



*Town of Queensbury*

Financial Report

December 31, 2020

# Town of Queensbury, New York

## Financial Report

December 31, 2020

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## Independent Auditor's Report

Supervisor and Town Board  
Town of Queensbury, New York  
Queensbury, New York

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express 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, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

As discussed in Note 1p to the financial statements, the financial statements of the Sewer Fund as of and for the year ended December 31, 2019, have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

As discussed in Note 1q to the financial statements, in 2020, the town adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10, and the information listed under Required Supplementary Information in the accompanying 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.

### ***Supplementary 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 other supplementary information listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 other supplementary information is 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 October 12, 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 the Town's internal control over financial reporting and compliance.

BST & Co. CPAs, LLP

Albany, New York  
October 12, 2021



# Town of Queensbury, New York

## Management's Discussion and Analysis December 31, 2020

### Description

As management of the Town of Queensbury, New York (Town), we offer the readers of the Town's financial statements this narrative overview and analysis as of and for the year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with our basic financial statements, which can be found on pages 11 through 49 and our supplementary information which can be found on pages 50 through 57 of this report.

### Financial Highlights

- The assets and deferred outflows of the Town exceeded its liabilities and deferred inflows on December 31, 2020 by \$20,380,409, representing net position. Of this amount, \$43,222,931 represents the Town's investment in capital assets net of related debt, and \$4,462,871 is restricted for future capital improvements and perpetual care for the Town's cemeteries. The remaining amount of \$(27,305,393) represents unrestricted net deficit.
- At December 31, 2020, the Town's governmental funds reported a combined ending fund balance of \$16,101,041. Of this total amount, \$8,904,730 was restricted and assigned for specific purposes, \$460,473 was nonspendable, and \$6,735,838 was unassigned.
- At December 31, 2020, the unreserved and unappropriated fund balance of the General Fund was \$6,735,838, or 46% of 2020 expenditures and transfers out.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

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

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them 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 this statement for some items that will only result in cash flows in future fiscal periods, such as sales and mortgage taxes held for distribution by the County of Warren, unbilled water and sewer rents for services provided during the year, interest payable on long-term debt, and vested sick leave benefits payable to eligible employees.

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 assessment charges (business-type activities). The governmental activities of the Town include general government support, public safety, health, transportation, economic opportunity and development, culture and recreation, and various home and community services. The business-type activities of the Town include operations of the Town's water districts, sewer districts, and refuse and garbage disposal and recycling services provided at the Town's landfill and transfer stations.

# Town of Queensbury, New York

## Management's Discussion and Analysis December 31, 2020

### Overview of the Financial Statements - Continued

#### Government-Wide Financial Statements - Continued

The government-wide financial statements can be found on pages 11 and 12 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. The Town did not have any fiduciary funds as of and for the year ended December 31, 2020.

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

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

The Town maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Highway Fund, Capital Projects Fund and Fire Protection Fund, all of which are considered to be major funds. Data from the other four governmental funds (the Special Grant Fund, Cemetery Fund, Lighting Fund, and Aquatic District Fund) are combined into a single, aggregated presentation as Non-Major Governmental Funds.

The governmental fund financial statements can be found on pages 13 through 16 of this report.

**Proprietary Funds.** The Town utilizes enterprise funds to report the same function presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water Districts, Sewer Districts, Refuse and Garbage Disposal, and Recycling operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Water operations, Sewer operations, and operation of the Town's Landfill and Transfer Stations, all of which are considered to be major funds of the Town.

The Town utilizes an internal service fund to account for certain workers' compensation and unemployment insurance costs.

The proprietary fund financial statements can be found on pages 17 through 19 of this report.

# Town of Queensbury, New York

## Management's Discussion and Analysis December 31, 2020

### Overview of the Financial Statements - Continued

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 through 49 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. For the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$20,380,409 at December 31, 2020.

By far, the largest portion of the Town's net position, \$43,222,931, reflects the Town's investment in capital assets. This portion of net position includes the cost of land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and work in progress, less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its 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, \$4,462,871, represents resources that are subject to restrictions on how they may be used. The remaining balance of net position reflects a net deficit.

The following is a condensed statement of the Town's net position as of December 31, 2020:

	December 31, 2020		
	Governmental Activities	Business-Type Activities	Total
Current assets	\$ 22,923,042	\$ 9,676,728	\$ 32,599,770
Capital assets	17,431,943	35,622,138	53,054,081
Total assets	<u>40,354,985</u>	<u>45,298,866</u>	<u>85,653,851</u>
Deferred outflows of resources	<u>13,295,027</u>	<u>4,235,335</u>	<u>17,530,362</u>
Current liabilities	2,064,259	1,935,634	3,999,893
Long-term liabilities	52,310,001	21,198,148	73,508,149
Total liabilities	<u>54,374,260</u>	<u>23,133,782</u>	<u>77,508,042</u>
Deferred inflows of resources	<u>4,016,303</u>	<u>1,279,459</u>	<u>5,295,762</u>
Net position			
Net investment in capital assets	15,154,943	28,067,988	43,222,931
Restricted	3,037,359	1,425,512	4,462,871
Unrestricted (deficit)	<u>(22,932,853)</u>	<u>(4,372,540)</u>	<u>(27,305,393)</u>
Total net position	<u>\$ (4,740,551)</u>	<u>\$ 25,120,960</u>	<u>\$ 20,380,409</u>



# Town of Queensbury, New York

## Management's Discussion and Analysis December 31, 2020

### Overview of the Financial Statements - Continued

### Government-Wide Financial Analysis - Continued

The following is a condensed statement of activities of the Town for 2020:

	Year Ended December 31, 2020		
	Governmental Activities	Business-Type Activities	Total
<b>REVENUES</b>			
Program revenues			
Charges for services	\$ 2,803,576	\$ 6,267,970	\$ 9,071,546
Capital grants and contributions	897,982	-	897,982
General revenues			
Real property tax and related tax items	6,345,766	1,283,050	7,628,816
Non-property taxes	10,348,827	-	10,348,827
Other	1,235,783	47,566	1,283,349
Total revenues	<u>21,631,934</u>	<u>7,598,586</u>	<u>29,230,520</u>
<b>EXPENSES</b>			
General government activities	11,326,507	-	11,326,507
Public safety	5,835,136	-	5,835,136
Health	495,943	-	495,943
Transportation	2,567,050	-	2,567,050
Economic opportunity and development	186,209	-	186,209
Culture and recreation	3,038,331	-	3,038,331
Home and community service	2,613,642	-	2,613,642
Debt service	80,482	-	80,482
Water	-	7,235,123	7,235,123
Sewer	-	2,993,973	2,993,973
Landfill	-	664,916	664,916
Total expenses	<u>26,143,300</u>	<u>10,894,012</u>	<u>37,037,312</u>
Change in net position	(4,499,046)	(3,307,746)	(7,806,792)
<b>NET POSITION, beginning of year, as restated</b>	<u>(241,505)</u>	<u>28,428,706</u>	<u>28,187,201</u>
<b>NET POSITION, end of year</b>	<u>\$ (4,740,551)</u>	<u>\$ 25,120,960</u>	<u>\$ 20,380,409</u>

### Financial Analysis of the Town's Funds

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,101,041 a decrease of \$3,789,642 from the prior year. Portions of these fund balances are reserved to indicate that they are not available for new spending because they have already been committed to pay future capital improvements of \$2,358,430 and pay for perpetual care at the Town's cemeteries of \$678,929.

# Town of Queensbury, New York

## Management's Discussion and Analysis December 31, 2020

### Financial Analysis of the Town's Funds - Continued

**General Fund.** The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the unreserved unappropriated fund balance of the General Fund was \$6,735,838, while total fund balance of the General Fund aggregated \$9,814,923. As a measure of the General Fund's liquidity, it is useful to compare both unreserved unappropriated fund balance and total fund balance to total fund expenditures. Unreserved unappropriated fund balance represents 46% of total General Fund expenditures and transfers out for 2020, while total fund balance represents 67% of the same amount.

The fund balance of the General Fund increased \$134,600 from the prior year primarily because significant budgeted transfers were made to fund capital projects, offset by sales taxes and other revenue sources which were higher than expected and general government and employee benefit expenditures which were lower than expected.

The main revenue source for the General Fund is derived from sales and use taxes, which are distributed from the County of Warren to all Towns and the Village and City located within the County. Together with our similar user taxes, non-property tax revenue and mortgage tax revenue for 2020 totaled \$10,348,827, representing 70% of total General Fund revenues.

**Highway Fund.** The Highway Fund is one of the Town's major governmental funds. It is utilized to account for revenues needed to maintain, repair, and improve Town roads, provide snow removal services, and provide other transportation services for Town residents and organizations. The main revenue source for the Highway Fund is an annual transfer of resources from the General Fund, funded primarily from non-property taxes. During 2020, the General Fund contributed \$3,949,200 to the Highway Fund, which ended the year with a fund balance of \$1,364,273.

**Capital Projects Fund.** The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds. The fund balance at December 31, 2020 is assigned for capital project purposes.

**Fire Protection District Fund.** The Fire Protection District Fund is also a major governmental fund. It is utilized to account for real property taxes levied annually, and other applicable revenues generated to finance contracts for fire protection and emergency medical services. The Fire Protection District Fund received \$3,998,847 in real property taxes during 2020 and ended the year with a fund balance of \$2,154,746. In accordance with GASB Statement No. 73, the Town accounts for and reports assets and liabilities related to the Town sponsored service award programs for volunteer firefighters and ambulance workers within the fund financial statements.

**Proprietary Funds.** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Town maintains three enterprise funds and one internal service fund.

**Water District Fund.** The Water District Fund is reported as an enterprise fund. The Water District Fund ended 2020 with net position of \$17,151,317 which is a decrease of \$2,387,187 from the prior year. Net position includes \$22,180,929 representing the Town's investment in water capital assets, net of related debt, and \$507,813 which is restricted for capital improvements. The remaining unrestricted net position is a deficit of \$5,537,425

# Town of Queensbury, New York

## Management's Discussion and Analysis December 31, 2020

### Financial Analysis of the Town's Funds - Continued

**Sewer District Fund.** The Sewer District Fund is reported as an enterprise fund. The Sewer District Fund ended 2020 with net position of \$7,175,753 which is a decrease of \$850,806 from the prior year. Net position includes \$5,708,284 representing the Town's investment in sewer capital assets, net of related debt. The remaining unrestricted net position of \$1,467,469 can be used for ongoing sewer operations.

**Landfill/Transfer Stations Fund.** The Landfill/Transfer Stations Fund is also reported as an enterprise fund. The Landfill/Transfer Stations Fund ended 2020 with net position of \$793,860, which is a decrease of \$69,753 from the prior year. Net position includes \$178,775 representing the Town's investment in capital assets and \$917,699 representing amounts restricted for future capital improvements and post-closure costs. The remaining unrestricted net position is a deficit of \$302,584.

### Governmental Fund Budgetary Highlights

Budgetary comparison statements for the Town's General Fund, Highway Fund, and Fire Protection Fund are included on pages 55 through 57 of this report.

### Capital Asset and Debt Administration

**Capital Assets.** The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$53,054,081 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, work in progress, and infrastructure assets, such as roads, water systems, and sewer systems.

Major capital assets events that occurred during the current fiscal year included the following:

- Acquisition of highway, water and sewer, and recreation equipment;
- Construction of the Town's new highway garage;
- Continued improvements to the Town's sewer system.

Additional information on the Town's capital assets can be found in Note 6 on pages 31 and 32 of this report.

**Long-Term Debt.** At December 31, 2020, the Town had outstanding debt of \$2,277,000 relating to the Main Street reconstruction, \$559,800 for water district purposes, and \$6,461,350 for sewer district purposes, for a total of \$9,298,150. All of this debt is general obligation debt backed by the full faith and credit of the Town.

The Town was rated "Aa2" by Moody's Investor Services as of July 2020.

Additional information on the Town's long-term debt can be found in Note 7 on pages 32 and 33 of this report.

### Economic Factors

The Town has approximately 28,000 residents and is the County Seat of Warren County, which is located in the southern Adirondack Region of northeastern New York, just north of Saratoga County and the Albany Capital District area.

# Town of Queensbury, New York

## Management's Discussion and Analysis December 31, 2020

### **Economic Factors - Continued**

The Town borders the southern end of Lake George, a well-known summer destination, and is home to the Great Escape Theme Park operated by Six Flags and a factory outlet mall, both of which are popular tourist attractions. Business and government operations within the Town and the County offer numerous recreational and tourism opportunities with several lakes, rivers, streams, mountains, ski centers, hiking trails, snowmobile trails, a newly added trampoline park, and other popular tourist attractions.

The Town is located twenty miles from the Saratoga Racecourse, one of the oldest and most prestigious thoroughbred horse racing tracks in the United States. Each summer, the racetrack operates a six-week schedule of races that attracts world-class horses to participate in various graded events.

With the area's successful tourism industry and its increasing population and both large and small businesses, including several medical manufacturers, Warren County has been able to generate additional revenues from sales tax and hotel occupancy tax.

The County distributes a portion of this revenue source with all Towns and the Village and City located within the County. Since the Town of Queensbury is the largest and most populous municipality within the County, the Town receives a significant amount of these shared revenues. The Town has used these shared revenues to finance governmental activities that promote the Town both on a local and national level for both tourist and business activities.

While certain aspects of the Town's 2020 operations were negatively impacted by the outbreak of COVID, overall revenues of the Town were substantially in line with budgeted amounts. An outbreak of disease or similar public health threat could have an adverse impact on the Town's financial condition.

### **Request for Information**

This financial report is designed to provide a general overview of the Town's financial activity 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 financial information should be addressed to:

Town of Queensbury  
Accounting Department  
742 Bay Road  
Queensbury, New York 12804

# Town of Queensbury, New York

## Government-Wide Financial Statements Statement of Net Position

	December 31, 2020		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 11,120,629	\$ 5,596,013	\$ 16,716,642
Receivables, net	4,194,548	1,688,595	5,883,143
Inventories	120,546	-	120,546
Prepaid expenses	266,302	77,700	344,002
Cash and cash equivalents, restricted	2,037,209	1,425,512	3,462,721
Investments	5,183,808	888,908	6,072,716
Capital assets, not being depreciated	8,485,507	1,945,972	10,431,479
Capital assets, net of accumulated depreciation	8,946,436	33,676,166	42,622,602
Total assets	40,354,985	45,298,866	85,653,851
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension deferrals	3,412,114	1,086,981	4,499,095
OPEB deferrals	9,882,913	3,148,354	13,031,267
	13,295,027	4,235,335	17,530,362
<b>LIABILITIES</b>			
Accounts and other payables	1,369,530	737,619	2,107,149
Accrued liabilities	81,332	38,627	119,959
Deposits	181,267	8,605	189,872
Bond anticipation notes payable	-	533,000	533,000
Interest payable	26,365	32,891	59,256
Compensated absences	232,341	33,678	266,019
Due to other governments	12,424	-	12,424
Service awards	4,183,658	-	4,183,658
Long-term liabilities			
Due within one year	161,000	551,214	712,214
Due in more than one year	48,126,343	21,198,148	69,324,491
Total liabilities	54,374,260	23,133,782	77,508,042
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension deferrals	103,048	32,829	135,877
OPEB deferrals	3,913,255	1,246,630	5,159,885
	4,016,303	1,279,459	5,295,762
<b>NET POSITION</b>			
Net investment in capital assets	15,154,943	28,067,988	43,222,931
Restricted for			
Capital improvements	2,358,430	1,425,512	3,783,942
Cemetery perpetual care	678,929	-	678,929
Unrestricted (deficit)	(22,932,853)	(4,372,540)	(27,305,393)
Total net position	<b>\$ (4,740,551)</b>	<b>\$ 25,120,960</b>	<b>\$ 20,380,409</b>

# Town of Queensbury, New York

## Government-Wide Financial Statements Statement of Activities

Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General governmental support	\$ 11,326,507	\$ 28,921	\$ -	\$ -	\$ (11,297,586)	\$ -	\$ (11,297,586)
Public safety	5,835,136	1,477,925	-	-	(4,357,211)	-	(4,357,211)
Health	495,943	12,950	-	-	(482,993)	-	(482,993)
Transportation	2,567,050	-	-	851,724	(1,715,326)	-	(1,715,326)
Economic opportunity and development	186,209	25,000	-	12,258	(148,951)	-	(148,951)
Culture and recreation	3,038,331	213,436	-	-	(2,824,895)	-	(2,824,895)
Home and community service	2,613,642	1,045,344	-	34,000	(1,534,298)	-	(1,534,298)
Interest on debt	80,482	-	-	-	(80,482)	-	(80,482)
Total governmental activities	<u>26,143,300</u>	<u>2,803,576</u>	<u>-</u>	<u>897,982</u>	<u>(22,441,742)</u>	<u>-</u>	<u>(22,441,742)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Water	7,235,123	4,088,331	-	-	-	(3,146,792)	(3,146,792)
Sewer	2,993,973	1,586,374	-	-	-	(1,407,599)	(1,407,599)
Landfill	664,916	593,265	-	-	-	(71,651)	(71,651)
Total business-type activities	<u>10,894,012</u>	<u>6,267,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,626,042)</u>	<u>(4,626,042)</u>
Total primary governmental	<u>\$ 37,037,312</u>	<u>\$ 9,071,546</u>	<u>\$ -</u>	<u>\$ 897,982</u>	<u>(22,441,742)</u>	<u>(4,626,042)</u>	<u>(27,067,784)</u>
<b>GENERAL REVENUES</b>							
Real property tax and related tax items					6,345,766	1,283,050	7,628,816
Non-property taxes					10,348,827	-	10,348,827
Interest earnings					21,675	8,673	30,348
Sale of property and compensation for loss					34,549	-	34,549
Miscellaneous general revenues					16,278	-	16,278
State aid and mortgage taxes not restricted to specific purposes					1,163,281	-	1,163,281
Miscellaneous other revenues					-	38,893	38,893
Total general revenues					<u>17,930,376</u>	<u>1,330,616</u>	<u>19,260,992</u>
<b>TRANSFERS, NET</b>							
Total general revenues and transfers, net					<u>17,942,696</u>	<u>1,318,296</u>	<u>19,260,992</u>
<b>CHANGE IN NET POSITION</b>							
					<u>(4,499,046)</u>	<u>(3,307,746)</u>	<u>(7,806,792)</u>
<b>NET POSITION, beginning of year, as restated</b>							
					<u>(241,505)</u>	<u>28,428,706</u>	<u>28,187,201</u>
<b>NET POSITION, end of year</b>							
					<u>\$ (4,740,551)</u>	<u>\$ 25,120,960</u>	<u>\$ 20,380,409</u>

See accompanying Notes to Financial Statements.

# Town of Queensbury, New York

## Fund Financial Statements Balance Sheet - Governmental Funds

	December 31, 2020					
	Major Funds				Other	Total
	General	Highway	Capital Projects	Fire Protection	Governmental Funds	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,744,206	\$ 1,417,412	\$ 1,893,299	\$ 1,850,721	\$ 1,091,292	\$ 10,996,930
Receivables from other governments	3,391,166	67,760	-	-	-	3,458,926
Other receivables, net of uncollectibles	389,206	1,696	-	283,944	60,776	735,622
Due from other funds	132,284	-	-	-	-	132,284
Prepaid expenses	240,655	127,735	13,474	54,725	23,884	460,473
Investments, restricted	1,000,150	-	-	4,183,658	-	5,183,808
Cash and cash equivalents, restricted	1,358,280	-	-	-	678,929	2,037,209
<b>Total assets</b>	<b>\$ 11,255,947</b>	<b>\$ 1,614,603</b>	<b>\$ 1,906,773</b>	<b>\$ 6,373,048</b>	<b>\$ 1,854,881</b>	<b>\$ 23,005,252</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities						
Accounts payable	\$ 240,511	\$ 93,476	\$ 821,442	\$ 6,250	\$ 33,260	\$ 1,194,939
Accrued liabilities	49,558	25,509	-	-	6,265	81,332
Deposits	58,364	122,903	-	-	-	181,267
Due to other governments	6,129	4,991	-	-	1,304	12,424
Due to other funds	-	-	55,000	-	77,284	132,284
Service awards	-	-	-	4,183,658	-	4,183,658
Other payables	142,746	3,451	-	28,394	-	174,591
Total liabilities	497,308	250,330	876,442	4,218,302	118,113	5,960,495
Deferred inflows of resources	943,716	-	-	-	-	943,716
Fund balances						
Nonspendable	240,655	127,734	13,475	54,725	23,884	460,473
Restricted for capital reserve purposes	2,358,430	-	-	-	-	2,358,430
Restricted for other purposes	-	-	-	-	678,929	678,929
Assigned, appropriated	480,000	-	-	-	-	480,000
Assigned, unappropriated	-	1,236,539	1,016,856	2,100,021	1,033,955	5,387,371
Unassigned	6,735,838	-	-	-	-	6,735,838
Total fund balances	9,814,923	1,364,273	1,030,331	2,154,746	1,736,768	16,101,041
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,255,947</b>	<b>\$ 1,614,603</b>	<b>\$ 1,906,773</b>	<b>\$ 6,373,048</b>	<b>\$ 1,854,881</b>	<b>\$ 23,005,252</b>

See accompanying Notes to Financial Statements.

# Town of Queensbury, New York

## Fund Financial Statements Reconciliation of the Total Fund Balances in the Governmental Funds to the Statement of Net Position

	<b>December 31, 2020</b>
Total fund balances in the fund financial statements for the governmental funds	\$ 16,101,041
This amount differs from the amount of net position shown in the statement of net position due to the following:	
Capital assets are included as assets in the government-wide statements and are added, net of accumulated depreciation.	17,431,943
Net receivables for revenues earned, measurable but not available to provide financial resources, are included in the government-wide statements in revenue rather than as a deferred inflow of resources.	943,716
Inventories of materials and supplies are included as assets in the governmental activities.	120,546
Prepaid retirement expense is recognized as a deferred outflow of resources in the statement of net position.	(194,171)
Deferred outflows of resources related to the net pension liability are recognized on the statement of net position.	3,412,114
Deferred inflows of resources related to the net pension liability are recognized on the statement of net position.	(103,048)
Liabilities for interest payable are included as liabilities of the governmental activities and are deducted.	(26,365)
Long-term governmental liabilities for bonds payable are included as liabilities of the governmental activities and are deducted.	(2,277,000)
Long-term governmental liabilities for compensated absences are included as liabilities of the governmental activities and are deducted.	(232,341)
Long-term governmental liabilities for OPEB costs are included as liabilities of the governmental activities and are deducted.	(41,587,141)
Deferred outflows of resources related to OPEB costs are recognized on the statement of net position.	9,882,913
Deferred inflows of resources related to OPEB costs are recognized on the statement of net position.	(3,913,255)
Long-term governmental liabilities for the net pension liability are included as a liability of the governmental activities and are deducted.	(4,423,202)
Net position of the internal service fund is included in governmental activities.	123,699
<b>Total net position per the statement of net position</b>	<b><u>\$ (4,740,551)</u></b>

See accompanying Notes to Financial Statements.



# Town of Queensbury, New York

## Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

	Year Ended December 31, 2020						Total
	Major Funds				Other Governmental		
	General	Highway	Capital Projects	Fire Protection	Funds	Eliminations	
<b>REVENUES</b>							
Real property taxes	\$ 1,980,396	\$ -	\$ -	\$ 3,998,847	\$ 210,439	\$ -	\$ 6,189,682
Real property tax items	78,175	-	-	25,009	-	-	103,184
Non-property taxes	10,348,827	-	-	-	-	-	10,348,827
Departmental income	324,103	-	-	1,132,775	749,889	-	2,206,767
Use of money and property	9,834	2,570	6,181	1,973	1,117	-	21,675
Licenses and permits	260,126	-	-	-	-	-	260,126
Fines and forfeitures	336,683	-	-	-	-	-	336,683
Sale of property and compensation for loss	30,920	3,629	-	-	-	-	34,549
Miscellaneous	8,697	-	500	-	7,081	-	16,278
Intergovernmental charges	-	-	-	-	31,500	-	31,500
Interfund revenues	165,224	-	-	-	-	(165,224)	-
State aid	1,178,039	803,724	48,000	-	-	-	2,029,763
<b>Total revenues</b>	<b>14,721,024</b>	<b>809,923</b>	<b>54,681</b>	<b>5,158,604</b>	<b>1,000,026</b>	<b>(165,224)</b>	<b>21,579,034</b>
<b>EXPENDITURES</b>							
General government support	3,218,090	-	-	-	-	-	3,218,090
Public safety	561,127	-	-	4,637,187	-	-	5,198,314
Health	12,950	-	-	-	122,994	-	135,944
Transportation	443,197	2,139,303	-	-	118,071	-	2,700,571
Economic opportunity and development	220,898	-	-	-	-	-	220,898
Culture and recreation	1,045,134	-	-	-	-	-	1,045,134
Home and community service	676,634	-	-	-	490,463	-	1,167,097
Employee benefits	2,573,103	1,297,419	-	267,093	239,895	(165,224)	4,212,286
Debt service							
Principal	255,202	-	-	-	-	-	255,202
Interest	84,263	-	-	-	-	-	84,263
Capital outlay							
General government support	84,244	-	4,944,990	-	-	-	5,029,234
Public safety	17,751	-	-	-	-	-	17,751
Transportation	-	1,221,425	-	-	-	-	1,221,425
Culture and recreation	34,825	-	647,725	-	-	-	682,550
Home and community service	-	-	148,578	-	43,659	-	192,237
<b>Total expenditures</b>	<b>9,227,418</b>	<b>4,658,147</b>	<b>5,741,293</b>	<b>4,904,280</b>	<b>1,015,082</b>	<b>(165,224)</b>	<b>25,380,996</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers-in	74,119	3,949,200	1,242,852	-	230,800	-	5,496,971
Transfers-out	(5,433,125)	-	(51,526)	-	-	-	(5,484,651)
<b>Total other financing sources (uses)</b>	<b>(5,359,006)</b>	<b>3,949,200</b>	<b>1,191,326</b>	<b>-</b>	<b>230,800</b>	<b>-</b>	<b>12,320</b>
<b>Net change in fund balances</b>	<b>134,600</b>	<b>100,976</b>	<b>(4,495,286)</b>	<b>254,324</b>	<b>215,744</b>	<b>-</b>	<b>(3,789,642)</b>
<b>FUND BALANCES, beginning of year</b>	<b>9,680,323</b>	<b>1,263,297</b>	<b>5,525,617</b>	<b>1,900,422</b>	<b>1,521,024</b>	<b>-</b>	<b>19,890,683</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 9,814,923</b>	<b>\$ 1,364,273</b>	<b>\$ 1,030,331</b>	<b>\$ 2,154,746</b>	<b>\$ 1,736,768</b>	<b>\$ -</b>	<b>\$ 16,101,041</b>

See accompanying Notes to Financial Statements.

# Town of Queensbury, New York

## Fund Financial Statements Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Change in Net Position Shown in the Statement of Activities

		<u>Year Ended December 31, 2020</u>									
Net change in fund balances shown for total governmental funds.		\$ (3,789,642)									
This amount differs from the change in net position shown in the statement of activities and change in net position because of the following:											
Capital outlays for acquisition of capital assets are recorded in governmental funds as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This amount represents the difference between expenditures for acquisition of capital assets and depreciation expense for the period.	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Capital acquisitions</td> <td style="width: 20%; text-align: right;">4,382,770</td> <td style="width: 20%;"></td> </tr> <tr> <td>Net dispositions</td> <td style="text-align: right;">(2,597)</td> <td></td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right; border-top: 1px solid black;">(999,800)</td> <td style="text-align: right; vertical-align: bottom;">3,380,373</td> </tr> </table>	Capital acquisitions	4,382,770		Net dispositions	(2,597)		Depreciation expense	(999,800)	3,380,373	
Capital acquisitions	4,382,770										
Net dispositions	(2,597)										
Depreciation expense	(999,800)	3,380,373									
Major revenues are recorded in the governmental funds when they become susceptible to accrual; that is, when they are earned, measurable, and available to provide current financial resources. In the statement of activities, major revenues are recognized when they are earned and measurable, regardless of when they become available. This is the amount by which earned revenues for sales tax and mortgage tax for the current period differs from the amount of prior year earned revenues not recognized as being available in the governmental funds until the current period.		52,900									
Governmental funds report the annual contribution to the System as retirement expense. The prior year contribution is recognized as an expense, as well as the change in the net pension liability and the deferred inflows and deferred outflows created as a result of this change:											
Change in net pension liability	(3,246,453)										
Change in deferred outflows of resources	2,152,029										
Change in deferred inflows of resources	315,632	(778,792)									
Bond proceeds provide current year financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.											
Principal paid on bonds		255,202									
The cost of acquiring inventory of material and supplies is included as expenditures in the governmental funds. In the government-wide financial statements, inventory at year-end is included as an asset.		49,516									
Some expenses and changes in deferred outflows of resources reported in the statement of activities and change in net position do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These include:											
Accrued interest	3,781										
Compensated absences	(52,610)										
Change in OPEB deferred outflows of resources	(875,991)										
Change in OPEB deferred inflows of resources	(1,200,546)										
Other postemployment benefit obligation payable	(1,504,622)	(3,629,988)									
Internal service fund transactions are reported separately in the fund financial statements. In the government-wide financial statements, internal service fund transactions are included in governmental activities. This is the net result of the internal service fund revenues and expenses that are included in governmental activities.		(38,615)									
<b>Change in net position of governmental activities</b>		<b>\$ (4,499,046)</b>									

See accompanying Notes to Financial Statements.

# Town of Queensbury, New York

## Fund Financial Statements Statement of Net Position - Proprietary Funds

	December 31, 2020				Governmental Internal Service
	Business-Type Activities				
	Enterprise Funds				
Water	Sewer	Landfill	Total		
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,650,571	\$ 2,603,121	\$ 342,321	\$ 5,596,013	\$ 123,699
Receivables, net	1,218,304	428,432	41,859	1,688,595	-
Investments	388,785	-	500,123	888,908	-
Prepaid expenses	60,760	10,692	6,248	77,700	-
Cash and cash equivalents, restricted	507,813	-	917,699	1,425,512	-
Capital assets, not being depreciated	287,230	1,573,305	85,437	1,945,972	-
Capital assets, net of accumulated depreciation	<u>22,453,499</u>	<u>11,129,329</u>	<u>93,338</u>	<u>33,676,166</u>	<u>-</u>
Total assets	<u>27,566,962</u>	<u>15,744,879</u>	<u>1,987,025</u>	<u>45,298,866</u>	<u>123,699</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals	864,276	121,476	101,229	1,086,981	-
OPEB deferrals	<u>2,503,306</u>	<u>351,844</u>	<u>293,204</u>	<u>3,148,354</u>	<u>-</u>
	<u>3,367,582</u>	<u>473,320</u>	<u>394,433</u>	<u>4,235,335</u>	<u>-</u>
<b>LIABILITIES</b>					
Accounts and other payables	481,378	226,023	30,218	737,619	-
Accrued liabilities	32,962	3,402	2,263	38,627	-
Deposits	-	8,605	-	8,605	-
Bond anticipation notes payable	-	533,000	-	533,000	-
Interest payable	3,839	29,052	-	32,891	-
Compensated absences	33,678	-	-	33,678	-
Bonds payable	559,800	6,461,350	-	7,021,150	-
Landfill post-closure costs	-	-	70,910	70,910	-
Net pension liability	1,120,382	157,472	131,227	1,409,081	-
OPEB liability	<u>10,533,872</u>	<u>1,480,555</u>	<u>1,233,794</u>	<u>13,248,221</u>	<u>-</u>
Total liabilities	<u>12,765,911</u>	<u>8,899,459</u>	<u>1,468,412</u>	<u>23,133,782</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals	26,102	3,669	3,058	32,829	-
OPEB deferrals	<u>991,214</u>	<u>139,318</u>	<u>116,098</u>	<u>1,246,630</u>	<u>-</u>
	<u>1,017,316</u>	<u>142,987</u>	<u>119,156</u>	<u>1,279,459</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	22,180,929	5,708,284	178,775	28,067,988	-
Restricted for					
Capital improvements	507,813	-	917,699	1,425,512	-
Unrestricted (deficit)	<u>(5,537,425)</u>	<u>1,467,469</u>	<u>(302,584)</u>	<u>(4,372,540)</u>	<u>123,699</u>
Total net position	<u>\$ 17,151,317</u>	<u>\$ 7,175,753</u>	<u>\$ 793,890</u>	<u>\$ 25,120,960</u>	<u>\$ 123,699</u>

# Town of Queensbury, New York

## Fund Financial Statements Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds

	Year Ended December 31, 2020				
	Business-Type Activities				Governmental
	Enterprise Funds				
	Water	Sewer	Landfill	Total	Internal Service
<b>OPERATING REVENUES</b>					
Water sales and services	\$ 4,088,331	\$ -	\$ -	\$ 4,088,331	\$ -
Sewer sales and services	-	1,586,374	-	1,586,374	-
Landfill and transfer station charges	-	-	593,265	593,265	-
Total operating revenues	<u>4,088,331</u>	<u>1,586,374</u>	<u>593,265</u>	<u>6,267,970</u>	<u>-</u>
<b>OPERATING EXPENSES</b>					
Costs of sales and services	6,195,330	2,381,161	660,822	9,237,313	38,700
Depreciation	1,025,782	459,733	4,094	1,489,609	-
Total operating expenses	<u>7,221,112</u>	<u>2,840,894</u>	<u>664,916</u>	<u>10,726,922</u>	<u>38,700</u>
<b>Operating loss</b>	<u><b>(3,132,781)</b></u>	<u><b>(1,254,520)</b></u>	<u><b>(71,651)</b></u>	<u><b>(4,458,952)</b></u>	<u><b>(38,700)</b></u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Real property taxes levied for water and sewer purposes	765,279	517,771	-	1,283,050	-
State aid	-	5,000	-	5,000	-
Interest earnings	4,786	1,989	1,898	8,673	85
Premium on debt	-	33,893	-	33,893	-
Interest expense	(14,011)	(153,079)	-	(167,090)	-
Total nonoperating revenues	<u>756,054</u>	<u>405,574</u>	<u>1,898</u>	<u>1,163,526</u>	<u>85</u>
<b>Income before transfers</b>	<u><b>(2,376,727)</b></u>	<u><b>(848,946)</b></u>	<u><b>(69,753)</b></u>	<u><b>(3,295,426)</b></u>	<u><b>(38,615)</b></u>
<b>Transfers</b>					
Transfers-in	288,193	-	-	288,193	-
Transfers-out	(298,653)	(1,860)	-	(300,513)	-
Total other financing sources (uses)	<u>(10,460)</u>	<u>(1,860)</u>	<u>-</u>	<u>(12,320)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u><b>(2,387,187)</b></u>	<u><b>(850,806)</b></u>	<u><b>(69,753)</b></u>	<u><b>(3,307,746)</b></u>	<u><b>(38,615)</b></u>
<b>NET POSITION, beginning of year, as restated</b>	<u>19,538,504</u>	<u>8,026,559</u>	<u>863,643</u>	<u>28,428,706</u>	<u>162,314</u>
<b>NET POSITION, end of year</b>	<u><u><b>\$ 17,151,317</b></u></u>	<u><u><b>\$ 7,175,753</b></u></u>	<u><u><b>\$ 793,890</b></u></u>	<u><u><b>\$ 25,120,960</b></u></u>	<u><u><b>\$ 123,699</b></u></u>

# Town of Queensbury, New York

## Fund Financial Statements Statement of Cash Flows - Proprietary Funds

	Year Ended December 31, 2020				Governmental Internal Service
	Business-Type Activities				
	Enterprise Funds				
	Water	Sewer	Landfill	Total	
<b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 4,190,004	\$ 1,723,157	\$ 586,785	\$ 6,499,946	\$ -
Cash paid to employees	(2,532,239)	(393,938)	(286,917)	(3,213,094)	(29,767)
Cash paid to contractors and suppliers	(2,201,174)	(1,858,346)	(239,430)	(4,298,950)	-
Net cash provided (used) by operating activities	<b>(543,409)</b>	<b>(529,127)</b>	<b>60,438</b>	<b>(1,012,098)</b>	<b>(29,767)</b>
<b>CASH FLOWS PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES</b>					
Cash received from real property taxes	765,279	517,771	-	1,283,050	-
Contributions received from other activities	-	5,000	-	5,000	-
Net cash provided by non-capital financing activities	<b>765,279</b>	<b>522,771</b>	-	<b>1,288,050</b>	-
<b>CASH FLOWS PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(27,379)	(89,536)	(68,706)	(185,621)	-
Payments on bond anticipation note	-	(1,292,000)	-	(1,292,000)	-
Proceeds from issuance of bonds	-	1,327,293	-	1,327,293	-
Principal paid on long-term debt	(177,400)	(317,309)	-	(494,709)	-
Interest paid on long-term debt	(14,011)	(153,079)	-	(167,090)	-
Intergovernmental transfers, net	(10,460)	(1,860)	-	(12,320)	-
Net cash provided (used) by capital and related financing activities	<b>(229,250)</b>	<b>(526,491)</b>	<b>(68,706)</b>	<b>(824,447)</b>	-
<b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES</b>					
Sales (purchases) of investments	122,375	-	(500,123)	(377,748)	-
Interest earnings	4,786	1,989	1,898	8,673	85
Net cash provided (used) by investing activities	<b>127,161</b>	<b>1,989</b>	<b>(498,225)</b>	<b>(369,075)</b>	<b>85</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>119,781</b>	<b>(530,858)</b>	<b>(506,493)</b>	<b>(917,570)</b>	<b>(29,682)</b>
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	<b>3,038,603</b>	<b>3,133,979</b>	<b>1,766,513</b>	<b>7,939,095</b>	<b>153,381</b>
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 3,158,384</b>	<b>\$ 2,603,121</b>	<b>\$ 1,260,020</b>	<b>\$ 7,021,525</b>	<b>\$ 123,699</b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating loss	\$ (3,132,781)	\$ (1,254,520)	\$ (71,651)	\$ (4,458,952)	\$ (38,700)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities					
Depreciation expense	1,025,782	459,733	4,094	1,489,609	-
Changes in assets and liabilities					
Receivables, net	101,673	136,783	(6,480)	231,976	-
Prepaid expenses	891	(3,707)	(2,431)	(5,247)	25,000
Pension deferred outflows of resources	(539,840)	(75,876)	(63,231)	(678,947)	-
OPEB deferred outflows of resources	221,885	31,187	25,988	279,060	-
Accounts and other payables	323,491	(32,930)	12,325	302,886	(3,354)
Accrued liabilities	17,753	1,816	1,548	21,117	(12,713)
Interest payable	(1,187)	(784)	-	(1,971)	-
Due to/from other activities	-	(84)	-	(84)	-
Compensated absences	11,348	-	-	11,348	-
Deposits	-	8,605	-	8,605	-
OPEB liability	381,115	53,567	44,638	479,320	-
Net pension liability	822,315	115,578	96,315	1,034,208	-
Landfill post-closure costs	-	-	(6,930)	(6,930)	-
Pension deferred inflows of resources	(79,948)	(11,236)	(9,364)	(100,548)	-
OPEB deferred inflows of resources	304,094	42,741	35,617	382,452	-
	<b>\$ (543,409)</b>	<b>\$ (529,127)</b>	<b>\$ 60,438</b>	<b>\$ (1,012,098)</b>	<b>\$ (29,767)</b>

See accompanying Notes to Financial Statements.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### **Note 1 - Organization and Summary of Significant Accounting Policies**

The accompanying financial statements of the Town of Queensbury, New York (Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units as prescribed by the Governmental Accounting Standards Board (GASB), which is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

#### *a. Financial Reporting Entity*

The Town, which was established in 1762, is governed by its Town Charter, and other general laws of the State of New York and various local laws. The Town Board, which is the governing body of the Town, consists of the Supervisor and four voting Council persons, all elected. The Town Supervisor serves as the chief executive and fiscal officer. As authorized by Town Law 3 §34, the Town provides the following basic services: public safety, health services, maintenance of Town roads, recreation, home and community service, economic assistance, and other general services.

In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in U.S. GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependence. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the Town and/or its citizens, or whether the activity is conducted within geographic boundaries of the Town and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the Town is able to exercise oversight responsibilities. Based on the application of these criteria, the Town has determined it has no component units.

The Economic Development Corporation (EDC) is a not-for-profit corporation created to promote economic development within Warren County. Members of the EDC are not appointed by the Town Board. EDC members have complete responsibility for management of the agency and accountability for fiscal matters. The Town is not liable for EDC bonds or notes. The Town has entered into an agreement with the EDC for services in the amount of \$114,000 for the year ended December 31, 2020. The EDC is not considered a component unit of the Town.

A summary of the Town's significant accounting policies is as follows:

#### *b. Government-Wide and Fund Financial Statements*

The governmental reporting model has the following sections: Management's Discussion and Analysis, Government-Wide Financial Statements, and Fund Financial Statements.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### **Note 1 - Organization and Summary of Significant Accounting Policies - Continued**

#### *b. Government-Wide and Fund Financial Statements - Continued*

The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all nonfiduciary activities of the Town, as the primary government. The effect of interfund transactions within the same activities has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support made to customers.

The statement of net position presents the financial condition of the Town's activities at year-end. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 that are restricted to meeting the operational or capital requirement of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The statement of activities identifies the net expense or revenue from each activity and identifies the amount of general revenues needed to help finance the specific activities.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though fiduciary funds are excluded from the government-wide financial statements. The General Fund and other major individual governmental funds are reported as separate columns in the fund financial statements. All non-major governmental funds are aggregated in one column identified as other governmental funds.

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

#### *c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and applicable fiduciary fund financial statements. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources are recorded in these statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the 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. This measurement focus and basis of accounting are similar to private sector reporting.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances of these funds' present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financial uses) in net current position.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued*

Under the modified accrual basis of accounting, governmental fund revenues are recognized when susceptible to accrual, which is when they become both measurable and available. "Measurable" means the amount of the transaction can be reasonably determined, and "available" means the related cash resources are collectible within the current period or soon enough thereafter to be used to pay current liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected generally within 120 days. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, sales taxes, and certain intergovernmental revenues are considered to be susceptible to accrual and so have been recognized in the fund financial statements as revenues of the current fiscal period. All other revenue items are considered to be measurable and available generally when the Town receives cash for these revenues, such as fines, permits, and other miscellaneous collections.

The Town reports deferred outflows and inflows of resources on its government-wide financial statements for items related to the net pension liability and other postemployment benefits liability, and deferred inflows of resources in its fund financial statements for certain revenues other than property taxes.

Governmental fund expenditures are recorded when the fund liability is incurred except that:

- Payments for acquisition of inventory type items are recorded as expenditures when the related amounts are due and payable. This method is generally referred to as the "purchase" method, as opposed to the "consumption" method.
- Principal and interest on indebtedness as well as expenditures related to compensated absences and claims and judgments are recorded as expenditures when the related debt service amounts are due and payable, which normally approximates the date the debt is paid.
- Costs of acquiring capital assets are recorded as expenditures when the related acquisition amounts are due and payable.

#### *d. Fund Accounting*

The Town's fund types are as follows:

*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 Town's governmental funds are as follows:

- a) The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund. This fund operates within the financial limits of an annual budget adopted by the Town Board and includes expenditures for general governmental support and other general Town activities.



# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### d. Fund Accounting - Continued

- b) Special Revenue Funds are used to account for specific revenues (other than those generated for major capital projects) that are legally restricted to expenditures for particular purposes. The Town utilizes the following special revenue funds:
1. The *Special Grant Fund* is used to account for federally funded community development block grants and other specially funded programs.
  2. The *Cemetery Fund* is used to account for revenues from sales of cemetery lots, charges for services, and other revenues generated to pay for operation of the Town's various cemeteries.
  3. The *Highway Fund* is used to account for revenues generated to pay for repairs and improvements to Town roads, acquisition and maintenance of highway vehicles and equipment, snow removal, and other transportation services.
  4. The *Fire Protection Fund* is used to account for real property taxes and other revenues generated to pay for contracts for fire protection services, contributions to the service award program, and other related public safety costs.
  5. The Lighting District Fund is used to account for real property taxes and other revenues generated within district boundaries to pay for specific street lighting costs.
  6. The Aquatic District Fund is used to account for resources generated within the Glen Lake Aquatic Plant Growth Control District for the purposes of controlling non-native, invasive aquatic plant species in Glen Lake.
- c) The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). Financing is generally provided from proceeds of bonds, notes, federal and state grants, and transfers from other governmental funds.

In addition to the General Fund, the Town considers the Highway Fund, Capital Projects Fund and the Fire Protection Fund to be major governmental funds.

*Proprietary Funds* represent the Town's business-type activities and include enterprise funds and internal service funds. Enterprise funds are used to report activities for which fees are charged to external customers for goods and services provided, and the Town's fee pricing policies are established to recover costs of providing such goods and services, including capital costs such as depreciation or debt service. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues are charged to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### d. Fund Accounting - Continued

The Town reports the following enterprise funds:

- a) The *Water District Fund* is used to report operations of the Town's water treatment and supply facilities that provide drinking water to Town residents within established water districts, as well as to certain local communities outside the Town's corporate boundaries. Users of the water system, inside and outside of Town limits, are charged certain user fees and assessments to pay for water operations. The fund also records revenues and expenses associated with extending water lines, making improvements to the water treatment facilities, and other capital expenses.
- b) The *Sewer District Fund* is used to report operations of the Town's sanitary sewer system that are provided to Town residents located within established sewer districts. The Town contracts with the City of Glens Falls, New York, for treatment and disposal at the City's wastewater treatment facility. Users of the sewer system are charged certain user fees and assessments to pay for sewer operations.
- c) The *Landfill/Transfer Station Fund* is used to report refuse and garbage disposal services and recycling operations at the Town's transfer stations and landfill. Certain user fees are charged to customers to pay for these services.

The Town considers each of the three enterprise funds to be major proprietary funds.

The Town maintains one internal service fund to account for certain workers' compensation and unemployment insurance costs.

*Fiduciary Funds* are used to report resources that are held by the Town in a trustee or agency capacity for others and cannot be used to support the Town's own programs. The Town did not have any fiduciary funds as of and for the year ended December 31, 2020.

In addition to the various funds, the Town also maintains schedules of non-current governmental assets and non-current governmental liabilities. Non-current governmental assets include capital assets used in governmental activities, and non-current governmental liabilities include bonds, retirement system debt, accumulated sick and compensatory time, and other long-term debt used to finance governmental activities. These non-current governmental assets and liabilities are included under governmental activities in the government-wide statement of net position.

#### e. Property Taxes

Taxes for Town purposes are based on Town budget requirements. Taxes are collected by the Town until April 1, at which time all unpaid taxes are returned to the County, which is responsible for all uncollected taxes. The following calendar pertains to Town real property taxes.

Valuation date	January 1
Taxable status date	March 1
Exemption filing date	March 1
Final roll date	July 1
Date taxes due	January 1
Date penalty periods begin	February 1

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *f. Budgetary Accounting*

Prior to October 5 of each year, the Budget Officer submits to the Town Clerk and Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the sources of financing. Public hearings are conducted to obtain taxpayers' comments. Prior to November 20, the budget is adopted by the Town Board. The Town Board must approve all modifications of the budget.

Budgets are adopted annually on a basis consistent with U.S. GAAP. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

#### *g. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. Open encumbrances at year-end are reported as reservations of fund balances since the commitments do not constitute expenditures or liabilities.

#### *h. Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### *i. Capital Assets and Depreciation*

Property, plant, and equipment of all funds are stated at historical cost or estimated cost. Donated fixed assets are stated at their fair value on the date donated. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets ranging from 3 to 40 years.

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on the excess of the asset's carrying amount over its fair value. There were no impairments of long-lived assets as of December 31, 2020.

#### *j. Deferred Outflows and Inflows of Resources*

A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future period. The Town's deferred outflows of resources represent deferred costs related to the change in the net pension liability and other postemployment benefits liability.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *j. Deferred Outflows and Inflows of Resources - Continued*

The Town's deferred inflows of resources arise when potential revenue does not meet both of the "measurable" and "available" criteria for recognition in the current period as defined in Note 1b. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow is removed from the balance sheet, and revenue is recognized.

Deferred inflows of resources in the General Fund represent property tax revenue that was not considered available. Deferred inflows of resources in the government-wide financial statements represent amounts related to the change in the net pension liability and other postemployment benefits liability.

#### *k. Compensated Absences*

Town employees are granted vacation and sick leave in varying amounts. In the event of voluntary separation, an employee is entitled to payment for accumulated vacation time at various rates subject to certain maximum limitations. Upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. The liability for accumulated vacation, vested sick benefits, and related benefits related to governmental activities has been recorded in the government-wide financial statements. For proprietary funds, the liability is recognized within the respective fund.

#### *l. Other Postemployment Benefits (OPEB)*

In addition to providing pension benefits, the Town provides certain health care benefits to retired employees and their dependents. Substantially all Town employees may become eligible for those benefits if they reach normal retirement age while working for the Town. The Town recognizes the cost of postemployment benefits in the financial statements in the periods in which the exchange occurs, rather than in the periods when the benefits are paid. The Town amortizes prior service costs over a period of thirty years.

#### *m. Pensions*

The Town is a participating employer in the New York State and Local Retirement System (System). Employees in permanent positions are required to enroll in the System, and employees in part-time or seasonal positions have the option of enrolling in the System. The System is a cost sharing, multiple-employer, public employee defined benefit retirement system. The impact on the Town's financial position and results of operations due to its participation in the System is more fully disclosed in Note 9.

#### *n. Fund Balance*

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

*Nonspendable* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *n. Fund Balance - Continued*

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five fund balance classifications are as follows:

*Nonspendable* - Amounts that cannot be spent because they are either (a) not in spendable form, or (b) are legally or contractually required to be maintained intact.

*Restricted* - Amounts that have restraints that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations, of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action, such as legislation, resolution, or ordinance by the government's highest level of decision-making authority.

*Assigned* - Amounts that are constrained only by the government's intent to be used for a specified purpose but are not restricted or committed in any manner.

*Unassigned* - The residual amount in the General Fund after all of the other classifications have been established. In a special revenue fund, if expenditures and other financing uses exceed the amounts restricted, committed, or assigned for those purposes, then a negative unassigned fund balance will occur.

The Town's fund balance policy is set by the Council, the highest level of decision-making authority. The Town considers "formal action" for a committed fund balance to be the passing of a resolution by the Town Board. The Council has delegated the ability to assign fund balance to the Budget Officer. The Town considers funds to be expended in the order of restricted, committed, assigned, and unassigned.

#### *o. Net Position*

Net position balances at the government-wide level and for enterprise funds are reported in the following three categories:

*Restricted* - Net position is reported as restricted when constraints placed on net position use are either:

- a) Externally imposed by creditors (such as debt covenants), grantors, contributors, laws, or regulations of other governments; or
- b) Imposed by law through constitutional provisions or enabling legislation.

*Net investment in capital assets* - Consists of capital assets, including restricted capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 1 - Organization and Summary of Significant Accounting Policies - Continued

#### *o. Net Position - Continued*

*Unrestricted* - Is the amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted components of net position.

#### *p. Prior Period Adjustment*

During 2020, the Town corrected the recording of prior year capital expenditures related to the Sewer Fund. As a result, infrastructure capital assets and net position of the Sewer Fund as of and for the year ended December 31, 2019 have been restated to include net capital assets of prior periods by \$2,567,702.

#### *q. Adoption of New Accounting Standard*

During 2020, the Town adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus of this criteria generally is on (1) whether a government is controlling the assets of the fiduciary activities and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

As a result of the adoption of this statement, the Town now reports activity formerly recognized in the Agency Fund principally within the General Fund.

#### *r. Subsequent Events*

Management has evaluated subsequent events for potential recognition or disclosure through October 12, 2021, the date the financial statements were available to be issued.

### Note 2 - Cash, Cash Equivalents, and Investments

The Town's investment policies are governed by state statutes. The Town's monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the state. The Budget Officer is authorized to use demand accounts, certificates of deposit, obligations of the United States of America, New York State and local municipalities and school districts, certificates of participation, and repurchase agreements with certain restrictions.

Collateral is required for demand deposits and certificates of deposit at 100% 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 any state and its municipalities and school districts.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 2 - Cash, Cash Equivalents, and Investments - Continued

The Town's cash and cash equivalents are defined as restricted and unrestricted short-term, highly liquid investments that are readily convertible to known amounts of cash at maturity (with maturity being no greater than 90 days when purchased).

During 2020, cash and cash equivalents were either insured by federal depository insurance or collateralized by assets of the Town's agent in the Town's name.

Investments of the Town at December 31, 2020 of \$1,000,150 (General Fund) \$388,785 (Water Fund) and \$500,123 (Landfill Fund) were held in the New York Cooperative Liquid Asset Securities System (NYCLASS), a cooperative investment program. Investments held by NYCLASS are measured at fair value using amortized cost as reported by NYCLASS. NYCLASS is subject to the Municipal Cooperation Agreement Amended and Restated as of March 14, 2014 (the Agreement) and is structured in accordance with New York State General Municipal Law (GML), Article 3-A and Article 5-G, Sections 119-n and o, and Chapter 623 of the Laws of 1998. All NYCLASS investment and custodial policies are in accordance with GML, Sections 10 and 11 (as amended by Chapter 708 of the Laws of 1992). NYCLASS is rated 'AAAm' by S&P Global Ratings. Participants are allowed to conduct transactions (deposits, withdrawal, or transfers) on a normal business day.

### Note 3 - Fair Value Measurements

The framework for measuring fair value includes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of inputs used to measure fair value are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the Town has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 3 - Fair Value Measurements - Continued

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The investments held within the Town's Length of Service Awards Program (LOSAP) at December 31, 2020 are categorized as Level 1 in the fair value hierarchy with fair value determined by the active markets. Money market funds are reported at carrying amounts which reasonably estimate fair value. The composition of benefit trust investments, investment information, and fair values is presented in Note 10.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table presents the Town's Volunteer Firefighter Awards Program (see Note 10) investments at December 31, 2020:

	Level 1	Level 2	Level 3	Total
U.S. Equities	\$ 2,069,570	\$ -	\$ -	\$ 2,069,570
Corporate Bonds	1,056,733	-	-	1,056,733
Cash and Money Market Funds	142,468	-	-	142,468
Investments, at fair value	<u>\$ 3,268,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,268,771</u>

The Town's investments with NYCLASS are not required to be categorized within the fair value hierarchy in accordance with GASB Statement No. 72.

### Note 4 - Due From Other Governments

Due from other governments, classified on the statement of net position within receivables, consist of the following at December 31, 2020:

	Governmental Activities	Business-Type Activities
Sales and mortgage tax	\$ 3,391,166	\$ -
Other	67,760	41,859
Water and sewer rents and relievis	-	1,646,736
	<u>\$ 3,458,926</u>	<u>\$ 1,688,595</u>



# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 5 - Restricted Assets

Restricted assets consist of cash and cash equivalents and investments for the following:

	Restricted Balance	Restriction
General Fund	\$ 2,358,430	Capital Reserves
Water Fund	507,813	Capital Reserves
Landfill Fund	917,699	Capital Reserves
Cemetery Fund	678,929	Cemetery Perpetual Care
 Total restricted assets	 \$ 4,462,871	

### Note 6 - Capital Assets

A summary of changes in capital assets is as follows:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020
<b>Governmental Activities</b>				
Work in progress	\$ 627,464	\$ 3,386,135	\$ -	\$ 4,013,599
Land	4,464,108	7,800	-	4,471,908
Buildings	6,142,338	-	-	6,142,338
Improvements	1,833,366	-	-	1,833,366
Machinery and equipment	8,238,926	988,835	(78,107)	9,149,654
Infrastructure	8,502,309	-	-	8,502,309
	29,808,511	4,382,770	(78,107)	34,113,174
<b>Business-Type Activities</b>				
Work in progress	1,432,100	69,660	(12,407)	1,489,353
Land	456,619	-	-	456,619
Buildings	1,862,688	68,706	-	1,931,394
Improvements	-	12,407	-	12,407
Machinery and equipment	1,846,686	47,255	-	1,893,941
Infrastructure	68,592,152	-	-	68,592,152
	74,190,245	198,028	(12,407)	74,375,866
<b>Accumulated Depreciation</b>				
<b>Governmental Activities</b>				
Buildings	3,936,906	146,072		4,082,978
Improvements	892,497	66,855		959,352
Machinery and equipment	5,358,728	496,160	(75,510)	5,779,378
Infrastructure	5,568,810	290,713		5,859,523
	15,756,941	999,800	(75,510)	16,681,231
<b>Business-Type Activities</b>				
Buildings	1,196,396	36,730	-	1,233,126
Improvements	-	258	-	258
Machinery and equipment	1,417,971	80,747	-	1,498,718
Infrastructure	34,649,752	1,371,874	-	36,021,626
	37,264,119	1,489,609	-	38,753,728
<b>Capital assets, net</b>	<b>\$ 50,977,696</b>	<b>\$ 2,091,389</b>	<b>\$ (15,004)</b>	<b>\$ 53,054,081</b>

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 6 - Capital Assets - Continued

Depreciation expense for 2020 was charged to functions of the primary government as follows:

General governmental support	\$ 184,013
Public safety	27,737
Transportation	651,822
Culture and recreation	107,138
Home and community service	29,090
	<u>\$ 999,800</u>

### Note 7 - Long-Term Liabilities

Governmental activities long-term liabilities consisted of the following at December 31, 2020:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due Within One Year
Bonds payable (a)	\$ 2,532,202	\$ -	\$ (255,202)	\$ 2,277,000	\$ 161,000
Net pension liability	1,176,749	3,936,165	(689,712)	4,423,202	
OPEB liability (c)	40,082,519	4,646,580	(3,141,958)	41,587,141	
	<u>\$ 43,791,470</u>	<u>\$ 8,582,745</u>	<u>\$ (4,086,872)</u>	<u>\$ 48,287,343</u>	<u>\$ 161,000</u>

Business-type activities long-term liabilities consisted of the following at December 31, 2020:

	Balance January 1, 2020	Additions	Retirements	Balance December 31, 2020	Due Within One Year
Bonds payable (a)	\$ 6,222,459	\$ 1,293,400	\$ (494,709)	\$ 7,021,150	\$ 551,214
Landfill post-closure costs (b)	77,840	1,200	(8,130)	70,910	
Net pension liability	374,873	1,253,927	(219,719)	1,409,081	
OPEB liability (c)	12,768,901	1,480,240	(1,000,920)	13,248,221	
	<u>\$ 19,444,073</u>	<u>\$ 4,028,767</u>	<u>\$ (1,723,478)</u>	<u>\$ 21,749,362</u>	<u>\$ 551,214</u>

#### a. Bonds Payable

Governmental activities bonds payable are comprised of the following at December 31, 2020:

Serial Bonds	Date Issued	Original Amount	Interest Rate	Maturity	Balance December 31, 2020
Main Street	7/17/2013	3,319,000	3.00 to 4.00%	2032	<u>\$ 2,277,000</u>

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 7 - Long-Term Liabilities - Continued

a. *Bonds Payable - Continued*

Future debt service requirements related to governmental activities bonds payable are as follows:

	Principal	Interest	Total
2021	\$ 161,000	\$ 76,681	\$ 237,681
2022	164,500	71,799	236,299
2023	172,000	66,751	238,751
2024	175,500	61,539	237,039
2025	179,000	55,998	234,998
2026-2030	988,000	179,842	1,167,842
2031-2032	437,000	17,620	454,620
<b>Total</b>	<b><u>\$ 2,277,000</u></b>	<b><u>\$ 530,230</u></b>	<b><u>\$ 2,807,230</u></b>

Business-type activities bonds payable are comprised of the following at December 31, 2020:

State Loans Payable	Date Issued	Original Amount	Interest Rate	Maturity	Balance December 31, 2020
Shore Colony Water District	12/15/2003	2,880,333	2.0 to 2.125%	2023	\$ 555,000
Queensbury Avenue Sewer	3/4/2004	1,362,591	4.00%	2033	630,000
Route 9 Sewer	7/17/2006	4,912,000	2.49 to 4.13%	2035	2,915,000
<b>Serial Bonds</b>					
Big Bay/Big Boom Water District	3/21/1984	78,000	5.00%	2022	4,800
West Queensbury Sewer	7/17/2013	1,316,500	3.00 to 4.00%	2032	903,000
Sewer Force Main	12/21/2016	930,000	2.93%	2031	719,950
Carey Road Sewer Improvements	6/24/2020	1,293,400	2.00 to 4.00%	2045	1,293,400
					<b><u>\$ 7,021,150</u></b>

Future debt service requirements related to business-type activities bonds payable are as follows:

	Principal	Interest	Total
2021	\$ 551,214	\$ 162,669	\$ 713,883
2022	560,967	152,019	712,986
2023	572,769	140,862	713,631
2024	391,020	128,944	519,964
2025	404,323	118,645	522,968
2026-2030	2,192,554	424,208	2,616,762
2031-2035	1,768,303	151,824	1,920,127
2036-2040	275,000	51,034	326,034
2041-2045	305,000	18,564	323,564
<b>Total</b>	<b><u>\$ 7,021,150</u></b>	<b><u>\$ 1,348,769</u></b>	<b><u>\$ 8,369,919</u></b>

# Town of Queensbury, New York

## Notes to Financial Statements

December 31, 2020

### Note 7 - Long-Term Liabilities - Continued

#### *b. Landfill Post-Closure Care Costs*

State and federal laws and regulations require the Town to place a final cover on its Ridge Road landfill site and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The Town ceased operations at the landfill in 1993 and completed closure in 1997. Landfill post-closure care costs of \$70,910 reported at December 31, 2020 represent the remaining estimated cost to perform post-closure care. These estimated amounts are based on what it would cost to perform post-closure care as of December 31, 2020. Actual post-closure care costs may differ due to inflation, changes in technology, or changes in regulations.

#### *c. Other Postemployment Benefits*

##### Plan Description and Annual OPEB Cost

In addition to providing retirement benefits, the Town provides medical and Medicare Part B benefits to its eligible retirees. The benefits are provided through fully insured plans. To be eligible for such coverage, the retiring employee must be age fifty-five or older, eligible to receive a pension from the New York State Employees' Retirement System (NYSERS) and have at least ten to fifteen years of service with the Town; or the retiring employee must be age fifty or older, eligible to receive a pension from NYSERS, and have at least thirty years of service with the Town.

The Town pays a portion of the retirees' and their dependents' medical benefits depending on the employee group. The Town also reimburses the retiree for a portion of the Medicare Part B premium. The spouse may be permitted to continue coverage following the death of the retired employee provided that the retiree had 20 or more years of service at the time of retirement.

A summary of active employees and retired employees covered under the plan are as follows:

Active employees	126
Retired employees	<u>78</u>
	<u><u>204</u></u>

The Town recognizes the cost of providing health insurance annually as expenditures in various funds in its financial statements as payments are made. For the year ended December 31, 2020, the Town recognized \$1,443,303 for its share of insurance premiums for currently enrolled retirees. The Town is not required to fund the benefit plan other than the pay-as-you-go amount necessary to provide current benefits to retirees.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 7 - Long-Term Liabilities - Continued

#### c. Other Postemployment Benefits - Continued

##### Plan Description and Annual OPEB Cost - Continued

At December 31, 2020, the Town reported a liability of \$41,587,141 and \$13,248,221 for its OPEB liability in the governmental activities and business-type activities, respectively. The OPEB liability was measured as of December 31, 2020 by an actuarial valuation using census data information as of January 1, 2020. For the year ended December 31, 2020, the Town recognized OPEB expense of \$2,591,964 and \$825,710 in the governmental activities and business-type activities, respectively. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,358,599	\$ 3,913,255
Changes of assumptions	8,524,314	-
Total	\$ 9,882,913	\$ 3,913,255
	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 432,803	\$ 1,246,630
Changes of assumptions	2,715,551	-
Total	\$ 3,148,354	\$ 1,246,630

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

	Governmental Activities	Business Type-Activities	Total
Year ending December 31,			
2021	\$ 1,649,861	\$ 525,589	\$ 2,175,450
2022	1,649,861	525,589	2,175,450
2023	1,649,861	525,589	2,175,450
2024	1,063,076	338,659	1,401,735
2025	144,236	45,948	190,184
Thereafter	(187,237)	(59,650)	(246,887)
Total	\$ 5,969,658	\$ 1,901,724	\$ 7,871,382

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 7 - Long-Term Liabilities - Continued

#### *c. Other Postemployment Benefits - Continued*

#### Plan Description and Annual OPEB Cost - Continued

The total OPEB liability at December 31, 2020 was determined using the following actuarial assumptions:

Discount rate	2.12%			
Healthcare cost trend rates	<u>Year</u>	<u>Pre 65</u>	<u>Post 65</u>	<u>Medicare</u>
	2020	4.45%	0.00%	2.70%
	2021	9.50%	9.50%	5.41%
	2022	9.00%	9.00%	5.56%
	2023	8.50%	8.50%	5.00%
	2024	8.00%	8.00%	5.00%
	2025	7.50%	7.50%	5.00%
	2026	7.00%	7.00%	5.00%
	2027	6.50%	6.50%	5.00%
	2028	6.00%	6.00%	5.00%
	2029	5.50%	5.50%	5.00%
	2030	5.00%	5.00%	5.00%

Retirement rates                      Tables used for retirement and termination assumptions were updated to reflect the most recent tables from the New York State and Local Employee's Retirement System's Annual Report to the Comptroller on Actuarial Assumptions dated August 2020.

Payroll growth                              2.75% per year

Mortality rate                                SOA RP-2014 Total Dataset Mortality with Scale MP-2020

Actuarial cost method                      Entry age normal

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and on the cost-sharing provisions then in effect.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 7 - Long-Term Liabilities - Continued

#### c. Other Postemployment Benefits - Continued

#### Plan Description and Annual OPEB Cost - Continued

Changes in the net OPEB liability are as follows:

	<u>Governmental Activities</u>	<u>Business Type-Activities</u>	<u>Total</u>
Balance as of January 1, 2020	\$ 40,082,519	\$ 12,768,901	\$ 52,851,420
Changes for the year			
Service cost	2,189,463	697,487	2,886,950
Interest	829,177	264,146	1,093,323
Assumption changes	1,627,940	518,606	2,146,546
Difference between expected and actual experience	(2,054,616)	(654,529)	(2,709,145)
Benefit payments	(1,087,342)	(346,390)	(1,433,732)
Net changes	<u>1,504,622</u>	<u>479,320</u>	<u>1,983,942</u>
Balance as of December 31, 2020	<u>\$ 41,587,141</u>	<u>\$ 13,248,221</u>	<u>\$ 54,835,362</u>

The following presents the OPEB liability of the Plan as of December 31, 2020 using current health care cost trend rates as well as what the OPEB liability would be if it were calculated using health care cost trend rates 1% lower or 1% higher than the current rates:

	<u>1% Decrease</u>	<u>Current Rates</u>	<u>1% Increase</u>
OPEB liability			
Governmental Activities	\$ 35,417,144	\$ 41,587,141	\$ 48,630,669
Business-Type Activities	<u>11,282,677</u>	<u>13,248,221</u>	<u>15,492,049</u>
	<u>\$ 46,699,821</u>	<u>\$ 54,835,362</u>	<u>\$ 64,122,718</u>

The following presents the OPEB liability of the plan as of December 31, 2020 calculated using the discount rate of 2.12%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
OPEB liability			
Governmental Activities	\$ 36,016,992	\$ 41,587,141	\$ 53,302,859
Business-Type Activities	<u>11,473,767</u>	<u>13,248,221</u>	<u>16,980,446</u>
	<u>\$ 47,490,759</u>	<u>\$ 54,835,362</u>	<u>\$ 70,283,305</u>

# Town of Queensbury, New York

## Notes to Financial Statements

December 31, 2020

### Note 8 - Reserved Fund Balances

#### *Encumbrances*

The governmental funds include a reserve for encumbrances equal to an amount reserved to satisfy purchase orders and other commitments for goods and/or services to be received in the following year.

#### *Capital Reserves*

Capital reserves have been established for the following capital projects:

General Fund	
Recreation assessment	\$ 11,978
Capital	2,178,610
Town wide drainage	164,210
Highway garage	3,632
	<hr/>
	2,358,430
	<hr/>
Water Fund	
Equipment	18,860
Capital	488,953
	<hr/>
	507,813
	<hr/>
Landfill Fund	
Landfill closure	759,744
Equipment	157,955
	<hr/>
	917,699
	<hr/>
	\$ 3,783,942
	<hr/>

#### *Reserve for Perpetual Care*

The Cemetery Fund has a reserve for perpetual care of \$678,929.

### Note 9 - Retirement Benefits

#### *a. Plan Description and Benefits Provided*

The Town participates in the System, which is a cost-sharing multiple-employer, public employee retirement system. The System provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and provide benefits to employees. The System issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the System at [www.osc.state.ny.us/retire](http://www.osc.state.ny.us/retire).

The System provides retirement, disability, and death benefits for eligible members, including an automatic cost of living adjustment. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.



# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 9 - Retirement Benefits - Continued

#### *b. Contributions*

The System is noncontributory except for employees who joined after July 26, 1976, who contribute 3% of their salary for the first ten years of membership, employees who joined between January 1, 2010 and April 1, 2012, who contribute 3% of their salary for the entire length of service, and employees who joined after April 1, 2012 who contribute between 3% and 6% of their earned wages for the entire length of their career.

The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The Town's contributions for the current year and two preceding years were:

2020	\$ 960,219
2019	909,430
2018	896,415

These contributions were equal to 100% of the actuarially required contributions for each respective year.

#### *c. Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions*

At December 31, 2020, the Town reported a liability in the governmental activities and business-type activities of \$4,423,202 and \$1,409,081, respectively. The net pension liability was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019. The Town's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the System's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2020 measurement date, the Town's proportionate share was .0220248%.

For the year ended December 31, 2020, the Town recognized pension expense in the governmental activities and business-type activities of \$1,527,789 and \$486,703, respectively. At December 31, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to the net pension liability as follows:

	Governmental Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 260,323	\$ -
Changes of assumptions	89,063	76,904
Net differences between projected and actual investment earnings on pension plan investments	2,267,549	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	66,949	26,144
Town contributions subsequent to the measurement date	728,230	-
Total	\$ 3,412,114	\$ 103,048

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 9 - Retirement Benefits - Continued

*c. Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions - Continued*

	Business-Type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 82,930	\$ -
Changes of assumptions	28,372	24,500
Net differences between projected and actual investment earnings on pension plan investments	722,363	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,327	8,329
Town contributions subsequent to the measurement date	231,989	-
Total	\$ 1,086,981	\$ 32,829

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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:

	Governmental Activities	Business Type-Activities	Total
Year ending December 31,			
2021	\$ 439,369	\$ 139,968	\$ 579,337
2022	643,924	205,132	849,056
2023	829,908	264,380	1,094,288
2024	667,635	212,683	880,318
Total	\$ 2,580,836	\$ 822,163	\$ 3,402,999

*d. Actuarial Assumptions*

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with updated procedures used to roll forward the total pension liability to March 31, 2020.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 9 - Retirement Benefits - Continued

#### *d. Actuarial Assumptions - Continued*

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation rate	2.5 percent
Salary scale	3.8 percent, indexed by service
Investment rate of return, including inflation	6.8 percent compounded annually, net of expenses
Cost of living adjustment	1.3% annually
Decrement	Based on FY 2011-2015 experience
Mortality improvement	Society of Actuaries Scale MP-2014

#### *e. Investment Asset Allocation*

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 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 as of March 31, 2020 are summarized below:

Asset Type	Target Allocation	Long-Term Expected Real Rate
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 strategies	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	4.00%	5.00%
	100.00%	

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 9 - Retirement Benefits - Continued

*f. Discount Rate*

The discount rate projection of cash flows assumes that contributions from members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those 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.

*g. 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 % and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1% Decrease (5.8%)	Current Discount (6.8%)	1% Increase (7.8%)
Town's proportionate share of the net pension liability			
Governmental activities	\$ 8,117,828	\$ 4,423,202	\$ 1,020,439
Business-type activities	2,586,059	1,409,081	325,077
	<u>\$ 10,703,887</u>	<u>\$ 5,832,283</u>	<u>\$ 1,345,516</u>

*h. Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the New York State and Local Employees' Retirement System as of March 31, 2020 were as follows (amounts in thousands):

Employers' total pension liability	\$ 194,596,261
Plan net position	(168,115,682)
Employers' net pension liability	<u>\$ 26,480,579</u>
Ratio of plan net position to the employers' total pension liability	<u>86.39%</u>

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### **Note 10 - Volunteer Firefighter Awards Program**

The Town established a defined contribution Service Award Program (referred to as a LOSAP - Length of Service Awards Program - under Section 457(e)(11) of the Internal Revenue Code) effective January 1, 1990, for the active volunteer firefighter members of the Bay Ridge, Central Queensbury, North Queensbury, South Queensbury, and West Glens Falls Fire Companies. The program was established pursuant to Article 11-A of the New York State General Municipal Law. The program provides municipally-funded deferred compensation to volunteer firefighters to facilitate the recruitment and retention of active volunteer firefighters. Funds deposited into the program cannot be revoked by the Fire District; however, the funds may be subject to the claims made by the Town's general unsecured creditors. The Town is the sponsor of the program and the program administrator.

#### **Program Description**

##### Participation, Vesting, and Service Credit

In a defined contribution LOSAP, each participant has an individual program account. An eligible program participant is defined by the program sponsor to be an active volunteer firefighter who is at least 18 years of age and has earned one year of service award program service credit. Each participant's individual program account is credited with a service award contribution as of the end of each year during which the volunteer met the requirements to earn a year of service award program service credit. The participant is paid his or her account balance upon attainment of the entitlement age. The program's entitlement age is 62. The amount paid will vary depending upon the number of years of service credit earned by the volunteer and the investment income (less administrative and/or investment expenses not paid by the Fire District) earned by the program assets and allocated to the participant's program account.

Participants acquire a non-forfeitable right to be paid their program account balance after earning credit for five (5) years of service or upon attaining the program's entitlement age while an active volunteer. An active volunteer firefighter earns a year of service award program service credit calendar year after the establishment of the program in which he or she accumulates fifty or more points. Points are granted for the performance of certain firefighter activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive service award program credit for five (5) years of active volunteer firefighting service rendered prior to the establishment of the program as an active volunteer firefighter of the Bay Ridge, Queensbury Central, North Queensbury, South Queensbury, or West Glens Falls Fire Companies.

##### Benefits

A participant's benefit under the program is his or her program account balance paid upon attainment of the entitlement age in a lump sum to the participant. The annual contribution paid by the Fire District and credited to the account of a participant who earned fifty points during a calendar year is currently \$700. The maximum number of years of service credit a participant may earn under the program is 40 years. Currently, there are no other forms of payment of a volunteer's earned service award under the program.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 10 - Volunteer Firefighter Awards Program - Continued

#### Program Description - Continued

##### Benefits - Continued

Except in the case of pre-entitlement age death or total and permanent disablement, a participant's account balance will not be paid until a participant attains the entitlement age. The program provides lump sum death and disability benefits equal to the participant's program account balance as of the December, 31 preceding the date of death or disablement. The program does not provide extra line-of-duty death or disability benefits. All death and disability benefits are self-insured and are paid from the program trust fund.

For a complete explanation of the program see the program document, a copy of which is available from the Town Supervisor.

#### Fiduciary Investment and Control

After the end of each calendar year, each fire company prepares and certifies a list of names of all persons who were active volunteer members of the fire company during the year indicating which volunteers earned fifty points. The certified list is delivered to the Town Board for the Board's review and approval. The fire company must maintain the point system records to verify each volunteer's points on forms provided and/or approved by the Town Board.

The Town Board has retained Penflex, Inc. to assist in the administration of the program. The services provided by Penflex, Inc. are described in an agreement between Penflex, Inc. and the Town.

Based on the certified calendar year volunteer firefighter listings, Penflex, Inc. determines and certifies in writing to the Town Board the amount of the service award to be paid to the participant or to a participant's designated beneficiary. The person(s) authorized by the Town Board then authorizes, in writing, the custodian of the Town's Volunteer Firefighter Service Award Program trust fund to pay the service award. No service award benefit payment is made without the written certification from Penflex, Inc. and the written directive from the authorized representative of the Town.

Penflex, Inc. bills the Town for the services it provides. Penflex, Inc.'s invoices are authorized for payment by the Town in the same manner as any other invoice presented to the Town for payment. The Town pays Penflex, Inc. invoices from its Fire Protection District Fund.

Program assets are required to be held in trust by Article 11-A, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The Town created a Service Awards Program Trust Fund through the adoption of a Trust Document, a copy of which is available from the Town Supervisor. The Town Board is the Program Trustee.

Authority to invest the program assets is vested in the Program Trustee. Program assets are invested in accordance with a statutory prudent person rule and in accordance with the written investment policy statement adopted by the Town.

The Town has retained Glens Falls National Bank to provide investment management and custodial services as well to pay benefits to participants.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 10 - Volunteer Firefighter Awards Program - Continued

#### Program Financial Condition

Net assets available for benefits are as follows:

	<u>% of</u>	<u>Total</u>
Cash and money market	4%	\$ 142,468
Equities	62%	2,069,570
Fixed income	32%	1,056,733
Contribution receivable	2%	63,925
Interest receivable and other assets	0%	3,259
		<u>3,335,955</u>
Benefits payable		<u>(41,687)</u>
Total net assets available for benefits		<u>\$ 3,294,268</u>
Changes in net assets available for benefits		
were as follows:		
Plan contributions		\$ 63,926
Investment income earned		62,866
Net appreciation in market value of securities		320,052
Investment fees		(14,601)
Administrative fees		(1,310)
Benefits paid		<u>(197,098)</u>
Change in net assets available for benefits		233,835
Net assets available for benefits, <i>beginning of year</i>		<u>3,060,433</u>
Net assets, available for benefits, <i>end of year</i>		<u>\$ 3,294,268</u>

#### Contributions

Amount of sponsor's required contributions	\$	63,926
Amount of sponsor's actual contributions		63,926

#### Administration fees

Fees paid to administrative/actuarial services provider	\$	16,111
Fees paid for investment management		14,601
Other administrative fees paid		1,310

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 11 - Volunteer Ambulance Worker Service Award Program

In connection with service contracts between the Town and local volunteer ambulance workers, the Town implemented a volunteer ambulance worker service award program on January 25, 1996, effective January 1, 1994. The program is a defined contribution retirement plan, covering volunteer ambulance workers who have earned 50 service credits and who are at least 18 years of age. The annual contribution is \$700 per calendar year for each volunteer ambulance worker who earned 50 service credits during the year. Contributions expensed to the plan totaled \$33,526 for the year ended December 31, 2020. Service award program assets of \$911,828 are held by Glens Falls National Bank pursuant to a Trust Agreement.

### Note 12 - Tax Abatements

Certain property values in the Town have been reduced as the result of payment in-lieu of tax (PILOT) agreements entered into by the EDC for the purpose of general economic development. These agreements reduce the assessed value of the properties for all taxing agencies in Warren County, including the Town. As a result of the agreement, the Town receives a PILOT payment, which is equal to the reduced assessed value times the Town's levied tax rate.

There were no significant abatements in effect during the year ended December 31, 2020.

### Note 13 - Operating Transfers

During the course of normal operations, the Town records numerous transactions between funds, including expenditures for the provision of services as well as transfers between funds to finance various projects or debt payments.

Interfund balances arising from these transactions as of December 31, 2020, were as follows:

	Interfund Receivable	Interfund Payable	Operating Transfer In	Operating Transfer Out
General	\$ 132,284	\$ -	\$ 74,119	\$ 5,433,125
Highway	-	-	3,949,200	-
Capital Projects	-	55,000	1,242,852	51,526
Fire Protection	-	-	-	-
Other Governmental Funds	-	77,284	230,800	-
Water	-	-	288,193	298,653
Sewer	-	-	-	1,860
	<u>\$ 132,284</u>	<u>\$ 132,284</u>	<u>\$ 5,785,164</u>	<u>\$ 5,785,164</u>



# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 14 - Contingencies, Risks, and Uncertainties

#### a. *Lawsuits*

From time to time, the Town is involved in certain suits and claims arising in the normal course of business, including claims for property damage, personal injury, personnel practices, disputes over contract awards and property condemnation proceedings, and suits contesting assessments. In the opinion of the Town, after considering all relevant facts, the ultimate losses not covered by insurance resulting from such litigation would be immaterial in relation to the financial statements taken as a whole.

#### b. *Grant Programs*

The Town participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives. The Town believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the Town's financial position or results of operations.

#### c. *Environmental Concerns*

The Town is engaged in many activities (e.g., water and sewer service, refuse collection, gasoline storage) in the normal course of operations that are potentially hazardous to the environment. As of December 31, 2020, the Town is not aware of any significant environmental problems that should be disclosed in the financial statements.

### Note 15 - Bond Anticipation Notes Payable

The Town's obligations for bond anticipation notes payable are as follows:

Description	Issue	Maturity Date	Interest Rate	December 31, 2020 Balance
<i>Sewer Fund</i>				
Quaker Road Sewer Main Replacement	June 2020	June 7, 2021	2.10%	<u>\$ 533,000</u>

### Note 16 - Accounting Standards Issued But Not Yet Implemented

The Town has not implemented the following accounting pronouncements that are required for financial statements presented in accordance with U.S. GAAP:

GASB Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and the recognition of inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 16 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of the Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of Paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves note disclosures. The requirements for this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

GASB Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public entity risk pools/reinsurance recoveries, fair value measurements, and derivative instrument terminology. Guidance related to leases, reinsurance recoveries and derivative instrument terminology was effective upon the issuance of the standard in January 2020. The remaining components of this standard, as delayed by GASB 95, are effective for periods beginning after June 15, 2021.

GASB Statement No. 93, *Replacement of Interbank Offered Rate*. The objective of this statement is to address accounting and financial reporting implications that result from the replacement of interbank offered rates (IBOR), such as providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment. The removal of the London IBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services,

# Town of Queensbury, New York

## Notes to Financial Statements December 31, 2020

### Note 16 - Accounting Standards Issued But Not Yet Implemented - Continued

and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 22, 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement: (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and a corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this statement are to: (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and employee benefit plans other than pension plans or other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this statement that: (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans; and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

Management has not estimated the extent of potential impact of these statements on the Town's financial statements but does plan to implement these standards in the required year.

# Town of Queensbury, New York

## Required Supplementary Information - Schedule of Other Postemployment Benefits Liability

Governmental Activities	2020	2019	2018
Beginning of year	\$ 40,082,519	\$ 33,972,020	\$ 35,737,559
Changes for the year			
Service cost	2,189,463	2,050,094	1,598,647
Interest	829,177	1,028,842	1,211,528
Assumption changes	1,627,940	7,357,692	-
Difference between expected and actual experience	(2,054,616)	(3,235,388)	(3,538,271)
Benefit payments	(1,087,342)	(1,090,741)	(1,037,443)
Net changes	1,504,622	6,110,499	(1,765,539)
End of year	\$ 41,587,141	\$ 40,082,519	\$ 33,972,020
Covered payroll	\$ 5,460,642	\$ 5,166,445	\$ 5,284,843
OPEB liability as a percentage of covered payroll	762%	776%	643%
Business-Type Activities	2020	2019	2018
Beginning of year	\$ 12,768,901	\$ 10,822,309	\$ 11,384,749
Changes for the year			
Service cost	697,487	653,089	509,273
Interest	264,146	327,753	385,951
Assumption changes	518,606	2,343,906	-
Difference between expected and actual experience	(654,529)	(1,030,683)	(1,127,170)
Benefit payments	(346,390)	(347,473)	(330,494)
Net changes	479,320	1,946,592	(562,440)
End of year	\$ 13,248,221	\$ 12,768,901	\$ 10,822,309
Covered payroll	\$ 1,739,572	\$ 1,645,851	\$ 1,683,568
OPEB liability as a percentage of covered payroll	762%	776%	643%

Data not available prior to the 2018 implementation of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

## Town of Queensbury, New York

### Required Supplementary Information Schedule of Proportionate Share of the Net Pension Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.0220248%	0.0218992%	0.0222732%	0.0232837%	0.0228080%	0.0220104%
Town's proportionate share of the net pension liability	\$ 5,832,283	\$ 1,551,622	\$ 718,856	\$ 2,187,790	\$ 3,660,747	\$ 743,565
Town's covered-employee payroll	\$ 6,801,893	\$ 6,506,483	\$ 6,282,951	\$ 6,165,797	\$ 6,143,642	\$ 6,221,965
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	85.74%	23.85%	11.44%	35.48%	59.59%	11.95%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.68%	97.95%

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

## Town of Queensbury, New York

### Required Supplementary Information Schedule of Pension Contributions

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 960,219	\$ 909,430	\$ 896,415	\$ 905,097	\$ 941,050	\$ 1,054,148
Contributions in relation to the contractually required contribution	960,219	909,430	896,415	905,097	941,050	1,054,148
Contribution deficiency (excess)	-	-	-	-	-	-
Town's covered-employee payroll	6,801,893	6,506,483	6,282,951	6,165,797	6,143,642	6,221,965
Contribution as a percentage of covered-employee payroll	14%	14%	14%	15%	15%	17%

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

# Town of Queensbury, New York

## Required Supplementary Information Budgetary Comparison Statement - General Fund

	Year Ended December 31, 2020			Variance with Revised - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Adopted	Revised		
<b>REVENUES</b>				
Real property taxes	\$ 1,980,587	\$ 1,980,587	\$ 1,980,396	\$ (191)
Real property tax items	77,000	77,000	78,175	1,175
Non-property taxes	9,985,000	10,102,100	10,348,827	246,727
Departmental income	472,000	472,200	324,103	(148,097)
Use of money and property	13,000	13,000	9,834	(3,166)
Licenses and permits	182,000	182,000	260,126	78,126
Fines and forfeitures	445,000	445,000	336,683	(108,317)
Sale of property and compensation for loss	-	11,298	30,920	19,622
Miscellaneous	-	604	8,697	8,093
Interfund revenues	170,000	170,000	165,224	(4,776)
State aid	820,000	835,633	1,178,039	342,406
Total revenues and appropriated fund balance	14,144,587	14,289,422	14,721,024	431,602
<b>EXPENDITURES</b>				
General government support	3,768,450	4,051,640	3,302,334	(749,306)
Public safety	617,900	661,624	578,878	(82,746)
Health	14,000	17,500	12,950	(4,550)
Transportation	441,725	452,205	443,197	(9,008)
Economic opportunity and development	159,800	276,900	220,898	(56,002)
Culture and recreation	1,227,200	1,261,700	1,079,959	(181,741)
Home and community service	658,900	716,000	676,634	(39,366)
Employee benefits	2,812,000	2,738,989	2,573,103	(165,886)
Debt service	339,612	339,612	339,465	(147)
Total expenditures	10,039,587	10,516,170	9,227,418	(1,288,752)
<b>OTHER FUNDING SOURCES (USES)</b>				
Interfund transfers-in		74,119	74,119	-
Interfund transfers-out	(4,680,000)	(5,931,713)	(5,433,125)	498,588
Appropriated fund balance	575,000	2,084,342	-	(2,084,342)
Total other financing sources (uses)	(4,105,000)	(3,773,252)	(5,359,006)	(1,585,754)
<b>Appropriated fund balance (budget) and net change in fund balance (actual)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>134,600</b>	<b>(2,442,904)</b>
<b>FUND BALANCE, beginning of year</b>			9,680,323	9,680,323
<b>FUND BALANCE, end of year</b>			<b>\$ 9,814,923</b>	<b>\$ 7,237,419</b>

# Town of Queensbury, New York

## Required Supplementary Information Budgetary Comparison Statement - Highway Fund

	Year Ended December 31, 2020			Variance with Revised - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Adopted	Revised		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 2,570	\$ 2,570
Sale of property and compensation for loss	-	1,057	3,629	2,572
State aid	349,000	786,081	803,724	17,643
Total revenues	349,000	787,138	809,923	22,785
<b>EXPENDITURES</b>				
Transportation	2,671,200	4,024,375	3,360,728	663,647
Employee benefits	1,627,000	1,627,000	1,297,419	329,581
Total expenditures	4,298,200	5,651,375	4,658,147	993,228
<b>OTHER FUNDING SOURCES</b>				
Interfund transfers-in	3,949,200	3,949,200	3,949,200	-
Appropriated fund balance	-	915,037	-	(915,037)
Total other financing sources	3,949,200	4,864,237	3,949,200	(915,037)
<b>Appropriated fund balance (budget) and net change in fund balance (actual)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>100,976</b>	<b>100,976</b>
<b>FUND BALANCE, beginning of year</b>			1,263,297	1,263,297
<b>FUND BALANCE, end of year</b>			<b>\$ 1,364,273</b>	<b>\$ 1,364,273</b>



# Town of Queensbury, New York

## Required Supplementary Information Budgetary Comparison Statement - Fire Protection Fund

	Year Ended December 31, 2020			Variance with Revised - Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Adopted	Revised		
<b>REVENUES</b>				
Real property taxes	\$ 4,026,100	\$ 4,026,100	\$ 4,023,856	\$ (2,244)
Departmental income	1,150,000	1,150,000	1,132,775	(17,225)
Use of money and property	1,000	1,000	1,973	973
Total revenues	5,177,100	5,177,100	5,158,604	(18,496)
<b>EXPENDITURES</b>				
Public safety	5,042,300	5,042,300	4,637,187	405,113
Employee benefits	303,000	303,000	267,093	35,907
Total expenditures	5,345,300	5,345,300	4,904,280	441,020
<b>OTHER FUNDING SOURCES</b>				
Appropriated fund balance	168,200	168,200	-	(168,200)
<b>Appropriated fund balance (budget) and net change in fund balance (actual)</b>	\$ -	\$ -	254,324	254,324
<b>FUND BALANCE, beginning of year</b>			1,900,422	1,900,422
<b>FUND BALANCE, end of year</b>			<b>\$ 2,154,746</b>	<b>\$ 2,154,746</b>

# Town of Queensbury, New York

## Supplementary Information Combining Balance Sheet - Non-Major Governmental Funds

December 31, 2020

	<u>Special Grant</u>	<u>Cemetery</u>	<u>Lighting District</u>	<u>Aquatic District</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 211,847	\$ 353,611	\$ 328,455	\$ 197,379	\$ 1,091,292
Other receivables, net of uncollectibles	60,757	19	-	-	60,776
Prepaid expenses	-	23,884	-	-	23,884
Cash and cash equivalents, restricted	-	678,929	-	-	678,929
<b>Total assets</b>	<b><u>\$ 272,604</u></b>	<b><u>\$ 1,056,443</u></b>	<b><u>\$ 328,455</u></b>	<b><u>\$ 197,379</u></b>	<b><u>\$ 1,854,881</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 7,883	\$ 13,726	\$ 11,651	\$ -	\$ 33,260
Accrued liabilities	-	6,265	-	-	6,265
Due to other governments	-	1,304	-	-	1,304
Due to other funds	77,284	-	-	-	77,284
Total liabilities	<u>85,167</u>	<u>21,295</u>	<u>11,651</u>	<u>-</u>	<u>118,113</u>
Fund balances					
Nonspendable	-	23,884	-	-	23,884
Restricted for other purposes	-	678,929	-	-	678,929
Assigned, unappropriated	187,437	332,335	316,804	197,379	1,033,955
Total fund balances	<u>187,437</u>	<u>1,035,148</u>	<u>316,804</u>	<u>197,379</u>	<u>1,736,768</u>
<b>Total liabilities and fund balances</b>	<b><u>\$ 272,604</u></b>	<b><u>\$ 1,056,443</u></b>	<b><u>\$ 328,455</u></b>	<b><u>\$ 197,379</u></b>	<b><u>\$ 1,854,881</u></b>

# Town of Queensbury, New York

## Supplementary Information Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds

	Year Ended December 31, 2020				
	Special Grant	Cemetery	Lighting District	Aquatic District	Total
<b>REVENUES</b>					
Real property taxes	\$ -	\$ -	\$ 146,470	\$ 63,969	\$ 210,439
Departmental income	-	724,889	-	25,000	749,889
Use of money and property	108	622	227	160	1,117
Miscellaneous	901	-	6,180	-	7,081
Intergovernmental charges	31,500	-	-	-	31,500
Total revenues	32,509	725,511	152,877	89,129	1,000,026
<b>EXPENDITURES</b>					
Health	-	-	-	122,994	122,994
Transportation	-	-	118,071	-	118,071
Home and community service	9,998	480,465	-	-	490,463
Employee benefits	-	239,895	-	-	239,895
Home and community service	-	43,659	-	-	43,659
Total expenditures	9,998	764,019	118,071	122,994	1,015,082
<b>OTHER FINANCING SOURCES</b>					
Interfund transfers in	-	230,800	-	-	230,800
<b>Net change in fund balances</b>	<b>22,511</b>	<b>192,292</b>	<b>34,806</b>	<b>(33,865)</b>	<b>215,744</b>
<b>FUND BALANCES, beginning of year</b>	164,926	842,856	281,998	231,244	1,521,024
<b>FUND BALANCES, end of year</b>	<b>\$ 187,437</b>	<b>\$ 1,035,148</b>	<b>\$ 316,804</b>	<b>\$ 197,379</b>	<b>\$ 1,736,768</b>



**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***

Supervisor and Town Board  
Town of Queensbury, New York  
Queensbury, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Queensbury, New York (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 October 12, 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) as a basis for designing 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.

BST & Co. CPAs, LLP

Albany, New York  
October 12, 2021

