

**TOWN OF LOCKPORT, NEW YORK**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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## INDEPENDENT AUDITORS' REPORT

The Town Board  
Town of Lockport, New York

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparisons for the general, highway, water, sewer, and fire protection funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Changes in Accounting Principle*

As described in Note 2 to the financial statements, the Town adopted GASB Statement No. 84, *Fiduciary Activities*, in 2020. Our opinion is not modified with respect to this matter.

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the 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 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 combining nonmajor fund financial statements are fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in blue ink that reads "Lyndon & McCormick, LLP". The signature is written in a cursive, flowing style.

June 9, 2021

**Management's Discussion and Analysis (unaudited)**

December 31, 2020

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**Introduction**

Management's Discussion and Analysis (MD&A) of Town of Lockport, New York (the Town) provides an overview of the Town's financial activities and performance for the year ended December 31, 2020. The information contained in the MD&A should be considered in conjunction with the information presented in the Town's financial statements that follow. This MD&A, the financial statements, and notes thereto are essential to obtaining a full understanding of the Town's financial position and results of operations. The Town's financial statements have the following components: (1) government-wide financial statements; (2) governmental fund financial statements; (3) reconciliations between the government-wide and governmental fund financial statements; (4) fiduciary fund statements; (5) notes to the financial statements; and (6) supplementary information.

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. In 2020, the Town adopted GASB Statement No. 84, *Fiduciary Activities* (GASB 84). This statement redefines activities considered to be fiduciary, and as a result, payroll and employee third party withholdings, fees charged to developers, and grants held for the benefits of another government are now recorded in the general and sewer funds. The fiduciary fund includes pass-through property taxes for Niagara County.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the net difference reported as net position. The statement of activities presents information showing how the Town's net position changed during each year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. The government-wide financial statements present information about the Town as a whole. All of the activities of the Town are considered to be governmental activities.

Governmental fund financial statements focus on near-term inflows and outflows of resources, as well as on balances of resources available at the end of the year. Such information may be useful in evaluating the Town's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide statements, it is useful to compare the information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the Town's near-term financing decisions. The reconciliation portion of the financial statements facilitates the comparison between governmental funds and governmental activities.

Fiduciary funds are used to report fiduciary activities, which may include pension and other postemployment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The Town currently maintains a custodial fund for the collection and distribution of property taxes for the benefit of other governments. The notes to the financial statements provide additional information that is essential for a full understanding of the government-wide and governmental fund financial statements.

Supplementary information further explains and supports the financial statements and includes information required by generally accepted accounting principles.

<b>Condensed Statement of Net Position</b>	<b>2020</b>	2019	Change	
			\$	%
Current and other assets	\$ 17,146,000	\$ 14,784,000	\$ 2,362,000	16.0%
Investments, restricted	4,844,000	4,638,000	206,000	4.4%
Capital assets	37,773,000	38,523,000	(750,000)	-1.9%
<b>Total assets</b>	<b>59,763,000</b>	<b>57,945,000</b>	<b>1,818,000</b>	<b>3.1%</b>
<b>Deferred outflows of resources</b>	<b>4,080,000</b>	<b>2,556,000</b>	<b>1,524,000</b>	<b>59.6%</b>
Long-term liabilities	34,272,000	34,525,000	(253,000)	-0.7%
Other liabilities	1,342,000	1,383,000	(41,000)	-3.0%
<b>Total liabilities</b>	<b>35,614,000</b>	<b>35,908,000</b>	<b>(294,000)</b>	<b>-0.8%</b>
<b>Deferred inflows of resources</b>	<b>1,586,000</b>	<b>1,718,000</b>	<b>(132,000)</b>	<b>-7.7%</b>
<b>Net position</b>				
Net investment in capital assets	23,483,000	23,216,000	267,000	1.2%
Restricted	13,282,000	11,928,000	1,354,000	11.4%
Unrestricted	(10,122,000)	(12,269,000)	2,147,000	-17.5%
<b>Total net position</b>	<b>\$ 26,643,000</b>	<b>\$ 22,875,000</b>	<b>\$ 3,768,000</b>	<b>16.5%</b>

The Town's net position at December 31, 2020 and 2019 was \$26,643,000 and \$22,875,000. Capital assets (infrastructure, buildings, improvements, furniture, and equipment) represent the largest portion (63.2%) of the Town's total assets (66.5% in 2019). Long-term liabilities outstanding total 96.2% in 2020 and 96.1% in 2019 of total liabilities. A majority of the Town's long-term obligations relate directly to infrastructure and other capital assets, as well as liabilities associated with the Town's other postemployment benefits (OPEB), pension obligations, and length of service award program (LOSAP).

Current and other assets increased by \$2,362,000 (decrease of \$1,735,000 or 10.5% in 2019). These balances consist of cash and receivables from other governments and third parties. The changes in individual account balances generally reflect the timing of cash flows as well as results of operations. Capital assets decreased by \$750,000 (increase of \$2,050,000 or 5.6% in 2019) due to depreciation expense and disposals of assets as discussed below, offset by the purchase of equipment totaling \$244,000, improvements to buildings of \$192,000, and infrastructure improvements of \$123,000.

Long-term liabilities decreased \$253,000 (increase of \$5,032,000 or 17.1% increase in 2019) due to required principal payments on debt obligations of \$1,035,000 and the decrease in the OPEB liability of \$1,557,000. This is offset by increases to the LOSAP liability of \$1,097,000 and the New York State and Local Employees' Retirement System (ERS) liability of \$1,586,000. The decrease in other liabilities of \$41,000 (decrease of \$4,072,000 or 74.6% in 2019) was due to the decrease in accounts payable as a result of the timing of payments offset by an increase in accrued liabilities due to the implementation of GASB 84. Employee payroll and benefit third party withholdings and bail owed to third parties are now recorded as accrued liabilities in the general fund.

<b>Condensed Statement of Activities</b>	<b>2020</b>	2019	Change	
			\$	%
<b>Revenue</b>				
Program revenues				
Charges for services	\$ 4,338,000	\$ 3,755,000	\$ 583,000	15.5%
Operating grants and contributions	975,000	840,000	135,000	16.1%
General revenues				
Property taxes	6,922,000	6,562,000	360,000	5.5%
Sales taxes	5,453,000	5,575,000	(122,000)	-2.2%
Other	176,000	202,000	(26,000)	-12.9%
<b>Total revenue</b>	<b>17,864,000</b>	16,934,000	930,000	5.5%
<b>Expenses</b>				
Support services				
General government	2,583,000	3,150,000	(567,000)	-18.0%
Public safety	2,236,000	2,123,000	113,000	5.3%
Health	5,000	5,000	-	-
Transportation	2,730,000	3,106,000	(376,000)	-12.1%
Economic assistance and opportunity	60,000	59,000	1,000	1.7%
Culture and recreation	70,000	116,000	(46,000)	-39.7%
Home and community services	5,941,000	5,900,000	41,000	0.7%
Interest	471,000	552,000	(81,000)	-14.7%
<b>Total expenses</b>	<b>14,096,000</b>	15,011,000	(915,000)	-6.1%
Change in net position	3,768,000	1,923,000	1,845,000	95.9%
Net position - beginning	22,875,000	20,952,000	1,923,000	9.2%
<b>Net position - ending</b>	<b>\$ 26,643,000</b>	\$ 22,875,000	\$ 3,768,000	16.5%

The main revenue sources supporting the Town's programs are sales and property taxes which represent 69.3% of total revenues (71.7% in 2019). The property tax increase of \$360,000 (increase of \$335,000 or 5.4% in 2019) is consistent with the budgeted tax increase. As determined by the Town's Board, property taxes are not used to finance the operations of the Town's general and highway funds, rather the Board elects to apply these resources to provide for operations of the Town's water, sewer, fire protection, refuse, and lighting districts. Sales tax revenue decreased by \$122,000 (increase of \$111,000 or 2.0% in 2019) due to a decrease in taxable sales in the region because of business closures caused by the COVID-19 pandemic. Charges for services increased by \$583,000 (decrease of \$329,000 or 8.1% in 2019) due to \$515,000 owed to the Town by a neighboring municipality for a water line project. Operating grants and contributions increased by \$135,000 (decrease of \$419,000 or 33.3% in 2019) due to an increase in mortgage tax revenue of \$103,000 and revenue recorded as a result of the implementation of GASB 84.

Total expenses decreased \$915,000 (increase of \$896,000 or 6.3% in 2019). The largest expense category incurred by the Town is for home and community services. This category represents services to residents such as water and sewer delivery, refuse collection, and infrastructure maintenance. Total home and community service expenses were 42.1% of total expenses (39.3% in 2019) and were consistent with the prior year increasing by \$41,000 (increase of \$177,000 or 3.1% in 2019). The decreases in general government expenses of \$567,000 (increase of \$469,000 or 17.5% in 2019) and transportation expense of \$376,000 (increase of \$107,000 or 3.6% in 2019) were due to a decrease in the OPEB liability, which had increased in 2019.

## Financial Analysis of the Town's Funds

Total fund balances for the governmental funds increased from \$17,530,000 to \$20,477,000 as described below:

- Revenue for all funds totaled \$17,866,000 (\$16,934,000 in 2019) and increased by \$932,000 or 5.5% (decrease of \$261,000 or 1.5% in 2019). The increase in revenue was the result of the increase in real property taxes and the amount owed to the Town for a water line project, as noted above.
- Total expenditures decreased \$3,235,000 or 17.8% (decrease of \$274,000 or 1.5% in 2019) mainly due the decrease in capital projects expenditures. Capital projects expenditures totaled \$77,000, which is a decrease of \$2,830,000 from the 2019 expenditures of \$2,907,000. In 2019, the Town completed phase 2 of a water project.
- Transportation expenditures decreased \$562,000 or 20.3% (increase of \$280,000 or 10.9% in 2019) due to equipment purchased in the prior year.
- Payroll increased \$15,000 or 0.5% due to increases mandated through collective bargaining agreements offset by decreases in overtime as a result of more favorable winter conditions and the COVID-19 pandemic.

## General Fund Budgetary Highlights

Actual revenues exceeded budgeted revenues by \$616,000 or 19.1%. The largest variances were in nonproperty tax items which exceeded budget by \$315,000 and state sources which exceeded budget by \$322,000. Expenditures (before other financing uses) were under budget by \$847,000 or 20.8% with the largest variance in general government of \$621,000.

## Capital Assets

	2020	2019
Land	\$ 1,115,000	\$ 1,115,000
Construction in progress	83,000	19,000
Land improvements	379,000	379,000
Infrastructure	93,283,000	93,146,000
Buildings and improvements	5,937,000	5,744,000
Furniture and equipment	6,870,000	6,695,000
	<u>107,667,000</u>	<u>107,098,000</u>
Accumulated depreciation	<u>(69,894,000)</u>	<u>(68,575,000)</u>
	<u>\$ 37,773,000</u>	<u>\$ 38,523,000</u>

Depreciation expense and disposals of capital assets totaled \$1,386,000 while capital asset additions totaled \$636,000. A majority of the capital asset additions relate directly to the work on the water project.

## Debt

At December 31, 2020, the Town had \$14,290,000 in bonds outstanding with \$805,000 due within one year (\$15,325,000 outstanding in 2019). The Town leases a sewer interceptor to the County under a direct financing lease that expires in 2021. The net investment in the direct financing lease as of December 31, 2020 was \$142,000.

Additional information on the Town's long-term liabilities can be found in the notes to the financial statements.



### **Factors Impacting the Town's Future**

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and resulted in a severe disruption of operations. The Town recognized a decrease in sales tax revenue and fines and forfeitures as a result of the economic decline caused by the pandemic. The full extent of the impact of COVID-19 on the Town's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on state and local governments, including their residents, employees, and vendors, none of which can be predicted.

### **Contact for the Town's Financial Management**

This report is designed to provide a general overview of the finances of the Town of Lockport for interested parties. Questions concerning any information within this report or requests for additional information should be addressed to Mark Crocker, Supervisor, 6560 Dysinger Road, Lockport, New York, 14094.

TOWN OF LOCKPORT, NEW YORK

**Statement of Net Position**

December 31, 2020

(With comparative totals as of December 31, 2019)

	2020	2019
<b>Assets</b>		
Cash	\$ 14,588,865	\$ 12,532,574
Accounts receivable	628,966	584,177
Due from other governments	1,640,127	1,013,805
Prepaid insurance	146,500	148,000
Due from fiduciary funds	-	20,198
Lease payments receivable	141,753	485,818
Investments, restricted	4,844,072	4,637,872
Capital assets (Note 5)	107,666,720	107,098,829
Accumulated depreciation	(69,893,763)	(68,575,461)
<b>Total assets</b>	<b>59,763,240</b>	<b>57,945,812</b>
<b>Deferred Outflows of Resources</b>		
Defeasance loss	-	17,775
Deferred outflows of resources related to pensions	1,605,950	582,106
Deferred outflows of resources related to LOSAP	1,803,901	990,222
Deferred outflows of resources related to OPEB	670,270	965,504
<b>Total deferred outflows of resources</b>	<b>4,080,121</b>	<b>2,555,607</b>
<b>Liabilities</b>		
Accounts payable	400,377	837,032
Accrued liabilities	939,038	542,097
Due to other governments	2,628	3,554
Long-term liabilities		
Due within one year		
Bonds	805,000	1,035,000
Financing lease	141,753	344,065
Due beyond one year		
Bonds	13,485,000	14,290,000
Financing lease	-	141,753
Net pension liability	2,170,254	584,495
Collective total LOSAP pension liability	8,742,054	7,645,521
Total OPEB liability	8,927,592	10,484,605
<b>Total liabilities</b>	<b>35,613,696</b>	<b>35,908,122</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	91,936	254,786
Deferred inflows of resources related to OPEB	1,494,569	1,463,441
<b>Total deferred inflows of resources</b>	<b>1,586,505</b>	<b>1,718,227</b>
<b>Net Position</b>		
Net investment in capital assets	23,482,957	23,216,143
Restricted	13,281,620	11,928,299
Unrestricted	(10,121,417)	(12,269,372)
<b>Total net position</b>	<b>\$ 26,643,160</b>	<b>\$ 22,875,070</b>

See accompanying notes.

TOWN OF LOCKPORT, NEW YORK

**Statement of Activities**

For the year ended December 31, 2020  
 (With summarized comparative totals for December 31, 2019)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue	
		Charges for Services	Operating Grants and Contributions	2020	2019
<b>Governmental activities</b>					
General government	\$ 2,583,006	\$ 1,051,545	\$ 789,474	\$ (741,987)	\$ (2,045,884)
Public safety	2,235,531	131,104	-	(2,104,427)	(1,853,387)
Health	5,230	-	-	(5,230)	(4,760)
Transportation	2,730,181	18,880	179,539	(2,531,762)	(2,859,348)
Economic assistance and opportunity	59,931	-	-	(59,931)	(59,205)
Culture and recreation	69,543	66,496	5,744	2,697	(112,100)
Home and community services	5,940,835	3,069,676	-	(2,871,159)	(2,928,971)
Interest expense	471,166	-	-	(471,166)	(552,195)
	<u>\$ 14,095,423</u>	<u>\$ 4,337,701</u>	<u>\$ 974,757</u>	<u>(8,782,965)</u>	<u>(10,415,850)</u>
<b>General revenues</b>					
Real property taxes				6,922,056	6,561,978
Sales taxes				5,453,477	5,574,793
Interest income				171,427	180,138
Gain on disposal of capital assets				4,095	22,347
				<u>12,551,055</u>	<u>12,339,256</u>
<b>Change in net position</b>				<b>3,768,090</b>	1,923,406
<b>Net position - beginning</b>				<u>22,875,070</u>	20,951,664
<b>Net position - ending</b>				<u>\$ 26,643,160</u>	<u>\$ 22,875,070</u>

TOWN OF LOCKPORT, NEW YORK

**Balance Sheet - Governmental Funds**

December 31, 2020

(with summarized comparative totals as of December 31, 2019)

	General	Highway	Water	Sewer	Fire Protection	Capital Projects	Other Governmental Funds	Total Governmental Funds	
								2020	2019
<b>Assets</b>									
Cash	\$ 5,528,207	\$ 1,079,885	\$ 4,967,240	\$ 1,716,397	\$ 222,524	\$ 143,581	\$ 931,031	\$ 14,588,865	\$ 12,532,574
Accounts receivable	52,855	28,777	332,599	214,735	-	-	-	628,966	584,177
Due from other governments	922,738	-	695,861	20,000	-	-	1,528	1,640,127	1,013,805
Prepaid expenses	40,495	22,482	7,656	7,656	-	-	-	78,289	76,700
Due from other funds, net	2,663	-	-	354,455	-	-	30,833	387,951	152,527
Lease payments receivable	-	-	-	141,753	-	-	-	141,753	485,818
Investments, restricted	-	-	-	-	4,844,072	-	-	4,844,072	4,637,872
<b>Total assets</b>	<b>\$ 6,546,958</b>	<b>\$ 1,131,144</b>	<b>\$ 6,003,356</b>	<b>\$ 2,454,996</b>	<b>\$ 5,066,596</b>	<b>\$ 143,581</b>	<b>\$ 963,392</b>	<b>\$ 22,310,023</b>	<b>\$ 19,483,473</b>
<b>Liabilities and Fund Balances</b>									
Accounts payable	\$ 58,050	\$ 46,123	\$ 223,152	\$ 69,478	\$ -	\$ -	\$ 3,574	\$ 400,377	\$ 837,032
Accrued liabilities	563,418	159,909	76,628	100,083	-	-	-	900,038	495,097
Due to other funds	-	-	387,951	-	-	-	-	387,951	132,329
Due to other governments	2,628	-	-	-	-	-	-	2,628	3,554
Financing lease	-	-	-	141,753	-	-	-	141,753	485,818
<b>Total liabilities</b>	<b>624,096</b>	<b>206,032</b>	<b>687,731</b>	<b>311,314</b>	<b>-</b>	<b>-</b>	<b>3,574</b>	<b>1,832,747</b>	<b>1,953,830</b>
<b>Fund Balances</b>									
Nonspendable	47,915	22,482	7,656	7,656	-	-	-	85,709	76,700
Restricted:									
Debt service	-	-	515,000	-	-	-	2,069	517,069	2,068
Highway	-	802,630	-	-	-	-	-	802,630	570,057
Water	-	-	3,957,969	-	-	-	-	3,957,969	3,875,974
Sewer	-	-	-	1,836,026	-	-	-	1,836,026	1,663,138
Fire protection	-	-	-	-	5,066,596	-	-	5,066,596	4,845,563
Capital	-	-	-	-	-	143,581	-	143,581	137,485
Refuse	-	-	-	-	-	-	217,561	217,561	174,353
Special districts	-	-	-	-	-	-	740,188	740,188	659,661
Assigned:									
Designated for subsequent year's expenditures	1,527,527	100,000	835,000	300,000	-	-	-	2,762,527	869,713
Other	127,408	-	-	-	-	-	-	127,408	-
Unassigned	4,220,012	-	-	-	-	-	-	4,220,012	4,654,931
<b>Total fund balances</b>	<b>5,922,862</b>	<b>925,112</b>	<b>5,315,625</b>	<b>2,143,682</b>	<b>5,066,596</b>	<b>143,581</b>	<b>959,818</b>	<b>20,477,276</b>	<b>17,529,643</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,546,958</b>	<b>\$ 1,131,144</b>	<b>\$ 6,003,356</b>	<b>\$ 2,454,996</b>	<b>\$ 5,066,596</b>	<b>\$ 143,581</b>	<b>\$ 963,392</b>	<b>\$ 22,310,023</b>	<b>\$ 19,483,473</b>

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position**

December 31, 2020

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<b>Total fund balances - governmental funds</b>	\$	20,477,276
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets used in governmental activities are not financial resources and are not reported as assets in governmental funds.		37,772,957
<p>The Town's pension, LOSAP, and OPEB liabilities and related deferred outflows and deferred inflows of resources are recognized in the government-wide statements as follows:</p>		
Pension	(734,529)	
LOSAP	(6,938,153)	
OPEB	<u>(9,751,891)</u>	(17,424,573)
Prepaid insurance is charged to expense during the period of benefit, while the expenditure is recorded when paid in the governmental funds.		146,500
<p>Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:</p>		
Bonds	(14,290,000)	
Accrued interest	<u>(39,000)</u>	(14,329,000)
<b>Net position - governmental activities</b>	<b>\$</b>	<b><u>26,643,160</u></b>

TOWN OF LOCKPORT, NEW YORK

**Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Governmental Funds**

For the year ended December 31, 2020  
(with summarized comparative totals for December 31, 2019)

	General	Highway	Water	Sewer	Fire Protection	Capital Projects	Other Governmental Funds	Total Governmental Funds	
								2020	2019
<b>Revenues</b>									
Real property taxes	\$ -	\$ -	\$ 1,357,579	\$ 3,014,652	\$ 1,223,524	\$ -	\$ 1,326,301	\$ 6,922,056	\$ 6,561,978
Nonproperty tax items	2,368,627	2,584,850	-	-	500,000	-	-	5,453,477	5,574,793
Departmental income	96,703	-	1,867,762	1,151,797	-	-	41,676	3,157,938	2,997,611
Use of money and property	93,475	90	4,571	1,037	156,059	101	543	255,876	256,146
Licenses and permits	133,063	18,880	-	-	-	-	-	151,943	184,250
Fines and forfeitures	131,104	-	-	-	-	-	-	131,104	269,556
Miscellaneous local sources	216,326	24,183	520,203	5,201	39,848	-	6,506	812,267	227,348
Sale of property and compensation for loss	-	6,395	-	-	-	-	-	6,395	22,347
State sources	795,218	179,539	-	-	-	-	-	974,757	839,948
<b>Total revenues</b>	<b>3,834,516</b>	<b>2,813,937</b>	<b>3,750,115</b>	<b>4,172,687</b>	<b>1,919,431</b>	<b>101</b>	<b>1,375,026</b>	<b>17,865,813</b>	<b>16,933,977</b>
<b>Expenditures</b>									
General government	1,819,700	-	-	-	-	-	-	1,819,700	1,729,284
Public safety	254,279	-	-	-	1,298,615	-	-	1,552,894	1,525,306
Health	5,230	-	-	-	-	-	-	5,230	4,760
Transportation	212,216	1,943,486	-	-	-	22,597	24,621	2,202,920	2,764,680
Economic assistance and opportunity	59,931	-	-	-	-	-	-	59,931	59,205
Culture and recreation	192,321	-	-	-	-	-	-	192,321	115,844
Home and community services	174,017	-	1,352,599	2,813,649	-	54,643	1,226,669	5,621,577	8,013,456
Employee benefits	735,364	537,512	147,279	147,278	399,783	-	-	1,967,216	1,929,537
Debt service									
Principal	-	-	493,766	541,234	-	-	-	1,035,000	1,465,000
Interest	-	-	263,954	197,437	-	-	-	461,391	546,417
<b>Total expenditures</b>	<b>3,453,058</b>	<b>2,480,998</b>	<b>2,257,598</b>	<b>3,699,598</b>	<b>1,698,398</b>	<b>77,240</b>	<b>1,251,290</b>	<b>14,918,180</b>	<b>18,153,489</b>
<b>Excess revenues (expenditures)</b>	<b>381,458</b>	<b>332,939</b>	<b>1,492,517</b>	<b>473,089</b>	<b>221,033</b>	<b>(77,139)</b>	<b>123,736</b>	<b>2,947,633</b>	<b>(1,219,512)</b>
<b>Other financing sources (uses)</b>									
Operating transfers	(22,914)	-	(60,321)	-	-	83,235	-	-	-
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	3,930,000
BANs redeemed from appropriations	-	-	-	-	-	-	-	-	205,000
<b>Total other financing sources (uses)</b>	<b>(22,914)</b>	<b>-</b>	<b>(60,321)</b>	<b>-</b>	<b>-</b>	<b>83,235</b>	<b>-</b>	<b>-</b>	<b>4,135,000</b>
<b>Net change in fund balances</b>	<b>358,544</b>	<b>332,939</b>	<b>1,432,196</b>	<b>473,089</b>	<b>221,033</b>	<b>6,096</b>	<b>123,736</b>	<b>2,947,633</b>	<b>2,915,488</b>
Fund balances - beginning	5,564,318	592,173	3,883,429	1,670,593	4,845,563	137,485	836,082	17,529,643	14,614,155
<b>Fund balances - ending</b>	<b>\$ 5,922,862</b>	<b>\$ 925,112</b>	<b>\$ 5,315,625</b>	<b>\$ 2,143,682</b>	<b>\$ 5,066,596</b>	<b>\$ 143,581</b>	<b>\$ 959,818</b>	<b>\$ 20,477,276</b>	<b>\$ 17,529,643</b>

**Reconciliation of the Governmental Funds Statement of Revenues,  
Expenditures, and Changes in Fund Balances to the Statement of Activities**

For the year ended December 31, 2020

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**Total net change in fund balances - governmental funds** \$ 2,947,633

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

Capital outlays are reported in governmental funds as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense and disposals exceed capital outlays. (750,411)

Pension, LOSAP, and OPEB expenses are recognized when paid in the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities. These differences are:

Pension	(400,654)	
LOSAP	(282,854)	
OPEB	<u>1,230,651</u>	547,143

Payments of long-term liabilities are reported as expenditures in governmental funds and as a reduction of debt in the statement of net position. 1,035,000

In the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds these expenditures are reported when paid. The differences are:

Amortization of defeasance loss	(17,775)	
Prepaid expenses	(1,500)	
Interest expense	<u>8,000</u>	(11,275)

**Change in net position - governmental activities** \$ 3,768,090

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TOWN OF LOCKPORT, NEW YORK

**Statement of Major Funds Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP) and Actual**

For the year ended December 31, 2020

	General Fund				Highway Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)
	Original	Final			Original	Final		
<b>Revenues</b>								
Nonproperty tax items	\$ 2,053,300	\$ 2,053,300	\$ 2,368,627	\$ 315,327	\$ 2,584,850	\$ 2,584,850	\$ 2,584,850	\$ -
Departmental income	21,000	21,000	96,703	75,703	-	-	-	-
Use of money and property	89,000	89,000	93,475	4,475	200	200	90	(110)
Licenses and permits	147,050	147,050	133,063	(13,987)	10,000	10,000	18,880	8,880
Fines and forfeitures	300,000	300,000	131,104	(168,896)	-	-	-	-
Miscellaneous local sources	134,600	134,600	216,326	81,726	20,000	20,000	24,183	4,183
Sale of property and compensation for loss	-	-	-	-	6,000	6,000	6,395	395
State sources	473,500	473,500	795,218	321,718	195,350	195,350	179,539	(15,811)
<b>Total revenues</b>	<b>3,218,450</b>	<b>3,218,450</b>	<b>3,834,516</b>	<b>616,066</b>	<b>2,816,400</b>	<b>2,816,400</b>	<b>2,813,937</b>	<b>(2,463)</b>
<b>Expenditures</b>								
General government	2,383,980	2,205,630	1,584,700	(620,930)	-	-	-	-
Public safety	275,470	276,330	254,279	(22,051)	-	-	-	-
Health	5,700	5,730	5,230	(500)	-	-	-	-
Transportation	227,498	228,393	212,216	(16,177)	2,245,107	2,245,107	2,014,579	(230,528)
Economic assistance and opportunity	63,800	63,805	59,931	(3,874)	-	-	-	-
Culture and recreation	131,700	273,910	192,321	(81,589)	-	-	-	-
Home and community services	202,515	203,565	174,017	(29,548)	-	-	-	-
Employee benefits	797,500	807,800	735,364	(72,436)	600,200	600,200	537,512	(62,688)
<b>Total expenditures</b>	<b>4,088,163</b>	<b>4,065,163</b>	<b>3,218,058</b>	<b>(847,105)</b>	<b>2,845,307</b>	<b>2,845,307</b>	<b>2,552,091</b>	<b>(293,216)</b>
<b>Excess revenues (expenditures)</b>	<b>(869,713)</b>	<b>(846,713)</b>	<b>616,458</b>	<b>1,463,171</b>	<b>(28,907)</b>	<b>(28,907)</b>	<b>261,846</b>	<b>290,753</b>
<b>Other financing sources (uses)</b>								
Operating transfers out	-	(23,000)	(22,914)	(86)	-	-	-	-
Appropriated fund balance	869,713	869,713	-	(869,713)	28,907	28,907	-	(28,907)
<b>Total other financing sources (uses)</b>	<b>869,713</b>	<b>846,713</b>	<b>(22,914)</b>	<b>(869,627)</b>	<b>28,907</b>	<b>28,907</b>	<b>-</b>	<b>(28,907)</b>
<b>Excess revenue and other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 593,544</b>	<b>\$ 593,544</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 261,846</b>	<b>\$ 261,846</b>

See accompanying notes.



**Statement of Major Funds Revenues, Expenditures, and Changes in Fund Balances Budget (Non-GAAP) and Actual - Continued**

For the year ended December 31, 2020

	Water Fund				Sewer Fund				Fire Protection Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Over/(Under)
	Original	Final			Original	Final			Original	Final		
<b>Revenues</b>												
Real property taxes	\$ 1,357,550	\$ 1,357,550	\$ 1,357,579	\$ 29	\$ 3,014,652	\$ 3,014,652	\$ 3,014,652	\$ -	\$ 1,223,524	\$ 1,223,524	\$ 1,223,524	\$ -
Nonproperty tax items	-	-	-	-	-	-	-	-	500,000	500,000	500,000	-
Departmental income	1,569,000	1,569,000	1,867,762	298,762	1,081,983	1,081,983	1,151,797	69,814	-	-	-	-
Use of money and property	4,000	4,000	4,571	571	1,600	1,600	1,037	(563)	500	500	156,059	155,559
Miscellaneous local sources	5,000	5,000	520,203	515,203	349,065	349,065	5,201	(343,864)	30,000	30,000	39,848	9,848
Sale of property and compensation for loss	1,000	1,000	-	(1,000)	4,000	4,000	-	(4,000)	-	-	-	-
<b>Total revenues</b>	<b>2,936,550</b>	<b>2,936,550</b>	<b>3,750,115</b>	<b>813,565</b>	<b>4,451,300</b>	<b>4,451,300</b>	<b>4,172,687</b>	<b>(278,613)</b>	<b>1,754,024</b>	<b>1,754,024</b>	<b>1,919,431</b>	<b>165,407</b>
<b>Expenditures</b>												
Public safety	-	-	-	-	-	-	-	-	1,299,024	1,299,036	1,298,615	(421)
Home and community services	1,458,000	1,458,000	1,352,599	(105,401)	2,896,800	2,896,800	2,813,649	(83,151)	-	-	-	-
Employee benefits	172,800	172,800	147,279	(25,521)	172,800	172,800	147,278	(25,522)	455,000	454,988	399,783	(55,205)
Debt service												
Principal	473,800	493,775	493,766	(9)	876,300	876,300	541,234	(335,066)	-	-	-	-
Interest	344,700	324,725	263,954	(60,771)	205,400	205,400	197,437	(7,963)	-	-	-	-
<b>Total expenditures</b>	<b>2,449,300</b>	<b>2,449,300</b>	<b>2,257,598</b>	<b>(191,702)</b>	<b>4,151,300</b>	<b>4,151,300</b>	<b>3,699,598</b>	<b>(451,702)</b>	<b>1,754,024</b>	<b>1,754,024</b>	<b>1,698,398</b>	<b>(55,626)</b>
<b>Excess revenues</b>	<b>487,250</b>	<b>487,250</b>	<b>1,492,517</b>	<b>1,005,267</b>	<b>300,000</b>	<b>300,000</b>	<b>473,089</b>	<b>173,089</b>	<b>-</b>	<b>-</b>	<b>221,033</b>	<b>221,033</b>
<b>Other financing sources (uses)</b>												
Operating transfers out	(900,000)	(900,000)	(60,321)	839,679	(300,000)	(300,000)	-	300,000	-	-	-	-
Appropriated fund balance	412,750	412,750	-	(412,750)	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(487,250)</b>	<b>(487,250)</b>	<b>(60,321)</b>	<b>426,929</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>-</b>	<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues and other financing sources (uses)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,432,196</b>	<b>\$ 1,432,196</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 473,089</b>	<b>\$ 473,089</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 221,033</b>	<b>\$ 221,033</b>

TOWN OF LOCKPORT, NEW YORK

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**Statement of Fiduciary Net Position**

December 31, 2020

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	Custodial Fund
	<u>                    </u>
<b>Assets</b>	
Cash	\$ -
	<u>                    </u>
<b>Net Position</b>	\$ -
	<u>                    </u>

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TOWN OF LOCKPORT, NEW YORK

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**Statement of Changes in Fiduciary Net Position**

For the year ended December 31, 2020

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	Custodial Fund
	<u>                    </u>
<b>Additions</b>	
Property tax collections for other governments County of Niagara	\$ 10,497,205
	<u>                    </u>
<b>Deductions</b>	
Property tax collections for other governments County of Niagara	10,497,205
	<u>                    </u>
Net change in fiduciary net position	-
Net position - beginning	-
<b>Net position - ending</b>	<u>\$ -</u>

## Notes to Financial Statements

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### 1. Summary of Significant Accounting Policies

The financial statements of Town of Lockport, New York (the Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below.

#### Financial Reporting Entity

The Town is governed by local laws and ordinances, Town law, General Municipal Law, and other laws of the State of New York (the State). The governing body is the elected Town Board (the Board). The Town Supervisor serves as the chief executive and fiscal officer. The scope of activities included within the financial statements are those transactions which comprise the Town's operations and are governed by, or significantly influenced by, the Board. The primary functions of the Town are to provide basic services such as governmental administration, tax collection, highway, sewer, water, fire protection, refuse collection, lighting, and recreational services.

The financial reporting entity includes all funds, account groups, functions, and organizations over which Town officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Town has no component units as defined by accounting standards.

#### Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display financial activities of the overall Town, except for fiduciary activities. Eliminations have been made to minimize double counting of internal activities. These statements are required to distinguish between *governmental* and *business-type* activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities.

- Direct expenses are those that are specifically associated with a program or are clearly identifiable to a particular function. Indirect expenses relate to the administration and support of the Town's programs, including personnel, overall administration, and finance. Employee benefits are allocated to functional expenses based on a percentage of related payroll expense.
- Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and fines and assessments collected for violations of traffic laws or Town ordinances and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category - *governmental and fiduciary* - are presented. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major funds:

- *General fund.* This is the Town's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Highway fund.* This is a special revenue fund whose specific revenue sources are restricted to expenditures for the repairs and maintenance of the Town's roadways.
- *Water fund.* This is a special revenue fund whose specific revenue sources, including property taxes, are restricted for the operations and support of the Town's water delivery system.
- *Sewer fund.* This is a special revenue fund whose specific revenue sources, including property taxes, are restricted for the operations and support of the infrastructure surrounding the Town's sewer system.
- *Fire protection fund.* This is a special revenue fund whose revenues, which are derived from property taxes levied specifically on the residents of these districts, are restricted for the operations of the Town's legally created fire protection districts.
- *Capital projects fund.* This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Management has elected to report this fund as a major fund.

The Town's nonmajor funds include the refuse, special lighting, sidewalk districts, and debt service funds. Each fund is established to account for the separate activities for which it is named.

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report fiduciary activities, which include pension and other employment benefit trust funds, investment trust funds, private-purpose trust funds and custodial funds. The Town currently maintains a custodial fund for the collection and distribution of property taxes for the benefit of other governments.

The financial statements include certain prior year summarized comparative information in total but not by separate governmental activities and major funds. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Town's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

### **Basis of Accounting and Measurement Focus**

The government-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 flows take place. Nonexchange transactions, in which the Town receives value directly without giving equal value in exchange, include property and sales taxes, grants, and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds 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 they are collected within sixty days after year end. 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. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and equipment and property purchased under capital leases are reported as other financing sources.

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Amounts received in advance of the expenditures are considered unearned and reported as revenue when the expense is incurred.

## 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## Property Taxes

Real property taxes are levied annually no later than December 31<sup>st</sup> and become a lien on January 1. Taxes for the County of Niagara (the County) are levied together with taxes for the Town and its special districts on a single bill. The Town and special districts receive their levies annually out of the first amounts collected on the combined bills. The County assumes enforcement responsibility for all unpaid taxes levied by the Town and its special districts.

## Budgetary Process, Amendments, and Encumbrances

Annual appropriations are adopted and employed for control of the general and special revenue funds. These budgets are adopted on a GAAP basis under the modified accrual basis of accounting. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) which may be incurred. Appropriations authorized for the current year are increased by the planned use of specific restricted, committed, and assigned fund balances and subsequent budget amendments approved by the Board as a result of new revenue sources not included in the original budget.

No later than October 5<sup>th</sup> of each year, a tentative budget is submitted to the Board for the fiscal year commencing the following January 1. The tentative budget includes both proposed expenditures and the means of financing for all funds requiring a budget. After public hearings are conducted to obtain comments from interested parties, the Board adopts the budget. The Town Supervisor exercises administrative budgetary control throughout the year. All modifications of the budget must be approved by the Board.

Major capital expenditures are subject to individual project budgets determined primarily by the cost of the project and external financing requirements rather than annual appropriations. For the capital projects fund, these budgets do not lapse at year end and are carried over to the completion of the project.

Encumbrance accounting is used to assure budgetary control over commitments related to unperformed (executory) contracts for goods or services outstanding at the end of each year. Encumbrances are budgetary expenditures in the year committed and in the subsequent period when the expenditure is paid. All budget appropriations that are unencumbered lapse at the end of the fiscal year. Encumbrances outstanding at year end are presented for GAAP-related purposes as committed or assigned fund balances and do not constitute expenditures or liabilities. At January 1, encumbrances carried forward from the prior year are reestablished as budgeted appropriations.

Budgetary comparisons presented in these financial statements are on the budgetary basis and represent the budget as modified. The following is a reconciliation of expenditures and fund balances for those major funds with encumbrances computed on a GAAP and a budgetary basis by fund:

	General	Highway
GAAP basis expenditures	\$ 3,453,058	\$ 2,480,998
Encumbrances at 12/31/2020	50,000	100,000
Encumbrances at 12/31/2019	(285,000)	(28,907)
Expenditures budgetary basis	<u>\$ 3,218,058</u>	<u>\$ 2,552,091</u>

On a budgetary basis, the Town also reflects amounts received and paid for its sewer interceptor direct financing lease (Note 6) with Niagara County as revenue and expenditures. On a GAAP basis, the respective asset and liability are reflected on the balance sheet and do not give rise to revenue and expenditure recognition.

## Prepaid Expenses

Pension payments made to the New York State and Local Employees' Retirement System (ERS) in December of each year reflect costs applicable to future periods that are recorded as prepaid expenses on a fund basis. On a government-wide basis, such payments are included in deferred outflows of resources related to pensions. Payments made for insurance are expensed on a fund basis and reflected on the statement of net position on an accrual basis.

## Investments

Investments represent resources restricted to the Town's length of service award program (LOSAP) and consist primarily of annuity contracts and cash value of life insurance policies. Annuity contracts are valued at cost plus accreted interest.

## Capital Assets

Capital assets including infrastructure are reported at actual or estimated historical cost based on appraisals. Contributed assets are recorded at fair value at the time received. Depreciation is provided in the government-wide statements over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Land improvements	\$ 1,500	40
Infrastructure	\$ 1,500	40-50
Buildings and improvements	\$ 1,500	40
Furniture and equipment	\$ 1,500	5-15
Vehicles	\$ 1,500	8

## Pensions

The Town's participation in ERS is mandated by State law. ERS recognizes benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the Town recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by the defined benefit pension plan.

## LOSAP

On the government-wide statements, the collective total LOSAP pension liability, deferred inflows and deferred outflows of resources, and pension expense for the Town's defined benefit LOSAP pension plan (Note 8) have been measured on the same basis as reported by the plan. Benefit payments are due and payable in accordance with the benefit terms.

## Other Postemployment Benefits (OPEB)

On the government-wide statements, the total OPEB liability, deferred inflows and deferred outflows of resources, and OPEB expense for the Town's defined benefit healthcare plan (Note 9) have been measured on the same basis as reported by the plan. Benefit payments are due and payable in accordance with the benefit terms.

## Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid accumulated sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and other employees expected to become eligible to receive such payments are included. Sick pay is accrued on the basis of negotiated contracts with employee groups which provide for the payment of accumulated sick time at various amounts at retirement.

## Equity Classifications

### Government-Wide Statements

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, and defeasance losses, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws or the terms of the Town's bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by the Town.

### Governmental Fund Statements

The Town considers unrestricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, unless the use of the restricted amount was appropriated in the current year's budget or the revenue source is specifically restricted or committed for expenditure. Within unrestricted fund balance, the Town considers committed, assigned, then unassigned resources to have been spent when an expenditure is incurred for which amounts in any of those fund balance classifications could be used.

Restricted fund balances generally result from residual fund balance in special revenue funds and reserves established by the State of New York Legislature and included in General Municipal Law, as authorized for use by the Board. Earnings on invested resources are required to be added to the various reserves.

Fund balance restrictions include the debt service reserve, which is used to account for proceeds from the sale of property that was financed by obligations still outstanding, interest and earnings on outstanding obligations (including bond and BAN premiums), and remaining bond proceeds not needed for their original purpose as required by §165 of Finance Law. This reserve must be used to pay the debt service obligations for which the original money was generated.

Committed fund balances are authorized by the Board as recommended by the Town's management prior to the end of the year, although funding of the commitment may be established subsequent to year end. Assigned fund balances include the planned use of existing fund balance to offset the subsequent year's tax levy. Additionally, the Board has given management the authority to assign fund balances for specific purposes that are neither restricted nor committed.

Nonspendable fund balances represent resources that cannot be spent as they are not expected to be converted to cash, such as prepaid expenses, or are legally required to be held intact and include the permanent maintenance reserve, which is used for the permanent maintenance of the cemetery grounds, and the perpetual care fund, which is funded by families for the purpose of beautification of a particular cemetery plot.

## Interfund Balances

The operations of the Town include transactions between funds including resources for cash flow purposes. These interfund receivables and payables are repaid within one year. Permanent transfers of funds provide financing or other services.

Interfund receivables and payables are netted on the accompanying governmental funds balance sheet as the right of legal offset exists. It is the Town’s practice to settle these amounts at the net balances due between funds.

**2. Change in Accounting Principle**

Effective January 1, 2020, the Town adopted GASB Statement No. 84, *Fiduciary Activities*. This statement redefines activities considered to be fiduciary, and as a result, the Town’s fees charged to developers for green space and recreation and bail held for third parties are now recorded in the general fund, and grant funds held for the benefit of another governmental entity are recorded in the sewer fund. Amounts collected for and distributed to the County are now reflected in the custodial fund. No restatement of beginning of year fund balance or net position was necessary.

**3. Cash**

Cash management is governed by State laws and as established in the Town’s written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Town’s banking policies permit the Town Supervisor to use demand accounts and certificates of deposit. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and 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 the State and its municipalities and school districts.

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. At December 31, 2020, the Town’s bank deposits were fully collateralized by FDIC coverage or collateralized with securities held by the pledging institutions’ agents or in an undivided security interest pool for public funds in the Town’s name.

**4. Interfund Transactions – Fund Financial Statements**

Fund	Receivable	Payable	Transfers	
			In	Out
General	\$ 2,663	\$ -	\$ -	\$ 22,914
Water	-	387,951	-	60,321
Sewer	354,455	-	-	-
Other special districts	30,833	-	-	-
Capital projects	-	-	83,235	-
	<u>\$ 387,951</u>	<u>\$ 387,951</u>	<u>\$ 83,235</u>	<u>\$ 83,235</u>

Water and sewer services are included in one billing, and as such, the Town deposits the total payments received into the water fund. The amount due from the water fund to the sewer fund represents the portion attributable to the revenue earned in that fund. The amount due from the water fund to the special districts represents portions attributable to revenue earned in those special districts. Other amounts owed between funds are strictly for cash flow purposes. Amounts transferred to the capital projects fund from the general and water funds represent the funding of and costs associated with various capital projects. All transfers are considered permanent.



## 5. Capital Assets

	January 1, 2020	Increases	Retirements/ Reclassifications	December 31, 2020
<b>Non-depreciable capital assets:</b>				
Land	\$ 1,115,458	\$ -	\$ -	\$ 1,115,458
Construction in progress	19,237	77,240	(13,559)	82,918
<b>Total non-depreciable assets</b>	<b>1,134,695</b>	<b>77,240</b>	<b>(13,559)</b>	<b>1,198,376</b>
<b>Depreciable capital assets:</b>				
Land Improvements	379,170	-	-	379,170
Infrastructure	93,146,277	122,778	13,559	93,282,614
Buildings and improvements	5,744,211	192,188	-	5,936,399
Furniture and equipment	6,694,476	243,685	(68,000)	6,870,161
<b>Total depreciable assets</b>	<b>105,964,134</b>	<b>558,651</b>	<b>(54,441)</b>	<b>106,468,344</b>
<b>Less accumulated depreciation:</b>				
Land improvements	406,959	23,184	-	430,143
Infrastructure	61,253,723	1,017,873	-	62,271,596
Buildings and improvements	2,549,871	116,770	-	2,666,641
Furniture and equipment	4,364,908	226,175	(65,700)	4,525,383
<b>Total accumulated depreciation</b>	<b>68,575,461</b>	<b>1,384,002</b>	<b>(65,700)</b>	<b>69,893,763</b>
<b>Depreciable assets, net</b>	<b>37,388,673</b>	<b>(825,351)</b>	<b>11,259</b>	<b>36,574,581</b>
	<b>\$ 38,523,368</b>	<b>\$ (748,111)</b>	<b>\$ (2,300)</b>	<b>\$ 37,772,957</b>

Depreciation expense has been allocated to the following functions: general government \$700,444, transportation \$420,321, and home and community \$263,237.

As of December 31, 2020, net investment in capital assets consists of the following:

Capital assets, net of accumulated depreciation	\$ 37,772,957
Serial bonds	(14,290,000)
	<u>\$ 23,482,957</u>

## 6. Long-Term Liabilities

	January 1, 2020	Increases	Decreases	December 31, 2020	Amount Due in One Year
Serial bonds	\$ 15,325,000	\$ -	\$ 1,035,000	\$ 14,290,000	\$ 805,000
Sewer interceptor – direct financing lease	\$ 485,818	\$ -	\$ 344,065	\$ 141,753	\$ 141,753

## Existing Obligations

Description	Final Maturity	Interest Rate	Balance
2002 NYS EFC 2002A	April 2021	1.2%	\$ 145,000
2016 Public Improvement Serial Bond	December 2036	3.25-4.00%	4,440,000
2018 Public Improvement Serial Bond	December 2037	3.00-4.00%	5,955,000
2019 Public Improvement Serial Bond	December 2037	2.00-2.125%	3,750,000
			<u>\$ 14,290,000</u>
2001 Sewer Interceptor – direct financing lease Niagara County	May 2021	5.125-5.50%	\$ 140,000

## Debt Service Requirements

Years ending December 31,	Principal	Interest
2021	\$ 805,000	\$ 443,464
2022	680,000	420,651
2023	705,000	400,678
2024	725,000	379,951
2025	750,000	358,632
2026-2030	4,075,000	1,449,346
2031-2035	4,770,000	787,584
2036-2037	1,780,000	85,387
	<u>\$ 14,290,000</u>	<u>\$ 4,325,693</u>

## Leases

The New York State Police lease a building from the Town under the terms of a noncancelable operating lease. Rental income amounted to \$76,008 for the years ended December 31, 2020 and 2019. Future minimum rentals to be received are:

2021	\$ 76,008
2022	78,507
2023	86,004
2024	86,004
2025	86,004
2026-2027	150,507
	<u>\$ 563,034</u>

The Town also leases a sewer interceptor to Niagara County under a direct financing lease that expires in 2021. The net investment in the direct financing lease as of December 31, 2020 is \$141,753. This lease was financed by a conduit debt transaction whereby the Town issued debt for the construction of a sewer interceptor line and pump station. Niagara County reimburses the Town for all debt service payments in connection with this bond issue. At the end of the lease term, title to the interceptor will pass to the County.

Future minimum lease payments to be received and required debt payments to be made by the Town for the year ending December 31, 2021 are principal of \$140,000 and interest of \$1,753.

## 7. Pension Plan

### New York State and Local Employees' Retirement System

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

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

*Contribution Requirements:* No employee contribution is required for those hired prior to July 1976. ERS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Town to the pension accumulation fund. For 2020, these rates ranged from 9.5% - 16.0%.

### Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the Town reported a liability of \$2,170,254 for its proportionate share of the net pension position. The net pension position was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019. The Town's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2020 measurement date, the Town's proportion was 0.0081956%, a decrease of 0.0000538 from its proportion measured as of March 31, 2019.

For the year ended December 31, 2020, the Town recognized pension expense of \$713,274 on the government-wide statements. At December 31, 2020, the Town reported deferred outflows and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 127,728	\$ -
Changes of assumptions	43,699	37,733
Net difference between projected and actual earnings on pension plan investments	1,112,578	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	8,791	54,203
Town contributions subsequent to the measurement date	313,154	-
	<u>\$ 1,605,950</u>	<u>\$ 91,936</u>

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

Years ending December 31,	
2021	\$ 190,551
2022	299,010
2023	391,292
2024	320,007
	\$ 1,200,860

### Actuarial Assumptions

The actuarial assumptions used in the April 1, 2019 valuation, with update procedures used to roll forward the total pension liability to March 31, 2020, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

*Inflation – 2.5%*

*Salary increases – 4.2%*

*Cost of living adjustments – 1.3% annually*

*Investment rate of return – 6.8% compounded annually, net of investment expense, including inflation*

*Mortality – Society of Actuaries’ Scale MP-2018*

*Discount rate – 6.8%*

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

### Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and ERS’s target asset allocations as of the valuation date are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	36%	4.1%
Global and International equities	14%	6.2%
Private equities	10%	6.8%
Real estate	10%	5.0%
Inflation-indexed bonds	4%	0.5%
Bonds and mortgages	17%	0.8%
Short-term	1%	-
Other	8%	3.3%-6.8%
	100%	

### Discount Rate

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

The following presents the Town’s proportionate share of its net pension liability calculated using the discount rate of 6.8% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Town’s proportionate share of the net pension asset (liability)	\$ (3,983,028)	\$ (2,170,254)	\$ (500,681)

## 8. LOSAP

### Plan Description

The Town maintains a single defined benefit LOSAP pension plan for active volunteers of the Gasport, Rapids, South Lockport, Terry’s Corners, and Wrights Corners fire departments (the program). The program was established pursuant to Article 11-A of State General Municipal Law and provides municipally-funded pension benefits to facilitate the recruitment and retention of volunteers. The Town is the sponsor of this single employer program.

Under LOSAP, participating volunteers are paid a service award upon attainment of the program’s entitlement age based upon the number of years of credited service. Active volunteers age 18 or older who have completed one year of service are eligible to participate in the program. Participants acquire a nonforfeitable right to a service award after being credited with 5 years of service or upon attaining the program’s entitlement age of 65.

A participant’s service award benefit is the actuarial equivalent of a monthly payment for life with payments guaranteed for 10 years equal to \$20 multiplied by the person’s number of years of service earned. The number of years of service used to compute the benefit cannot exceed 30 years. Benefits are payable when the participant reaches entitlement age except in the case of disability or death. The program provides death and disability benefits equal to the greater of the insurance face amount or present value of the accrued benefit. Members who remain active after attaining the entitlement age and receive their accumulated service award payout from the fund may continue to qualify annually for a post-entitlement payment. Such services are paid by the Town through the fire protection fund.

Program assets are held in trust for the exclusive purpose of providing benefits to participants and their beneficiaries or for defraying reasonable expenses of the operation and administration of the program. The Board created a Service Award Program Trust Fund through the adoption of the Trust document, a copy of which is available from the Town Clerk. The trust is not legally protected from creditors, and therefore such amounts are included in investments on the accompanying financial statements rather than as a reduction of the collective total LOSAP pension liability.

### Collective Total Pension Liability, Pension Expense, and Deferred Outflows of Resources Related to LOSAP

At December 31, 2020, the Town reported a collective total pension liability of \$8,742,054. The collective total pension liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2021.

For the year ended December 31, 2020, the Town recognized pension expense of \$481,376 on the government-wide statements. At December 31, 2020, the Town reported deferred outflows of resources related to LOSAP as follows:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 54,472
Changes of assumptions	1,749,429
	<u>\$ 1,803,901</u>

Amounts reported as deferred outflows of resources related to LOSAP will be recognized in pension expense as follows:

Years ending December 31,	
2021	\$ 183,882
2022	183,882
2023	183,882
2024	183,882
2025	183,882
Thereafter	884,491
	<u>\$ 1,803,901</u>

### Actuarial Assumptions

The actuarial assumptions used in the January 1, 2021 valuation were based on the following assumptions, applied to all periods included in the measurement:

*Salary increases* – not applicable

*Investment rate of return* – 2.0%, net of investment expense, including inflation

*Mortality* – RP-2000 Combined - Unisex

*Discount rate* – 2.0%, based on the Fidelity 20-year Go AA Bond index

### Changes in the Collective Total Pension Liability

Balance at December 31, 2019	<u>\$ 7,645,521</u>
Changes for the year:	
Service cost	174,779
Interest	206,905
Changes of assumptions or other inputs	1,058,218
Differences between expected and actual experience	(60,657)
Benefit payments	<u>(282,712)</u>
Net changes	1,096,533
Balance at December 31, 2020	<u>\$ 8,742,054</u>

The following presents the Town's collective total pension liability calculated using the discount rate of 2.0% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Town's proportionate share of the collective total pension liability	<u>\$ (10,268,000)</u>	<u>\$ (8,742,054)</u>	<u>\$ (7,523,000)</u>

## 9. OPEB

### Plan Description

The Town maintains a single-employer defined benefit healthcare plan (the Plan) providing for lifetime medical benefits to certain eligible retirees and their spouses. Benefit provisions are based on individual contracts with the Town, as negotiated from time to time. The Plan does not issue a publicly available financial report. Eligibility is based on retired employees age 55 and over with ten to twenty-five years of service depending on hire date and contract applicability. The Plan has no assets, does not issue financial statements, and is not a trust.

At December 31, 2020, employees covered by the Plan include:

Active employees	41
Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	-
	<u>91</u>

**Total OPEB Liability**

The Town’s total OPEB liability of \$8,927,592 was measured as of September 30, 2020 and was determined by an actuarial valuation as of December 31, 2019, rolled forward through an interim valuation. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Healthcare cost trend rates* – short-term trend rate based on the National Health Expenditure Projections 2012-2028 and the Society of Actuaries Getzen Long-Term Healthcare Cost Trend Resource Model v2021\_b (updated September 2020) for long-term rates, initially 4.0% with an ultimate rate of 4.08% after 2070
- Salary increases* – 3.11%
- Mortality* – Pub-2010 Public Retirement Plans Mortality Tables, Headcount-Weighted, without separate contingent survivor mortality, fully generational using scale MP-2020
- Discount rate* – 2.41% based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date
- Inflation rate* – 2.11%

**Changes in the Total OPEB Liability**

	Total OPEB Liability
Balance at December 31, 2019	<u>\$ 10,484,605</u>
Changes for the year:	
Service cost	137,648
Interest	280,589
Changes of benefit terms	2,481
Differences between expected and actual experience	(1,976,196)
Changes of assumptions or other inputs	417,489
Benefit payments	<u>(419,024)</u>
Net changes	<u>(1,557,013)</u>
Balance at December 31, 2020	<u>\$ 8,927,592</u>

The following presents the sensitivity of the Town’s total OPEB liability to changes in the discount rate, including what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate:

	1.0% Decrease (1.41%)	Discount Rate (2.41%)	1.0% Increase (3.41%)
Total OPEB liability	<u>\$ (10,186,101)</u>	<u>\$ (8,927,592)</u>	<u>\$ (7,887,737)</u>

The following presents the sensitivity of the Town’s total OPEB liability to changes in the healthcare cost trend rates, including what the Town’s total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates:

	1.0% Decrease (3.00% to 3.08%)	Healthcare Cost Trend Rate (4.00% to 4.08%)	1.0% Increase (5.00% to 5.08%)
Total OPEB liability	<u>\$ (7,744,774)</u>	<u>\$ (8,927,592)</u>	<u>\$ (10,375,528)</u>

## OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2020, the Town recognized OPEB expense of \$706,010. The Town reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,476,688
Changes of assumptions or other inputs	564,653	17,881
Contributions subsequent to the measurement date	105,617	-
	<u>\$ 670,270</u>	<u>\$ 1,494,569</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending December 31,	
2021	\$ (618,173)
2022	<u>(311,743)</u>
	<u>\$ (929,916)</u>

## 10. Risk Management

The Town purchases commercial insurance for various risks of loss due to torts, thefts, damage, errors, omissions, injuries to employees, and natural disasters. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three years.

## 11. Risks and Uncertainties

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and resulted in a severe disruption of operations. The Town recognized a decrease in sales tax revenue and fines and forfeitures as a result of the economic decline caused by the pandemic. The full extent of the impact of COVID-19 on the Town's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on state and local governments, including their residents, employees, and vendors, none of which can be predicted.



TOWN OF LOCKPORT, NEW YORK

**Required Supplementary Information  
Schedule of the Town's Proportionate Share of the Net Pension Position  
New York State and Local Employees' Retirement System**

As of the measurement date of March 31,	2020	2019	2018	2017	2016	2015
Town's proportion of the net pension position	0.0081956%	0.0082494%	0.0084053%	0.0080475%	0.0079347%	0.0078031%
Town's proportionate share of the net pension liability	\$ 2,170,254	\$ 584,495	\$ 271,276	\$ 756,158	\$ 1,273,546	\$ 263,608
Town's covered payroll	\$ 2,352,084	\$ 2,233,791	\$ 2,202,099	\$ 2,060,724	\$ 1,935,965	\$ 1,948,601
Town's proportionate share of the net pension position as a percentage of its covered payroll	92.27%	24.85%	12.14%	34.34%	61.80%	13.62%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
The following is a summary of changes of assumptions:						
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

TOWN OF LOCKPORT, NEW YORK

**Required Supplementary Information  
Schedule of Town Contributions  
New York State and Local Employees' Retirement System**

December 31,	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 313,154	\$ 305,737	\$ 296,716	\$ 295,917	\$ 287,963	\$ 316,118	\$ 360,495	\$ 352,961
Contribution in relation to the contractually required contribution	(313,154)	(305,737)	(296,716)	(295,917)	(287,963)	(316,118)	(360,495)	(352,961)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 2,336,634	\$ 2,352,084	\$ 2,233,791	\$ 2,202,099	\$ 2,060,724	\$ 1,935,965	\$ 1,948,601	\$ 1,851,074
Contributions as a percentage of covered payroll	13.40%	13.00%	13.28%	13.44%	13.97%	16.33%	18.50%	19.07%

*Data prior to 2013 is unavailable.*

**Required Supplementary Information  
Schedule of the Town's Proportion and  
Proportionate Share of the Collective Total  
Length of Service Award Program Pension Liability**

December 31,	2020	2019	2018	2017
Town's proportion	100%	100%	100%	100%
Town's proportionate share:				
Collective Total LOSAP pension liability - beginning	<b>\$ 7,645,521</b>	\$ 6,158,704	\$ 6,678,636	\$ 6,089,875
Changes for the year:				
Service cost	<b>174,779</b>	129,741	156,905	138,329
Interest	<b>206,905</b>	224,161	217,959	228,641
Changes of assumptions or other inputs	<b>1,058,218</b>	969,244	(383,855)	458,107
Differences between expected and actual experience	<b>(60,657)</b>	407,487	(269,710)	(58,721)
Benefit payments	<b>(282,712)</b>	(243,816)	(241,231)	(177,595)
Net change in collective total LOSAP pension liability	<b>1,096,533</b>	1,486,817	(519,932)	588,761
Collective Total LOSAP pension liability - ending	<b>\$ 8,742,054</b>	\$ 7,645,521	\$ 6,158,704	\$ 6,678,636

The departments have no covered-employee payroll.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

The following is a summary of changes of assumptions:

Investment rate of return	2.00%	2.75%	3.71%	3.31%
Discount rate	2.00%	2.75%	3.71%	3.31%
Society of Actuaries' mortality scale	RP-2000	RP-2000	RP-2000	RP-2000

Data prior to 2017 is unavailable.

**Required Supplementary Information  
Schedule of Changes in the Town's  
Total OPEB Liability and Related Ratios**

December 31,	2020	2019	2018	2017
Total OPEB liability - beginning	<b>\$ 10,484,605</b>	\$ 9,581,123	\$ 11,520,982	\$ 11,308,229
Changes for the year:				
Service cost	<b>137,648</b>	122,063	164,823	169,534
Interest	<b>280,589</b>	356,959	393,916	343,538
Changes of benefit terms	<b>2,481</b>	457,964	(64,392)	-
Differences between expected and actual experience	<b>(1,976,196)</b>	(1,221,184)	(1,448,790)	713,732
Changes of assumptions or other inputs	<b>417,489</b>	1,570,800	(554,347)	(618,166)
Benefit payments	<b>(419,024)</b>	(383,120)	(431,069)	(395,885)
Net change in total OPEB liability	<b>(1,557,013)</b>	903,482	(1,939,859)	212,753
Total OPEB liability - ending	<b>\$ 8,927,592</b>	\$ 10,484,605	\$ 9,581,123	\$ 11,520,982
Covered-employee payroll	<b>\$ 2,063,031</b>	\$ 1,551,357	\$ 1,500,926	\$ 1,500,926
Total OPEB liability as a percentage of covered-employee payroll	<b>432.7%</b>	675.8%	638.3%	767.6%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Annual differences between expected and actual experience are due to changes in healthcare trend rates. Changes of assumptions or other inputs include changes in the discount rate and updated mortality rates for 2020.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	4.08% - 4.00%	5.20% - 4.18%	6.20% - 4.23%	5.30% - 4.17%
Inflation	2.11%	2.22%	2.37%	2.37%
Salary increases	3.11%	3.22%	3.36%	3.00%
Discount rate	2.41%	2.75%	3.83%	3.50%
Society of Actuaries' mortality scale	MP-2020	MP-2017	MP-2017	MP-2017

Data prior to 2017 is unavailable.

**Supplementary Information**  
**Combining Balance Sheet - Nonmajor Governmental Funds**

December 31, 2020

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Refuse	Other Special Districts	Debt Service	
<b>Assets</b>				
Cash	\$ 217,282	\$ 711,680	\$ 2,069	\$ 931,031
Due from other governments	1,528	-	-	1,528
Due from other funds	-	30,833	-	30,833
<b>Total assets</b>	<b>\$ 218,810</b>	<b>\$ 742,513</b>	<b>\$ 2,069</b>	<b>\$ 963,392</b>
<b>Liabilities</b>				
Accounts payable	\$ 1,249	\$ 2,325	\$ -	\$ 3,574
<b>Fund Balances</b>				
Restricted:				
Debt service	-	-	2,069	2,069
Refuse	217,561	-	-	217,561
Special districts	-	740,188	-	740,188
<b>Total fund balances</b>	<b>217,561</b>	<b>740,188</b>	<b>2,069</b>	<b>959,818</b>
<b>Total liabilities and fund balances</b>	<b>\$ 218,810</b>	<b>\$ 742,513</b>	<b>\$ 2,069</b>	<b>\$ 963,392</b>

**Supplementary Information**  
**Combining Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances - Nonmajor Governmental Funds**

For the year ended December 31, 2020

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Refuse	Other Special Districts	Debt Service	
<b>Revenues</b>				
Real property taxes	\$ 1,175,304	\$ 150,997	\$ -	\$ 1,326,301
Departmental income	10,880	30,796	-	41,676
Use of money and property	246	296	1	543
Miscellaneous local sources	-	6,506	-	6,506
<b>Total revenues</b>	<b>1,186,430</b>	<b>188,595</b>	<b>1</b>	<b>1,375,026</b>
<b>Expenditures</b>				
Transportation	-	24,621	-	24,621
Home and community services	1,143,222	83,447	-	1,226,669
<b>Total expenditures</b>	<b>1,143,222</b>	<b>108,068</b>	<b>-</b>	<b>1,251,290</b>
<b>Excess revenues</b>	<b>43,208</b>	<b>80,527</b>	<b>1</b>	<b>123,736</b>
Fund balances - beginning	174,353	659,661	2,068	836,082
<b>Fund balances - ending</b>	<b>\$ 217,561</b>	<b>\$ 740,188</b>	<b>\$ 2,069</b>	<b>\$ 959,818</b>