

TOWN OF BEEKMAN, NEW YORK

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report

December 31, 2020

TOWN OF BEEKMAN, NEW YORK

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position - Governmental Activities	10
Statement of Activities - Governmental Activities	11
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position	13
Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	14
Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	15
Statement of Fiduciary Net Position - Fiduciary Fund	16
Statement of Changes in Net Position - Fiduciary Fund	17
Notes to Financial Statements	18 - 36
Required Supplementary Information:	
Statement of Revenue, Expenditures and Changes to Fund Balance - Budget to Actual - General Fund	37
Statement of Revenue, Expenditures and Changes to Fund Balance - Budget to Actual - Highway Fund	38
Statement of Revenue, Expenditures and Changes to Fund Balance - Budget to Actual - Water Fund	39
Statement of Revenue, Expenditures and Changes to Fund Balance - Budget to Actual - Sewer Fund	40
Schedule of Changes in the Town's Total OPEB Liability and Related Ratios	41
Schedule of the Town's Proportionate Share of the Net Pension Liability	42
Schedule of the Town's Pension Contributions	43

TOWN OF BEEKMAN, NEW YORK

Table of Contents, Continued

	<u>Page</u>
Other Supplementary Information:	
Combining Balance Sheet - Nonmajor Governmental Funds	44
Combining Statement of Revenue, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	45
Schedule of Indebtedness	46
Schedule of Project Expenditures - Capital Projects Fund	47
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	48 - 49

* * * * *

INDEPENDENT AUDITORS' REPORT

Town Board and Supervisor
Town of Beekman
Poughquag, New York

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 Town'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 Town'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, each major fund and the aggregate remaining fund information of the Town of Beekman, New York as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

As discussed in note 1(c) to the financial statements, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84 - "Fiduciary Activities," during the year ended December 31, 2020. Our opinions are not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the additional information on pages 37 through 43 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Beekman, New York's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, the schedule of indebtedness and the schedule of project expenditures - capital projects fund are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, the schedule of indebtedness and the schedule of project expenditures - capital projects fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of indebtedness and the schedule of project expenditures - capital projects fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated May 12, 2021, on our consideration of the Town of Beekman, New York'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.

EFPR Group, CPAs, PLLC

Williamsville, New York
May 12, 2021

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis
December 31, 2020

The accompanying management discussion and analysis of the Town of Beekman's (the Town) financial performance has been prepared to provide an overview of the Town's financial activities for the fiscal year ended December 31, 2020. This discussion and analysis is only an introduction and should be read in conjunction with the Town's financial statements.

Financial Highlights

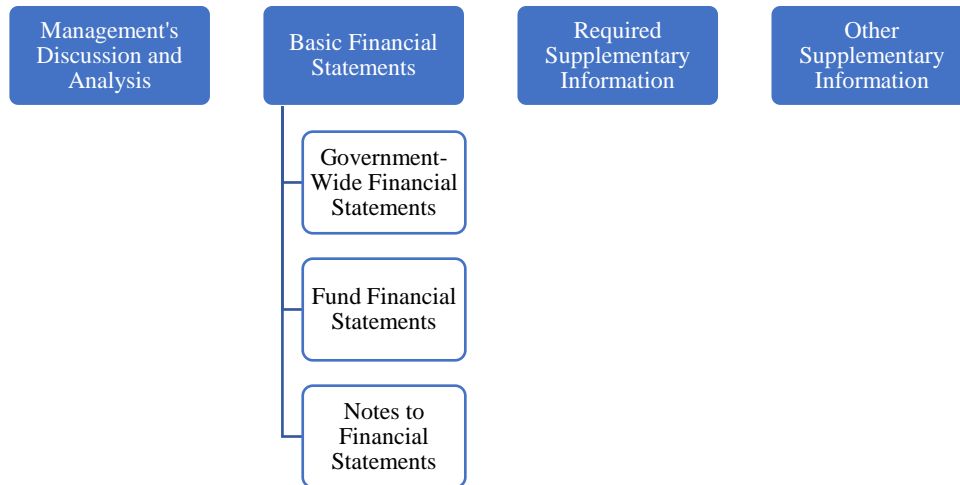
- The assets and deferred outflows of resources of the Town of Beekman exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$29,398,885.
- The government's total net position increased by \$875,734 during 2020. The increase was mainly generated by the very positive results of the general fund as described below.
- As of the close of the current fiscal year, the Town of Beekman's governmental funds reported a combined ending fund balance of \$3,274,125 an increase of \$558,803 in comparison with the prior year. The increase was mainly generated by general fund sales tax and franchise fees revenues being \$274,249 greater than the final budget amounts as well as mortgage tax exceeding budget by \$155,353.
- At the end of the current fiscal year, fund balance for the general fund was \$2,972,275, an increase of \$730,092 from 2019 due to revenue exceeding budget by \$543,405 and expenses below budget of \$211,143.
- Management has been restructuring the Town organization improving business efficiency and public services while streamlining and controlling costs.
- The Town adopted the provisions of Governmental Accounting Standard Board Statement No. 84 - "Fiduciary Activities," as discussed in note 1(c) to the financial statements.
- The Town initiated 3 capital projects for Town Hall improvements, highway improvements and water plant upgrades totaling \$1,512,000.
- The Highway Fund recovered its 2019 deficit during 2020.
- During 2020, the Town created legally defined reserve funds in the general fund for specific purposes and received an Aa3 bond rating from Moody's Investors Service.
- During 2020, the Town assigned \$1,000,000 of the general fund balance to be used for future capital projects.

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 consist of four components; 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary fund statements and 4) notes to the financial statements. The basic financial statements present two different views of the Town's financial position through the use of government-wide statements and fund financial statements. Each view will be explained in more detail to follow in this narrative. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

Required Components of Annual Financial Report



The first two statements in the basic financial statements are the government-wide financial statements. They provide both short and long-term information about the Town's financial status.

The next statements are fund financial statements. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Town's financial status as a whole.

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

The governmental activities include the Town's basic services such as general government, transportation, parks and recreation, public safety, water and sewer, and home and community services. Property tax, sales tax, charges for services and State aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Town's most significant activities. 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 all other governmental entities in New York, uses fund accounting to ensure and reflect compliance with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town are classified in two categories: governmental funds and fiduciary funds.

- Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using modified accrual accounting, which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in reconciliations that are a part of the fund financial statements.
- Fiduciary Funds - The Town acts in an agency capacity for assets that are ultimately transferred to others, such as guarantee and bid deposits. These funds are excluded from the government-wide financial statements because the Town cannot use these assets to finance operations.

The Town adopts an annual budget for certain funds as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current period activities. The budgetary schedules demonstrate how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison schedules use the budgetary basis of accounting and are presented using the same format, language and classifications as the legal budget document. The schedules show four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual revenues, expenditures and ending balances; and 4) the variance between the final budget and actual revenues and expenditures.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, 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.

Government-wide Financial Analysis
Town's Net Position

	<u>2020</u>	<u>2019</u>
Assets:		
Current assets	\$ 5,058,390	3,095,370
Capital assets	<u>29,886,586</u>	<u>30,034,536</u>
Total assets	<u>34,944,976</u>	<u>33,129,906</u>
Deferred outflows of resources	<u>713,502</u>	<u>366,682</u>
Liabilities:		
Current liabilities	2,060,185	692,154
Long-term liabilities	<u>4,071,907</u>	<u>4,144,299</u>
Total liabilities	<u>6,132,092</u>	<u>4,836,453</u>
Deferred inflows of resources	<u>127,501</u>	<u>136,984</u>
Net position:		
Net investment in capital assets	26,029,183	27,375,529
Restricted	667,000	-
Unrestricted	<u>2,702,702</u>	<u>1,147,622</u>
Total net position	<u>\$ 29,398,885</u>	<u>28,523,151</u>

Government-wide Financial Analysis
Town's Change in Net Position

	<u>2020</u>	<u>Percentage of total revenue</u>	<u>2019</u>	<u>Percentage of total revenue</u>
Revenue:				
Program revenue:				
Charges for services	\$ 542,775	10.7%	\$ 762,264	13.7%
Operating grants	642,863	12.7%	719,059	12.9%
Capital grants	12,000	0.2%	-	0.0%
General revenue:				
Real property taxes	2,500,013	49.2%	2,452,794	44.1%
Real property tax items	30,474	0.6%	18,095	0.3%
Non-property tax items	1,164,249	22.9%	1,244,517	22.4%
Use of money and property	3,453	0.1%	8,719	0.2%
Sale of property and compensation for loss	1,256	0.1%	410	0.1%
Miscellaneous	<u>178,306</u>	<u>3.5%</u>	<u>350,596</u>	<u>6.3%</u>
Total revenue	<u>5,075,389</u>	<u>100.0%</u>	<u>5,556,454</u>	<u>100.0%</u>

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

	<u>2020</u>	<u>Percentage of total expenses</u>	<u>2019</u>	<u>Percentage of total expenses</u>
Expenses:				
General government support	\$ 1,101,336	26.2%	\$ 1,163,519	24.2%
Public safety	144,185	3.4%	132,589	2.8%
Health	2,986	0.1%	2,882	0.1%
Transportation	2,206,130	52.6%	2,405,601	50.0%
Economic assistance and opportunity	12,764	0.3%	53,103	1.1%
Culture and recreation	529,391	12.6%	798,726	16.6%
Home and community services	114,359	2.7%	145,937	3.0%
Interest on long-term debt	<u>88,504</u>	<u>2.1%</u>	<u>106,924</u>	<u>2.2%</u>
Total expenses	<u>4,199,655</u>	<u>100.0%</u>	<u>4,809,281</u>	<u>100.0%</u>
Change in net position	<u>\$ 875,734</u>		<u>\$ 747,173</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 usable resources. Such information is useful in assessing the Town's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$1,290,185. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures and other financing uses. Unassigned fund balance represents 59.6% of total general fund expenditures and other financing uses.

At December 31, 2020, the governmental funds of the Town reported a combined fund balance of \$3,274,125, a 20.6% increase of \$558,803 from 2019. Included in this change in fund balance are decreases in the capital projects, sewer and special recreation funds and increases in the general, highway and water funds.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the General Fund budget. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Special budget reductions were made to address COVID's impact.

TOWN OF BEEKMAN, NEW YORK
Management's Discussion and Analysis, Continued

Capital Asset and Debt Administration

Capital Assets: The Town's investment in capital assets for its governmental activities as of December 31, 2020 totaled \$29,886,586 (net of accumulated depreciation). These assets include land, construction in progress, buildings, improvements, machinery and equipment, roads and infrastructure and vehicles.

Debt: As of December 31, 2020, the Town had serial bonds outstanding of \$2,257,704. The debt is backed by the full faith and credit of the Town. The Town's total debt decreased by \$301,604 during the 2020 fiscal year.

For more detailed information on capital assets and long-term liabilities, see notes 5 and 8 to the basic financial statements.

Economic Factors and Next Year's Budget and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal year December 31, 2021 budgeted tax rates. The 2021 budget includes a property tax levy of \$2,531,225 which is 1.2% higher than the 2020 tax levy.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The Town has implemented a financial plan for COVID's impact during 2020.

Requests For Information

This report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Town Supervisor's office at the Town of Beekman, 4 Main Street, Poughquag, New York.

TOWN OF BEEKMAN, NEW YORK
Statement of Net Position
Governmental Activities
December 31, 2020

	<u>Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash - unrestricted	\$ 3,307,314
Cash - restricted	667,000
Petty cash	1,100
Accounts receivable	217,223
Due from other governments	825,753
Prepaid expenses	40,000
Total current assets	<u>5,058,390</u>
Capital assets not being depreciated	2,595,306
Capital assets being depreciated, net	<u>27,291,280</u>
Total capital assets	<u>29,886,586</u>
Total assets	<u>34,944,976</u>
<u>Deferred Outflows of Resources</u>	
Pension	<u>713,502</u>
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	160,784
Accrued expenses	79,219
Retainage payable	31,288
Due to fiduciary funds	5,461
Bond anticipation note	1,500,000
Accrued interest	23,831
Bonds payable	210,794
Capital leases	48,808
Total current liabilities	<u>2,060,185</u>
Noncurrent liabilities:	
Bonds payable	2,046,910
Capital leases	50,891
Compensated absences	113,360
Net pension liability - proportionate share	846,920
Total OPEB liability	<u>1,013,826</u>
Total noncurrent liabilities	<u>4,071,907</u>
Total liabilities	<u>6,132,092</u>
<u>Deferred Inflows of Resources</u>	
Unearned revenue	7,513
Pension	<u>119,988</u>
Total deferred inflows of resources	<u>127,501</u>
<u>Net Position</u>	
Net investment in capital assets	26,029,183
Restricted	667,000
Unrestricted	<u>2,702,702</u>
Total net position	<u>\$ 29,398,885</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Activities
Governmental Activities
Year ended December 31, 2020

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>			<u>Net (Expense)</u>
		<u>Charges for Operating</u>	<u>Services</u>	<u>Grants</u>	<u>Capital</u>
				<u>Grants</u>	<u>Governmental</u>
					<u>Activities</u>
Primary government:					
Governmental activities:					
General government support	\$1,101,336	245,043	528,060	12,000	(316,233)
Public safety	144,185	25,078	670	-	(118,437)
Health	2,986	3,982	-	-	996
Transportation	2,206,130	-	110,450	-	(2,095,680)
Economic assistance and opportunity	12,764	-	-	-	(12,764)
Culture and recreation	529,391	23,440	3,683	-	(502,268)
Home and community services	114,359	245,232	-	-	130,873
Interest on long-term debt	88,504	-	-	-	(88,504)
Total governmental activities	<u>\$4,199,655</u>	<u>542,775</u>	<u>642,863</u>	<u>12,000</u>	<u>(3,002,017)</u>
General revenue:					
Real property taxes					2,500,013
Real property tax items					30,474
Non-property tax items					1,164,249
Use of money and property					3,453
Sale of property and compensation for loss					1,256
Miscellaneous					178,306
Total general revenue					<u>3,877,751</u>
Change in net position					875,734
Net position at beginning of year					<u>28,523,151</u>
Net position at end of year					<u>\$29,398,885</u>

See accompanying notes to financial statements.

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

	<u>General</u>	<u>Highway</u>	<u>Capital</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assets</u>					
Cash - unrestricted	\$ 1,442,704	187,256	1,127,415	549,939	3,307,314
Cash - restricted	630,640	36,360	-	-	667,000
Petty cash	1,100	-	-	-	1,100
Accounts receivable	208,094	-	-	9,129	217,223
Due from other governments	681,190	-	120,033	24,530	825,753
Due from other funds	128,481	30,000	2,442	13,355	174,278
Prepaid expenditures	18,000	22,000	-	-	40,000
Total assets	<u>\$ 3,110,209</u>	<u>275,616</u>	<u>1,249,890</u>	<u>596,953</u>	<u>5,232,668</u>
<u>Liabilities, Deferred Inflows of Resources and Fund Balances</u>					
Liabilities:					
Accounts payable	66,305	48,516	20,386	25,577	160,784
Accrued expenses	39,187	40,032	-	-	79,219
Retainage payable	-	-	31,288	-	31,288
Due to other funds	32,442	8,398	113,355	25,544	179,739
Bond anticipation note	-	-	1,500,000	-	1,500,000
Total liabilities	<u>137,934</u>	<u>96,946</u>	<u>1,665,029</u>	<u>51,121</u>	<u>1,951,030</u>
Deferred inflows of resources - unearned revenue	-	-	7,513	-	7,513
Fund balances:					
Nonspendable	18,000	22,000	-	-	40,000
Restricted:					
Retirement contributions	377,000	-	-	-	377,000
Employee benefit accrued liability	103,640	36,360	-	-	140,000
Insurance, judgements and claims	50,000	-	-	-	50,000
Repairs	100,000	-	-	-	100,000
Assigned:					
Subsequent year's budget	33,450	-	-	-	33,450
Capital	1,000,000	-	-	-	1,000,000
Remaining fund balance	-	120,310	-	545,832	666,142
Unassigned	<u>1,290,185</u>	<u>-</u>	<u>(422,652)</u>	<u>-</u>	<u>867,533</u>
Total fund balances	<u>2,972,275</u>	<u>178,670</u>	<u>(422,652)</u>	<u>545,832</u>	<u>3,274,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,110,209</u>	<u>275,616</u>	<u>1,249,890</u>	<u>596,953</u>	<u>5,232,668</u>

See accompanying notes to financial statements.

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

Total governmental fund balances \$ 3,274,125

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.

Land	\$ 1,963,630	
Construction in progress	631,676	
Depreciable capital assets, net of accumulated depreciation	<u>27,291,280</u>	29,886,586

Some deferred inflows or resources and outflows of resources are not reported in the governmental funds. These consist of the following:

Deferred outflows of resources - pension	713,502
Deferred inflows of resources - pension	(119,988)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(2,257,704)	
Capital leases	(99,699)	
Accrued interest	(23,831)	
Total OPEB liability	(1,013,826)	
Compensated absences	(113,360)	
Net pension liability - proportionate share	<u>(846,920)</u>	<u>(4,355,340)</u>

Net position of governmental activities	<u>\$ 29,398,885</u>
---	----------------------

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds
Year ended December 31, 2020

	<u>General</u>	<u>Highway</u>	<u>Capital</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenue:					
Real property taxes	\$ 677,000	1,809,613	-	13,400	2,500,013
Real property tax items	30,474	-	-	-	30,474
Non-property tax items	1,164,249	-	-	-	1,164,249
Departmental income	56,025	-	-	111,561	167,586
Intergovernmental charges	-	-	120,033	-	120,033
Use of money and property	1,572	824	-	1,057	3,453
Licenses and permits	237,528	-	-	-	237,528
Fines and forfeitures	17,628	-	-	-	17,628
Sale of property and compensation for loss	1,030	226	-	-	1,256
Interfund revenue	6,500	-	-	-	6,500
Miscellaneous	145,986	32,320	-	-	178,306
State aid	<u>532,413</u>	<u>110,450</u>	<u>12,000</u>	<u>-</u>	<u>654,863</u>
Total revenue	<u>2,870,405</u>	<u>1,953,433</u>	<u>132,033</u>	<u>126,018</u>	<u>5,081,889</u>
Expenditures:					
General government support	904,550	-	167,616	-	1,072,166
Public safety	109,185	-	-	-	109,185
Health	2,000	-	-	-	2,000
Transportation	119,673	1,141,365	7,238	-	1,268,276
Economic assistance and opportunity	9,671	-	-	-	9,671
Culture and recreation	323,889	-	-	-	323,889
Home and community services	32,197	-	379,831	105,596	517,624
Employee benefits	459,864	371,635	-	-	831,499
Debt service - principal	106,875	168,935	-	25,794	301,604
Debt service - interest	<u>56,511</u>	<u>30,661</u>	<u>-</u>	<u>-</u>	<u>87,172</u>
Total expenditures	<u>2,124,415</u>	<u>1,712,596</u>	<u>554,685</u>	<u>131,390</u>	<u>4,523,086</u>
Excess (deficiency) of revenue over expenditures	745,990	240,837	(422,652)	(5,372)	558,803
Other financing sources (uses):					
Transfers in	25,544	39,000	2,442	-	66,986
Transfers out	<u>(41,442)</u>	<u>-</u>	<u>-</u>	<u>(25,544)</u>	<u>(66,986)</u>
Total other financing sources (uses)	<u>(15,898)</u>	<u>39,000</u>	<u>2,442</u>	<u>(25,544)</u>	<u>-</u>
Change in fund balances	730,092	279,837	(420,210)	(30,916)	558,803
Fund balances (deficit) at beginning of year	<u>2,242,183</u>	<u>(101,167)</u>	<u>(2,442)</u>	<u>576,748</u>	<u>2,715,322</u>
Fund balances (deficit) at end of year	<u>\$2,972,275</u>	<u>178,670</u>	<u>(422,652)</u>	<u>545,832</u>	<u>3,274,125</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Reconciliation of the Statement of Revenue, Expenditures and
Changes in Fund Balances - Governmental Funds
to the Statement of Activities
Year ended December 31, 2020

Net change in fund balances - total governmental funds		\$ 558,803
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital assets changed in the current period.		
Capital outlay	\$ 715,822	
Depreciation expense	<u>(863,772)</u>	(147,950)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Bonds payable	200,794	
Capital leases	<u>100,810</u>	301,604
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in:		
Total OPEB liability	256,815	
Accrued interest	(1,332)	
Net pension liability - proportionate share	(470,023)	
Compensated absences	<u>26,001</u>	(188,539)
Certain items related to changes in long-term liabilities are reflected in the statement of net position.		
Deferred outflows of resources - pensions	346,820	
Deferred inflows of resources - pensions	<u>4,996</u>	<u>351,816</u>
Change in net position of governmental activities		<u>\$ 875,734</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2020

	<u>Custodial</u>
Assets:	
Cash - unrestricted	\$ 109,413
Due from other funds	<u>5,461</u>
Total assets	<u>\$ 114,874</u>
Liabilities - accounts payable	<u>15,879</u>
Net position - restricted:	
Driveway bonds	44,300
Developer escrows	<u>54,695</u>
Total net position - restricted	<u><u>\$ 98,995</u></u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK
Statement of Changes in Net Position
Fiduciary Fund
Year ended December 31, 2020

	<u>Custodial</u>
Additions:	
Property taxes collected	\$6,590,934
Driveway bonds	18,300
Developer escrows	<u>8,895</u>
Total additions	<u>6,618,129</u>
Deductions:	
Payment of property taxes	6,590,934
Driveway bonds	<u>21,550</u>
Total deductions	<u>6,612,484</u>
Change in fiduciary net position	5,645
Fiduciary net position at beginning of year, as previously stated	-
Cumulative effect of change in accounting principle (note 12)	<u>93,350</u>
Fiduciary net position at beginning of year, as restated	<u>93,350</u>
Fiduciary net position at end of year	<u>\$ 98,995</u>

See accompanying notes to financial statements.

TOWN OF BEEKMAN, NEW YORK

Notes to Financial Statements

December 31, 2020

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Town of Beekman, New York (the Town), established in 1855, is governed by the Code of the Town and other general laws of the State of New York (the State) and various local laws. The Town Board is the legislative body responsible for overall operations; the Town Supervisor serves as chief executive officer and chief fiscal officer.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The notes to the financial statements are an integral part of the statements and are intended to be read with them. As of December 31, 2020, the Town has no component units.

(b) Government-Wide Financial Statements

The government-wide financial statements (the statements of net position and activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenue.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

(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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year in 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation, Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Highway Fund is used to account for financial resources necessary to repair and maintain the roads within the Town.
- The Capital Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the Town reports the following nonmajor funds:

- The Special Recreation Fund is used to account for funds received from developers that will be used for special community projects within the Town.
- The Sewer Fund is used to account for financial resources to be used for operation and upkeep of the sewer district within the Town.
- The Water Fund is used to account for financial resources to be used for operation and upkeep of the water district within the Town.

Fiduciary Funds are used to report assets which are held in a custodial capacity for others and are, therefore, not available to support Town programs.

During the year ended December 31, 2020, the Town adopted provisions of GASB Statement No. 84 - "Fiduciary Activities." The primary objective of this Statement is to improve guidance regarding the indemnification of fiduciary activities for accounting and financial reporting purposes. See note 12 of the financial statements for the impact of the implementation on the financial statements.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(d) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingencies. Estimates also affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(e) Property Taxes

Town real property taxes are levied annually on January 1st and become a lien on that date. Taxes are collected during the period January 1st to March 31st. Uncollected real property taxes are subsequently enforced by the County of Dutchess, New York (the County), in which the Town is located. The County pays an amount representing uncollected real property taxes, transmitted to the County for enforcement, to the Town no later than the following April 1st.

(f) Budgetary Data

The Town's budget policies are as follows:

- (1) No later than October 5th, the budget officer submits a tentative budget to the Town Board for the calendar year commencing the following January 1st. The tentative budget includes proposed expenditures and estimated revenue as the means of financing for all funds.
 - (a) After public hearings are conducted to obtain taxpayers' comments, the governing body adopts the budget no later than November 20th.
 - (b) All modifications of the budget must be approved by the Town Board; however, the Town Supervisor is authorized to transfer certain budgeted amounts within the departments.
- (2) Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all funds. Encumbrances are reported as assignments of fund balances since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred.

(g) Cash

The Town's investment policies are governed by State statutes. In addition, the Town has its own written investment policy. The Town's monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of New York State or its localities.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Cash, Continued

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The written investment policy requires repurchase agreements to be purchased from banks located within the State and that underlying securities must be obligations of the Federal Government and New York State. Underlying securities must have market value of at least the cost of the repurchase agreement.

(h) Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material. All receivables are expected to be collected within the subsequent fiscal year.

(i) Internal Balances

Amounts due to and due from within the same fund type have been eliminated in the government-wide statements.

(j) Inventories and Prepaid Items

Purchases of inventoriable items are recorded as expenditures in the governmental funds at the time of purchase. Inventory-type items are considered immaterial and, consequently, are not provided in the government-wide statements.

Prepaid items represent payments made by the Town for which benefits extend beyond year-end.

(k) Capital Assets

Capital assets are reported at historical costs. The Town depreciates capital assets using the straight line method over the estimated useful lives of the assets. Capitalization thresholds and estimated lives of assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Useful Life</u>
Land Improvements	\$ 5,000	50 years
Buildings	5,000	50 years
Machinery, Furniture and Equipment	5,000	5 - 20 years
Vehicles	5,000	5 - 10 years
Water and Sewer Systems	5,000	20 - 50 years
Road Systems	5,000	15 - 20 years
Sidewalks	5,000	15 - 20 years

The Town includes long-lived improvements to roads, water and sewer systems as capital assets in the government-wide statements. Infrastructure is reported at historical costs and is depreciated using the straight-line method over the estimated useful lives.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Vested Employee Benefits

Employees accrue vacation leave based on the number of years employed and the contract they are employed under, up to a maximum of 25 days per year. Upon separation from service, employees are paid for accumulated vacation time.

Employees accrue sick leave based on the contract they are employed under, at the rate of 5 or 10 days per year and may accumulate such credits up to a total of 10 days for non-union employees. Union employees are not eligible to accumulate sick leave credits. Employees who retire are allowed to use accumulated sick leave to be credited to the retirement benefits under the New York State Employees Retirement System.

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town. Health care benefits are provided through an insurance company whose premiums are based on the benefits paid during the year for the Town. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as a governmental fund expenditure in the year paid.

(m) Deferred Compensation

The Town, through the New York State Employees' Retirement System, offers their employees a Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not administer the Plan.

(n) Postemployment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees. Substantially all of the Town's employees may become eligible for these benefits if they reach normal retirement age while working for the Town after 20 years of service. The health care benefits and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year.

(o) Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. The first item is related to pensions reported in the government-wide statement of net position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The second item is the Town's contributions to the pension system subsequent to the measurement date.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(o) Deferred Outflows of Resources and Deferred Inflows of Resources, Continued

Deferred inflows of resources reflects an increase in net position that applies to future periods. The Town will not recognize the related revenues until a future event occurs. The Town has two types of items that qualify for reporting in this category. The first item is related to pensions reported in the Town's statement of net position, and represents the change in the proportion between the Town's contributions and its proportionate share of contributions. The second item is advances which is related to funds received by the Town that will be earned in a future period.

(p) Equity Classification

(1) Government-wide Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - consists of capital assets, including restricted capital assets, net of accumulated depreciation and 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.
- Restricted Net Position - consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position - consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

(2) Fund Financial Statements

The Town has implemented GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions." The purpose of this accounting standard is to provide fund balance categories and classification that will be more easily understood by users of financial statements and consistently applied in fund balance reporting.

This standard sets forth hierarchical fund balance classifications that are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. The following is a brief description of the five fund balance classifications:

- Nonspendable - Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable assets because, by definition, the money has already been spent.
- Restricted - Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments or through constitutional provisions or enabling legislation.

Various New York State statutes allow local governments to establish reserve funds for various purposes. Since the State regulates the establishment, funding and use of these reserves.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(p) Equity Classification, Continued

(2) Fund Financial Statements, Continued

- Committed - Amounts that are subject to a purpose constraint imposed by a formal action of the government's highest level of decision making authority (the Town Board) before the end of the fiscal year. The same level of formal action is required to remove the constraint.
- Assigned - Amounts that are subject to a purpose constraint that represents an intended use established by the government's highest level of decision making authority or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the general fund and, in funds other than the general fund, assigned fund balance represents the residual amount of fund balance.
- Unassigned - Represents the residual amount of fund balance in the general fund. In funds other than the general fund, this should only be used to report a deficit balance. The capital projects fund has a deficit fund balance as of December 31, 2020.

(q) Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the governmental funds.

(a) Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities

Total fund balances of the Town's governmental funds differ from "net position" of governmental activities reported in the statement of net position. This difference primarily results from the additional long-term economic focus of the statement of net position versus the solely current financial resources focus of the governmental fund balance sheet.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(2) Explanation of Certain Differences Between Governmental Fund Statements and Government-wide Statements

(b) Explanation of Differences between Governmental Funds Statement of Revenue, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenue, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the statement of activities.
- Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the statement of activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements when paid, whereas interest payments are recorded in the statement of activities as incurred and principal payments are recorded as a reduction of liabilities in the statement of net position.

(3) Cash

The Town’s investment policies are governed by State statutes, as previously described in these notes. The depository bank places approved pledged securities for safekeeping and trust with the Town’s agent bank in an amount sufficient to protect Town funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank’s dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance.

At December 31, 2020, the carrying amount of the Town’s deposits was \$4,083,727 and the bank balance was \$4,384,420. The Town’s deposits at December 31, 2020, were entirely covered by \$500,000 of FDIC Insurance and the remaining covered by pledged collateral held by the Town’s agent bank in the Town’s name of \$3,884,420.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(4) Interfund Activity

Interfund receivables and payables as well as revenue and expenditures at December 31, 2020 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Revenue</u>	<u>Interfund Expenditures</u>
General	\$ 128,481	32,442	25,544	41,442
Highway	30,000	8,398	39,000	-
Capital	2,442	113,355	2,442	-
Water	13,355	-	-	-
Special recreation	-	25,544	-	25,544
Custodial	<u>5,461</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>179,739</u>	<u>179,739</u>	<u>66,986</u>	<u>66,986</u>

(5) Capital Assets

Capital asset balances and activity for the year ended December 31, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,963,630	-	-	1,963,630
Construction in progress	<u>76,991</u>	<u>554,685</u>	<u>-</u>	<u>631,676</u>
Total capital assets, not being depreciated	<u>2,040,621</u>	<u>554,685</u>	<u>-</u>	<u>2,595,306</u>
Capital assets, being depreciated:				
Buildings and building improvements	3,349,115	24,442	-	3,373,557
Machinery and equipment	2,965,850	26,245	(38,690)	2,953,405
Roads and infrastructure	<u>40,862,800</u>	<u>110,450</u>	<u>-</u>	<u>40,973,250</u>
Total capital assets being depreciated	<u>47,177,765</u>	<u>161,137</u>	<u>(38,690)</u>	<u>47,300,212</u>
Accumulated depreciation:				
Buildings and building improvements	(2,108,950)	(109,992)	-	(2,218,942)
Machinery and equipment	(2,114,900)	(93,544)	38,690	(2,169,754)
Roads and infrastructure	<u>(14,960,000)</u>	<u>(660,236)</u>	<u>-</u>	<u>(15,620,236)</u>
Total accumulated depreciation	<u>(19,183,850)</u>	<u>(863,772)</u>	<u>38,690</u>	<u>(20,008,932)</u>
Total capital assets, being depreciated, net	<u>27,993,915</u>	<u>(702,635)</u>	<u>-</u>	<u>27,291,280</u>
Governmental activities capital assets, net	\$ <u>30,034,536</u>	<u>(147,950)</u>	<u>-</u>	<u>29,886,586</u>

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(5) Capital Assets, Continued

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental activities:	
General governmental support	\$ 6,309
Transportation	756,770
Culture and recreation	99,913
Home and community services	<u>780</u>
Total depreciation expense	\$ <u>863,772</u>

(6) Short-Term Debt

Liabilities for bond anticipation notes (BANs) are generally accounted for in the Capital Projects Fund. The notes, or renewal thereof, may not extend more than five years beyond the original date of issue unless a portion is redeemed within five years and within each 12 month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. At December 31, 2020, the Town had \$1,500,000 of BANs outstanding. The BAN was issued on December 17, 2020 and is to mature on December 17, 2021 with a stated interest rate of 1.00%.

(7) Pensions

(a) Employees' Retirement System

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

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pensions, Continued

(a) Employees' Retirement System, Continued

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3.0 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 6.0 percent of their salary for their entire length of service. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

At December 31, 2020, the Town reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportionate share of the net pension liability was based on a projection of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

Measurement date	March 31, 2020
Valuation date	April 1, 2019
Net pension liability	\$846,920
Town's proportion of the Plan's net pension liability	0.0031983%
Change in proportionate share from prior year	(0.0021211)

For the year ended December 31, 2020, the Town's recognized pension expense of \$291,520 in the statement of activities. At December 31, 2020, the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 49,845	-
Changes of assumptions	17,053	14,725
Net difference between projected and actual investment earnings on pension plan investments	434,172	-
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	90,542	105,263
Town's contributions subsequent to the measurement date	<u>121,890</u>	<u>-</u>
Total	\$ <u>713,502</u>	<u>119,988</u>

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pensions, Continued

(b) Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued

Town contributions subsequent to the March 31, 2020 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 related to pension will be recognized in pension expense as follows:

<u>Year ending</u>	
2021	\$ 88,508
2022	122,494
2023	153,818
2024	106,804
Thereafter	<u> -</u>
	<u>\$ 471,624</u>

(c) Actuarial Assumptions

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

Measurement date	March 31, 2020
Actuarial valuation date	April 1, 2019
Investment rate of return (net of investment expense, including inflation)	6.8%
Salary increases	4.2%
Inflation	2.5%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long-term rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The previous actuarial valuation as of April 1, 2018 used a long-term expected rate of 7.0%.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic equity	36.00%	4.05%
International equity	14.00%	6.15%
Private equity	10.00%	6.75%
Real estate	10.00%	4.95%
Absolute return strategies (1)	2.00%	3.25%
Opportunistic portfolio	3.00%	4.65%
Real assets	3.00%	5.95%
Bonds and mortgages	17.00%	0.75%
Cash	1.00%	0.00%
Inflation - indexed bonds	<u>4.00%</u>	0.50%
	<u>100.00%</u>	

*The real rate of return is net of the long-term inflation assumption of 2.5%.

(1) Excludes equity oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

(d) Discount Rate

The discount rate used to calculate the total pension liability was 6.8%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(e) Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8%) or 1-percentage point higher (7.8%) than the current rate:

	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Employer's proportionate share of the net pension liability	\$ <u>(1,554,337)</u>	<u>(846,920)</u>	<u>(195,386)</u>

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(7) Pension Plan, Continued

(f) Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of all participating employers as of the respective measurement dates, were as follows:

	(Dollars in Millions)
Measurement date	3/31/2020
Employers' total pension liability	\$ (194,596)
Plan fiduciary net position	<u>168,115</u>
Employers' net pension liability	\$ <u>(26,481)</u>
Ratio of plan fiduciary net position to the Employers' total pension liability	86.39%

(g) Contributions to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Retirement contributions as of December 31, 2020 represent the projected employer contribution for the period of April 1, 2020 through March 31, 2021 based on paid employee wages multiplied by the employer's contribution rate, by tier. The retirement contribution paid to the System for the year ended December 31, 2020 was \$157,957.

(8) Long-Term Liabilities

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers.

Long-term liability balances and activity for the year are summarized below:

	Balance at January 1, <u>2020</u>	<u>Increase</u>	<u>Decrease</u>	Balance at December 31, <u>2020</u>	Amounts due within <u>one year</u>
Governmental Activities:					
Serial bonds	\$ 2,458,498	-	200,794	2,257,704	210,794
Capital leases	200,509	-	100,810	99,699	48,808
Compensated absences	139,361	-	26,001	113,360	-
Net pension liability - proportionate share - ERS	376,897	470,023	-	846,920	-
Total OPEB liability	<u>1,270,641</u>	<u>-</u>	<u>256,815</u>	<u>1,013,826</u>	<u>-</u>
Total long-term liabilities	\$ <u>4,445,906</u>	<u>470,023</u>	<u>584,420</u>	<u>4,331,509</u>	<u>259,602</u>

Activity for compensated absences is shown at net due to the impracticality of determining these amounts separately. Payments of compensated absences are dependent upon future factors and, therefore, the timing of such payments cannot be determined. Compensated absences are reflected as a long-term liability in the statement of net position.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(8) Long-Term Liabilities, Continued

The following is a summary of the maturity of serial bond indebtedness:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 210,794	71,813	282,607
2022	220,794	64,849	285,643
2023	225,794	57,601	283,395
2024	230,794	50,154	280,948
2025	240,794	41,823	282,617
2026-2030	973,970	78,640	1,052,610
2031-2035	128,970	-	128,970
2036	<u>25,794</u>	<u>-</u>	<u>25,794</u>
Total	\$ <u>2,257,704</u>	<u>364,880</u>	<u>2,622,584</u>

The following is a summary of the maturity of capital lease indebtedness:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 48,808	4,248	53,056
2022	<u>50,891</u>	<u>2,168</u>	<u>53,059</u>
Total	\$ <u>99,699</u>	<u>6,416</u>	<u>106,115</u>

Interest on long-term debt for the year ended December 31, 2020 was:

Interest paid	\$ 87,172
Less: Interest accrued - prior year	(22,499)
Plus: Interest accrued - current year	<u>23,831</u>
Interest expense	\$ <u>88,504</u>

(9) Other Postemployment Benefits

(a) Plan Description

The Town provides postemployment health insurance coverage to retired employees through a self-administered single employer plan in accordance with the provisions of various employment contracts. The benefit levels, employee contributions and employer contributions are governed by the Town's contractual agreements.

The contribution requirements of OPEB Plan members and the Town are established and may be amended by the Town Board. The Town Board has negotiated several collective bargaining agreements, which include obligations of participants and the Town. The required contribution is based on projected pay-as-you-go financing requirements.

The Town assigns the authority to establish and amend benefit provisions to the Town Board for non-bargaining unit employees. The OPEB Plan does not issue a stand-alone financial report.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(9) Other Postemployment Benefits, Continued

(b) Employees covered by benefit terms

At December 31, 2020, the following employees were covered by the benefit terms:

Active employees	18
Current retirees	<u>5</u>
	<u>23</u>

(c) Total OPEB Liability

The Town's total OPEB liability of \$1,013,826 at December 31, 2020 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that same date using the alternative measurement method.

(d) Actuarial Assumptions and Other Inputs

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

Salary scale	2.0%	
Discount rate	2.4%	
Healthcare cost trend rates	4.9%, decreasing to an ultimate rate of 4.3%	

Mortality rates were based on the Pub-2010 Public Retirement Plus Mortality Tables with mortality improvement projected for 10 years.

(e) Changes in the Total OPEB Liability

Total OPEB liability as of January 1, 2020	\$ <u>1,270,641</u>
Changes for the year:	
Service cost	33,352
Interest on total OPEB liability	35,408
Economic/demographic gains or losses	(337,245)
Changes in assumptions or inputs	35,368
Benefit payments	<u>(23,698)</u>
Total changes	<u>(256,815)</u>
Total OPEB liability as of December 31, 2020	\$ <u>1,013,826</u>

(f) Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.4%) or 1-percentage-point higher (3.4%) than the current discount rate:

	1% Decrease (1.4%)	Current Discount Rate (2.4%)	1% Increase (3.4%)
Total OPEB liability	\$ (1,129,360)	(1,013,826)	(914,796)

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(9) Other Postemployment Benefits, Continued

(g) Sensitivity of the total OPEB liability to changes in the healthcare costs trend rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	<u>1%</u>	<u>Current</u>	<u>1%</u>
	<u>Decrease</u>	<u>Trend</u>	<u>Increase</u>
	<u>Rates</u>	<u>Rates</u>	<u>Increase</u>
Total OPEB liability	\$ (911,686)	(1,013,826)	(1,132,028)

(h) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Town recognized an OPEB negative expense of \$(233,117). At December 31, 2020, the Town did not report deferred outflows of resources or deferred inflows of resources related to OPEB due to the alternative method. Additionally, since the measurement date was the same as the Town's fiscal year, there are no contributions subsequent to the measurement date to report.

(10) Contingencies

(a) Grant Funding

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

(b) Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable. The Town's management does not believe any such refunds would be material.

(c) Judgments and Claims

There are claims against the Town are presently pending for other matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town. In addition there are also cases where the Town is the plaintiff. If any amounts are awarded as a result it will be recorded at that time. The Town has a reserve in the General Fund of \$50,000 to cover any claim payments.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(10) Contingencies, Continued

(d) Remedies for Default

Upon default of the payment of principal or interest on the serial bonds or bond anticipation notes of the Town, the bondholders have the right to litigate.

Upon the default of the payment of principal or interest of capital leases of the Town, the lessor may declare that all amounts eligible or actually appropriated for rental payments to be immediately due and payable. The equipment must also be returned to the lessor.

(e) Receiver of Taxes

In 2021 the Town's receiver of taxes was arrested for theft of real property taxes. The Town's 2020 financial statement amounts were not effected by this theft. At this point, it is unclear if the Town or its bonding insurance will be liable for repayment to the respective taxpayers.

(f) COVID-19

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The Town has implemented a financial plan for COVID's impact during 2020.

(11) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period. Effective for fiscal years beginning after December 15, 2020.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

TOWN OF BEEKMAN, NEW YORK
Notes to Financial Statements, Continued

(12) Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2020, the Town implemented GASB Statement No. 84 - "Fiduciary Activities." The implementation of this Statement resulted in the statement of changes in fiduciary net position as a new statement to the basic financial statements as well as reporting certain liabilities as fiduciary net position. The Town's fiduciary net position at December 31, 2019 has been restated as follows:

Fiduciary Funds:

Net position at beginning of year, as previously stated	\$ -
GASB Statement No. 84 implementation - custodial funds	<u>93,350</u>
Net position at beginning of year, as restated	\$ <u>93,350</u>

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund
Year ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u> <u>Amounts</u>	Variance
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
Revenue:				
Real property taxes	\$ 677,000	677,000	677,000	-
Real property tax items	28,025	18,025	30,474	12,449
Non-property tax items	890,000	890,000	1,164,249	274,249
Departmental income	333,500	114,500	56,025	(58,475)
Use of money and property	475	1,475	1,572	97
Licenses and permits	167,000	172,000	237,528	65,528
Fines and forfeitures	12,000	15,000	17,628	2,628
Sale of property and compensation for loss	-	-	1,030	1,030
Interfund revenue	4,000	4,000	6,500	2,500
Miscellaneous	57,940	57,940	145,986	88,046
State aid	<u>330,060</u>	<u>377,060</u>	<u>532,413</u>	<u>155,353</u>
Total revenue	<u>2,500,000</u>	<u>2,327,000</u>	<u>2,870,405</u>	<u>543,405</u>
Expenditures:				
General government support	971,000	985,045	904,550	80,495
Public safety	119,000	112,426	109,185	3,241
Health	2,000	2,000	2,000	-
Transportation	132,000	135,000	119,673	15,327
Economic assistance and opportunity	45,000	18,000	9,671	8,329
Culture and recreation	493,000	381,769	323,889	57,880
Home and community services	21,000	35,000	32,197	2,803
Employee benefits	549,000	498,318	459,864	38,454
Debt service - principal	106,875	106,875	106,875	-
Debt service - interest	<u>61,125</u>	<u>61,125</u>	<u>56,511</u>	<u>4,614</u>
Total expenditures	<u>2,500,000</u>	<u>2,335,558</u>	<u>2,124,415</u>	<u>211,143</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>(8,558)</u>	<u>745,990</u>	<u>754,548</u>
Other financing sources (uses):				
Transfers in	-	40,000	25,544	(14,456)
Transfers out	<u>(30,000)</u>	<u>(41,442)</u>	<u>(41,442)</u>	<u>-</u>
Total other financing sources (uses)	<u>(30,000)</u>	<u>(1,442)</u>	<u>(15,898)</u>	<u>(14,456)</u>
Change in fund balance	<u>\$ (30,000)</u>	<u>(10,000)</u>	730,092	<u>740,092</u>
Fund balance at beginning of year			<u>2,242,183</u>	
Fund balance at end of year			<u>\$2,972,275</u>	

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Statement of Revenue, Expenditures, and Changes in Fund Balances -
Budget to Actual - Highway Fund
Year ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Favorable (Unfavorable)
Revenue:				
Real property taxes	\$ 1,809,613	1,809,613	1,809,613	-
Use of money and property	2,387	1,961	824	(1,137)
Sale of property and compensation for loss	-	93	226	133
Miscellaneous	31,000	32,500	32,320	(180)
State aid	<u>117,000</u>	<u>185,936</u>	<u>110,450</u>	<u>(75,486)</u>
Total revenue	<u>1,960,000</u>	<u>2,030,103</u>	<u>1,953,433</u>	<u>(76,670)</u>
Expenditures:				
Transportation	1,390,000	1,358,436	1,141,365	217,071
Employee benefits	420,000	409,904	371,635	38,269
Debt service - principal	169,135	168,935	168,935	-
Debt service - interest	<u>30,865</u>	<u>30,661</u>	<u>30,661</u>	<u>-</u>
Total expenditures	<u>2,010,000</u>	<u>1,967,936</u>	<u>1,712,596</u>	<u>255,340</u>
Expenditures in excess of revenue	(50,000)	62,167	240,837	178,670
Other financing sources - transfers in	<u>30,000</u>	<u>39,000</u>	<u>39,000</u>	<u>-</u>
Change in fund balance	<u>\$ (20,000)</u>	<u>101,167</u>	279,837	<u>178,670</u>
Fund balance (deficit) at beginning of year			<u>(101,167)</u>	
Fund balance at end of year			<u>\$ 178,670</u>	

TOWN OF BEEKMAN, NEW YORK
 Required Supplementary Information
 Statement of Revenue, Expenditures, and Changes in Fund Balances -
 Budget to Actual - Water Fund
 Year ended December 31, 2020

	<u>Budget Amounts</u>		Actual	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable (Unfavorable)</u>
Revenue:				
Departmental income	\$53,900	54,900	55,650	750
Use of money and property	100	100	360	260
Miscellaneous	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue	<u>55,000</u>	<u>55,000</u>	<u>56,010</u>	<u>1,010</u>
Expenditures - home and community services	<u>55,000</u>	<u>55,000</u>	<u>39,375</u>	<u>15,625</u>
Change in fund balance	<u>\$ -</u>	<u>-</u>	16,635	<u>16,635</u>
Fund balance at beginning of year			<u>207,756</u>	
Fund balance at end of year			<u>\$224,391</u>	

TOWN OF BEEKMAN, NEW YORK
 Required Supplementary Information
 Statement of Revenue, Expenditures, and Changes in Fund Balances -
 Budget to Actual - Sewer Fund
 Year ended December 31, 2020

	<u>Budget Amounts</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Revenue:				
Real property taxes	\$ 13,400	13,400	13,400	-
Departmental income	54,000	54,000	55,911	1,911
Use of money and property	<u>600</u>	<u>600</u>	<u>400</u>	<u>(200)</u>
Total revenue	<u>68,000</u>	<u>68,000</u>	<u>69,711</u>	<u>1,711</u>
Expenditures:				
Home and community services	64,206	74,206	66,221	7,985
Debt service - principal	<u>25,794</u>	<u>25,794</u>	<u>25,794</u>	<u>-</u>
Total expenditures	<u>90,000</u>	<u>100,000</u>	<u>92,015</u>	<u>7,985</u>
Change in fund balance	<u>\$ (22,000)</u>	<u>(32,000)</u>	<u>(22,304)</u>	<u>9,696</u>
Fund balance at beginning of year			<u>206,222</u>	
Fund balance at end of year			<u>\$ 183,918</u>	

TOWN OF BEEKMAN, NEW YORK
Required Supplementary Information
Schedule of Changes in the Town's
Total OPEB Liability and Related Ratios
Year ended December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 33,352	41,973	119,901
Interest on total OPEB liability	35,408	44,214	127,531
Economic/demographic gains or losses	(337,245)	(282,074)	-
Changes in assumptions or inputs	35,368	36,569	26,753
Benefit payments	<u>(23,698)</u>	<u>(33,200)</u>	<u>(33,200)</u>
Net change in total OPEB liability	(256,815)	(192,518)	240,985
Total OPEB liability - beginning	<u>1,270,641</u>	<u>1,463,159</u>	<u>1,222,174</u>
Total OPEB liability- ending	<u>\$ 1,013,826</u>	<u>1,270,641</u>	<u>1,463,159</u>
Covered payroll	\$ 945,902	1,109,718	976,259
Total OPEB liability as a percentage of covered payroll	107.18%	114.50%	149.87%

Notes to required supplementary information:

Changes of assumptions or other inputs - Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used as of each measurement date:

<u>2020</u>	<u>2019</u>	<u>2018</u>
2.40%	2.74%	2.97%

This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for those years that are available.

TOWN OF BEEKMAN, NEW YORK
 Required Supplementary Information
 Schedule of the Town's Proportionate Share of the Net Pension Liability
 December 31, 2020

	<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	0.0031983%	0.0053194%	0.0045677%	0.0043371%	0.0042567%	0.0044826%
Town's proportionate share of the net pension liability	\$ 846,920	376,897	147,419	407,521	683,220	151,432
Town's covered payroll	\$1,133,261	1,130,291	1,731,063	1,302,470	1,199,898	1,214,893
Town's proportionate share of the net pension liability as a percentage of its covered payroll	74.73%	33.35%	8.52%	31.29%	56.94%	12.46%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

TOWN OF BEEKMAN, NEW YORK
 Required Supplementary Information
 Schedule of the Town's Pension Contributions
 December 31, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 157,957	157,272	194,304	188,544	199,855	176,368
Contributions in relation to the contractually required contribution	<u>157,957</u>	<u>157,272</u>	<u>194,304</u>	<u>188,544</u>	<u>199,855</u>	<u>176,368</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Town's covered payroll	\$1,133,261	1,130,291	1,731,063	1,302,470	1,199,898	1,214,893
Contributions as a percentage of covered payroll	13.94%	13.91%	11.22%	14.48%	16.66%	14.52%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, information is presented for those years that are available.

TOWN OF BEEKMAN, NEW YORK
Other Supplementary Information
Combining Balance Sheet - Nonmajor Governmental Funds
December 31, 2020

	<u>Special Recreation</u>	<u>Sewer</u>	<u>Water</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>				
Cash and equivalents - unrestricted	\$ 163,067	188,331	198,541	549,939
Accounts receivable	-	4,299	4,830	9,129
Due from other governments	-	12,716	11,814	24,530
Due from other funds	-	-	13,355	13,355
Total assets	<u>\$ 163,067</u>	<u>205,346</u>	<u>228,540</u>	<u>596,953</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	-	21,428	4,149	25,577
Due to other funds	25,544	-	-	25,544
Total liabilities	<u>25,544</u>	<u>21,428</u>	<u>4,149</u>	<u>51,121</u>
Fund balances - assigned	<u>137,523</u>	<u>183,918</u>	<u>224,391</u>	<u>545,832</u>
Total liabilities and fund balances	<u>\$ 163,067</u>	<u>205,346</u>	<u>228,540</u>	<u>596,953</u>

TOWN OF BEEKMAN, NEW YORK
Other Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds
Year ended December 31, 2020

	<u>Special Recreation</u>	<u>Sewer</u>	<u>Water</u>	Total Nonmajor Governmental Funds
Revenue:				
Real property taxes	\$ -	13,400	-	13,400
Departmental income	-	55,911	55,650	111,561
Use of money and property	<u>297</u>	<u>400</u>	<u>360</u>	<u>1,057</u>
Total revenue	<u>297</u>	<u>69,711</u>	<u>56,010</u>	<u>126,018</u>
Expenditures:				
Home and community services	-	66,221	39,375	105,596
Debt service - principal	<u>-</u>	<u>25,794</u>	<u>-</u>	<u>25,794</u>
Total expenditures	<u>-</u>	<u>92,015</u>	<u>39,375</u>	<u>131,390</u>
Excess (deficiency) of revenue over expenditures	297	(22,304)	16,635	(5,372)
Other financing uses - transfers out	<u>(25,544)</u>	<u>-</u>	<u>-</u>	<u>(25,544)</u>
Change in fund balances	<u>(25,247)</u>	<u>(22,304)</u>	<u>16,635</u>	<u>(30,916)</u>
Fund balances at beginning of year	<u>162,770</u>	<u>206,222</u>	<u>207,756</u>	<u>576,748</u>
Fund balances at end of year	<u><u>\$ 137,523</u></u>	<u><u>183,918</u></u>	<u><u>224,391</u></u>	<u><u>545,832</u></u>

TOWN OF BEEKMAN, NEW YORK
Other Supplementary Information
Schedule of Indebtedness
Year ended December 31, 2020

	<u>Original Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Amount of Interest Paid During Fiscal Year</u>	<u>Amount of Interest Accrued at 12/31/2020</u>	<u>Due Within the Next Year</u>
Serial bonds:										
2006 Dover Ridge Sewer	6/8/2006	4/25/2036	0.00%	\$ 438,498	-	25,794	412,704	-	-	25,794
2008 Open Space	2/1/2009	8/1/2029	Varies	1,230,000	-	100,000	1,130,000	54,200	20,500	105,000
2013 Series Various Purpose	6/26/2013	6/15/2028	3.35%	790,000	-	75,000	715,000	25,209	499	80,000
Total serial bonds				<u>2,458,498</u>	<u>-</u>	<u>200,794</u>	<u>2,257,704</u>	<u>79,409</u>	<u>20,999</u>	<u>210,794</u>
Capital leases:										
2016 Mack Truck	11/19/2015	4/1/2020	2.78%	54,000	-	54,000	-	1,519	-	-
2018 Mack Truck	3/19/2018	5/1/2022	4.18%	146,509	-	46,810	99,699	6,244	2,832	48,808
Total capital leases				<u>200,509</u>	<u>-</u>	<u>100,810</u>	<u>99,699</u>	<u>7,763</u>	<u>2,832</u>	<u>48,808</u>
Total indebtedness				<u>\$ 2,659,007</u>	<u>-</u>	<u>301,604</u>	<u>2,357,403</u>	<u>87,172</u>	<u>23,831</u>	<u>259,602</u>

TOWN OF BEEKMAN, NEW YORK
 Other Supplementary Information
 Schedule of Project Expenditures - Capital Projects Fund
 Year ended December 31, 2020

<u>Project title</u>	<u>Project Authorization</u>	<u>Expenditures</u>			<u>Unexpended Balance</u>	<u>Methods of Financing</u>				<u>Fund Balance</u>	<u>BAN</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>		<u>State Aid</u>	<u>County Aid</u>	<u>Other</u>	<u>Total</u>	<u>(Deficit)</u> <u>12/31/2020</u>	<u>Ousting</u> <u>12/31/2020</u>
Town Hall	\$ 512,000	-	167,616	167,616	344,384	12,000	120,033	-	132,033	(35,583)	500,000
Gardner Hollow Bridge	500,000	76,991	7,238	84,229	415,771	74,549	-	2,442	76,991	(7,238)	500,000
Dover Ridge Water District	500,000	-	379,831	379,831	120,169	-	-	-	-	(379,831)	500,000
	<u>\$1,512,000</u>	<u>76,991</u>	<u>554,685</u>	<u>631,676</u>	<u>880,324</u>	<u>86,549</u>	<u>120,033</u>	<u>2,442</u>	<u>209,024</u>	<u>(422,652)</u>	<u>1,500,000</u>

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

Town Board and Supervisor
Town of Beekman, New York:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Beekman, New York (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 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 Town'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 financial statements. 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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
May 12, 2021