4,279</b>		<b>0</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>4,279</b>		<b>0</b>

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(CR) RECREATION

**Analysis of Changes in Fund Balance**

Code Description	2018	EdpCode	2019
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>7,627</b>	<b>CR8021</b>	<b>3,365</b>
<b>Restated Fund Balance - Beg of Year</b>	<b>7,627</b>	<b>CR8022</b>	<b>3,365</b>
ADD - REVENUES AND OTHER SOURCES	17		123
DEDUCT - EXPENDITURES AND OTHER USES	4,279		
<b>Fund Balance - End of Year</b>	<b>3,365</b>	<b>CR8029</b>	<b>3,488</b>

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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Cash	379,730	DA200	309,956
Cash With Fiscal Agent	3,267	DA223	7,680
<b>TOTAL Cash</b>	<b>382,997</b>		<b>317,636</b>
Accounts Receivable	91,933	DA380	89,190
<b>TOTAL Other Receivables (net)</b>	<b>91,933</b>		<b>89,190</b>
Miscellaneous Current Assets		DA489	
<b>TOTAL Other</b>	<b>0</b>		<b>0</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>474,930</b>		<b>406,826</b>



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(DA) HIGHWAY-TOWN-WIDE

Balance Sheet

Code Description	2018	EdpCode	2019
Accrued Liabilities	78,992	DA601	97,974
<b>TOTAL Accrued Liabilities</b>	<b>78,992</b>		<b>97,974</b>
Compensated Absences		DA687	
<b>TOTAL Other Liabilities</b>	<b>0</b>		<b>0</b>
<b>TOTAL Liabilities</b>	<b>78,992</b>		<b>97,974</b>
<b>Fund Balance</b>			
Committed Fund Balance	91,933	DA913	96,870
<b>TOTAL Committed Fund Balance</b>	<b>91,933</b>		<b>96,870</b>
Assigned Appropriated Fund Balance	100,000	DA914	115,000
Assigned Unappropriated Fund Balance	204,005	DA915	96,982
<b>TOTAL Assigned Fund Balance</b>	<b>304,005</b>		<b>211,982</b>
<b>TOTAL Fund Balance</b>	<b>395,938</b>		<b>308,852</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>474,930</b>		<b>406,826</b>

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2018	EdpCode	2019
<b>Revenues</b>			
Real Property Taxes	234,962	DA1001	216,001
<b>TOTAL Real Property Taxes</b>	<b>234,962</b>		<b>216,001</b>
Sales Tax (from County)	350,412	DA1120	331,336
<b>TOTAL Non Property Tax Items</b>	<b>350,412</b>		<b>331,336</b>
Interest And Earnings	1,585	DA2401	3,423
<b>TOTAL Use of Money And Property</b>	<b>1,585</b>		<b>3,423</b>
Sales of Scrap & Excess Materials	20,250	DA2650	13,132
<b>TOTAL Sale of Property And Compensation For Loss</b>	<b>20,250</b>		<b>13,132</b>
St Aid, Consolidated Highway Aid	48,190	DA3501	377,679
St Aid Emergency Disaster Assistance		DA3960	
<b>TOTAL State Aid</b>	<b>48,190</b>		<b>377,679</b>
Fed Aid Emer Disaster Assist	13,814	DA4960	
<b>TOTAL Federal Aid</b>	<b>13,814</b>		<b>0</b>
<b>TOTAL Revenues</b>	<b>669,213</b>		<b>941,571</b>
Interfund Transfers	50,000	DA5031	
<b>TOTAL Interfund Transfers</b>	<b>50,000</b>		<b>0</b>
<b>TOTAL Other Sources</b>	<b>50,000</b>		<b>0</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>719,213</b>		<b>941,571</b>

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(DA) HIGHWAY-TOWN-WIDE

Results of Operation

Code Description	2018	EdpCode	2019
<b>Expenditures</b>			
Maint of Streets, Pers Serv	99,636	DA51101	95,163
Maint of Streets, Contr Expend	101,287	DA51104	137,270
<b>TOTAL Maint of Streets</b>	<b>200,923</b>		<b>232,433</b>
Perm Improve Highway, Equip & Cap Outlay	16,596	DA51122	377,679
<b>TOTAL Perm Improve Highway</b>	<b>16,596</b>		<b>377,679</b>
Maint of Bridges, Contr Expend	100,968	DA51204	946
<b>TOTAL Maint of Bridges</b>	<b>100,968</b>		<b>946</b>
Machinery, Contr Expend	23,775	DA51304	37,050
<b>TOTAL Machinery</b>	<b>23,775</b>		<b>37,050</b>
Snow Removal, Pers Serv	89,711	DA51421	90,945
Snow Removal, Contr Expend	69,769	DA51424	51,679
<b>TOTAL Snow Removal</b>	<b>159,480</b>		<b>142,624</b>
<b>TOTAL Transportation</b>	<b>501,742</b>		<b>790,732</b>
State Retirement, Empl Bnfts	28,729	DA90108	26,098
Social Security , Empl Bnfts	14,473	DA90308	14,192
Hospital & Medical (dental) Ins, Empl Bnft	97,552	DA90608	82,635
<b>TOTAL Employee Benefits</b>	<b>140,754</b>		<b>122,925</b>
<b>TOTAL Expenditures</b>	<b>642,496</b>		<b>913,657</b>
Transfers, Capital Projects Fund	60,250	DA99509	115,000
<b>TOTAL Operating Transfers</b>	<b>60,250</b>		<b>115,000</b>
<b>TOTAL Other Uses</b>	<b>60,250</b>		<b>115,000</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>702,746</b>		<b>1,028,657</b>

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(DA) HIGHWAY-TOWN-WIDE

**Analysis of Changes in Fund Balance**

Code Description	2018	EdpCode	2019
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>379,471</b>	<b>DA8021</b>	<b>395,938</b>
<b>Restated Fund Balance - Beg of Year</b>	<b>379,471</b>	<b>DA8022</b>	<b>395,938</b>
ADD - REVENUES AND OTHER SOURCES	719,213		941,571
DEDUCT - EXPENDITURES AND OTHER USES	702,746		1,028,657
<b>Fund Balance - End of Year</b>	<b>395,938</b>	<b>DA8029</b>	<b>308,852</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2019	EdpCode	2020
<b>Estimated Revenues</b>			
Est Rev - Real Property Taxes	216,001	DA1049N	182,295
Est Rev - Non Property Tax Items	330,000	DA1199N	360,000
Est Rev - Use of Money And Property	3,000	DA2499N	3,500
Est Rev - Interfund Revenues	3,000	DA2801N	3,000
Est Rev - State Aid	124,028	DA3099N	124,028
<b>TOTAL Estimated Revenues</b>	<b>676,029</b>		<b>672,823</b>
Appropriated Fund Balance	100,000	DA599N	115,000
<b>TOTAL Estimated Other Sources</b>	<b>100,000</b>		<b>115,000</b>
<b>TOTAL Estimated Revenues And Other Sources</b>	<b>776,029</b>		<b>787,823</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(DA) HIGHWAY-TOWN-WIDE

Budget Summary

Code Description	2019	EdpCode	2020
<b>Appropriations</b>			
App - Transportation	653,029	DA5999N	661,823
App - Employee Benefits	123,000	DA9199N	126,000
<b>TOTAL Appropriations</b>	<b>776,029</b>		<b>787,823</b>
<b>TOTAL Appropriations And Other Uses</b>	<b>776,029</b>		<b>787,823</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Cash		H200	
<b>TOTAL Cash</b>	<b>0</b>		<b>0</b>
Accounts Receivable		H380	80,000
<b>TOTAL Other Receivables (net)</b>	<b>0</b>		<b>80,000</b>
Cash Special Reserves	157,057	H230	182,084
<b>TOTAL Restricted Assets</b>	<b>157,057</b>		<b>182,084</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>157,057</b>		<b>262,084</b>

TOWN OF Canaan  
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For the Fiscal Year Ending 2019

(H) CAPITAL PROJECTS

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Fund Balance</b>			
Capital Reserve	4,075	H878	4,102
Other Restricted Fund Balance	152,982	H899	257,982
<b>TOTAL Restricted Fund Balance</b>	<b>157,057</b>		<b>262,084</b>
<b>TOTAL Fund Balance</b>	<b>157,057</b>		<b>262,084</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>157,057</b>		<b>262,084</b>



TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2018	EdpCode	2019
<b>Revenues</b>			
Interest And Earnings	162	H2401	1,043
<b>TOTAL Use of Money And Property</b>	<b>162</b>		<b>1,043</b>
<b>TOTAL Revenues</b>	<b>162</b>		<b>1,043</b>
Interfund Transfers	60,500	H5031	115,000
<b>TOTAL Interfund Transfers</b>	<b>60,500</b>		<b>115,000</b>
<b>TOTAL Other Sources</b>	<b>60,500</b>		<b>115,000</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>60,662</b>		<b>116,043</b>

TOWN OF Canaan  
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For the Fiscal Year Ending 2019

(H) CAPITAL PROJECTS

Results of Operation

Code Description	2018	EdpCode	2019
<b>Expenditures</b>			
Buildings, Equip & Cap Outlay	201,988	H16202	11,016
<b>TOTAL Buildings</b>	<b>201,988</b>		<b>11,016</b>
<b>TOTAL General Government Support</b>	<b>201,988</b>		<b>11,016</b>
<b>TOTAL Expenditures</b>	<b>201,988</b>		<b>11,016</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>201,988</b>		<b>11,016</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(H) CAPITAL PROJECTS

**Analysis of Changes in Fund Balance**

Code Description	2018	EdpCode	2019
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>298,383</b>	<b>H8021</b>	<b>157,057</b>
<b>Restated Fund Balance - Beg of Year</b>	<b>298,383</b>	<b>H8022</b>	<b>157,057</b>
ADD - REVENUES AND OTHER SOURCES	60,662		116,043
DEDUCT - EXPENDITURES AND OTHER USES	201,988		11,016
<b>Fund Balance - End of Year</b>	<b>157,057</b>	<b>H8029</b>	<b>262,084</b>

TOWN OF Canaan  
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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Land		K101	200,000
Buildings		K102	1,951,843
Machinery And Equipment		K104	1,354,466
Other Capital Assets		K107	88,628
<b>TOTAL Fixed Assets (net)</b>	<b>0</b>		<b>3,594,937</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>0</b>		<b>3,594,937</b>

TOWN OF Canaan  
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(K) GENERAL FIXED ASSETS

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Liabilities, Deferred Inflows And Fund Balance</b>			
Total Non-Current Govt Assets		K159	3,594,937
<b>TOTAL Investments in Non-Current Government Assets</b>	<b>0</b>		<b>3,594,937</b>
<b>TOTAL Fund Balance</b>	<b>0</b>		<b>3,594,937</b>
<b>TOTAL</b>	<b>0</b>		<b>3,594,937</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

Balance Sheet

Code Description	2018	EdpCode	2019
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Annual Update Document  
For the Fiscal Year Ending 2019

Balance Sheet

Code Description	2018	EdpCode	2019
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TOWN OF Canaan  
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For the Fiscal Year Ending 2019

(SF) FIRE PROTECTION

Results of Operation

Code Description	2018	EdpCode	2019
<b>Revenues</b>			
Real Property Taxes	102,672	SF1001	102,911
<b>TOTAL Real Property Taxes</b>	<b>102,672</b>		<b>102,911</b>
<b>TOTAL Revenues</b>	<b>102,672</b>		<b>102,911</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>102,672</b>		<b>102,911</b>



TOWN OF Canaan  
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For the Fiscal Year Ending 2019

(SF) FIRE PROTECTION

Results of Operation

Code Description	2018	EdpCode	2019
<b>Expenditures</b>			
Fire Protection, Contr Expend	102,672	SF34104	102,911
<b>TOTAL Fire Protection</b>	<b>102,672</b>		<b>102,911</b>
<b>TOTAL Public Safety</b>	<b>102,672</b>		<b>102,911</b>
<b>TOTAL Expenditures</b>	<b>102,672</b>		<b>102,911</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>102,672</b>		<b>102,911</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(SF) FIRE PROTECTION

**Analysis of Changes in Fund Balance**

Code Description	2018	EdpCode	2019
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>		<b>SF8021</b>	
ADD - REVENUES AND OTHER SOURCES	102,672		102,911
DEDUCT - EXPENDITURES AND OTHER USES	102,672		102,911
<b>Fund Balance - End of Year</b>		<b>SF8029</b>	

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(SL) LIGHTING

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Cash	123	SL200	649
<b>TOTAL Cash</b>	<b>123</b>		<b>649</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>123</b>		<b>649</b>

TOWN OF Canaan  
 Annual Update Document  
 For the Fiscal Year Ending 2019

(SL) LIGHTING

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Fund Balance</b>			
Assigned Appropriated Fund Balance	123	SL914	649
<b>TOTAL Assigned Fund Balance</b>	<b>123</b>		<b>649</b>
<b>TOTAL Fund Balance</b>	<b>123</b>		<b>649</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>123</b>		<b>649</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(SL) LIGHTING

Results of Operation

Code Description	2018	EdpCode	2019
<b>Revenues</b>			
Real Property Taxes	4,990	SL1001	5,036
<b>TOTAL Real Property Taxes</b>	<b>4,990</b>		<b>5,036</b>
<b>TOTAL Revenues</b>	<b>4,990</b>		<b>5,036</b>
<b>TOTAL Detail Revenues And Other Sources</b>	<b>4,990</b>		<b>5,036</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(SL) LIGHTING

Results of Operation

Code Description	2018	EdpCode	2019
<b>Expenditures</b>			
Street Lighting, Contr Expend	4,983	SL51824	4,510
<b>TOTAL Street Lighting</b>	<b>4,983</b>		<b>4,510</b>
<b>TOTAL Transportation</b>	<b>4,983</b>		<b>4,510</b>
<b>TOTAL Expenditures</b>	<b>4,983</b>		<b>4,510</b>
<b>TOTAL Detail Expenditures And Other Uses</b>	<b>4,983</b>		<b>4,510</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(SL) LIGHTING

**Analysis of Changes in Fund Balance**

Code Description	2018	EdpCode	2019
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>	<b>116</b>	<b>SL8021</b>	<b>123</b>
<b>Restated Fund Balance - Beg of Year</b>	<b>116</b>	<b>SL8022</b>	<b>123</b>
ADD - REVENUES AND OTHER SOURCES	4,990		5,036
DEDUCT - EXPENDITURES AND OTHER USES	4,983		4,510
<b>Fund Balance - End of Year</b>	<b>123</b>	<b>SL8029</b>	<b>649</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

Balance Sheet

Code Description	2018	EdpCode	2019
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Annual Update Document  
For the Fiscal Year Ending 2019

Balance Sheet

Code Description	2018	EdpCode	2019
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Annual Update Document  
For the Fiscal Year Ending 2019

Results of Operation

Code Description	2018	EdpCode	2019
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TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

Results of Operation

Code Description	2018	EdpCode	2019
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TOWN OF Canaan  
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For the Fiscal Year Ending 2019

(SM) MISCELLANEOUS

**Analysis of Changes in Fund Balance**

Code Description	2018	EdpCode	2019
<b>Analysis of Changes in Fund Balance</b>			
<b>Fund Balance - Beginning of Year</b>		SM8021	
<b>Restated Fund Balance - Beg of Year</b>		SM8022	
<b>Fund Balance - End of Year</b>		SM8029	

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(TA) AGENCY

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Cash	392	TA200	398
<b>TOTAL Cash</b>	<b>392</b>		<b>398</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>392</b>		<b>398</b>

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Annual Update Document  
For the Fiscal Year Ending 2019

(TA) AGENCY

Balance Sheet

Code Description	2018	EdpCode	2019
Income Executions	392	TA23	398
<b>TOTAL Agency Liabilities</b>	<b>392</b>		<b>398</b>
<b>TOTAL Liabilities</b>	<b>392</b>		<b>398</b>
<b>TOTAL Liabilities, Deferred Inflows And Fund Balance</b>	<b>392</b>		<b>398</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2018	EdpCode	2019
<b>Assets</b>			
Total Non-Current Govt Liabilities	51,825	W129	89,505
<b>TOTAL Provision To Be Made In Future Budgets</b>	<b>51,825</b>		<b>89,505</b>
<b>TOTAL Assets and Deferred Outflows of Resources</b>	<b>51,825</b>		<b>89,505</b>

TOWN OF Canaan  
Annual Update Document  
For the Fiscal Year Ending 2019

(W) GENERAL LONG-TERM DEBT

Balance Sheet

Code Description	2018	EdpCode	2019
Net Pension Liability -Proportionate Share	31,817	W638	63,790
Compensated Absences	20,008	W687	25,715
<b>TOTAL Other Liabilities</b>	<b>51,825</b>		<b>89,505</b>
<b>TOTAL Liabilities</b>	<b>51,825</b>		<b>89,505</b>
<b>TOTAL Liabilities</b>	<b>51,825</b>		<b>89,505</b>



**TOWN OF Canaan  
Statement of Indebtedness  
For the Fiscal Year Ending 2019**

3/11/2020

First Year	Debt Code	Description	Cops Flag	Comp Flag	Date of Issue	Date of Maturity	Int. Rate	Var?	Amt. Orig. Issued	O/S Beg. of Year	Paid Dur. Year	Redeemed Bond Proc.	Prior Yr. Adjust.	Accreted Interest	O/S End of Year
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TOWN OF Canaan  
 Schedule of Time Deposits and Investments  
 For the Fiscal Year Ending 2019

	EDP Code	Amount
<b>CASH:</b>		
On Hand	9Z2001	\$200.00
Demand Deposits	9Z2011	\$666,439.00
Time Deposits	9Z2021	
<b>Total</b>		\$666,639.00
 <b>COLLATERAL:</b>		
- FDIC Insurance	9Z2014	\$250,000.00
Collateralized with securities held in possession of municipality or its agent	9Z2014A	\$425,000.00
<b>Total</b>		\$675,000.00
 <b>INVESTMENTS:</b>		
- Securities (450)		
Book Value (cost)	9Z4501	
Market Value at Balance Sheet Date	9Z4502	
Collateralized with securities held in possession of municipality or its agent	9Z4504A	
- Repurchase Agreements (451)		
Book Value (cost)	9Z4511	
Market Value at Balance Sheet Date	9Z4512	
Collateralized with securities held in possession of municipality or its agent	9Z4514A	

TOWN OF Canaan  
Bank Reconciliation  
For the Fiscal Year Ending 2019

Include All Checking, Savings and C.D. Accounts

Bank Account Number	Bank Balance	Add: Deposit In Transit	Less: Outstanding Checks	Adjusted Bank Balance
****-1	\$493,811	\$0	\$24,706	\$469,105
****-2	\$3,488	\$0	\$0	\$3,488
****-3	\$2,226	\$0	\$1,828	\$398
****-4	\$182,084	\$0	\$0	\$182,084
****-5	\$10,315	\$0	\$0	\$10,315
	Total Adjusted Bank Balance			<u>\$665,390</u>
	Petty Cash			<u>\$200.00</u>
	Adjustments			<u>\$0.00</u>
	Total Cash			<u>\$665,590</u>
	Total Cash Balance All Funds			<u>\$665,590</u>
	9ZCASH *			
	9ZCASHB *			

\* Must be equal



TOWN OF Canaan  
Employee and Retiree Benefits  
For the Fiscal Year Ending 2019

<b>Total Full Time Employees:</b>		8			
<b>Total Part Time Employees:</b>		21			
<b>Account Code</b>	<b>Description</b>	<b>Total Expenditures (All Funds)</b>	<b># of Full Time Employees</b>	<b># of Part Time Employees</b>	<b># of Retirees</b>
90108	State Retirement System	\$54,371.00	8	21	
90158	Police and Fire Retirement				
90258	Local Pension Fund				
90308	Social Security	\$33,273.00	8	21	
90408	Worker's Compensation Insurance				
90458	Life Insurance				
90508	Unemployment Insurance				
90558	Disability Insurance				
90608	Hospital and Medical (Dental) Insurance	\$121,041.00	8		
90708	Union Welfare Benefits				
90858	Supplemental Benefit Payment to Disabled Fire Fighters				
91890	Other Employee Benefits				
<b>Total</b>		<b>\$208,685.00</b>			
Computed Total From Financial Section (comparative purposes only)		<b>\$209,734.00</b>			

TOWN OF Canaan  
 Energy Costs and Consumption  
 For the Fiscal Year Ending 2019

Energy Type	Total Expenditures	Total Volume	Units Of Measure	Alternative Units Of Measure
Gasoline		20	gallons	
Diesel Fuel		11,826	gallons	
Fuel Oil		2,227	gallons	
Natural Gas			cubic feet	
Electricity			kilowatt-hours	
Coal			tons	
Propane			gallons	

CERTIFICATION OF CHIEF FISCAL OFFICER

I, BRENDA ADAMS, hereby certify that I am the Chief Fiscal Officer of the TOWN of CANAAN, and that the information provided in the annual financial report of the TOWN of CANAAN, for the fiscal year ended 12/31/2019, is TRUE and correct to the best of my knowledge and belief.

By entering the personal identification number assigned by the Office of the State Comptroller to me as the Chief Fiscal Officer of the TOWN of CANAAN, and adopted by me as my signature for use in conjunction with the filing of the TOWN of CANAAN's annual financial report, I am evidencing my express intent to authenticate my certification of the TOWN of CANAAN's annual financial report for the fiscal year ended 12/31/2019 and filed by means of electronic data transmission.

NELSON FURLANO CPA  
Name of Report Preparer if different than Chief Fiscal Officer

BRENDA ADAMS  
Name

(518) 781-3144  
Telephone Number

TOWN SUPERVISOR  
Title

PO BOX 459, CANAAN NY 12029  
Official Address

02/25/2020  
Date of Certification

(518) 781-3144  
Official Telephone Number

TOWN OF Canaan  
Financial Comments  
For the Fiscal Year Ending 2019



## **Town of Canaan**

### **Notes to the Financial Statements For the Fiscal Year Ended December 31, 2019**

#### **I. Summary of Significant Accounting Policies**

The fund financial statements of the Town of Canaan have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government Towns. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

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

The Town of Canaan (which was established in 1788), is governed by its Charter, the Town's Local law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations, the Supervisor serves as chief executive officer and serves as chief fiscal officer.

The following basic services are provided: highway and street, social services, culture and recreation, public improvements, planning and zoning, courts, buildings and safety inspection, lighting and general administrative services.

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

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

The decision to include a potential component Town in the Town's reporting entity is based on several criteria set forth in GASB 14, 39 and 61 including legal standing, fiscal dependency, and financial accountability. The Town has no component Towns base upon this criteria.

##### **B. Fund Accounting**

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

A fund is a separate accounting entity with a self-balancing set of accounts.

The Town records its transactions in the fund types described below.

### **Fund Categories**

*Governmental Funds* – Governmental funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon the determination of financial position and changes in financial position (the sources, uses, and balances of current financial resources). The following are the Town's governmental fund types.

*General Fund* – the principal operating fund and includes all operations not accounted for and reported in another fund.

*Special Revenue Funds* – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The following Special Revenue Funds are utilized:

- Highway Fund - used to account for the tax revenues used to maintain the highways and streets within the geographic limits of the Town.
- Lighting Fund - used to account for the tax revenues used to supply lighting services to portions of the Town.
- Recreation Fund - used to account for fees generated earmarked to fund recreational projects.
- Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities.

*Fiduciary Funds* – used to account for assets held by the local government in a trustee or custodial capacity:

*Agency Funds* – used to account for money (and/or property) received and held in a purely custodial capacity of trustee, custodian, or agent.

### **C. Basis of Accounting/Measurement Focus**

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

Modified Accrual Basis – All Governmental Funds are accounted for using the modified accrual basis of accounting.

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

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

Expenditures are recorded when a liability is incurred except that:

- a. Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b. Principal and interest on indebtedness are recognized as expenditures when payment is due.
- c. Compensated absences, such as vacation and sick leave which vests or accumulates, are charged as expenditures when payment is due.
- d. Other post-employment benefits are charged as expenditures when payment is due.

**D. Fund Balances**

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54), breaks fund balance out into five different classifications: nonspendable, restricted, committed, assigned, and unassigned.

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

***Restricted*** consists of amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

***Committed*** consists of amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision-making authority

before the end of the fiscal year, and that require the same level of formal action to remove the constraint. The Town Board is the decision-making authority that can, by Action Taken prior to the end of the fiscal year, commit fund balance.

*Assigned* consists of amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision-making authority, or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. The Town Board, by has authorized the Town Supervisor to assign fund balance.

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

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

**E. Net Position**

Net position is an element of proprietary fund financial statements and is measured by the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

**F. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes, is employed in the various funds. Encumbrances are reported as restrictions, commitments, or assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

**G. Capital Assets**

Capital Assets, which include property, plant, equipment, and infrastructure assets, are reported in the Schedule of Non-Current Governmental Assets. The Town defines capital assets as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of 3 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets and assets acquired in a service concession arrangement are recorded at acquisition value.

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

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

**I. Deferred Outflows/Inflows of Resources**

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, defined and classified deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net assets that applies to future period(s), and as such, will not be recognized as an outflow of resources (expense/expenditure) until that time. A deferred inflow of resources is an acquisition of net assets that applies to future period(s), and as such, will not be recognized as an inflow of resources (revenue) until that time.

**K. Insurance**

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

**L. Compensated Absences**

Town Highway Employees accrue vacation leave based primarily on the number of years employed up to a maximum rate of 22 days a year, but may accumulate no more than a maximum of 45 days. Upon separation from service, employees are paid up to 45 days.

Employees accrue sick leave at the rate of 5 days per year and may accumulate such credits up to a total of 45 days.

Vested vacation and sick leave is recorded in proprietary funds as a liability and expense, and in governmental funds as a fund liability and expenditure if payable from current resources. The liability for compensated absences increased by \$5,707 during the year to \$25,715.

**II. Stewardship, Compliance, Accountability**

**A. Budget Policies – The budget policies are as follows:**

1. No later than September 30, the budget officer submits a tentative budget to the Town Board for the fiscal year commencing the following January. The tentative budget includes proposed expenditures and the proposed means of financing for all funds.
2. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the governing board adopts the budget.
3. All modifications of the budget must be approved by the governing board. (However, the Supervisor is authorized to transfer certain budgeted amounts within departments.)
4. Budgets are prepared for proprietary funds to establish the estimated contributions required from other funds and to control expenditures.
5. Budgets are adopted annually on a cash basis.
6. Appropriations in all budgeted funds lapse at the end of the fiscal year, except that outstanding encumbrances are re-apportioned in the subsequent year.

**B. Property Taxes**

Real property taxes are levied annually no later than January 1 and become a lien on April 1. Taxes are collected during the period January 1 to March 31.

Unpaid (town, village, and/or non-city school district) taxes are turned over to the county for enforcement. Any such taxes remaining unpaid at year-end are re-levied as county taxes in the subsequent year.

General Municipal Law Section 3-c established a tax levy limit for local governments in New York State effective June 24, 2011. This law generally limits the amount by which local governments can increase property tax levies to 2 percent or the rate of inflation, whichever is less. The law does provide exclusions for certain specific costs and allows the governing board to override the tax levy limit with a supermajority vote.

**III. Detailed Notes on All Funds**

**A. Assets**

1. Cash 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 deposit as provided for by law of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

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. Underlying securities must have a market value of at least a percentage provided for by law of the cost of the repurchase agreement.

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

Deposits and investments at year-end were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name.

## 2. Changes In Capital Assets

A summary of changes in capital fixed assets follows:

Type	Balance December 31, 2018	Additions	Deletions	Balance December 31, 2019
Land	\$200,000	\$	\$	\$200,000
Buildings	1,951,843			1,951,843
Furniture & Equipment	88,628			88,628
Machinery and Equipment	1,354,466			1,354,466
Total	\$3,594,937	\$	\$	\$

## B. Liabilities

### 1. Pension Plans

## Plan Description

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

## Benefits Provided

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

### *Tiers 1 and 2*

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

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



of 24 additional months.

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

#### *Tiers 3, 4, and 5*

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

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

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

#### *Tier 6*

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63 for ERS members and 62 for PFRS members.

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

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

### *Special Plans*

The 25-Year Plans allow a retirement after 25 years of service with a benefit of one-half of final average salary, and the 20-Year Plans allow a retirement after 20 years of service with a benefit of one-half of final average salary. These plans are available to certain PFRS members, sheriffs, and correction officers.

### *Ordinary Disability Benefits*

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

### *Accidental Disability Benefits*

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

### *Ordinary Death Benefits*

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

### *Post-Retirement Benefit Increases*

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

retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees’ Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the Systems’ fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>
<u>2019</u>	<u>\$54,371</u>
<u>2018</u>	<u>\$58,392</u>
<u>2017</u>	<u>\$58,058</u>

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

At December 31, 2019, the Town reported a liability of \$63,790 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2019, the Town’s proportion was 0.0009003 percent, which was an decrease of 0.0000855% from its proportion measured at December 31, 2018.

For the year ended December 31, 2019, the Town recognized pension expense of \$54,371. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<hr/>	<hr/>
Differences between expected and actual experience	\$12,562	\$4,282
Changes of Assumptions	\$16,034	
Net difference between projected and actual earnings on pension plan investments	\$0	\$16,372
Changes in proportion and differences between LG contributions and proportionate share of contributions	\$42,736	\$8,428
Total	<u>\$71,332</u>	<u>\$29,082</u>

\$54,371 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2020	\$28,875
2021	\$(3,687)
2022	\$4,771
2023	\$12,291
2024	\$ 0

#### Actuarial Assumptions

The total pension liability at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
Inflation	2.5%	2.5%
Salary increases	3.8	4.5
Investment rate of return (net of investment expense,	7.0	7.0

including inflation)		
Cost of living adjustments	1.3%	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	4.55%
International equity	6.35
Private equity	7.75
Real estate	5.80
Absolute return strategies <sup>a</sup>	4.00
Opportunistic portfolio	5.89
Real assets	5.54
Bonds and mortgages	1.31
Cash	(0.25)
Inflation-indexed bonds	1.50

<sup>a</sup> Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity, respectively.

The real rate of return is net of the long-term inflation assumption of 2.50% .

Discount Rate

The discount rate used to calculate the total pension liability was 7%. 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 System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 7 percent, 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-percentagepoint lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1 % Decrease - 6%	Current Assumption 7%	1% Increase - 8%
Town's proportionate share of the net pension liability	\$278,901	\$63,790	(\$116,918)

Pension plan fiduciary net position

The components of the current-year net pension liability of the employers as of March 31, 2019, were as follows:

(Dollars in Thousands)

	Employees' Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 177,400,586	31,670,483	209,071,069
Plan net position	\$ 168,004,363	29,597,830	197,602,193
Employers' net pension liability	\$ 9,396,223	2,072,653	11,468,876
Ratio of Plan net position to the employers' total pension liability	94.7%	93.5%	94.5%

C. Fund Equity

1. Allocation of Fund Balance

Certain funds of the Town apply to areas less than the entire Town. The fund equity at balance sheet date is allocated as follows:

General Fund		\$ 163,990
<u>Special Revenue Funds</u>		
Recreation	3,488	
Highway	308,851	
Lighting	<u>648</u>	
Total Special Revenue Funds		312,988
Highway Capital Fund		257,982
Capital Project Fund		<u>4,102</u>
<u>Total Fund Equity</u>		\$ 739,062

**VI. Subsequent Events**

Subsequent events have been evaluated through February 15, 2020 which is the date the financial statements were available to be issued.

The Town was awarded a \$35,000 NYSERDA Energy Smart Community Grant to assist with installation of electric vehicle charging stations in 2020.