

TOWN OF SHAWANGUNK, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2021

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 DECEMBER 31, 2021
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INDEPENDENT AUDITORS' REPORT

To the Supervisor and Board Members of
The Town of Shawangunk
PO Box 247
Wallkill, New York 12589

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Shawangunk, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Town of Shawangunk, New York, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the Town of Shawangunk, New York, as of December 31, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Shawangunk, New York, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions.

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

The statement of net position does not include a liability for the Town's post-employment health insurance benefits and the statement of activities does not include an expense related to post-employment health insurance benefits earned and expensed for the year ended December 31, 2021. Accounting principles generally accepted in the United States of America require that the liability for post-employment health insurance benefits be calculated and disclosed in accordance with Government Accounting Standards Board Statement No. 75. The amount by which this departure would affect the statement of net position and statement of activities has not been determined.

Responsibilities of Management 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, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Shawangunk, New York's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 of Shawangunk, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Shawangunk, New York's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 5 through 10 and 50 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Shawangunk, New York's financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Matters

The prior year summarized comparative information has been derived from the Town's December 31, 2020 financial statements and, in our report dated March 29, 2021, we expressed qualified and unmodified opinions on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the Town of Shawangunk, New York's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 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 of Shawangunk, New York's internal control over financial reporting and compliance.

Cooper Arias, LLP

Mongaup Valley, New York
March 29, 2022

MANAGEMENT DISCUSSION AND ANALYSIS

Town of Shawangunk

Year Ended December 31, 2021

Town of Shawangunk

The following is a discussion and analysis of the Town's financial performance for the fiscal year ended December 31, 2021. This section is a summary of the Town's financial activity based on currently known facts, decisions or conditions. It is also based on both the government-wide and fund-based financial statements. The results of the current year are discussed in comparison with the prior year, with emphasis placed on the current year. This section is only an introduction and should be read in conjunction with the Town's financial statements, which immediately follow this section.

Financial Highlights

Key financial highlights for 2021 are as follows:

Town – Wide Statements

- The Town's main revenue sources were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 4,172,386	60%	64%
State And Federal Aid	953,738	14%	10%
Water And Sewer Charges	655,874	9%	11%

- The Town's main expenditures were as follows:

	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
General Government Support	\$ 826,209	13%	14%
Transportation	2,478,974	38%	35%
Public Safety	1,962,921	30%	33%
Home And Community Services	873,481	14%	14%

- Total Net Position was \$15,239,514 at December 31, 2021, up \$492,237 from the prior year.

Fund Financial Statements

- The highlights of the activity in the major funds is as follows:

<u>General Fund</u>	<u>Amount</u>	<u>%</u>	<u>Prior Year %</u>
Property Tax Revenues	\$ 1,573,431	49%	56%
Non-Property Tax Items	393,002	12%	13%
State Aid	536,324	17%	15%
General Government Support	582,368	21%	23%
Public Safety	984,943	36%	35%
Employee Benefits	629,975	23%	21%
Debt Service	187,072	7%	8%

- The General Fund’s fund balance increased from \$1,487,978 at December 31, 2020 to \$1,952,760 at December 31, 2021. Of the total fund balance, \$286,737 was appropriated towards the subsequent year’s budget and \$48,762 was in non-spendable form, leaving \$1,617,261 as unassigned.
- The Highway Fund had tax revenues of \$1,934,689, which accounted for 82% of total revenues of \$2,361,728.
- The Sewer Fund revenues consisted primarily of sewer charges (\$450,985/99%).

Using this Comprehensive Annual Report

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so that the reader can understand the Town as a whole, and then proceed to provide an increasingly detailed look at specific financial activities.

Reporting the Town as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the Town’s finances is “Is the Town better off or worse off as a result of the year’s activities?” The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a manner that helps to answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year’s revenues and expenses are taken into consideration regardless of when the cash is received or paid.

These two statements report the Town’s net position and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Town’s financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws and facility conditions in arriving at their conclusion regarding the overall health of the Town.

Reporting the Town’s Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the Town as a whole.

Some funds are required to be established by State statute, while many other funds are established by the Town to help manage money for particular purposes and compliance with various grant provisions. The Town’s two types of funds, governmental and fiduciary, use different accounting approaches.

Governmental Funds

Most of the Town’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town’s general government operations and the basic services it provides.

Governmental fund information helps you determine whether there are more or less financial resources available to spend in the near future to finance the Town’s programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Reporting the Town’s Fiduciary Responsibilities

The Town is the trustee or fiduciary for assets that belong to others such as payroll withholdings. It is the Town’s responsibility to ensure that assets reported in these funds are being used for their intended purposes. The Town’s fiduciary activities are reported in a separate “Statement of Fiduciary Net Position and Changes in Fiduciary Net Position” schedule, as the Town may not use these assets to finance its operations.

The Town as a Whole

	<u>2021</u>	<u>2020</u>
NET POSITION		
Current Assets	\$ 9,591,132	\$ 7,263,433
Capital Assets, net	<u>11,398,462</u>	<u>11,787,621</u>
Total Assets	<u>20,989,594</u>	<u>19,051,054</u>
Pensions	1,968,398	1,715,078
LOSAP	<u>659,599</u>	<u>319,756</u>
Total Deferred Outflows Of Resources	<u>2,627,997</u>	<u>2,034,834</u>
Current Liabilities	1,045,960	365,398
Long-Term Liabilities	<u>5,003,764</u>	<u>6,575,495</u>
Total Liabilities	<u>6,049,724</u>	<u>6,940,893</u>

	<u>2021</u>	<u>2020</u>
Pensions	\$ 2,254,031	\$ 153,169
LOSAP	<u>74,322</u>	<u>81,609</u>
Total Deferred Inflow Of Resources	<u>2,328,353</u>	<u>234,778</u>
Net Investment in Capital Assets	8,763,620	9,086,597
Restricted	1,508,794	1,508,152
Unrestricted	<u>4,967,100</u>	<u>3,315,468</u>
Total Net Position	<u>\$ 15,239,514</u>	<u>\$ 13,910,217</u>
REVENUES		
Real Property Taxes	\$ 4,172,386	\$ 4,089,920
Other Tax Items	53,118	49,174
Non-Property Tax Items	393,002	361,902
Charges For Services	1,248,923	1,154,584
Grants and Contributions	436,602	231,950
Investment Earnings	61,406	29,720
Sale Of Property And Compensation For Loss	19,050	6,641
Miscellaneous Local Sources	34,059	38,737
State Sources	<u>522,177</u>	<u>433,909</u>
Total Revenues	<u>6,940,723</u>	<u>6,396,537</u>
EXPENDITURES		
General Government Support	826,209	885,379
Public Safety	1,962,921	2,114,035
Health	85,271	83,961
Transportation	2,478,974	2,288,727
Economic Assistance And Opportunity	657	552
Culture And Recreation	150,783	88,500
Home And Community Service	873,481	936,550
Debt Service	<u>70,190</u>	<u>81,984</u>
Total Expenditures	<u>6,448,486</u>	<u>6,479,688</u>
CHANGE IN NET POSITION	<u>\$ 492,237</u>	<u>\$ (83,151)</u>

Governmental Activities

The Town's Funds

Information about the Town's major funds starts on page 14. These funds are accounted for using the modified accrual basis of accounting. Governmental funds had total revenues of \$7,114,535 and expenditures of \$6,293,536, exclusive of \$5,950 of transfers between governmental funds. This resulted in an increase in fund balance of \$820,999.

	<u>2021 Fund Balance</u>	<u>2020 Fund Balance</u>	<u>Increase/(Decrease)</u>
General Fund	\$ 1,952,760	\$ 1,487,978	\$ 464,782
Highway Fund	756,341	575,837	180,504
Sewer Fund	3,850,873	3,842,691	8,182
Non-Major Funds	<u>1,955,855</u>	<u>1,788,324</u>	<u>167,531</u>
Total Governmental	<u>\$ 8,515,829</u>	<u>\$ 7,694,830</u>	<u>\$ 820,999</u>

BUDGET INFORMATION

The Town’s budget is prepared in accordance with New York State law and is based on the modified accrual basis of accounting, utilizing cash receipts, disbursements and encumbrances. Budget to actual statements for all major governmental funds are required under Governmental Accounting Standards Board Statement No. 34 and are presented in the financial statements as “Required Supplementary Information” beginning on page 50. Budget to actual statements for non-major governmental funds are *not* required under Governmental Accounting Standards Board Statement No. 34 but have been presented for analytical purposes in the “Supplemental Schedules” beginning on page 57 of the financial statements.

Capital Assets

The Town has \$11,398,462 invested in capital assets, net of \$13,188,739 in accumulated depreciation, as of December 31, 2021. Depreciation for the year ended December 31, 2021 was \$600,703.

Debt

As of December 31, 2021, the Town had \$2,411,000 in bonds payable and \$63,777 in installment debt payable. The Town paid \$84,634 in interest throughout the year.

Contacting the Town’s Financial Management

It is the intent of this report to provide the Town’s citizens, taxpayers, customers, investors and creditors with a general overview of the Town’s finances and to demonstrate the Town’s accountability for the funds it receives. If you have any questions about this report or need additional information, contact the Business Office at Town of Shawangunk, PO Box 247, Wallkill, NY 12589.

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Current Assets:		
Cash	\$ 6,348,154	\$ 5,017,683
Cash - Restricted	1,508,794	1,508,152
Service Award Program Assets - Restricted	897,254	-
Accounts Receivable	58,741	64,444
Rents Receivable	125,192	136,219
Loans Receivable	45,549	58,361
Due From State and Federal	24,750	33,195
Due From Other Governments	509,958	376,896
Prepaid Expenditures	<u>72,740</u>	<u>68,483</u>
Total Current Assets	<u>9,591,132</u>	<u>7,263,433</u>
Non-Current Assets:		
Capital Assets - Non Depreciable	747,780	747,780
Capital Assets - Depreciable, net	<u>10,650,682</u>	<u>11,039,841</u>
Total Non-Current Assets	<u>11,398,462</u>	<u>11,787,621</u>
TOTAL ASSETS	<u>20,989,594</u>	<u>19,051,054</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	1,968,398	1,715,078
LOSAP	<u>659,599</u>	<u>319,756</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,627,997</u>	<u>2,034,834</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31,

	<u>2021</u>	<u>2020</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 60,401	\$ 114,523
Accrued Liabilities	96,920	75,388
Escrow Liabilities	179,051	175,487
Other Liabilities	<u>709,588</u>	<u>-</u>
Total Current Liabilities	<u>1,045,960</u>	<u>365,398</u>
Non-Current Liabilities		
Due Within One Year:		
Serial Bonds	166,192	125,000
Unamortized Bond Premium	12,554	12,554
Installment Purchase Debt	63,777	89,628
Total Pension Liability	44,000	45,000
Due Beyond One Year:		
Serial Bonds	2,244,808	2,250,000
Unamortized Bond Premium	147,511	160,065
Installment Purchase Debt	-	63,777
Total Pension Liability	1,814,850	1,383,293
Judgments and Claims	(34,029)	32,283
Compensated Absences	161,486	144,890
Net Pension Liability	<u>382,615</u>	<u>2,269,005</u>
Total Non-Current Liabilities	<u>5,003,764</u>	<u>6,575,495</u>
TOTAL LIABILITIES	<u>6,049,724</u>	<u>6,940,893</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	2,254,031	153,169
LOSAP	<u>74,322</u>	<u>81,609</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,328,353</u>	<u>234,778</u>
NET POSITION		
Net Investment in Capital Assets	8,763,620	9,086,597
Restricted	1,508,794	1,508,152
Unrestricted	<u>4,967,100</u>	<u>3,315,468</u>
TOTAL NET POSITION	<u>\$ 15,239,514</u>	<u>\$ 13,910,217</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

FUNCTIONS/PROGRAMS	<u>PROGRAM REVENUES</u>				<u>NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION</u>	
	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>2021</u>	<u>2020</u>
General Government Support	\$ 826,209	\$ 68,166	\$ 4,518	\$ -	\$ (753,525)	\$ (819,289.00)
Public Safety	1,962,921	384,070	3,670	-	(1,575,181)	(1,872,210)
Health	85,271	-	-	-	(85,271)	(83,961)
Transportation	2,478,974	2,600	417,414	-	(2,058,960)	(2,066,471)
Economic Assistance and Opportunity	657	-	-	-	(657)	(552)
Culture and Recreation	150,783	39,716	1,000	-	(110,067)	(2,439)
Home and Community Services	873,481	754,371	10,000	-	(109,110)	(166,248)
Debt Service	70,190	-	-	-	(70,190)	(81,984)
TOTAL FUNCTIONS/PROGRAMS	6,448,486	1,248,923	436,602	-	(4,762,961)	(5,093,154)
GENERAL REVENUES						
Real Property Tax					4,172,386	4,089,920
Other Tax Items					53,118	49,174
Non-Property Tax Items					393,002	361,902
Investment Earnings					61,406	29,720
Sale Of Property and Compensation For Loss					19,050	6,641
Miscellaneous Local Sources					34,059	38,737
State Aid					522,177	433,909
TOTAL GENERAL REVENUES					5,255,198	5,010,003
CHANGE IN NET POSITION					492,237	(83,151)
TOTAL NET POSITION-						
Beginning of Year (Restated)					14,747,277	13,993,368
TOTAL NET POSITION-						
End of Year					\$ 15,239,514	\$ 13,910,217

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	GENERAL FUND	HIGHWAY FUND	SEWER FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2020 TOTALS
ASSETS						
Cash	\$ 2,168,227	\$ 888,326	\$ 2,317,219	\$ 974,382	\$ 6,348,154	\$ 5,017,683
Cash - Restricted	-	-	1,508,794	-	1,508,794	1,508,152
Service Award Program Assets - Restricted	-	-	-	897,254	897,254	-
Accounts Receivable	58,227	514	-	-	58,741	64,444
Rents Receivable	-	-	30,709	94,483	125,192	136,219
Loans Receivable	-	-	-	45,549	45,549	58,361
Due From Other Funds	-	4,093	-	-	4,093	1,337
Due From State and Federal	-	-	24,750	-	24,750	33,195
Due From Other Governments	506,958	3,000	-	-	509,958	376,896
Prepaid Expenditures	48,762	23,978	-	-	72,740	68,483
TOTAL ASSETS	\$ 2,782,174	\$ 919,911	\$ 3,881,472	\$ 2,011,668	\$ 9,595,225	\$ 7,264,770
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 14,365	\$ 5,667	\$ 30,301	\$ 10,068	\$ 60,401	\$ 114,523
Accrued Liabilities	47,422	32,901	195	196	80,714	57,292
Escrow Liabilities	54,049	125,002	-	-	179,051	175,487
Other Liabilities	709,588	-	-	-	709,588	-
Due To Other Funds	3,990	-	103	-	4,093	1,337
TOTAL LIABILITIES	829,414	163,570	30,599	10,264	1,033,847	348,639
DEFERRED INFLOWS OF RESOURCES						
Deferred Loans Receivable	-	-	-	45,549	45,549	58,361
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	45,549	45,549	58,361
FUND BALANCES						
Non-spendable:						
Prepaid Items	48,762	23,978	-	-	72,740	68,483
Restricted:						
Capital	-	-	1,508,794	-	1,508,794	1,508,152
Service Award Program	-	-	-	897,254	897,254	-
Assigned:						
Appropriated	286,737	97,000	-	-	383,737	331,065
Unappropriated	-	635,363	2,342,079	1,058,601	4,036,043	3,779,282
Unassigned	1,617,261	-	-	-	1,617,261	1,170,788
TOTAL FUND BALANCES	1,952,760	756,341	3,850,873	1,955,855	8,515,829	6,857,770
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 2,782,174	\$ 919,911	\$ 3,881,472	\$ 2,011,668	\$ 9,595,225	\$ 7,264,770

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET WITH THE STATEMENT OF NET POSITION
DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Total Fund Balance – Governmental Funds	\$ 8,515,829	\$ 6,857,770
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of capital assets and accumulated depreciation at December 31, 2021 are \$24,587,201 and \$13,188,739, respectively.</p>		
	11,398,462	11,787,621
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Serial Bonds	(2,411,000)	
Unamortized Bond Premium	(160,065)	
Installment Purchase Debt	(63,777)	
Compensated Absences	(161,486)	
Judgments And Claims	<u>34,029</u>	
	(2,762,299)	(2,878,197)
<p>Proportionate share of long-term asset and liability associated with participation in State Retirement Systems are not current financial resources or obligations and are not reported in the governmental funds.</p>		
Deferred Outflows of Resources	1,968,398	
Deferred Inflows of Resources	(2,254,031)	
Net Pension Liability	<u>(382,615)</u>	
	(668,248)	(707,096)
<p>The long-term assets and liabilities associated with participation in the Length of Service Award Program are not current financial resources or obligations and are not reported in the governmental funds.</p>		
Deferred Outflows of Resources	659,599	
Deferred Inflows of Resources	(74,322)	
Total Pension Liability	<u>(1,858,850)</u>	
	(1,273,573)	(1,190,146)
<p>In the governmental funds, loans receivable in the Community Development Fund are offset by deferred revenue. In the statement of net position, the loans are reported at face value.</p>		
	45,549	58,361
<p>Accrued interest on debt is reported in the statement of net position, regardless of when due. In the governmental funds, interest is not reported until it is due.</p>		
	<u>(16,206)</u>	<u>(18,096)</u>
Net Position of Governmental Activities	<u>\$ 15,239,514</u>	<u>\$ 13,910,217</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	GENERAL FUND	HIGHWAY FUND	SEWER FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS	2020 TOTALS
REVENUES						
Real Property Taxes	\$ 1,573,431	\$ 1,934,689	\$ -	\$ 664,266	\$ 4,172,386	\$ 4,089,920
Other Tax Items	53,118	-	-	-	53,118	49,174
Non-Property Tax Items	393,002	-	-	-	393,002	361,902
Departmental Income	134,462	-	67,540	227,796	429,798	475,019
Intergovernmental Charges	235,429	-	383,445	-	618,874	489,241
Use of Money and Property	11,287	881	2,304	56,934	71,406	36,920
Licenses and Permits	148,248	2,600	-	-	150,848	147,051
Fines and Forfeitures	52,215	-	-	-	52,215	45,523
Sale of Property and Compensation For Loss	12,906	6,144	-	-	19,050	21,652
Miscellaneous Local Sources	39,075	-	25	-	39,100	44,937
State Aid	536,324	417,414	-	-	953,738	659,659
TOTAL REVENUES	3,189,497	2,361,728	453,314	948,996	6,953,535	6,420,998
EXPENDITURES						
General Government Support	582,368	93	-	-	582,461	585,737
Public Safety	984,943	-	-	442,863	1,427,806	1,302,177
Health	-	-	-	85,271	85,271	83,961
Transportation	104,982	1,598,472	-	22,312	1,725,766	1,478,972
Economic Assistance and Opportunity	657	-	-	-	657	552
Culture and Recreation	116,640	-	-	-	116,640	60,395
Home and Community Services	124,028	-	444,589	141,600	710,217	892,497
Employee Benefits	629,975	504,044	543	49,894	1,184,456	1,069,381
Debt Service:						
Principal	119,395	74,690	-	20,543	214,628	213,738
Interest	67,677	3,925	-	13,032	84,634	100,785
Capital Outlay	-	-	-	161,000	161,000	-
TOTAL EXPENDITURES	2,730,665	2,181,224	445,132	936,515	6,293,536	5,788,195
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	458,832	180,504	8,182	12,481	659,999	632,803
OTHER FINANCING SOURCES						
Operating Transfers In	5,950	-	-	-	5,950	6,381
Operating Transfers Out	-	-	-	(5,950)	(5,950)	(6,381)
Proceeds of Long-Term Debt	-	-	-	161,000	161,000	-
TOTAL OTHER FINANCING SOURCES AND (USES)	5,950	-	-	155,050	161,000	-
NET CHANGES IN FUND BALANCES	464,782	180,504	8,182	167,531	820,999	632,803
FUND BALANCE - Beginning of Year	1,487,978	575,837	3,842,691	1,788,324	7,694,830	6,224,967
FUND BALANCE - End of Year	\$ 1,952,760	\$ 756,341	\$ 3,850,873	\$ 1,955,855	\$ 8,515,829	\$ 6,857,770

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Total Net Change in Fund Balances – Governmental Funds	\$ 820,999	\$ 632,803

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

Capital outlays are reported in governmental funds as expenditures. However, on 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 outlays exceeded depreciation in the current fiscal year.

Depreciation Expenses	(600,703)		
Capital Outlay	211,544		
Book Value of Disposed Assets	-	(389,159)	(364,583)

Repayment of principal on long-term debt is an expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

Serial Bonds	125,000		
Installment Purchase Debt	89,628	214,628	213,738

In the governmental funds, loans receivable in the Community Development Fund are offset by deferred revenue, and repayments of the loans are reported as revenue. In the statement of net position, the loans receivable are an asset and repayments simply reduce the value of the asset.

		(12,812)	(9,450)
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In the statement of activities, interest on debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.

Current Year Accrued Interest	(16,206)		
Prior Year Accrued Interest	18,096	1,890	6,247

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>2021</u>	<u>2020</u>
Proceeds of long-term debt are reported as revenues in the governmental funds. In the statement of net position, the proceeds increase the liability.		
Serial Bond	\$ (161,000)	-
Bond premiums are reported in the governmental funds as revenues in the year received. However, in the statement of activities, the premium is added to the outstanding debt and amortized as a reduction of interest expense over the life of the bond.		
Amortization Expense	12,554	12,554
(Increases) decreases in proportionate share of net pension asset/liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		
Police and Fire Retirement System	(40,277)	
Employees' Retirement System	<u>79,125</u>	(513,407)
(Increase) decreases in the total pension liability reported in the statement of activities do not provide for, or require the use of, current financial resources and, therefore, are not reported as revenues or expenditures in the governmental funds.		
Length of Service Award Program	(83,427)	(64,472)
In the statement of activities, long-term liabilities are reported when the liability is incurred regardless of when the payments are due. In the governmental funds, expenditures for these items are reported by the amount of financial resources used (paid).		
Compensated Absences	(16,596)	
Judgments and Claims	<u>66,312</u>	<u>3,419</u>
Change in Net Position of Governmental Activities	<u>\$ 492,237</u>	<u>\$ (83,151)</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	CUSTODIAL <u>FUND</u>
ASSETS	
Cash	\$ <u> -</u>
TOTAL ASSETS	<u> -</u>
LIABILITIES	
Due To Other Funds	<u> -</u>
TOTAL LIABILITIES	<u> -</u>
TOTAL NET POSITION	<u><u> -</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	<u>CUSTODIAL FUND</u>
ADDITIONS	
Fines Collected For Other Governments	\$ 31,656
Taxes Collected For Other Governments	<u>1,312,810</u>
TOTAL ADDITIONS	<u>1,344,466</u>
DEDUCTIONS	
Fines Paid To Other Governments	31,656
Taxes Paid To Other Governments	<u>1,312,810</u>
TOTAL DEDUCTIONS	<u>1,344,466</u>
 Change In Net Position	 -
 NET POSITION - Beginning Of Year (Restated)	 <u>-</u>
 NET POSITION - End Of Year	 <u><u>\$ -</u></u>

SEE ACCOMPANYING NOTES AND AUDITOR'S OPINION

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Shawangunk, New York, was established in 1788 and operates in accordance with Town Law and various other applicable laws of the State of New York. The Town Board is the legislative body responsible for overall operation, and the Town Supervisor serves as chief executive and chief financial officer.

The Town provides the following basic services: general government support, public safety, health, transportation, economic assistance and opportunity, culture and recreation, and home and community services.

The accounting policies for the Town conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Town's more significant accounting policies:

A. Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic - but not the only - criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in the evaluation of potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. There are no other entities that should be included in the financial report.

B. Basis of Presentation

1. Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town as a whole.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These statements include the financial activities of the overall Town, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, state aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants. Business types activities are financed by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operation or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund financial statements:

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds each displayed in a separate column.

The Town reports the following major Governmental Funds:

- a. General Fund - the principal operating fund of the Town and is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds – used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The major Special Revenue Funds of the Town are as follows:

Highway Fund- used to account for road and bridge maintenance and improvements as defined in the Highway Law of the State of New York.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Districts Fund – used to account for the operating and maintenance of the Town’s sewer district.

The Town reports the following non-major Governmental Funds:

a. Special Revenue Funds

Special Districts Fund – used to account for taxes or other revenues which are raised or received to provide special services to areas that encompass less than the whole Town. The Town reports the following non-major Special District funds:

- | | |
|------|-----------|
| i. | Lighting |
| ii. | Water |
| iii. | Drainage |
| iv. | Fire |
| v. | Sidewalk |
| vi. | Ambulance |

Miscellaneous Special Revenue Fund – used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Community Development Fund – used to account for projects financed by entitlements from the US Department of Housing and Urban Development.

b. Capital Projects Fund – These funds are used to account for financial resources to be used for acquisition or construction of major capital facilities.

Additionally, the Town reports the following fund type:

a. Fiduciary Fund

This fund is used to account for fiduciary activities. Fiduciary activities are those in which the Town acts as trustee or agent for resources that belong to others. These activities are not included in the Town-wide financial statements because their resources do not belong to the Town and are not available to be used.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting/Measurement Focus

The Town-wide and Fiduciary Fund 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 at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Property Taxes

Town real property taxes are levied annually no later than December 31, and become a lien on January 1. Taxes are collected during the period January 1 to May 31. Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all taxes levied in the Towns.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budget Policies

The Town follows the procedures enumerated below in establishing the budgetary data reflected in the financial statement.

- a) The head of each administrative unit shall submit to the budget office an estimate of revenues and expenditures for such administrative unit for the ensuing year.
- b) The budget officer, upon completion of the review of the estimates, shall prepare a tentative budget and file such budget in the Office of the Town Clerk on or before September 30th.
- c) On or before October 5th, the Town Clerk shall present the tentative budget to the Town Board.
- d) The Town Board shall review the tentative budget and may make such changes, alterations and revisions as it shall consider advisable and which are consistent with the law. Upon completion of such review, the tentative budget and any modifications as approved by the Town Board shall become the preliminary budget.
- e) On or before the Thursday following the general election, the Town Board shall hold a public hearing on the preliminary budget.
- f) After the public hearing, the Town Board may further change, alter and revise the preliminary budget subject to provisions of the law.
- g) The preliminary budget as submitted or amended shall be adopted by resolution no later than November 20th.
- h) Formal budgetary integration is employed during the year as a management control device for the governmental funds.
- i) Budgets for General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The Capital Projects and Community Development Funds are budgeted on a project basis.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- j) The Town Board maintains control of the budget at the function level of expenditure.
- k) Appropriations in the General and Special Revenue Funds lapse at the end of the fiscal year except that outstanding encumbrances are re-appropriated in the succeeding year.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is employed as an extension of formal budgetary integration in the governmental funds. Open encumbrances do not constitute expenditures or liabilities and will be honored through budget appropriations in the subsequent year.

G. Budget Basis Of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances carried forward from the prior year.

Budgetary controls for the Community Development Fund are established in accordance with the applicable grant agreement that covers a period other than the Town's fiscal year.

H. Compensated Absences

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated on the pay rates in effect at year-end.

For the Town-wide Statements, the current portion is the amount estimated to be used in the following year, in accordance with GAAP. For the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and, therefore, are not a fund liability and represent a reconciling item between the fund level and Town-wide presentations.

I. Insurance

The Town of Shawangunk participates in a risk sharing pool to insure workers' compensation claims. This is a public entity risk pool created under Article 5 of the Workers' Compensation Law, to finance liability and risks related to workers' compensation claims. The Town's estimated share of the net liability for unbilled and open claims at December 31, 2021 was \$(34,029).

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Post Employment Benefits

In addition to providing pension benefits, the Town provides health insurance coverage and survivor benefits for retired employees and their families. 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 and survivors benefits are provided through an insurance company whose premiums are based on the benefits paid during the year. The Town recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid.

K. Cash and Cash Equivalents

For financial statement purposes, the Town considers all highly liquid investments of three months or less as cash equivalents.

L. 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 be immaterial.

M. Capital Assets

The Town has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The capitalization threshold used by the Town is \$5,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>
Buildings	50
Site Improvements	15-20
Machinery & Equipment	5-15
Furniture	5
Infrastructure	15-40

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the governmental fund financial statements.

N. Interfund Activity

The amounts reported on the Statement of Net Position for due to and due from other funds represents amounts due between different fund types (governmental activities/business type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type. A detailed description of the individual fund balances at year-end is provided subsequently in these Notes.

O. Equity Classifications

In the Town-wide statements there are three classes of net position:

Net investment in capital assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets.

Restricted – reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted – reports all other net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the Town.

Order of Use of Net Position:

When an expense is incurred for which both restricted and unrestricted resources are available, the Board will assess the current financial condition of the Town and determine which classification of net position will be charged.

In the fund basis statements there are five classifications of fund balance:

Non-spendable – includes amounts that cannot be spent because they are either not spendable form or legally or contractually required to be maintained intact. Non-spendable fund balances include prepaid retirement system expenditures of \$72,740 in the General and Highway Funds as of December 31, 2021.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General Fund are classified as restricted fund balance. The Town has established the following restricted fund balances:

Capital

Used to finance all or part of the cost of construction, reconstruction or acquisition of capital improvements and/or equipment. Permissive referendum is required for either establishment of or payments from the reserve, depending on which type of capital reserve is set up. This reserve is accounted for in the Sewer Fund.

Service Award Program

Used to pay benefits related to the Town's Length of Service Award Program (LOSAP). This reserve is accounted for in the Fire District.

Committed – includes amounts that can only be used for a specific purpose pursuant to constraints imposed by formal action of the Town's highest level of decision making authority before the end of the fiscal year, and requires the same level of formal action to remove the constraint. The Town Board is the decision making authority that can, by resolution prior to the end of the fiscal year, commit fund balance. The Town had no committed fund balances as of December 31, 2021.

Assigned – includes 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 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. Assigned fund balance generally includes encumbrances and appropriated fund balance. The Town Board is the decision making authority that can, by resolution, assign fund balance.

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

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Order of Use of Fund Balance:

When resources are available from multiple fund balance classifications, the Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. New Accounting Standards

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2021, the Town implemented the following new standards:

GASB 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period

R. Future Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following standards that will become effective in future fiscal years:

GASB 87 – Leases, effective for the year ending December 31, 2022.

GASB 91 – Conduit Debt Obligations, effective for the year ending December 31, 2022.

GASB 92 – Omnibus 2020, effective for the year ending December 31, 2022.

GASB 93 – Replacement of Interbank Offered Rates, effective for the year ending December 31, 2022, except for the removal of LIBOR as an appropriate benchmark interest rate, which is effective for the year ending December 31, 2023.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements, effective for the year ending December 31, 2023

GASB 96 – Subscription-Based Information Technology Arrangements, effective for the year ending December 31, 2023.

GASB 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No.32, effective for the year ending December 31, 2022.

The Town will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. 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 asset or liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension systems not included in pension expense. The second item is the benefit payments and expenses related to the Town's LOSAP and the Town contributions to the pension systems subsequent to the measurement date. The Town reports \$2,627,997 in deferred outflows of resources related to pensions as of December 31, 2021.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has two items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenues. The Town recognized \$45,549 in deferred inflows of resources related to revolving loans in the Community Development Fund in the governmental fund statements as of December 31, 2021. The second item is related to pensions reported in the government-wide statement of net position.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

This represents the effect of the net change in the Town's total pension liability and proportion of the collective net pension liability and difference during the measurement periods between the benefit payments and expenses related to the Town's LOSAP and the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense. The Town reports \$2,328,353 in deferred inflows of resources related to pensions as of December 31, 2021.

The reporting of deferred outflows of resources and deferred inflows of resources related to pensions resulted in a net increase of \$299,644 to unrestricted net position as of December 31, 2021.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENT

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the Town-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

A. Total fund balances of governmental funds vs. net position of governmental activities

The total fund balance of the Town's governmental funds differs from "net position" of governmental activities reported in the Statement of Net Position. The 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.

B. Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories:

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND TOWN-WIDE STATEMENT (Continued)

1. Long-term revenue and expenditure differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities report 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.

2. Capital related differences:

Capital related differences include the differences between proceeds from 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.

3. Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, 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.

NOTE 3 – CASH AND INVESTMENTS

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

Collateral is required for time 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 New York State and their municipalities and schools.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 3 – CASH AND INVESTMENTS (Continued)

The Town’s aggregate cash balances include balances not covered by depository insurance at year-end, collateralized as follows:

Collateralized with securities held by the
pledging financial institution, or its trust
department, but not in the Town’s name. \$ 7,201,920

NOTE 4 – CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

	BEGINNING BALANCE	ADDITIONS	RETIREMENTS/ RECLASSIFICATIONS	ENDING BALANCE
Governmental Activities:				
Capital assets that are not depreciated:				
Land	\$ 747,780	\$ -	\$ -	\$ 747,780
Total non-depreciable historical cost	<u>747,780</u>	<u>-</u>	<u>-</u>	<u>747,780</u>
Capital assets that are depreciated:				
Building and Improvements	5,618,628	-	-	5,618,628
Machinery and Equipment	3,514,929	206,244	91,566	3,629,607
Infrastructure	<u>14,585,886</u>	<u>5,300</u>	<u>-</u>	<u>14,591,186</u>
Total depreciable historical cost	<u>23,719,443</u>	<u>211,544</u>	<u>91,566</u>	<u>23,839,421</u>
Less accumulated depreciation:				
Building and Improvements	1,585,505	121,248	-	1,706,753
Machinery and Equipment	2,696,313	196,788	91,566	2,801,535
Infrastructure	<u>8,397,784</u>	<u>282,667</u>	<u>-</u>	<u>8,680,451</u>
Total Accumulated Depreciation	<u>12,679,602</u>	<u>600,703</u>	<u>91,566</u>	<u>13,188,739</u>
Total historical cost, net	<u>\$ 11,787,621</u>	<u>\$ (389,159)</u>	<u>\$ -</u>	<u>\$ 11,398,462</u>

Depreciation was charged to governmental functions as follows:

General Governmental Support	\$ 105,250
Public Safety	46,347
Transportation	283,402
Culture and Recreation	14,424
Home and Community Services	<u>151,280</u>
	<u>\$ 600,703</u>

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 5 – INTERFUND TRANSACTIONS

Interfund balances at December 31, 2021 are as follows:

	<u>INTERFUND RECEIVABLE</u>	<u>INTERFUND PAYABLE</u>	<u>INTERFUND REVENUES</u>	<u>INTERFUND EXPENDITURES</u>
General Fund	\$ -	\$ 3,990	\$ 5,950	\$ -
Highway Fund	4,093	-	-	-
Sewer Fund	-	103	-	-
Capital Projects Fund	-	-	-	5,950
Total Governmental Funds	<u>4,093</u>	<u>4,093</u>	<u>5,950</u>	<u>5,950</u>
TOTALS	<u>\$ 4,093</u>	<u>\$ 4,093</u>	<u>\$ 5,950</u>	<u>\$ 5,950</u>

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the statement of net position.

The Town normally loans money between funds to relieve cash flow issues and transfers money to and from the Capital Projects Fund to finance specific projects.

NOTE 6 – LIABILITIES

1. Long-Term Debt

Serial Bonds

The Town of Shawangunk, New York 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 receiving the benefit of the capital assets. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

Other Long-Term Debt

In addition to the above long-term debt the local government had the following non-current liabilities:

Compensated Absences – Represents the value of the earned and unused portion of the liability for compensated absences.

Judgments and Claims – Represents the Town’s outstanding net liability related to the workers’ compensation risk sharing pool. (See Note 1-I)

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – LIABILITIES (Continued)

Installment Purchase Debt – Represents the remaining installments due on equipment purchases.

Total Pension Liability – Represents the Town’s liability related to its Length of Service Award Program. (LOSAP)

Long-Term Debt Interest

Interest expense on long-term debt consisted of the following:

Interest Paid	\$ 84,634
Less: Interest Accrued in Prior Year	(18,096)
Amortization of Bond Premium	(12,554)
Plus: Interest Accrued In Current Year	<u>16,206</u>
 TOTAL EXPENSE	 <u>\$ 70,190</u>

Changes

The following is a summary of changes in long-term liabilities for the period ended December 31, 2021.

	<u>BALANCE</u> <u>01/01/21</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>12/31/21</u>	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
Serial Bonds –					
Direct Borrowing	\$ -	\$ 161,000	\$ -	\$ 161,000	\$ 31,192
Serial Bonds –					
General Obligation	2,375,000	-	125,000	2,250,000	135,000
Unamortized Bond Premium	172,619	-	12,554	160,065	12,554
Installment Purchase Debt					
– Direct Borrowings	153,405	-	89,628	63,777	63,777
Compensated Absences	144,890	16,596	-	161,486	-
Judgments and Claims	32,283	-	66,312	(34,029)	-
Total Pension Liability	<u>1,428,293</u>	<u>474,477</u>	<u>43,920</u>	<u>1,858,850</u>	<u>44,000</u>
	<u>\$ 4,306,490</u>	<u>\$ 652,073</u>	<u>\$ 337,414</u>	<u>\$ 4,621,149</u>	<u>\$ 286,523</u>

Additions and deletions to compensated absences and judgments and claims are shown net since it is impractical to determine these amounts separately.

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 6 – LIABILITIES (Continued)

Long-term debt at December 31, 2021 is comprised of the following individual issues:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Balance 12/31/21</u>
Wallkill Water	2.00%-5.00%	2034	\$ 369,777
Town Hall	2.00%-5.00%	2034	1,880,223
Highway Equipment	1.59%	2036	<u>161,000</u>
Total Bonds Payable			<u>2,411,000</u>
Police Vehicle	4.54%	2022	15,630
Highway Vehicle	2.94%	2022	<u>48,147</u>
Total Installment Debt			<u>63,777</u>
Total Debt			<u>\$ 2,474,777</u>

The following totals summarize the Town’s future debt service requirements as of December 31, 2021:

<u>YEAR ENDED</u> <u>DECEMBER 31,</u>	<u>GENERAL OBLIGATION</u>		<u>DIRECT BORROWING AND</u> <u>AND DIRECT PLACEMENTS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2022	\$ 135,000	\$ 73,044	\$ 94,969	\$ 11,218
2023	135,000	66,294	31,688	2,064
2024	150,000	59,544	32,192	1,560
2025	155,000	52,044	32,704	1,048
2026	165,000	44,294	33,224	528
2027-2031	915,000	124,220	-	-
2032-2034	<u>595,000</u>	<u>25,391</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,250,000</u>	<u>\$ 444,831</u>	<u>\$ 224,777</u>	<u>\$ 16,418</u>

2. Pension Plan

Plan Description

The Town of Shawangunk, New York participates in the New York State and Local Employees’ Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees’ Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems.

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 6 – LIABILITIES (Continued)

The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes Financial Statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

Plan members who joined the Systems before July 27, 1976 are not required to make contributions. For those joining after July 27, 1976 and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. Employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), contribute 3% of their salary throughout their active membership.

Employees who joined the systems on or after April 1, 2012 contribute 3% of their salary through March 31, 2013, and beginning April 1, 2013, contribute at rates ranging from 3% to 6%, based on the employees' gross salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressed used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

	<u>ERS</u>	<u>PFRS</u>
2021	\$ 146,517	\$ 140,186
2020	134,643	137,446
2019	131,668	126,759

3. Short Term Debt

Bond Anticipation Notes

The following is a summary of the Bond Anticipation Notes outstanding at December 31, 2021:

<u>PURPOSE</u>	<u>INTEREST RATE</u>	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>ENDING BALANCE</u>
None					

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 6 – LIABILITIES (Continued)

Short-Term Debt Interest

Interest expense on short-term debt consisted of the following:

Interest Paid	\$ -
Less: Interest Accrued In Prior Year	-
Plus: Interest Accrued In Current Year	_____ -
 TOTAL EXPENSE	 \$ _____ -

NOTE 7 - CONTINGENCIES

FEDERAL AND NEW YORK STATE GRANTS

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 local government administration believes disallowances, if any, will be immaterial.

LITIGATION

The Town in common with other municipalities, receives numerous notices of tort claims for money damages. Of the claims currently pending, none are expected to have a material effect on the financial position of the Town if adversely settled.

The Town is also a defendant in various claims by taxpayers for re-determination of assessed valuation and tax exempt status. The settlement of such claims could result in the payment of refunds by the Town. However, the amount of the possible refunds cannot be determined at the present time and will be funded in the year in which the judgment is made.

COVID - 19

During the 2020 fiscal year, the COVID – 19 pandemic spread quickly around the world, causing significant shutdowns of economic activity in both 2020 and 2021. Since the Town’s activities are funded mainly by property taxes, in which they are made whole by the County, the shutdowns have not had a major impact on the Town’s activities. However, a severe recession may affect the ability of the Town to access State and federal funding at the same levels as before. The long term effects, if any, on future funding is unknown.

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 8 – NET INVESTMENT IN CAPITAL ASSETS

Capital Assets, net	\$ 11,398,462
Less: Bonds Payable	(2,411,000)
Unamortized Bond Premium	(160,065)
Installment Debt Payable	<u>(63,777)</u>
Net Investment in Capital Assets	<u>\$ 8,763,620</u>

NOTE 9 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description

The Town of Shawangunk, New York established a defined benefit LOSAP for the active volunteer firefighters of the Walker Valley Fire Protection District. The program took effect on January 1, 2004. The program was established pursuant to Article 11-A of the General Municipal Law. The program provides municipally-funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town of Shawangunk, New York is the sponsor of the program.

Participation, vesting and service credit

Active volunteer firefighters who have reached the age of 16 and who have completed 1 year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with 1 year of firefighting service or upon attaining the program’s entitlement age. The program’s entitlement age is 60. In general, an active volunteer firefighter is credited with a year of firefighting service for each calendar year after the establishment of the program in which he or she accumulates fifty points. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for 5 years of firefighting service rendered prior to the establishment of the program.

Benefits

A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life equal to \$20 multiplied by the person’s total number of years of firefighting service. The number of years of firefighting service used to compute the benefit cannot exceed twenty, except in the case of disability or death, in which case benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 9 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

Fiduciary Investment and Control

Service credit is determined by the governing board of the sponsor, based on information certified to the governing board by each fire company having members who participate in the program. Each fire company must maintain all required records on forms prescribed by the governing board. The governing board of the sponsor has retained and designated Penflex, Inc. to assist in the administration of the program. Disbursements of program assets for the payment of benefits or administrative expenses must be approved by the Town of Shawangunk, New York.

Program assets are required to be held in trust by LOSAP legislation, for the exclusive purpose of providing benefits to participants and their beneficiaries or for the purpose of defraying the reasonable expenses of the operation and administration of the program. The trust agreement is dated January 1, 2004, and the trustee is the Town Board of the Town of Shawangunk, New York. Authority to invest program assets is vested in the trustees. Subject to restrictions in the program document, program assets are invested in accordance with a statutory “prudent person” rule.

The sponsor is required to retain an actuary to determine the amount of the sponsor’s contributions to the plan. The actuary retained by the sponsor for this purpose is Penflex, Inc.

Participants Covered

At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

Active	40
Inactive entitled but not yet receiving benefits	15
Inactive receiving benefits	<u>13</u>
Total	<u>68</u>

Contributions

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

MEASUREMENT OF TOTAL PENSION LIABILITY

The Town’s total pension liability was measured as of December 31, 2020 using an actuarial valuation date of December 31, 2020.

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 9 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Not Applicable
Discount Rate	1.93%, S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020
Mortality	RP-2014 Male Mortality Table without projection for mortality improvement

Trust Assets

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

CHANGES IN THE TOTAL PENSION LIABILITY

Balance at 12/31/19 measurement date		\$ 1,428,293
Service Cost	30,489	
Interest	46,840	
Changes of Assumptions or Other Inputs	372,373	
Differences between expected and actual experience	24,775	
Benefit payments	<u>(43,920)</u>	
Net Changes		<u>430,557</u>
Balance at 12/31/20 measurement date		<u>\$ 1,858,850</u>

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 9 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the Town’s total pension liability calculated using the current discount rate of 1.93%, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.93%) or 1-percentage point higher (2.93%) than the current rate:

	1% Decrease <u>(0.93%)</u>	Current Assumption <u>(1.93%)</u>	1% Increase <u>(2.93%)</u>
Total Pension Liability	\$ 2,238,366	\$ 1,858,850	\$ 1,567,563

PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2021, the Town recognized pension expense of \$138,500. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 122,154	\$ -
Changes of assumptions or other inputs	482,372	74,322
Benefit payments and administrative expenses subsequent to the measurement date	<u>55,073</u>	<u>-</u>
Total	<u>\$ 659,599</u>	<u>\$ 74,322</u>

Deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date of \$55,073 will be recognized as a reduction of the total pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2022	\$ 54,914
2023	54,914
2024	54,914
2025	54,914
2026	54,914
Thereafter	<u>255,634</u>
TOTAL	<u>\$ 530,204</u>

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 9 – LENGTH OF SERVICE AWARDS PROGRAM (LOSAP) (Continued)

PROGRAM NET ASSETS

Receipts and Disbursements

Plan Net Assets, Beginning of Year		\$ 837,060
Changes during the year:		
Plan Contributions	67,500	
Net Investment income	55,128	
Plan Benefit Withdrawals	(49,440)	
Administrative and Other Fees/Charges	<u>(12,994)</u>	
Plan Net Assets, End of Year		<u>\$ 897,254</u>

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Pension Plan Descriptions and Benefits Provided

Detailed descriptions of the New York State and Local Employees’ Retirement System (ERS) and the New York State and Local Police and Fire Retirement System (PFRS) are included in Note 7-2 to the financial statements.

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

At December 31, 2021, the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2021 for ERS and PFRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation.

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

The Town’s proportion of the net pension asset/(liability) was based on a projection of the Town’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Town.

	<u>ERS</u>	<u>PFRS</u>
Actuarial valuation date	April 1, 2020	April 1, 2020
Net pension asset/(liability)	\$ (3,109)	\$ (379,506)
Town’s portion of the Plan’s total net pension asset/(liability)	0.0031226%	0.0218575%

For the year ended December 31, 2021, the Town recognized pension expense of \$67,391 for ERS and \$180,463 for PFRS. At December 31, 2021, the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
	<u>ERS</u>	<u>PFRS</u>	<u>ERS</u>	<u>PFRS</u>
Differences between expected and actual experience	\$ 37,973	\$ 84,210	\$ -	\$ -
Changes of assumptions	571,699	932,405	10,782	-
Net difference between projected and actual earnings on pension plan investments	-	-	893,173	1,115,915
Changes in proportion and differences between the Town’s contributions and proportionate share of contributions	16,803	107,089	28,378	205,783
Town’s contributions subsequent to the measurement date	<u>112,582</u>	<u>105,637</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 739,057</u>	<u>\$ 1,229,341</u>	<u>\$ 932,333</u>	<u>\$ 1,321,698</u>

Town contributions subsequent to the measurement date of \$112,582 for ERS and \$105,637 for PFRS will be recognized as a reduction of the net pension liability in the year December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

	<u>ERS</u>	<u>PFRS</u>
2022	\$ (55,801)	\$ (65,782)
2023	(22,253)	(21,343)
2024	(51,626)	(56,401)
2025	(176,178)	(214,047)
2026	-	159,579
Thereafter	<u>-</u>	<u>-</u>
TOTAL	<u>\$ (305,858)</u>	<u>\$ (197,994)</u>

Actuarial Assumptions

The total pension liability as of the measurement date was measured 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 valuations used the following significant actuarial assumptions:

	<u>ERS</u>	<u>PFRS</u>
Measurement date	March 31, 2021	March 31, 2021
Actuarial valuation date	April 1, 2020	April 1, 2020
Interest rate	5.9%	5.9%
Salary scale	4.4%	6.2%
Inflation rate	2.7%	2.7%

For ERS and PFRS, annuitant mortality rates are based on April 1, 2015-March 31, 2020 Systems' experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP-2020. The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

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

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED
OUTFLOWS/INFLOWS OF RESOURCES (Continued)

	<u>ERS/PFRS</u>
Measurement date	March 31, 2021
Asset Type:	
Domestic Equity	4.05%
International Equity	6.30
Real Estate	4.95
Opportunistic/ARS Portfolio	4.50
Real Assets	5.95
Private Equities	6.75
Cash	0.50
Credit	3.63
Fixed Income	0.00

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and PFRS. 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 employees will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share for the Net Pension Liability to the Discount Rate Assumption

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.90% for ERS and PFRS, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.90%) or 1-percentage point higher (6.90% for ERS) than the current rate:

	1% Decrease <u>(4.9%)</u>	Current Assumption <u>(5.9%)</u>	1% Increase <u>(6.9%)</u>
<u>ERS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ (863,021)	\$ (3,109)	\$ 789,930
<u>PFRS</u>			
Employer's proportionate share of the net pension asset (liability)	\$ (1,613,873)	\$ (379,506)	\$ 642,231

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 10 – PENSION REPORTING FOR ASSETS/LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Pension Plan Fiduciary Net Position

The components of the current-year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows:

	<u>ERS (in thousands)</u> April 1, 2020	<u>PFRS (in thousands)</u> April 1, 2020
Valuation date		
Employers' total pension liability	\$ (220,680,157)	\$ (41,236,775)
Plan Net Position	<u>220,580,583</u>	<u>39,500,500</u>
Employer's net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ 1,736,275</u>
Ration of plan net position to the Employer's total pension asset/(liability)	99.95%	95.79%

Payables to the Pension Plan

For ERS and PFRS, employer contributions are paid annually based on the Systems' fiscal year which ends on March 31st. Accrued retirement contributions as of December 31 represent the projected employer contribution for the period of April 1 through December 31 based on paid ERS and PFRS wages multiplied by the employer's contribution rate, by tier. The Town prepaid its retirement contributions and, therefore, had no accrued retirement contributions as of December 31, 2021.

NOTE 11 – EVENTS OCCURRING AFTER REPORTING DATE

The Town has evaluated events and transactions that occurred between December 31, 2021 and March 29, 2022, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

NOTE 12 – SUBSEQUENT EVENTS

Subsequent to the date of the financial statements the Town issued a statutory installment bond for highway equipment in the amount of \$275,000. The bond was dated January 10, 2022, bears interest at 1.59% and is due in five annual installments of principal and interest until the final maturity date of January 10, 2027.

TOWN OF SHAWANGUNK, NEW YORK
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2021

NOTE 13 - RESTATED BALANCES

The beginning net position in the statement of activities and the beginning fund balance in the Fire District have been increased by \$837,060 to reclassify the LOSAP activity from the Fiduciary Fund to the governmental funds.

NOTE 14 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Overspent Appropriations

Expenditures for the year ended December 31, 2021 materially exceeded appropriations in the funds and/or functions identified below:

<u>FUND/FUNCTION</u>	<u>APPROPRIATIONS AS MODIFIED</u>	<u>EXPENDITURES</u>	<u>UNFAVORABLE VARIANCE</u>
Sewer/Home and Community Services	\$ 423,015	\$ 444,589	\$ (21,574)

The overspent appropriations were caused operating expenditures in excess of budgeted amounts and were funded with available fund balance.

TOWN OF SHAWANGUNK, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
GENERAL FUND
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 1,573,431	\$ 1,573,431	\$ 1,573,431	\$ -	\$ 1,552,402
Other Tax Items	48,000	48,000	53,118	5,118	49,174
Non-Property Tax Items	333,000	333,000	393,002	60,002	361,902
Departmental Income	103,600	105,523	134,462	28,939	85,430
Intergovernmental Charges	235,448	235,448	235,429	(19)	93,031
Use of Money and Property	12,395	12,395	11,287	(1,108)	17,959
Licenses and Permits	93,600	95,900	148,248	52,348	145,251
Fines and Forfeitures	30,000	30,000	52,215	22,215	45,523
Sale of Property and Compensation For Loss	1,500	1,500	12,906	11,406	15,069
Miscellaneous Local Sources	35,520	35,520	39,075	3,555	43,197
State Aid	321,750	321,750	536,324	214,574	439,203
TOTAL REVENUES	<u>2,788,244</u>	<u>2,792,467</u>	<u>3,189,497</u>	<u>397,030</u>	<u>2,848,141</u>
EXPENDITURES					
General Government Support	715,825	687,697	582,368	105,329	585,261
Public Safety	1,050,417	1,045,318	984,943	60,375	879,946
Transportation	107,989	107,517	104,982	2,535	104,732
Economic Assistance and Opportunity	750	750	657	93	552
Culture and Recreation	196,450	229,049	116,640	112,409	60,395
Home and Community Services	127,605	132,928	124,028	8,900	135,355
Employee Benefits	678,635	678,635	629,975	48,660	535,922
Debt Service:					
Principal	119,395	119,395	119,395	-	122,574
Interest	67,678	67,678	67,677	1	79,293
TOTAL EXPENDITURES	<u>3,064,744</u>	<u>3,068,967</u>	<u>2,730,665</u>	<u>338,302</u>	<u>2,504,030</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(276,500)	(276,500)	458,832	735,332	344,111
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	6,500	6,500	5,950	(550)	6,381
NET CHANGE IN FUND BALANCE	(270,000)	(270,000)	464,782	734,782	350,492
FUND BALANCE - Beginning of Year	<u>270,000</u>	<u>270,000</u>	<u>1,487,978</u>	<u>1,217,978</u>	<u>1,137,486</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,952,760</u>	<u>\$ 1,952,760</u>	<u>\$ 1,487,978</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
 HIGHWAY FUND
 YEAR ENDED DECEMBER 31, 2021
 (WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 1,934,689	\$ 1,934,689	\$ 1,934,689	\$ -	\$ 1,821,820
Use of Money and Property	2,000	2,000	881	(1,119)	3,238
Licenses and Permits	1,000	1,000	2,600	1,600	1,800
Sale of Property and Compensation For Loss	-	-	6,144	6,144	6,583
Miscellaneous Local Sources	150,000	150,000	-	(150,000)	-
State Aid	<u>170,000</u>	<u>309,671</u>	<u>417,414</u>	<u>107,743</u>	<u>220,456</u>
 TOTAL REVENUES	 <u>2,257,689</u>	 <u>2,397,360</u>	 <u>2,361,728</u>	 <u>(35,632)</u>	 <u>2,053,897</u>
EXPENDITURES					
General Government Support	750	750	93	657	476
Transportation	1,633,935	1,821,503	1,598,472	223,031	1,351,723
Employee Benefits	547,387	532,387	504,044	28,343	464,980
Debt Service:					
Principal	74,691	74,691	74,690	1	72,264
Interest	<u>3,926</u>	<u>3,926</u>	<u>3,925</u>	<u>1</u>	<u>6,351</u>
 TOTAL EXPENDITURES	 <u>2,260,689</u>	 <u>2,433,257</u>	 <u>2,181,224</u>	 <u>252,033</u>	 <u>1,895,794</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (3,000)	 (35,897)	 180,504	 216,401	 158,103
 FUND BALANCE - Beginning of Year	 <u>3,000</u>	 <u>35,897</u>	 <u>575,837</u>	 <u>539,940</u>	 <u>417,734</u>
 FUND BALANCE - End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 756,341</u>	 <u>\$ 756,341</u>	 <u>\$ 575,837</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
SEWER FUND
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	2020 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 57,946
Departmental Income	72,500	72,500	67,540	(4,960)	75,196
Intergovernmental Charges	450,000	450,000	383,445	(66,555)	396,210
Use of Money and Property	8,000	8,000	2,304	(5,696)	13,056
Miscellaneous Local Sources	<u>-</u>	<u>-</u>	<u>25</u>	<u>25</u>	<u>750</u>
TOTAL REVENUES	<u>530,500</u>	<u>530,500</u>	<u>453,314</u>	<u>(77,186)</u>	<u>543,158</u>
EXPENDITURES					
Home and Community Services	423,015	423,015	444,589	(21,574)	631,352
Employee Benefits	<u>550</u>	<u>550</u>	<u>543</u>	<u>7</u>	<u>533</u>
TOTAL EXPENDITURES	<u>423,565</u>	<u>423,565</u>	<u>445,132</u>	<u>(21,567)</u>	<u>631,885</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	106,935	106,935	8,182	(98,753)	(88,727)
OTHER FINANCIAL SOURCES (USES)					
Other Budgetary Purposes	<u>(165,000)</u>	<u>(165,000)</u>	<u>-</u>	<u>165,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(58,065)	(58,065)	8,182	66,247	(88,727)
FUND BALANCE - Beginning of Year	<u>58,065</u>	<u>58,065</u>	<u>3,842,691</u>	<u>3,784,626</u>	<u>3,931,418</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,850,873</u>	<u>\$ 3,850,873</u>	<u>\$ 3,842,691</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION ASSET/LIABILITY
 YEAR ENDED DECEMBER 31, 2021

ERS System – Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0031226%	0.0033701%	0.0032556%	0.0033906%	0.0031135%	0.0035430%	0.0035139%
The Town's proportionate share of the net pension liability	\$ 3,109	\$ 892,417	\$ 230,669	\$ 109,430	\$ 292,556	\$ 568,657	\$ 118,708
The Town's covered employee payroll	943,834	943,310	908,976	870,475	856,132	915,712	959,915
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	0.33%	94.60%	25.38%	12.57%	34.17%	62.10%	12.37%
Plan Fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.7%	97.9%

PFRS System – Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Town's proportion of the net pension liability	0.0218575%	0.0257550%	0.0130770%	0.0136123%	0.01088170%	0.0158840%	0.0185167%
The Town's proportionate share of the net pension liability	\$ 379,506	\$ 1,376,588	\$ 219,309	\$ 137,587	\$ 225,540	\$ 470,290	\$ 50,969
The Town's covered employee payroll	537,317	644,956	476,452	463,558	430,732	486,121	500,762
The Town's proportionate share of the net pension liability as a percentage of covered employee payroll	70.63%	213.44%	46.03%	29.68%	52.36%	96.74%	10.18%
Plan Fiduciary net position as a percentage of the total pension liability	95.79%	84.86%	95.09%	96.93%	93.46%	90.2%	99.0%

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS
 YEAR ENDED DECEMBER 31, 2021

ERS System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 146,517	\$ 134,643	\$ 131,668	\$ 129,574	\$ 122,528	\$ 136,125	\$ 166,793	\$ 188,792	\$ 180,941	\$ 168,296
Contribution in relation to the contractually required contribution	<u>146,517</u>	<u>134,643</u>	<u>131,668</u>	<u>129,574</u>	<u>122,528</u>	<u>136,125</u>	<u>166,793</u>	<u>188,792</u>	<u>180,941</u>	<u>168,296</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	15.52%	14.03%	13.96%	14.26%	14.08%	15.90%	18.21%	19.67%	N/A	N/A

PFRS System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 140,186	\$ 137,446	\$ 126,759	\$ 103,130	\$ 104,265	\$ 93,598	\$ 102,516	\$ 123,922	\$ 138,876	\$ 131,339
Contribution in relation to the contractually required contribution	<u>140,186</u>	<u>137,446</u>	<u>126,759</u>	<u>103,130</u>	<u>104,265</u>	<u>93,598</u>	<u>102,516</u>	<u>123,922</u>	<u>138,876</u>	<u>131,339</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution as a percentage of covered employee payroll	26.09%	21.14%	19.65%	21.65%	22.49%	21.73%	21.09%	24.75%	N/A	N/A

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY
YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 30,489	\$ 45,400	\$ 51,413	\$ 45,582
Interest	46,840	46,447	40,374	40,426
Changes of assumptions or other inputs	372,373	84,273	(96,182)	102,686
Differences between expected and actual experience	24,775	43,265	51,018	33,323
Benefit payments	<u>(43,920)</u>	<u>(43,440)</u>	<u>(41,040)</u>	<u>(38,640)</u>
Net Changes	430,557	175,945	5,583	187,377
Beginning Total Pension Liability	<u>1,428,293</u>	<u>1,252,348</u>	<u>1,246,765</u>	<u>1,063,388</u>
Ending Total Pension Liability	<u>\$ 1,858,850</u>	<u>\$ 1,428,293</u>	<u>\$ 1,252,348</u>	<u>\$ 1,246,765</u>
Covered Employee Payroll	N/A	N/A	N/A	N/A
Total Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A

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

TOWN OF SHAWANGUNK, NEW YORK
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

Trust Assets

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

Changes of Assumptions or Other Inputs

Discount Rate

The discount rate changed from 3.26% at the December 31, 2019 measurement date to 1.93% at the December 31, 2020 measurement date.

TOWN OF SHAWANGUNK, NEW YORK
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31 2021

	COMMUNITY DEVELOPMENT FUND	LIGHTING	WATER	DRAINAGE	SIDEWALK	FIRE	AMBULANCE	RECREATION	CAPITAL	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS										
Cash	\$ 260,150	\$ 30,017	\$ 291,638	\$ 29,338	\$ 198,747	\$ 3,066	\$ -	\$ 144,156	\$ 17,270	\$ 974,382
Service Award Program Assets - Restricted	-	-	-	-	-	897,254	-	-	-	897,254
Rents Receivable	-	-	94,483	-	-	-	-	-	-	94,483
Loans Receivable	45,549	-	-	-	-	-	-	-	-	45,549
TOTAL ASSETS	\$ 305,699	\$ 30,017	\$ 386,121	\$ 29,338	\$ 198,747	\$ 900,320	\$ -	\$ 144,156	\$ 17,270	\$ 2,011,668
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ -	\$ 3,189	\$ 6,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,068
Accrued Liabilities	-	-	196	-	-	-	-	-	-	196
TOTAL LIABILITIES	-	3,189	7,075	-	-	-	-	-	-	10,264
DEFERRED INFLOWS OF RESOURCES										
Deferred Loans Receivable	45,549	-	-	-	-	-	-	-	-	45,549
TOTAL DEFERRED INFLOWS OF RESOURCES	45,549	-	-	-	-	-	-	-	-	45,549
FUND BALANCES										
Restricted:										
Service Award Program	-	-	-	-	-	897,254	-	-	-	897,254
Assigned:										
Unappropriated	260,150	26,828	379,046	29,338	198,747	3,066	-	144,156	17,270	1,058,601
TOTAL FUND BALANCES	260,150	26,828	379,046	29,338	198,747	900,320	-	144,156	17,270	1,955,855
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 305,699	\$ 30,017	\$ 386,121	\$ 29,338	\$ 198,747	\$ 900,320	\$ -	\$ 144,156	\$ 17,270	\$ 2,011,668

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2021

	COMMUNITY DEVELOPMENT FUND	LIGHTING	WATER	DRAINAGE	SIDEWALK	FIRE	AMBULANCE	RECREATION	CAPITAL	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES										
Real Property Taxes	\$ -	\$ 19,500	\$ 33,575	\$ 4,550	\$ 24,000	\$ 497,370	\$ 85,271	\$ -	\$ -	\$ 664,266
Departmental Income	12,812	-	204,889	-	-	-	-	10,095	-	227,796
Use of Money and Property	1,466	24	180	-	136	55,128	-	-	-	56,934
TOTAL REVENUES	14,278	19,524	238,644	4,550	24,136	552,498	85,271	10,095	-	948,996
EXPENDITURES										
Public Safety	-	-	-	-	-	442,863	-	-	-	442,863
Health	-	-	-	-	-	-	85,271	-	-	85,271
Transportation	-	18,752	-	-	3,560	-	-	-	-	22,312
Home and Community Services	-	-	140,999	601	-	-	-	-	-	141,600
Employee Benefits	-	-	454	-	-	49,440	-	-	-	49,894
Debt Service:										
Principal	-	-	20,543	-	-	-	-	-	-	20,543
Interest	-	-	13,032	-	-	-	-	-	-	13,032
Capital Outlay	-	-	-	-	-	-	-	-	161,000	161,000
TOTAL EXPENDITURES	-	18,752	175,028	601	3,560	492,303	85,271	-	161,000	936,515
EXCESS (DEFICIENCY) OF REVENUES OVER EXPNDITURES	14,278	772	63,616	3,949	20,576	60,195	-	10,095	(161,000)	12,481
OTHER FINANCING SOURCES (USES)										
Operating Transfers Out	-	-	-	-	-	-	-	-	(5,950)	(5,950)
Proceeds of Long-Term Debt	-	-	-	-	-	-	-	-	161,000	161,000
NET CHANGE IN FUND BALANCE	14,278	772	63,616	3,949	20,576	60,195	-	10,095	(5,950)	167,531
FUND BALANCE - Beginning of Year (Restated)	245,872	26,056	315,430	25,389	178,171	840,125	-	134,061	23,220	1,788,324
FUND BALANCE - End of Year	\$ 260,150	\$ 26,828	\$ 379,046	\$ 29,338	\$ 198,747	\$ 900,320	\$ -	\$ 144,156	\$ 17,270	\$ 1,955,855

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
GENERAL FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	2021	2020
ASSETS		
Cash	\$ 2,168,227	\$ 1,279,081
Accounts Receivable	58,227	60,980
Due From Other Governments	506,958	376,534
Prepaid Expenditures	<u>48,762</u>	<u>47,190</u>
TOTAL ASSETS	<u>\$ 2,782,174</u>	<u>\$ 1,763,785</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 14,365	\$ 65,130
Accrued Liabilities	47,422	33,870
Escrow Liabilities	54,049	175,487
Other Liabilities	709,588	-
Due To Other Funds	<u>3,990</u>	<u>1,320</u>
TOTAL LIABILITIES	<u>829,414</u>	<u>275,807</u>
FUND BALANCE		
Non-Spendable:		
Prepaid Items	48,762	47,190
Assigned:		
Appropriated	286,737	270,000
Unassigned	<u>1,617,261</u>	<u>1,170,788</u>
TOTAL FUND BALANCE	<u>1,952,760</u>	<u>1,487,978</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,782,174</u>	<u>\$ 1,763,785</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	2021	2020
ASSETS		
Cash	\$ 260,150	\$ 245,872
Loans Receivable	<u>45,549</u>	<u>58,361</u>
 TOTAL ASSETS	 <u>\$ 305,699</u>	 <u>\$ 304,233</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
DEFERRED INFLOWS OF RESOURCES		
Deferred Loans Receivable	\$ <u>45,549</u>	\$ <u>58,361</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>45,549</u>	 <u>58,361</u>
 FUND BALANCE		
Assigned:		
Unappropriated	<u>260,150</u>	<u>245,872</u>
 TOTAL FUND BALANCE	 <u>260,150</u>	 <u>245,872</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 305,699</u>	 <u>\$ 304,233</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>
REVENUES		
Departmental Income	\$ 12,812	\$ 9,450
Use of Money and Property	<u>1,466</u>	<u>2,249</u>
 TOTAL REVENUES	 <u>14,278</u>	 <u>11,699</u>
 EXPENDITURES		
Home and Community Services	<u>-</u>	<u>-</u>
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 14,278	 11,699
 FUND BALANCE - Beginning of Year	 <u>245,872</u>	 <u>234,173</u>
 FUND BALANCE - End of Year	 <u>\$ 260,150</u>	 <u>\$ 245,872</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
HIGHWAY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	2021	2020
ASSETS		
Cash	\$ 888,326	\$ 576,073
Accounts Receivable	514	3,464
Due From Other Funds	4,093	1,337
Due From Other Governments	3,000	-
Prepaid Expenditures	<u>23,978</u>	<u>21,293</u>
TOTAL ASSETS	<u><u>\$ 919,911</u></u>	<u><u>\$ 602,167</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 5,667	\$ 3,254
Accrued Liabilities	32,901	23,076
Escrow Liabilities	<u>125,002</u>	<u>-</u>
TOTAL LIABILITIES	<u>163,570</u>	<u>26,330</u>
FUND BALANCE		
Non-Spendable:		
Prepaid Items	23,978	21,293
Assigned:		
Appropriated	97,000	3,000
Unappropriated	<u>635,363</u>	<u>551,544</u>
TOTAL FUND BALANCE	<u>756,341</u>	<u>575,837</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 919,911</u></u>	<u><u>\$ 602,167</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 LIGHTING FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31,

	2021	2020
ASSETS		
Cash	\$ <u>30,017</u>	\$ <u>27,586</u>
 TOTAL ASSETS	 <u>\$ 30,017</u>	 <u>\$ 27,586</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ <u>3,189</u>	\$ <u>1,530</u>
 TOTAL LIABILITIES	 <u>3,189</u>	 <u>1,530</u>
 FUND BALANCE		
Assigned:		
Unappropriated	<u>26,828</u>	<u>26,056</u>
 TOTAL FUND BALANCE	 <u>26,828</u>	 <u>26,056</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 30,017</u>	 <u>\$ 27,586</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO
BUDGET
LIGHTING FUND
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 19,500	\$ 19,500	\$ -	\$ 19,500
Use of Money and Property	<u>-</u>	<u>24</u>	<u>24</u>	<u>138</u>
TOTAL REVENUES	<u>19,500</u>	<u>19,524</u>	<u>24</u>	<u>19,638</u>
EXPENDITURES				
Transportation	<u>19,500</u>	<u>18,752</u>	<u>748</u>	<u>17,017</u>
TOTAL EXPENDITURES	<u>19,500</u>	<u>18,752</u>	<u>748</u>	<u>17,017</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	772	772	2,621
FUND BALANCE - Beginning of Year	<u>-</u>	<u>26,056</u>	<u>26,056</u>	<u>23,435</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 26,828</u>	<u>\$ 26,828</u>	<u>\$ 26,056</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
WATER FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	2021	2020
ASSETS		
Cash	\$ 291,638	\$ 218,886
Water Rents Receivable	94,483	102,030
Due from Other Governments	<u>-</u>	<u>270</u>
TOTAL ASSETS	<u>\$ 386,121</u>	<u>\$ 321,186</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 6,879	\$ 5,583
Accrued Liabilities	<u>196</u>	<u>173</u>
TOTAL LIABILITIES	<u>7,075</u>	<u>5,756</u>
FUND BALANCE		
Assigned:		
Unappropriated	<u>379,046</u>	<u>315,430</u>
TOTAL FUND BALANCE	<u>379,046</u>	<u>315,430</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 386,121</u>	<u>\$ 321,186</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
WATER FUND
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	ORIGINAL <u>BUDGET</u>	REVISED <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES					
Real Property Taxes	\$ 33,575	\$ 33,575	\$ 33,575	\$ -	\$ 35,842
Departmental Income	190,352	190,352	204,889	14,537	218,882
Use of Money and Property	75	75	180	105	148
Miscellaneous Local Sources	-	-	-	-	990
	<u>224,002</u>	<u>224,002</u>	<u>238,644</u>	<u>14,642</u>	<u>255,862</u>
TOTAL REVENUES					
EXPENDITURES					
Home and Community Services	189,966	189,966	140,999	48,967	124,389
Employee Benefits	461	461	454	7	446
Debt Service:					
Principal	20,543	20,543	20,543	-	18,900
Interest	13,032	13,032	13,032	-	15,141
	<u>224,002</u>	<u>224,002</u>	<u>175,028</u>	<u>48,974</u>	<u>158,876</u>
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	63,616	63,616	96,986
FUND BALANCE - Beginning of Year	-	-	315,430	315,430	218,444
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 379,046</u>	<u>\$ 379,046</u>	<u>\$ 315,430</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
SEWER FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 2,317,219	\$ 2,306,279
Cash - Restricted	1,508,794	1,508,152
Sewer Rents Receivable	30,709	34,189
Due From Other Governments	-	92
Due From State and Federal	<u>24,750</u>	<u>33,195</u>
TOTAL ASSETS	<u><u>\$ 3,881,472</u></u>	<u><u>\$ 3,881,907</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	\$ 30,301	\$ 39,026
Accrued Liabilities	195	173
Due To Other Funds	<u>103</u>	<u>17</u>
TOTAL LIABILITIES	<u>30,599</u>	<u>39,216</u>
FUND BALANCE		
Restricted:		
Capital	1,508,794	1,508,152
Assigned:		
Appropriated	-	58,065
Unappropriated	<u>2,342,079</u>	<u>2,276,474</u>
TOTAL FUND BALANCE	<u>3,850,873</u>	<u>3,842,691</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 3,881,472</u></u>	<u><u>\$ 3,881,907</u></u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
DRAINAGE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 29,338	\$ 25,389
 TOTAL ASSETS	 <u>\$ 29,338</u>	 <u>\$ 25,389</u>
 FUND BALANCE		
Assigned:		
Unappropriated	<u>29,338</u>	<u>25,389</u>
 TOTAL FUND BALANCE	 <u>29,338</u>	 <u>25,389</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 29,338</u>	 <u>\$ 25,389</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET
DRAINAGE FUND
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	<u>2020 ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 4,550	\$ 4,550	\$ -	\$ 4,550
TOTAL REVENUES	<u>4,550</u>	<u>4,550</u>	<u>-</u>	<u>4,550</u>
EXPENDITURES				
Home And Community Services	<u>4,550</u>	<u>601</u>	<u>3,949</u>	<u>1,401</u>
TOTAL EXPENDITURES	<u>4,550</u>	<u>601</u>	<u>3,949</u>	<u>1,401</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	3,949	3,949	3,149
FUND BALANCE - Beginning of Year	<u>-</u>	<u>25,389</u>	<u>25,389</u>	<u>22,240</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 29,338</u>	<u>\$ 29,338</u>	<u>\$ 25,389</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 SIDEWALK FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	<u>\$ 198,747</u>	<u>\$ 178,171</u>
 TOTAL ASSETS	 <u>\$ 198,747</u>	 <u>\$ 178,171</u>
 LIABILITIES AND FUND BALANCE		
 FUND BALANCE		
Assigned:		
Unappropriated	<u>\$ 198,747</u>	<u>\$ 178,171</u>
 TOTAL FUND BALANCE	 <u>198,747</u>	 <u>178,171</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 198,747</u>	 <u>\$ 178,171</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET
SIDEWALK FUND
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 24,000	\$ 24,000	\$ -	\$ 22,000
Use of Money and Property	<u>-</u>	<u>136</u>	<u>136</u>	<u>132</u>
TOTAL REVENUES	<u>24,000</u>	<u>24,136</u>	<u>136</u>	<u>22,132</u>
EXPENDITURES				
Transportation	<u>24,000</u>	<u>3,560</u>	<u>20,440</u>	<u>5,500</u>
TOTAL EXPENDITURES	<u>24,000</u>	<u>3,560</u>	<u>20,440</u>	<u>5,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	20,576	20,576	16,632
FUND BALANCE - Beginning of Year	<u>-</u>	<u>178,171</u>	<u>178,171</u>	<u>161,539</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ 198,747</u>	<u>\$ 198,747</u>	<u>\$ 178,171</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 FIRE DISTRICT
 COMPARATIVE BALANCE SHEET
 DECEMBER 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash	\$ 3,066	\$ 3,065
Service Program Award Assets - Restricted	<u>897,254</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 900,320</u>	<u>\$ 3,065</u>
FUND BALANCE		
Restricted:		
Service Award Program Assets	\$ 897,254	\$ -
Assigned:		
Unappropriated	<u>3,066</u>	<u>3,065</u>
TOTAL FUND BALANCE	<u>900,320</u>	<u>3,065</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 900,320</u>	<u>\$ 3,065</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET
BUDGETARY BASIS OF ACCOUNTING
FIRE DISTRICT
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>REVISED</u> <u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>2020</u> <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 497,370	\$ 497,370	\$ -	\$ 491,899
Use of Money and Property	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	<u>497,370</u>	<u>497,370</u>	<u>-</u>	<u>491,899</u>
EXPENDITURES				
Public Safety	429,870	429,869	1	422,231
Employee Benefits	<u>67,500</u>	<u>67,500</u>	<u>-</u>	<u>67,500</u>
TOTAL EXPENDITURES	<u>497,370</u>	<u>497,369</u>	<u>1</u>	<u>489,731</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	1	1	2,168
FUND BALANCE - Beginning of Year - Budget Basis	<u>-</u>	<u>3,065</u>	<u>3,065</u>	<u>897</u>
FUND BALANCE - End of Year - Budget Basis	<u>\$ -</u>	<u>3,066</u>	<u>\$ 3,066</u>	<u>\$ 3,065</u>
LOSAP not included in Budget		<u>897,254</u>		
FUND BALANCE - Modified Accrual Basis		<u>\$ 900,320</u>		

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET
AMBULANCE DISTRICT
YEAR ENDED DECEMBER 31, 2021
(WITH COMPARATIVE ACTUALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	2020 <u>ACTUAL</u>
REVENUES				
Real Property Taxes	\$ 85,271	\$ 85,271	\$ -	\$ 83,961
TOTAL REVENUES	<u>85,271</u>	<u>85,271</u>	<u>-</u>	<u>83,961</u>
EXPENDITURES				
Health	<u>85,271</u>	<u>85,271</u>	<u>-</u>	<u>83,961</u>
TOTAL EXPENDITURES	<u>85,271</u>	<u>85,271</u>	<u>-</u>	<u>83,961</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 CAPITAL PROJECTS FUND
 COMBINING BALANCE SHEET
 DECEMBER 31, 2021
 (WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020)

	<u>LANDFILL</u>	<u>HIGHWAY EQUIPMENT</u>	<u>2021 TOTALS</u>	<u>2020 TOTALS</u>
ASSETS				
Cash	\$ 17,270	\$ -	\$ 17,270	\$ 23,220
TOTAL ASSETS	<u>\$ 17,270</u>	<u>\$ -</u>	<u>\$ 17,270</u>	<u>\$ 23,220</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Assigned:				
Unappropriated	<u>17,270</u>	<u>-</u>	<u>17,270</u>	<u>23,220</u>
TOTAL FUND BALANCES	<u>17,270</u>	<u>-</u>	<u>17,270</u>	<u>23,220</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,270</u>	<u>\$ -</u>	<u>\$ 17,270</u>	<u>\$ 23,220</u>

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

TOWN OF SHAWANGUNK, NEW YORK
 CAPITAL PROJECTS FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED DECEMBER 31, 2021
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2020)

	<u>LANDFILL</u>	<u>HIGHWAY EQUIPMENT</u>	<u>2021 TOTALS</u>	<u>2020 TOTALS</u>
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ -	\$ -
State Aid	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES				
Capital Outlay	-	161,000	161,000	-
TOTAL EXPENDITURES	-	161,000	161,000	-
EXCESS (DEFICIENCY OF REVENUES OVER EXPENDITURES	-	(161,000)	(161,000)	-
OTHER FINANCIAL SOURCES (USES)				
Operating Transfers Out	(5,950)	-	(5,950)	(6,381)
Proceeds of Long-Term Debt	-	161,000	161,000	-
NET CHANGE IN FUND BALANCE	(5,950)	-	(5,950)	(6,381)
FUND BALANCE - Beginning of Year	23,220	-	23,220	29,601
FUND BALANCE - End of Year	\$ 17,270	\$ -	\$ 17,270	\$ 23,220

SEE ACCOMPANYING NOTES AND AUDITORS' OPINION

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*

Independent Auditor's Report

To The Supervisor and Town Board
Of The Town Of Shawangunk, New York
Wallkill, New York 12589

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 Shawangunk, New York as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Shawangunk, New York's basic financial statements and have issued our report thereon dated March 29, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Shawangunk, New York'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 of Shawangunk, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Shawangunk, New York'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Cooper Arias, LLP

Mongaup Valley, New York
March 29, 2022