

**TOWN OF AMHERST,  
NEW YORK**

*Basic Financial Statements, Required Supplementary  
Information, Supplementary Information and Federal  
Awards Information for the Year Ended  
December 31, 2021 and Independent Auditors' Reports*



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*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

Honorable Town Board  
Town of Amherst, New York:

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Amherst, New York (the "Town"), 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.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Town of Amherst Development Corporation (the "Corporation"), which represents the Town's business-type activity. We did not audit the financial statements of the Town of Amherst Industrial Development Agency (the "Agency"), which is shown as a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corporation and the Agency, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

The Town's management is responsible for the preparation and fair presentation of the 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's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information. The other information comprises the budgetary comparison schedules for the Nonmajor Funds but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



May 2, 2022



**TOWN OF AMHERST, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended December 31, 2021**

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As management of the Town of Amherst, New York (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

**Financial Highlights**

- The liabilities and deferred inflows of resources of the Town's governmental activities exceeded the assets and deferred outflows of resources at the close of the most recent fiscal year by \$29,863,296 (*net position*). This consists of \$169,487,405 net investment in capital assets, \$28,947,845 restricted for specific purposes, and unrestricted net position of \$(228,298,546).
- The Town's governmental activities total net position increased by \$1,294,145 during the year ended December 31, 2021.
- At the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$63,678,530, an increase of \$15,920,315 in comparison with the prior year's fund balance of \$47,758,215.
- At the end of the current fiscal year, *unassigned fund balance* for the General Fund was \$14,042,838, or 17.8 percent of total General Fund expenditures and transfers out. This amount is *available for spending* at the Town's discretion and constitutes approximately 58.2 percent of the General Fund's total fund balance of \$24,125,703 at December 31, 2021.
- The Town's total serial bonds outstanding increased by \$7,600,000 during the current year as a result of the issuance of serial bonds of \$15,810,000, offset by scheduled principal payments of \$8,210,000.

**Overview of the Financial Statements**

This discussion and analysis provided here are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government support, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services and interest and other fiscal charges. The only business-type activity of the Town is the Amherst Development Corporation (the "Corporation"), a blended component unit.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate Industrial Development Agency for which the Town is financially accountable. Financial information presented for this discretely presented component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 14-15 of this report.

**Fund financial statements**—A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The Town maintains thirteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Highway, Fire Protection, Sewer, Special Grant and Capital Projects funds, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

**Proprietary funds**—The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its business-type activity, the Amherst Development Corporation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town’s various functions. The Town uses internal service funds to account for its self-insurance and workers compensation insurance programs. Because these insurance services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Self Insurance Fund and for the Workers Compensation Fund. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the Supplementary Information section of this report.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**Fiduciary funds**—Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources are not available to support the Town’s own programs. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Town maintains one fiduciary fund, the Custodial Fund.

The fiduciary fund financial statements can be found on pages 23-24 of this report.

**Notes to the financial statements**—The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-63 of this report.

**Other information**—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town’s net pension liability for the police and fire retirement system and employees’ retirement system, the Town’s total OPEB liability and related ratios, the Town’s total pension liability related to its length of service awards program, and the Town’s budgetary comparison schedules for each major fund with a legally adopted budget. Required Supplementary Information and the related notes can be found on pages 64-74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented as other supplementary information immediately following the Required Supplementary Information in the Supplementary Information section of this report on pages 75-81.

Other Information is included in these financial statements, specifically, the Schedules of Revenues, Expenditures and Changes in Fund Balances—Budget and Actual for the Town’s nonmajor funds. The Other Information can be found on pages 82-86 of this report.

The Federal Awards Information can be found on pages 87-96 of this report.

## Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as useful indicator of a government's financial position. In the case of the Town's primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$29,825,380 at the close of the most recent year, as compared to \$31,117,253 at the close of the fiscal year ended December 31, 2020.

Table 1, as shown below, presents a condensed statement of net position as of December 31, 2021 and December 31, 2020.

**Table 1—Condensed Statements of Net Position—Primary Government**

	Governmental Activities		Business-type Activity		Total Primary Government	
	December 31,		December 31,		December 31,	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 110,593,972	\$ 97,427,359	\$ 135,071	\$ 42,688	\$ 110,729,043	\$ 97,470,047
Capital assets	273,850,360	279,592,238	-	-	273,850,360	279,592,238
Total assets	<u>384,444,332</u>	<u>377,019,597</u>	<u>135,071</u>	<u>42,688</u>	<u>384,579,403</u>	<u>377,062,285</u>
Deferred outflows of resources	<u>100,748,238</u>	<u>87,147,547</u>	<u>-</u>	<u>-</u>	<u>100,748,238</u>	<u>87,147,547</u>
Current liabilities	44,778,019	48,681,862	97,155	2,500	44,875,174	48,684,362
Long-term liabilities	<u>383,579,177</u>	<u>420,880,387</u>	<u>-</u>	<u>-</u>	<u>383,579,177</u>	<u>420,880,387</u>
Total liabilities	<u>428,357,196</u>	<u>469,562,249</u>	<u>97,155</u>	<u>2,500</u>	<u>428,454,351</u>	<u>469,564,749</u>
Deferred inflows of resources	<u>86,698,670</u>	<u>25,762,336</u>	<u>-</u>	<u>-</u>	<u>86,698,670</u>	<u>25,762,336</u>
Net position:						
Net investment in capital assets	169,487,405	175,917,683	-	-	169,487,405	175,917,683
Restricted	28,947,845	25,756,202	-	-	28,947,845	25,756,202
Unrestricted	<u>(228,298,546)</u>	<u>(232,831,326)</u>	<u>37,916</u>	<u>40,188</u>	<u>(228,260,630)</u>	<u>(232,791,138)</u>
Total net position	<u>\$ (29,863,296)</u>	<u>\$ (31,157,441)</u>	<u>\$ 37,916</u>	<u>\$ 40,188</u>	<u>\$ (29,825,380)</u>	<u>\$ (31,117,253)</u>

The largest portion of the Town's net position, \$169,487,405, reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure), net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$28,947,845, represents resources that are subject to external restrictions on how they may be used.

The remaining balance of the Town's net position, \$(228,260,630), is considered to be unrestricted. The deficit is caused primarily by long-term liabilities not related to the Town's capital assets and are not expected to be repaid from current resources. These long-term liabilities including compensated absences, OPEB obligation, and net pension liabilities are funded annually within the funds.

Table 2, presented below, shows the changes in net position for the years ended December 31, 2021 and December 31, 2020.

**Table 2—Condensed Statements of Changes in Net Position—Primary Government**

	Governmental Activities		Business-type Activity		Total Primary Government	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 13,365,322	\$ 10,832,963	\$ 107,950	\$ 1,000	\$ 13,473,272	\$ 10,833,963
Operating grants and contributions	42,758,683	36,627,036	5,000	5,000	42,763,683	36,632,036
Capital grants and contributions	6,837,345	2,151,550	-	-	6,837,345	2,151,550
General revenues	131,132,706	119,976,182	-	-	131,132,706	119,976,182
Total revenues	194,094,056	169,587,731	112,950	6,000	194,207,006	169,593,731
Total expenses	192,799,911	190,347,200	115,222	54,367	192,915,133	190,401,567
Change in net position	1,294,145	(20,759,469)	(2,272)	(48,367)	1,291,873	(20,807,836)
Net position—beginning	(31,157,441)	(10,397,972)	40,188	88,555	(31,117,253)	(10,309,417)
Net position—ending	\$ (29,863,296)	\$ (31,157,441)	\$ 37,916	\$ 40,188	\$ (29,825,380)	\$ (31,117,253)

A summary of sources of revenues of the governmental activities for the years ended December 31, 2021 and December 31, 2020 is presented below in Table 3.

**Table 3—Summary of Sources of Revenues—Governmental Activities**

	Year Ended December 31,		Increase/(decrease)	
	2021	2020	Dollars	Percent (%)
Charges for services	\$ 13,365,322	\$ 10,832,963	\$ 2,532,359	23.4
Operating grants and contributions	42,758,683	36,627,036	6,131,647	16.7
Capital grants and contributions	6,837,345	2,151,550	4,685,795	217.8
Property and other taxes	113,156,395	103,704,913	9,451,482	9.1
Use of money and property	36,764	367,494	(330,730)	(90.0)
Sale of property and compensation for loss	371,253	4,203,595	(3,832,342)	(91.2)
Miscellaneous	11,703,581	7,185,839	4,517,742	62.9
State sources—unrestricted	5,864,713	4,514,341	1,350,372	29.9
Total revenues, net	\$ 194,094,056	\$ 169,587,731	\$ 24,506,325	14.5

Overall revenues of the governmental activities increased 14.5 percent from the prior year. This is due primarily to increases of property and other taxes (including sales tax) of \$9,451,482, as well as increases in operating and capital grants and contributions of \$6,131,647 and \$4,685,795, respectively, related to COVID-19 relief.

The most significant source of revenues is property and other taxes, which accounts for \$113,156,395, or 58.3 percent of total revenues, for the year ended December 31, 2021, and \$103,704,913, or 61.2 percent of total revenues, for the year ended December 31, 2020. The next largest source of revenue is operating grants and contributions, which comprises \$42,758,683, or 22.0 percent of total revenues and \$36,627,036, or 21.6 percent of total revenues for the years ended December 31, 2021 and 2020, respectively. Another significant source of revenue for the Town is charges for services, which provided \$13,365,322 or 6.9 percent of total revenues, and \$10,832,963 or 6.4 percent of total revenues, for the years ended December 31, 2021 and 2020, respectively.

A summary of program expenses for the years ended December 31, 2021 and December 31, 2020 is presented below in Table 4.

**Table 4—Summary of Program Expenses—Governmental Activities**

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollars	Percent (%)
General government support	\$ 20,069,031	\$ 16,940,761	\$ 3,128,270	18.5
Public safety	57,014,516	56,001,509	1,013,007	1.8
Transportation	17,017,286	18,071,256	(1,053,970)	(5.8)
Economic assistance and opportunity	3,797,151	4,341,504	(544,353)	(12.5)
Culture and recreation	12,022,406	10,459,916	1,562,490	14.9
Home and community services	79,513,363	81,802,785	(2,289,422)	(2.8)
Interest and other fiscal charges	3,366,158	2,729,469	636,689	23.3
Total	<u>\$ 192,799,911</u>	<u>\$ 190,347,200</u>	<u>\$ 2,452,711</u>	1.3

Total expenses increased 1.3 percent from the year ended December 31, 2020 due to normal operations following the COVID-19 pandemic.

The Town's significant expense items for the year ended December 31, 2021 were home and community services of \$79,513,363 (primarily sewer, water, and sanitation services), or 41.2 percent of total expenses, public safety of \$57,016,033 (primarily police services), or 29.6 percent of total expenses, general government support of \$20,025,514, or 10.4 percent of total expenses, and transportation of \$17,017,286 (primarily highway and road services), or 8.8 percent of total expenses. Similarly, for the year ended December 31, 2020 significant expense items were home and community services of \$81,802,785 (primarily sewer, water, and sanitation services), or 43.0 percent of total expenses, public safety of \$56,001,509 (primarily police services), or 29.4 percent of total expenses, transportation of \$18,071,256 (primarily highway and road services), or 9.5 percent of total expenses and general government support of \$16,940,761, or 8.9 percent of total expenses.

**Table 5—Summary of Revenues and Expenses—Business-type Activity**

	Year Ended December 31,		Increase/(Decrease)	
	2021	2020	Dollar	Percent (%)
Revenues:				
Administrative fees	\$ 107,950	\$ 1,000	\$ 106,950	10,695.0
Other nonoperating	5,000	5,000	-	0.0
Total revenues	<u>\$ 112,950</u>	<u>\$ 6,000</u>	<u>\$ 106,950</u>	1,782.5
Expenses:				
Administrative expenses	<u>\$ 115,222</u>	<u>\$ 54,367</u>	<u>\$ 60,855</u>	111.9
Total expenses	<u>\$ 115,222</u>	<u>\$ 54,367</u>	<u>\$ 60,855</u>	111.9

Revenues of the Town's business-type activity increased \$106,950 over the prior year. This was primarily due to administrative fees earned refinancing opportunities and Federal Community Development Block Grant (CDBG) funding to be received from the Town of Amherst for an economic study being done of the Amherst area.

Business-type activity expenses increased \$60,855 over the previous year as a result of additional management fees paid to the Town of Amherst IDA for personnel related to increased operations and office space used by the Corporation in 2021.

## Financial Analysis Governmental Funds

**Governmental funds**—The focus of the Town’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not been limited to use for a particular use by an external party, the Town itself, or a group of individuals that has been delegated to assign resources for use for particular purposes by the Town Board.

At December 31, 2021, the Town’s governmental funds reported a combined ending fund balance of \$63,678,530, an increase of \$15,920,315 from the prior year. Approximately 31.1 percent, \$19,799,473, of the combined ending fund balance constitutes either *unassigned fund balance* or *fund balance assigned for specific use*, which is available for spending in accordance with the fund’s purpose. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned* to indicate that has already been committed for 1) prepaid items, 2) debt, 3) loans receivable, 4) LOSAP, 5) equipment and capital improvements, 6) special purposes, 7) next year’s budget, 8) encumbrances or 9) new developments.

The Town’s General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$14,042,838. The total fund balance increased \$8,179,855 to a total fund balance of \$24,125,703 mainly due to COVID-19 relief funds. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures and transfers out. Unassigned fund balance represents approximately 17.8 percent of total General Fund expenditures and transfers out, while total General Fund fund balance represents 30.6 percent of that same amount.

During the year ended December 31, 2021 the Town’s Highway Fund fund balance increased \$782,695 from the prior year, resulting in an ending fund balance of \$5,406,698. The increase was primarily due to less than anticipated transportation expenditure, coupled with the reallocation of the debt reserves, previously reported within the Debt Service Fund. Approximately 51.8 percent of this amount, \$2,800,728 is reported as fund balance assigned for specific highway use.

The Town’s Fire Protection Fund ending fund balance was \$14,691,109. Approximately 1.0 percent, or \$140,183, of this amount is reported as fund balance assigned for specific Fire Protection Fund use. Additionally, a portion of the fund balance, \$14,509,501 is reported as restricted fund balance and represents monies held in trust for the administration of the Town’s Length of Service Awards Program (“LOSAP”). During the year ended December 31, 2021, the Fire Protection Fund fund balance increased \$1,526,067 from the prior year fund balance of \$13,165,042, mainly due to contributions and gains on LOSAP assets.

At December 31, 2021, the Town’s Sewer Fund reported fund balance of \$5,503,439, a decrease of \$878,709 in comparison with the prior year. The Town’s adopted budget planned on using \$1,258,486 of fund balance, which was partially offset by transfers in from the reallocation of the debt reserves from the Debt Service Fund. Approximately 43.7 percent of the Sewer Fund fund balance, \$2,405,469, is fund balance assigned for specific sewer use.

During the year ended December 31, 2021 the Town’s Special Grant Fund fund balance decreased \$178,977 from the prior year, resulting in an ending fund balance of \$7,118,633. This amount represents community development loans and is reported as restricted fund balance.

The Town’s Capital Projects Fund ending fund balance increased by \$10,159,465 during the year ended December 31, 2021 due to the issuance of serial bonds of \$15,810,000 and related premiums exceeding capital outlay expenditures. The ending fund balance deficit in the Capital Projects Fund was \$2,450,428, which is anticipated to be remedied through the conversion of bond anticipation notes to long-term financing.

## General Fund Budgetary Highlights

The Town adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules for the General Fund and the major funds, except the Special Grant and Capital Projects funds since they do not adopt an annual budget, are presented within the Required Supplementary Information section of this report have been provided to demonstrate compliance with their budgets. Additionally, budgetary comparison schedules for the Town’s nonmajor funds have been provided as other information.

The Town’s General Fund budget generally contains budget amendments during the year. The budget is allowed to be amended upward (increased) for prior year’s encumbrances since the funds were allocated under the previous year’s budget, and the Town has appropriately assigned an equal amount of fund balance at year-end for this purpose. Furthermore, the budget is allowed to be amended upward (increased) for additional current year appropriations supported by an increase in budgeted revenues or appropriation of fund balance.

A summary of the General Fund results of operations for the year ended December 31, 2021 is presented below in Table 6.

**Table 6—Summary of General Fund Results of Operations**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues and other financing sources	\$ 75,999,224	\$ 84,154,594	\$ 87,051,290	\$ 2,896,696
Expenditures and other financing uses	<u>76,201,611</u>	<u>89,265,522</u>	<u>78,871,435</u>	<u>10,394,087</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ (202,387)</u>	<u>\$ (5,110,928)</u>	<u>\$ 8,179,855</u>	<u>\$ 13,290,783</u>

**Original budget compared to final budget**—At the close of the fiscal year, the overall budgeted appropriations increased by \$13,063,911. Significant amendments to the budget included \$7,519,360 of supplemental appropriations within public safety expenditures and \$3,717,378 within debt service principal for the repayment of the \$5,000,000 deficiency notes.

**Final budget compared to actual results**—Total revenues and other financing sources exceeded the final budget by \$2,896,696 due to an unanticipated increase in sales tax and mortgage tax. Total expenditures and other financing uses were less than the final budget by \$10,394,087. Several positive variances were realized, most notably in general government support, public safety and culture and recreation related to less than anticipated expenditures from the lasting impacts of the pandemic.

## Capital Asset and Debt Administration

**Capital Assets**—The Town’s investment in capital assets for its governmental activities as of December 31, 2021, amounted to \$273,850,360 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, infrastructure, land improvements, buildings, building improvements, machinery and equipment and ice rink facility.

All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the Town’s capital asset policy.

Capital assets net of depreciation for the governmental activities as of the years ended December 31, 2021 and 2020 are presented in Table 7 on the following page.

**Table 7—Summary of Capital Assets (Net of Depreciation)**

	Governmental Activities	
	December 31,	
	2021	2020
Land	\$ 10,791,459	\$ 10,791,459
Construction in progress	36,947,863	35,755,094
Infrastructure	113,725,536	110,407,296
Land improvements	10,187,483	11,317,888
Buildings	51,753,204	55,761,572
Building improvements	10,082,305	10,594,893
Machinery and equipment	30,094,791	34,252,143
Ice rink facility	10,267,719	10,711,893
Total	<u>\$ 273,850,360</u>	<u>\$ 279,592,238</u>

Additional information on the Town's capital assets can be found in Note 4 to the financial statements.

**Long-term liabilities**—At December 31, 2021, the Town had bonded debt outstanding of \$93,691,000, as compared to \$86,091,000 at December 31, 2020. The Town issued of serial bonds of \$15,810,000 and made scheduled principal payments of \$8,210,000 during the current year.

A summary of long-term liabilities for the governmental activities as of the years ended December 31, 2021 and 2020 are presented below.

	Governmental Activities	
	December 31,	
	2021	2020
Serial bonds	\$ 93,691,000	\$ 86,091,000
Premium on serial bonds	5,990,503	4,198,152
Long-term deficiency notes	-	5,000,000
Compensated absences	16,698,143	17,086,710
Judgements and claims	-	748,663
Workers' compensation	3,356,580	3,632,010
Other postemployment benefits	230,830,195	232,937,834
Net pension liability	8,528,807	51,436,693
Net pension liability—LOSAP	24,483,949	19,749,325
MDA Total	<u>\$ 383,579,177</u>	<u>\$ 420,880,387</u>

Additional information on the Town's long-term liabilities can be found in Note 12 to the financial statements.

### **Economic Factors and Next Year's Budgets and Rates**

The Town's comprehensive plan highlights that the Town is renowned for an exceptional quality of life that is based on three fundamental attributes: livability, community character and a shared direction with the Buffalo-Niagara region. While, key initiatives of the Town include: to become an area renowned for beauty, character and environmental quality; capitalize on the presence of institutions of higher education and outstanding public school districts; become a model for effective reinvestment and revitalization of older neighborhoods; and to exercise leadership by providing excellent services and facilities ensuring fiscal balance, and managing development to promote predictability, fairness and quality.

The comprehensive plan focuses on the follow elements:

- **Land use and development**—the Town strives to promote compact, pedestrian-friendly development that emphasizes community appearance and sense of place. It hopes to spur reinvestment and redevelopment in its older neighborhoods and its commercial corridors. A town-wide open space system linked by trails, greenways, stream corridors, and bicycle/pedestrian facilities is a part of its comprehensive plan.
- **Natural and cultural resources**—the Town is focused on preserving and enhancing its rich natural and cultural resources for the future. The open space policy identified in the land use and development element is a key to this objective, as well as a new initiative of community-wide “Greening Amherst”, program of tree planting and re-vegetation. In accordance with the plan the Town recently completed an update to its historic resources inventory and designated its first historic district.
- **Economic development**—the Town continues the promotion of a healthy tax and employment base, through the increasing economic development partnerships with governmental agencies and private businesses and institutions. Redevelopment and revitalization are key initiatives and the Town is revising its zoning to prevent adverse commercial development that would negatively affect community character and quality of life in neighborhoods while working to promote regional economic development.
- **Transportation**—the Town intends to encourage a more balanced, multi-modal transportation system that emphasizes alternative means of travel, to include walking, biking, and public transportation. To achieve these goals there are targeted capital and operational improvements to the road network, investments in the creating a bicycle/pedestrian network, and improved transit services.
- **Infrastructure**—the Town will work to ensure that its residents are provided with well-maintained and cost-effective public water, sewer, stormwater, and other utility infrastructure systems. Key initiatives are related to stormwater management and sanitary sewer improvements.
- **Housing and neighborhoods**—the Town is determined to maintain quality affordable housing and healthy and diverse neighborhoods are available to all residents. Affordable housing policies focus on continuing existing housing programs that promote home ownership and affordability, while policies for housing diversity are designed to encourage a variety of housing types. Finally, neighborhood conservation policies propose initiation of a program to promote revitalization of older neighborhoods through measures such as code enforcement and capital improvements.
- **Community facilities**—the Town anticipates the establishment of an on-going system to objectively identify community facility and service needs for use in planning and programming. Such a system will aid to identify opportunities for community facilities and ensure cost effective strategies.

The unemployment rate, not seasonally adjusted, for the Buffalo-Niagara region during December 2021 was 3.3 percent. This compares to the New York State and national unemployment rate of 6.2 and 3.9 percent, respectively. These factors are considered in preparing the Town’s budget.

The Town considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2022 budget. The Town’s 2022 budget includes the appropriation of \$3,270,000 of fund balance in the General Fund. The General Fund tax rate is \$2.84 per thousand of assessed value for the 2022 budget year.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Town’s finances and to show the Town’s accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Supervisor’s Office, Town of Amherst, 5583 Main St., Williamsville, NY 14221.

# BASIC FINANCIAL STATEMENTS



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**TOWN OF AMHERST, NEW YORK**  
**Statement of Net Position**  
**December 31, 2021**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activity</b>	<b>Total</b>	<b>Industrial Development Agency</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 27,618,952	\$ 135,071	\$ 27,754,023	\$ 1,395,100
Restricted cash and cash equivalents	41,798,983	-	41,798,983	66,312
Restricted investments	14,509,501	-	14,509,501	-
Receivables	2,735,109	-	2,735,109	97,155
Intergovernmental receivables	8,924,706	-	8,924,706	-
Due from Custodial Fund	214,200	-	214,200	-
Prepaid items	7,673,888	-	7,673,888	5,027
Loans receivable	7,118,633	-	7,118,633	-
Capital assets not being depreciated	47,739,322	-	47,739,322	100,000
Capital assets, net of accumulated depreciation	226,111,038	-	226,111,038	430,136
Total assets	<u>384,444,332</u>	<u>135,071</u>	<u>384,579,403</u>	<u>2,093,730</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows—relating to pensions	56,131,357	-	56,131,357	-
Deferred outflows—relating to OPEB	44,521,631	-	44,521,631	-
Deferred outflows—refunding bonds	95,250	-	95,250	-
Total deferred outflows of resources	<u>100,748,238</u>	<u>-</u>	<u>100,748,238</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	7,347,140	97,155	7,444,295	922
Accrued liabilities	2,608,510	-	2,608,510	-
Retainages payable	341,762	-	341,762	-
Intergovernmental payables	990	-	990	-
Bond anticipation notes payable	34,295,023	-	34,295,023	-
Unearned revenue	184,594	-	184,594	-
Noncurrent liabilities:				
Due within one year	12,204,119	-	12,204,119	11,143
Due in more than one year	371,375,058	-	371,375,058	295,252
Total liabilities	<u>428,357,196</u>	<u>97,155</u>	<u>428,454,351</u>	<u>307,317</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows—relating to pensions	52,848,894	-	52,848,894	-
Deferred inflows—relating to OPEB	30,009,286	-	30,009,286	-
Deferred inflows—grant funding	3,840,490	-	3,840,490	-
Total deferred inflows of resources	<u>86,698,670</u>	<u>-</u>	<u>86,698,670</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	169,487,405	-	169,487,405	223,741
Restricted for:				
Loans receivable	7,118,633	-	7,118,633	-
LOSAP	14,509,501	-	14,509,501	-
Special purpose	5,026,025	-	5,026,025	-
Debt service	2,293,686	-	2,293,686	-
Industrial development loans and mortgage escrow	-	-	-	66,312
Unrestricted	<u>(228,298,546)</u>	<u>37,916</u>	<u>(228,260,630)</u>	<u>1,496,360</u>
Total net position	<u>\$ (29,863,296)</u>	<u>\$ 37,916</u>	<u>\$ (29,825,380)</u>	<u>\$ 1,786,413</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Statement of Activities**  
**Year Ended December 31, 2021**

Functions/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Industrial Development Agency
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activity	Total	
<b>Primary government:</b>								
Governmental activities:								
General government support	\$ 20,069,031	\$ 3,006,280	\$ -	\$ 25,526	\$ (17,037,225)	\$ -	(17,037,225)	\$ -
Public safety	57,014,516	1,795,261	7,654,450	303,755	(47,261,050)	-	(47,261,050)	-
Transportation	17,017,286	468,839	-	4,862,561	(11,685,886)	-	(11,685,886)	-
Economic assistance and opportunity	3,797,151	92,320	304,358	-	(3,400,473)	-	(3,400,473)	-
Culture and recreation	12,022,406	3,089,006	173,386	320,671	(8,439,343)	-	(8,439,343)	-
Home and community services	79,513,363	4,913,616	34,626,489	1,324,832	(38,648,426)	-	(38,648,426)	-
Interest and other fiscal charges	3,366,158	-	-	-	(3,366,158)	-	(3,366,158)	-
Total governmental activities	<u>192,799,911</u>	<u>13,365,322</u>	<u>42,758,683</u>	<u>6,837,345</u>	<u>(129,838,561)</u>	<u>-</u>	<u>(129,838,561)</u>	<u>-</u>
Business-type activity:								
Amherst Development Corporation	115,222	107,950	5,000	-	-	(2,272)	(2,272)	-
Total primary government	<u>\$ 192,915,133</u>	<u>\$ 13,473,272</u>	<u>\$ 42,763,683</u>	<u>\$ 6,837,345</u>	<u>(129,838,561)</u>	<u>(2,272)</u>	<u>(129,840,833)</u>	<u>-</u>
<b>Component unit:</b>								
Industrial Development Agency	\$ 619,095	\$ 861,397	\$ -	\$ -				242,302
Total component unit	<u>\$ 619,095</u>	<u>\$ 861,397</u>	<u>\$ -</u>	<u>\$ -</u>				<u>242,302</u>
General revenues:								
					89,636,397	-	89,636,397	-
					23,519,998	-	23,519,998	-
					36,764	-	36,764	549
					371,253	-	371,253	-
					11,703,581	-	11,703,581	98,455
					5,864,713	-	5,864,713	-
					<u>131,132,706</u>	<u>-</u>	<u>131,132,706</u>	<u>99,004</u>
					1,294,145	(2,272)	1,294,145	341,306
					<u>(31,157,441)</u>	<u>40,188</u>	<u>(31,117,253)</u>	<u>1,445,107</u>
					<u>\$ (29,863,296)</u>	<u>\$ 37,916</u>	<u>\$ (29,825,380)</u>	<u>\$ 1,786,413</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**December 31, 2021**

	Special Revenue					Capital Projects	Total Nonmajor Funds	Total Governmental Funds
	General	Highway	Fire Protection	Sewer	Special Grant			
<b>ASSETS</b>								
Cash and cash equivalents	\$ 10,469,691	\$ 4,246,811	\$ 182,452	\$ 5,313,004	\$ -	\$ 2,526,811	\$ 4,880,183	\$ 27,618,952
Restricted cash and cash equivalents	1,011,735	477,837	-	707,085	4,157,865	29,518,321	5,784,102	41,656,945
Restricted investments	-	-	14,509,501	-	-	-	-	14,509,501
Receivables	1,879,797	107,973	-	27,767	5,650	12,250	701,672	2,735,109
Due from other funds	4,649,799	-	-	-	-	-	-	4,649,799
Intergovernmental receivables	3,289,313	411,809	-	1,753,300	398,535	2,972,924	98,825	8,924,706
Prepaid items	5,346,628	628,133	-	737,492	8,913	-	852,722	7,573,888
Loans receivable	-	-	-	-	7,118,633	-	-	7,118,633
Total assets	<u>\$ 26,646,963</u>	<u>\$ 5,872,563</u>	<u>\$ 14,691,953</u>	<u>\$ 8,538,648</u>	<u>\$ 11,689,596</u>	<u>\$ 35,030,306</u>	<u>\$ 12,317,504</u>	<u>\$ 114,787,533</u>
<b>LIABILITIES</b>								
Accounts payable	1,068,206	152,402	844	528,026	724,585	3,185,585	1,436,989	7,096,637
Accrued liabilities	1,268,460	130,102	-	254,460	4,898	126	162,043	1,820,089
Due to other funds	-	183,361	-	2,252,723	-	-	1,099,515	3,535,599
Intergovernmental payables	-	-	-	-	990	-	-	990
Bond anticipation notes payable	-	-	-	-	-	34,295,023	-	34,295,023
Unearned revenue	184,594	-	-	-	-	-	-	184,594
Total liabilities	<u>2,521,260</u>	<u>465,865</u>	<u>844</u>	<u>3,035,209</u>	<u>730,473</u>	<u>37,480,734</u>	<u>2,698,547</u>	<u>46,932,932</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue—Grant funding	-	-	-	-	3,840,490	-	-	3,840,490
Unavailable revenue—Mortgage receivable	-	-	-	-	-	-	335,581	335,581
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,840,490</u>	<u>-</u>	<u>335,581</u>	<u>4,176,071</u>
<b>FUND BALANCES (DEFICIT)</b>								
Nonspendable	5,346,628	628,133	-	737,492	8,913	-	852,722	7,573,888
Restricted	827,141	477,837	14,509,501	707,085	7,118,633	-	5,307,648	28,947,845
Assigned	3,909,096	4,300,728	181,608	4,058,862	-	-	3,123,006	15,573,300
Unassigned	14,042,838	-	-	-	(8,913)	(2,450,428)	-	11,583,497
Total fund balances (deficit)	<u>24,125,703</u>	<u>5,406,698</u>	<u>14,691,109</u>	<u>5,503,439</u>	<u>7,118,633</u>	<u>(2,450,428)</u>	<u>9,283,376</u>	<u>63,678,530</u>
Total liabilities, deferred inflows of resources and fund balances (deficit)	<u>\$ 26,646,963</u>	<u>\$ 5,872,563</u>	<u>\$ 14,691,953</u>	<u>\$ 8,538,648</u>	<u>\$ 11,689,596</u>	<u>\$ 35,030,306</u>	<u>\$ 12,317,504</u>	<u>\$ 114,787,533</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Reconciliation of the Balance Sheet—Governmental Funds**  
**to the Government-wide Statement of Net Position**  
**December 31, 2021**

Amounts reported for governmental activities in the statement of net position (page 14) are different because:

Total fund balances (deficit)—governmental funds (page 16)		\$ 63,678,530
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$618,127,246 and the accumulated depreciation is \$344,276,886.		273,850,360
Other long-term assets are not available to pay for current period expenditures and, therefore, are recorded as deferred inflows of resources in the funds but are considered government-wide revenues:		
Deferred inflows of resources - mortgage receivable		335,581
For refunding bonds, the difference between the reacquisition price and the net carrying amount of the old debt should be reported as a deferred charge and recognized as a component of interest expense over either the lesser of the life of the debt issuance or the bonds refunded for the government-wide statements.		95,250
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions	\$ 8,865,697	
Deferred outflows related to experience changes of assumptions, investment earnings, and changes in proportion	47,265,660	
Deferred outflows related to OPEB	44,521,631	
Deferred inflows related to pensions	(52,848,894)	
Deferred inflows related to OPEB	<u>(30,009,286)</u>	17,794,808
Retained percentages are not a current liability and, therefore, are not reported in the funds.		(341,762)
Net accrued interest expense for serial bonds and bond anticipation notes is not reported in the funds.		(788,421)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds	\$ (93,691,000)	
Premium on serial bonds	(5,990,503)	
Compensated absences	(16,698,143)	
OPEB obligation	(230,830,195)	
Net pension liability	(8,528,807)	
Net pension liability—LOSAP	<u>(24,483,949)</u>	(380,222,597)
Internal service funds' net position which is due to governmental activities and related charges for services provided.		<u>(4,265,045)</u>
Net position of governmental activities		<u>\$ (29,863,296)</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances (Deficit)—Governmental Funds**  
**Year Ended December 31, 2021**

	Special Revenue					Capital Projects	Total Nonmajor Funds	Total Governmental Funds
	General	Highway	Fire Protection	Sewer	Special Grant			
<b>REVENUES</b>								
Real property taxes	\$ 36,628,885	\$ 10,154,987	\$ 6,323,573	\$ 17,144,293	\$ -	\$ -	\$ 18,037,435	\$ 88,289,173
Other property tax items	1,347,224	-	-	-	-	-	-	1,347,224
Non property tax items	23,519,998	-	-	-	-	-	-	23,519,998
Departmental income	4,184,585	445,648	-	470,830	-	-	579,893	5,680,956
Intergovernmental charges	-	-	-	2,714,793	-	250,000	-	2,964,793
Use of money and property	281,461	3,182	432	5,042	-	4,863	33,284	328,264
Licenses and permits	30	-	-	-	-	-	3,747,983	3,748,013
Fines and forfeitures	978,863	-	-	-	-	-	-	978,863
Sale of property and compensation for loss	65,496	39,684	-	5,067	-	-	61,227	171,474
Miscellaneous	2,335,339	789,142	1,646,374	412,191	-	586,757	1,296,240	7,066,043
State aid	6,084,600	1,188,233	-	-	-	1,508,766	195,757	8,977,356
Federal aid	7,809,606	-	-	-	34,525,821	3,890,346	-	46,225,773
Total revenues	<u>83,236,087</u>	<u>12,620,876</u>	<u>7,970,379</u>	<u>20,752,216</u>	<u>34,525,821</u>	<u>6,240,732</u>	<u>23,951,819</u>	<u>189,297,930</u>
<b>EXPENDITURES</b>								
Current:								
General government support	14,734,541	482	-	-	-	-	-	14,735,023
Public safety	39,693,287	-	6,444,312	-	-	-	4,199,579	50,337,178
Transportation	2,062,829	10,300,386	-	-	-	-	-	12,363,215
Economic assistance and opportunity	3,194,123	-	-	-	-	-	-	3,194,123
Culture and recreation	8,026,841	-	-	-	-	-	552,982	8,579,823
Home and community services	1,171,426	-	-	15,134,642	34,704,798	-	16,249,446	67,260,312
Debt service:								
Principal	7,778,861	856,717	-	3,161,943	-	-	1,412,479	13,210,000
Interest and other fiscal charges	830,589	477,232	-	1,455,880	-	-	689,092	3,452,793
Capital outlay	-	-	-	-	-	18,191,861	-	18,191,861
Total expenditures	<u>77,492,497</u>	<u>11,634,817</u>	<u>6,444,312</u>	<u>19,752,465</u>	<u>34,704,798</u>	<u>18,191,861</u>	<u>23,103,578</u>	<u>191,324,328</u>
Excess (deficiency) of revenues over expenditures	<u>5,743,590</u>	<u>986,059</u>	<u>1,526,067</u>	<u>999,751</u>	<u>(178,977)</u>	<u>(11,951,129)</u>	<u>848,241</u>	<u>(2,026,398)</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	3,815,203	234,223	-	1,107,406	-	4,163,881	424,149	9,744,862
Transfers out	(1,378,938)	(437,587)	-	(2,985,866)	-	-	(4,942,471)	(9,744,862)
Issuance of serial bonds	-	-	-	-	-	15,810,000	-	15,810,000
Premium on serial bonds	-	-	-	-	-	2,136,713	-	2,136,713
Total other financing sources (uses)	<u>2,436,265</u>	<u>(203,364)</u>	<u>-</u>	<u>(1,878,460)</u>	<u>-</u>	<u>22,110,594</u>	<u>(4,518,322)</u>	<u>17,946,713</u>
Net change in fund balances	8,179,855	782,695	1,526,067	(878,709)	(178,977)	10,159,465	(3,670,081)	15,920,315
Fund balances (deficit)—beginning	15,945,848	4,624,003	13,165,042	6,382,148	7,297,610	(12,609,893)	12,953,457	47,758,215
Fund balances (deficit)—ending	<u>\$ 24,125,703</u>	<u>\$ 5,406,698</u>	<u>\$ 14,691,109</u>	<u>\$ 5,503,439</u>	<u>\$ 7,118,633</u>	<u>\$ (2,450,428)</u>	<u>\$ 9,283,376</u>	<u>\$ 63,678,530</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities**  
**Year Ended December 31, 2021**

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances (deficit)—total governmental funds (page 18)		\$ 15,920,315
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense and loss on disposition of capital assets exceeded capital outlays in the current period.</p>		
Capital asset additions	\$ 12,457,225	
Loss on disposition of capital assets	(10,636)	
Depreciation expense	<u>(18,188,467)</u>	(5,741,878)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
		(119,432)
<p>Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(58,088)
<p>Governmental funds report retained percentages expenditures on construction contracts when the retained percentage is paid. However, in the statement of activities retained percentages on construction contracts is reported as an expense as it accrues.</p>		
		(32,107)
<p>Net differences between pension contributions and OPEB changes recognized on the fund financial statements and the government-wide financial statements are as follows:</p>		
Town pension contributions	\$ 16,463,893	
Cost of benefits earned net of employee contributions	(14,804,582)	
Changes in OPEB assumptions	<u>(6,786,668)</u>	(5,127,357)
<p>In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.</p>		
		(115,755)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:</p>		
Issuance of serial bonds	\$ (15,810,000)	
Principal payments on serial bonds	8,210,000	
Premiums on serial bonds issued	(2,136,713)	
Amortization of bond premiums	344,362	
Repayment of long-term deficiency notes	5,000,000	
Change in compensated absences	388,567	
Change in OPEB obligation	<u>(2,107,639)</u>	(6,111,423)
<p>Internal service funds are used by management to charge the cost of insurance, judgments, claims and related administrative expenses to individual funds. The net excess of charges for such services is reported within governmental activities.</p>		
		<u>2,679,870</u>
Change in net position of governmental activities		<u>\$ 1,294,145</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Statement of Net Position—Proprietary Funds**  
**December 31, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	
	<u>Internal Service Funds</u>	<u>Amherst Development Corporation</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 135,071	\$ 135,071
Restricted cash and cash equivalents	142,038	-	142,038
Prepaid items	100,000	-	100,000
Total current assets	<u>242,038</u>	<u>135,071</u>	<u>377,109</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	250,503	97,155	347,658
Accrued liabilities	3,356,580	-	3,356,580
Due to other funds	900,000	-	900,000
Total current liabilities	<u>4,507,083</u>	<u>97,155</u>	<u>4,604,238</u>
<b>NET POSITION</b>			
Unrestricted	<u>(4,265,045)</u>	<u>37,916</u>	<u>(4,227,129)</u>
Net position	<u>\$ (4,265,045)</u>	<u>\$ 37,916</u>	<u>\$ (4,227,129)</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Statement of Revenues, Expenses, and Changes in Net Position—Proprietary Funds**  
**Year Ended December 31, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	
	<u>Internal Service Funds</u>	<u>Amherst Development Corporation</u>	<u>Total</u>
Operating revenues:			
Contributions	\$ 4,853,755	\$ -	\$ 4,853,755
Miscellaneous	-	112,950	112,950
Total operating revenues	<u>4,853,755</u>	<u>112,950</u>	<u>4,966,705</u>
Operating expenses:			
Administrative expenses	307,979	115,222	423,201
Judgments and claims expenses	<u>1,843,825</u>	<u>-</u>	<u>1,843,825</u>
Total operating expenses	<u>2,151,804</u>	<u>115,222</u>	<u>2,267,026</u>
Operating income (loss)	<u>2,701,951</u>	<u>(2,272)</u>	<u>2,699,679</u>
Nonoperating revenues (expenses):			
Interest expense	(22,540)	-	(22,540)
Interest income	<u>459</u>	<u>-</u>	<u>459</u>
Total nonoperating revenues (expenses)	<u>(22,081)</u>	<u>-</u>	<u>(22,081)</u>
Change in net position	2,679,870	(2,272)	2,677,598
Net position—beginning	<u>(6,944,915)</u>	<u>40,188</u>	<u>(6,904,727)</u>
Net position—ending	<u>\$ (4,265,045)</u>	<u>\$ 37,916</u>	<u>\$ (4,227,129)</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Statement of Cash Flows—Proprietary Funds**  
**Year Ended December 31, 2021**

	<u>Governmental Activities</u>	<u>Business-type Activity</u>	
	<u>Internal Service Funds</u>	<u>Amherst Development Corporation</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from participating funds	\$ 4,853,755	\$ -	\$ 4,853,755
Receipts from reimbursements and settlement recoveries	-	117,950	117,950
Payments for administrative fees, supporting services and judgments and claims	<u>(3,120,837)</u>	<u>(15,567)</u>	<u>(3,136,404)</u>
Net cash provided by operating activities	<u>1,732,918</u>	<u>102,383</u>	<u>1,835,301</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Loan repayments	(600,000)	-	(600,000)
Principal reduction of bond anticipation notes	(1,127,000)	-	(1,127,000)
Interest on bond anticipation notes	<u>(22,540)</u>	<u>-</u>	<u>(22,540)</u>
Net cash (used for) noncapital financing activities	<u>(1,749,540)</u>	<u>-</u>	<u>(1,749,540)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	459	-	459
Net cash provided by investing activities	<u>459</u>	<u>-</u>	<u>459</u>
Net change in cash and cash equivalents	(16,163)	102,383	86,220
Cash and cash equivalents—beginning	<u>158,201</u>	<u>32,688</u>	<u>190,889</u>
Cash and cash equivalents—ending	<u>\$ 142,038</u>	<u>\$ 135,071</u>	<u>\$ 277,109</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 2,701,951	\$ (2,272)	\$ 2,699,679
Adjustments to reconcile operating income (loss) to net cash provided by operations:			
Decrease in receivables and investments	-	10,000	10,000
(Increase) in prepaid items	(100,000)	-	(100,000)
Increase (decrease) in accounts payable	155,060	(2,500)	152,560
(Decrease) in accrued liabilities	(1,024,093)	-	(1,024,093)
Increase in intergovernmental payables	<u>-</u>	<u>97,155</u>	<u>97,155</u>
Total adjustments	<u>(969,033)</u>	<u>104,655</u>	<u>(864,378)</u>
Net cash provided by operating activities	<u>\$ 1,732,918</u>	<u>\$ 102,383</u>	<u>\$ 1,835,301</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Statement of Fiduciary Net Position—Fiduciary Fund**  
**December 31, 2021**

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	<u><b>Custodial Fund</b></u>
<b>ASSETS</b>	
Restricted cash and cash equivalents	\$ 1,965,687
Total assets	<u>1,965,687</u>
<b>LIABILITIES</b>	
Accounts payable and other liabilities	1,751,487
Due to other funds	<u>214,200</u>
Total liabilities	<u>1,965,687</u>
<b>NET POSITION</b>	
Total net position	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Statement of Changes in Fiduciary Net Position—Fiduciary Fund**  
**Year Ended December 31, 2021**

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	<b>Custodial Fund</b>
<b>ADDITIONS</b>	
Funds received on behalf of individuals	\$ 3,862,731
Total additions	3,862,731
<b>DEDUCTIONS</b>	
Funds distributed to individuals	3,862,731
Total deductions	3,862,731
Change in net position	-
Net position—beginning	-
Net position—ending	\$ -

The notes to the financial statements are an integral part of this statement.

**TOWN OF AMHERST, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended December 31, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Town of Amherst, New York (the “Town”) have been prepared in conformity with the accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental 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.

***Description of Government-wide Financial Statements***

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The Town reports one business-type activity. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

***Reporting Entity***

The Town is a unit of local government created by the State of New York. The Town operates under provisions of New York State law and various local laws. The five-member Town Board is the legislative body responsible for overall operations. The Supervisor serves as both Chief Executive Officer and Chief Fiscal Officer.

Independently elected officials of the Town include:

Supervisor	Town Clerk
Councilmembers (4)	Superintendent of Highways
Town Justices (2)	

Units of local government which operate within the boundaries of the Town are the County of Erie and the Village of Williamsville. Public education is provided by four independent school districts within the Town.

The accompanying financial statements present the primary government and its component unit, an entity for which the government is considered to be financially accountable.

***Discretely Presented Component Unit***—The component unit column in the basic financial statements include the financial data of the Town’s discretely presented component unit. This unit is reported in a separate column to emphasize that they are legally separate from the Town.

***Town of Amherst Industrial Development Agency***—The Town of Amherst Industrial Development Agency (the “Agency”) is a public benefit corporation created by Article 18A of New York State General Municipal Law to promote the economic welfare, recreation opportunities and prosperity of County inhabitants. Members of the Agency are appointed by the Town Board which exercises no oversight responsibility for fiscal matters. The Agency members have complete responsibility for management of the Agency and accountability for fiscal matters.

The Town is not liable for agency bonds or notes. Separate financial statements can be obtained by writing the Agency's administration office, 4287 Main Street, Amherst, New York 14226.

***Blended Component Unit***—The following blended component unit is legally separate from the Town, but is, in substance, part of the Town's operations and therefore data is combined with data of the Town. The Town of Amherst Development Corporation (the "Corporation") was incorporated on May 23, 1977 under Section 402 of the Not-for-Profit Corporation Law to achieve the following lawful public quasi-public objectives:

- Relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instruction or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the Town by attracting new industry hereto and by encouraging the development or retention of industries in the Town and improving the economy and lessening the burdens of government and otherwise acting in the public interest, all within the Town;
- Construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants within said Town where projects assisted by the Empire State Development Corporation are to be located, and to assist financially in such construction, acquisition, rehabilitation and improvement and to maintain such plant for others;
- To study and promote, alone or in concert with local officials and interested local groups, the economic growth and business prosperity of the Town and such other areas of Western New York as may relate to and affect the Town and further the solution of other civic problems of the Western New York region.

***Excluded from the Financial Reporting Entity***—Although the following are related to the Town, they are not included in the County reporting entity for the reasons noted:

The Buffalo Niagara Heritage Village (the "Museum") is an educational institution, chartered by the State of New York, whose purpose is to instill, educate and cultivate in a public audience an informed appreciation of the American past and its impact on current lifestyles, culture and historical development of the Town of Amherst. The chartered organization is legally responsible for the collections and is the fund-raising arm of the Museum. The artifacts and historical collections are property of the New York State Department of Education and are not included within the Town's financial statements. In 2010, the Town granted a revocable license to the Museum to use the Town property at 3755 Tonawanda Creek Road beginning January 1, 2011 until December 31, 2035. The Museum financial statements can be obtained from the Museum's Executive Director at Buffalo Niagara Heritage Village, 3755 Tonawanda Creek Road, Amherst, New York 14228-1599.

The Village of Williamsville and the Town of Amherst jointly own the Glen Park. The Boards of each municipality jointly act as the governing body for the joint venture. The Village and Town have created a Glen Park Joint Board to make studies and advise the Village and Town on the development and maintenance of the Park. Neither the Village nor the Town shall take any action with respect to Glen Park without submitting the matter to the Glen Park Joint Board for recommendation.

The Village and Town share equally in all expenses of development and maintenance of Glen Park. Such contribution is determined on an annual basis. The joint venture has not accumulated significant surpluses or deficits. The Treasurer of the Village of Williamsville has custody of all monies appropriated by the Town as its share of park maintenance on or about the 1<sup>st</sup> of June each year. The joint venture's financial statements can be obtained from the Village Administrator's office at 5565 Main Street, Williamsville, New York 14221.

### ***Basis of Presentation—Government-wide Financial Statements***

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has a discretely presented component unit. The Town of Amherst Industrial Development Agency is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### ***Basis of Presentation—Fund Financial Statements***

The fund financial statements provide information about the Town's 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. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the principal operating fund of the Town and includes all operations not required to be recorded in other funds. The principal source of revenue for this fund is real property taxes.
- *Highway Fund*—The Highway Fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town. The major source of revenue for this fund is real property taxes.
- *Fire Protection Fund*—The Fire Protection Fund is used to record all revenues and expenditures related to fire protection in the Town. The principal source of revenue for the Fire Protection Fund is real property taxes.
- *Sewer Fund*—The Sewer Fund is used to record all revenues and expenditures related to operation and maintenance of the sewer districts. The major source of revenue for this fund is real property taxes.
- *Special Grant Fund*—The Special Grant Fund is used to record all activity related to the Federal Housing and Urban Development Community Development program. The major source of revenue for this fund is federal aid.
- *Capital Projects Fund*—The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

The Town reports the following proprietary funds:

- *Amherst Industrial Development Corporation (the "Corporation")*—Reported as an enterprise fund, the Corporation promotes economic diversity and exists as a conduit for issuance of tax-exempt financing for not-for-profit borrowers, such as colleges and universities and civic groups, such as the YMCA.

- *Internal Service Funds*—The Internal Service Funds are used to account for the Town’s insurance program. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town’s various functions.

Additionally, the Town reports the following fund type:

- *Fiduciary Fund*—The Custodial Fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary funds include monies from outside entities, controlled and administered by the Town for the benefit of others.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pensions, other postemployment benefits, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

#### ***Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance***

***Cash and Cash Equivalents***—The Town’s cash and cash equivalents consist of cash on hand, demand deposits, and time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

***Restricted Cash and Cash Equivalents***—Restricted cash and cash equivalents represent cash from unearned revenue and deferred inflow or resources received, amounts to support fund balance restrictions, unspent proceeds of debt, and amounts held on behalf of others.

***Restricted Investments***—The Town’s restricted investments consist of annuity contracts related to the Town’s Length of Service Award Program (“LOSAP”).

***Intergovernmental Receivables***—Receivables include amounts due from state and federal governments represent amounts owed to the Town to reimburse it for expenditures incurred pursuant to state and federally funded programs. Receivables are recorded and revenues recognized as earned. Allowances are recorded when appropriate.

***Prepaid Items***—Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

***Capital Assets***—Capital assets, which include property, buildings, equipment and infrastructure assets (e.g. roads, bridges, drainage systems and similar items) are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are incurred. Expenditures reported in the Capital Project Fund are classified as capital outlays. Routine capital expenditures in other funds are included in the appropriate functional category (i.e. purchase of new highway equipment as part of current expenditures—transportation). Additionally, from time to time the amount reported as capital outlays in the Capital Projects Fund includes certain non-capitalized costs (i.e. furnishings below the capitalization threshold).

Land and construction in progress are not depreciated. The other capital assets of the primary government are depreciated using a straight line method over the estimated useful lives presented on the following page.

Assets	Years
Buildings	50
Building improvements	20
Land improvements	10-25
Infrastructure:	
Water and sewer systems	50
Traffic control systems	30
Bridges and culverts	30-40
Roads	10-30
Street lighting	25
Machinery and equipment:	
Office equipment and furniture	10
Heavy equipment	15
Vehicles	5-10
Computers	5
Furniture	10
Other	10
Ice Rink Facility	10-50

***Deferred Outflows/Inflows of Resources***—In addition to assets, the statement of financial position and the balance sheet 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(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2021, the Town has three items that qualify for reporting in this category. The first item is related to pensions and is reported in the government-wide financial statements. This represents the effect of the net change in the Town’s proportion of the collective net pension liability, the difference during the measurement period between the Town’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item represents the effects of the change in the Town’s proportion of the collective OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability, and is reported on the government-wide financial statements. The last item is a deferred charge on refunding which the Town reports within the government-wide financial statements. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and the balance sheet 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 a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At December 31, 2021, the Town has three items that qualify for reporting in this category. The first item represents the effect of the net change in the Town’s proportion of the collective net pension liability and the difference during the measurement periods between the Town’s contributions and its proportionate share of total contributions to the pension systems not included in pension expense and it is reported on the government-wide statements. The second item represents the effects of the change in the Town’s proportion of the collective OPEB liability and difference during the measurement period between certain of the employer’s contributions and its proportionate share of

the total of certain contributions from employers included in the collective OPEB liability, and is reported on the government-wide financial statements. The final item represents unavailable revenues. The Town reports unavailable revenues from two sources: grant funding reported on the fund financial statements and government-wide financial statements, and a mortgage receivable reported solely on the fund financial statements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

***Unearned Revenue***—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At December 31, 2021, the Town reported unearned revenues in the General Fund in the amount of \$184,594, for cash received in advance for which the Town has not performed the related services.

***Net Position Flow Assumption***—Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

***Fund Balance Flow Assumptions***—Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund Balance Policies***—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Town itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. The Town Board is the highest level of decision-making authority for the government that can, by Town Board resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes, but do not meet the criteria to be classified as committed. The Town Board has by resolution authorized the Supervisor to assign fund balance. The Town Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

## ***Revenues and Expenses/Expenditures***

***Program Revenues***—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Property Taxes***—The Erie County Legislature prepares the levy in late December of each year and jointly bills the Town levy and Erie County real property taxes. Property taxes are levied and become a lien as of January 1 based on assessed property values as of that date.

In 2021, payments were due January 1st to February 16th without penalty; February 17th to March 1st a 1.5% penalty; March 2nd to 15th a 3.0% penalty; March 16th to 31st a 4.5% penalty; April 1st to 15th a 6.0% penalty; April 16th to April 30th a 7.5% penalty; and 1.5% added each month thereafter.

The tax roll is returned to the Erie County Commissioner of Finance after June 30 at which time all unpaid taxes and penalties are payable to that office. The Town retains their full tax levies for all unpaid items that are returned to the County. Thus, the Town is assured of receiving 100% of its tax levy. The County enforces all liens.

The Town also bills and collects taxes for various school districts within Town limits. Collections of the school district taxes and remittances of them are accounted for by the Receiver of Taxes, independent of Town operations.

***Federal Aid***—The Town is a recipient of federal aid within the General Fund, the Special Grant Fund and Capital Projects Fund. The majority of federal aid recognized within the General Fund, \$7,551,969, represents funds related to the American Rescue Plan Act of 2021, which have been claimed for public health and the provision of government services.

***Compensated Absences***—The Town labor agreements and Town Board rules and regulations provide for sick leave, vacations, and miscellaneous other paid absences. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave. These payments are budgeted annually without accrual.

Payment of sick leave and compensatory time is dependent upon many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of sick leave and compensatory time when such payment becomes due.

***Pension Plans***—The Town is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS") and the New York State Police and Fire Retirement System ("PFRS"). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

***Service Awards***—The Town has adopted a Service Award Program for firefighters that serve on a volunteer basis. The Program is administered by an outside agency, with the Town as trustee. More information is included in Note 7.

***Other Postemployment Benefits***—In addition to providing pension benefits, the Town provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 8.

***Proprietary Funds Operating and Nonoperating Revenues and Expenses***—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the internal service funds and the business-type activity are charges to other funds for judgements and claims and workers’ compensation costs and administrative fees, respectively. Operating expenses for internal service funds and the business-type activity include the cost of general and workers’ compensation claims and administrative expenses, respectively. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***Other***

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

***Adoption of New Accounting Pronouncements***—During the year ended December 31, 2021, the Town implemented GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; No. 91, *Conduit Debt Obligations*; No. 93, *Replacement of Interbank Offered Rates*; and No. 98, *The Annual Comprehensive Financial Report*. GASB Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 93 addresses those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (“IBOR”). GASB Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR, which replaces the acronym for comprehensive annual financial report. The implementation of GASB Statements No. 89, 91, 93 and 98 did not have a material impact on the Town’s financial position or results from operations.

***Future Impacts of Accounting Pronouncements***—The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 87, *Leases*, effective for the year ending December 31, 2022, and No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and No. 99, *Omnibus 2022*, effective for the year ending December 31, 2023. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 94, 96 and 99 will have on its financial position and results of operations when such statements are adopted.

## ***Stewardship, Compliance and Accountability***

***Legal Compliance—Budgets***—The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 30, the Town Supervisor files a “tentative” budget with the Town Clerk for the following fiscal year to commence on January 1. This budget, which includes appropriations and estimated revenues, is then presented to the full Town Board by October 5.
- The full Town Board reviews the tentative budget and may adjust same before approving a “preliminary” budget and calling for a public hearing, which is generally held in October.
- Following the public hearing, revisions may again be made by the Town Board before filing an adopted budget with Erie County by November 20.
- Formal annual budgetary accounts are employed as a management control device for the General and all Special Revenue Funds, except the Special Grants Funds.
- During the fiscal year, the Town Board can legally amend the operating budgets and is empowered to implement supplemental appropriations. Budget amendments are required for the departmental budgetary control. All budget amendments and budget transfers require Town Board approval.
- Annual budgets for governmental funds, except the Special Grant Fund, the Capital Projects Fund, and the Special Purpose Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America. A form of encumbrance accounting is employed as an extension of budgetary control in all governmental funds, under which certain contracts and other commitments outstanding at year-end for the expenditure of monies (encumbrances) are recorded as an assignment of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. On January 1, encumbrance assignments outstanding at year-end are reappropriated to the ensuing year’s original budget.
- The Special Grant Fund, the Special Purpose Fund and the Capital Projects Fund appropriations are not included in the Town’s annual budget. Instead appropriations are approved through a Town Board resolution at the grant/funding/project’s inception and lapse upon completion/termination of the grant/funding/project.
- Total expenditures for each object classification within a department may not legally exceed the total appropriations for that object classification.

***Deficit Fund Balance and Net Position***—The Capital Projects Fund has a fund balance of \$(2,450,428) at December 31, 2021. The deficit is caused by the Town’s issued bond anticipation notes (“BANs”), which do not qualify for treatment as a long-term liability. Accordingly, the BANs are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANs is spent, expenditures are reported and fund balance is reduced. Because the BANs are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained (e.g., from revenues, long-term debt issuances, and transfers in) to make the scheduled debt service principal and interest payments on the BANs.

Additionally, the Town's Self Insurance Fund and Workers Compensation Fund each had net position of \$(940,795) and \$(3,324,250), respectively, at December 31, 2021. The Town anticipates that transfers from other funds will remedy the deficit.

At December 31, 2021, the Town's governmental activities had a total net position of \$(29,863,296) due primarily to the Town's recognition of their OPEB obligation of \$230,830,195.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Town has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Total cash, cash equivalents and investments, including restricted cash and investments, reported by the Town at December 31, 2021 is presented below:

	Governmental Activities	Business-type Activity	Fiduciary Fund	Total
Petty cash (uncollateralized)	\$ 15,100	\$ -	\$ -	\$ 15,100
Deposits	69,402,835	135,071	1,965,687	71,503,593
Investments	14,509,501	-	-	14,509,501
Total	<u>\$ 83,927,436</u>	<u>\$ 135,071</u>	<u>\$ 1,965,687</u>	<u>\$ 86,028,194</u>

**Deposits with Financial Institutions**—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2021 as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 885,071	\$ 885,071
Uninsured:		
Collateral held by pledging bank's agent in the Town's name	69,752,049	69,357,274
Not collateralized*	1,305,266	1,261,248
Total	<u>\$ 71,942,386</u>	<u>\$ 71,503,593</u>

\*At December 31, 2021, deposits held by a third-party contractor for the Town's Federally funded program were not collateralized.

**Custodial Credit Risk—Deposits**—Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. For investments, this is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments that are in the possession of an outside party. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2021, except as noted above, the Town's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Town's name.

**Interest Rate Risk**—In accordance with its investment policy, the Town manages exposures by limiting investments to low risk type investments governed by New York State statute.

**Restricted Cash and Cash Equivalents**—The Town reports cash from unearned revenues and deferred inflows of resources received, unspent proceeds of debt, cash held for self-insurance activities and amounts held on behalf of others as restricted cash and cash equivalents. At December 31, 2021, the Town reported \$41,658,945 of restricted cash and cash equivalents within its governmental funds, \$142,038 within its internal service funds and \$1,965,687 within the Custodial Fund.

**Restricted Investments**—The Town restricted investments consist of annuity contracts related to the Town’s Length of Service Award Program (“LOSAP”), a defined benefit volunteer firefighter award program (see Note 7). The cost and fair value of the contracts amounted to \$14,509,501 as of December 31, 2021, and are recorded within the Fire Protection Fund.

**Fair Value Measurements**—Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- |         |   |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.   |
| Level 2 | Inputs to the valuation methodology include: <ul style="list-style-type: none"><li>• quoted prices for similar assets or liabilities in active markets;</li><li>• quoted prices for identical or similar assets or liabilities in inactive markets;</li><li>• inputs other than quoted prices that are observable for the asset or liability;</li><li>• inputs that are derived principally from or corroborated by observable market data by correlation or other means.</li></ul> If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.   |

The investments disclosed above consist of guaranteed fixed annuities, whereby the reported values are reported daily based on the valuation method disclosed in the annuity contract as calculated by the annuity provider and therefore are considered level 2 inputs for fair value measurement purposes. The interest on each annuity varies but they are all fixed rate with a guaranteed minimum rate for a specific period.

***Discretely Presented Component Unit***

**Town of Amherst Industrial Development Agency**—The Agency had unrestricted deposits of \$1,395,100 and restricted deposits of \$66,312 which were insured or collateralized by securities held by the pledging financial institution’s trust department or agent in the Agency’s name.

### 3. RECEIVABLES

Major revenues accrued by the Town at December 31, 2021 consisted of the following:

*Accounts Receivable*—Represents franchise fees receivable and amounts due from other Town departments (e.g. Town Justice, Town Clerk and Receiver of Taxes, etc.) who are acting as intermediary collecting agents, collecting various fines, fees and other charges which are remitted to the Town in accordance with State statute. Other miscellaneous items are also included. Amounts due to the Town at December 31, 2021 are presented in the table below.

General Fund:		
Franchise fees	\$ 1,248,648	
Town Justice	129,138	
Ice facility	133,775	
Judgements	150,533	
Property code violations	78,422	
Community policing	26,866	
Senior Center	61,811	
Town Clerk/Tax Receiver	33,976	
Museum	3,523	
Other	<u>13,105</u>	\$ 1,879,797
Highway Fund:		
Fuel purchases		107,973
Sewer Fund:		
Inspections		27,767
Special Grant Fund:		
Other		5,650
Capital Projects Fund:		
Other		12,250
Nonmajor Funds:		
Town Clerk/Tax Receiver	366,091	
Mortgage receivable	<u>335,581</u>	<u>701,672</u>
Total governmental funds		<u>\$ 2,735,109</u>

*Mortgage Receivable*—Within the Community Environment Fund accounts receivable is a mortgage receivable totaling \$335,581 related to the sale of the compost facility. The mortgage receivable carries 5.84% interest rate and payments from the borrower are due monthly from the months of March through November. During the year ended December 31, 2021, the Town received \$80,519 of mortgage payments, consisting of \$67,761 and \$12,758 of principal and interest, respectively. This receivable is offset by deferred inflows of resources in the balance sheet since the revenue recognition criteria has not been met.

***Intergovernmental Receivables***—Represents amounts due from other units of government, such as Federal, New York State, County of Erie or other local governments. Intergovernmental receivables at December 31, 2021 are as follows:

General Fund:			
Erie County - sales tax	\$ 3,188,290		
New York State	27,744		
Local municipalities	250		
Federal government	<u>73,029</u>	\$	3,289,313
Highway Fund:			
New York State			411,809
Sewer Fund:			
Erie County	800,000		
Local municipalities	<u>953,300</u>		1,753,300
Special Grant Fund:			
Federal government			398,535
Capital Projects Fund:			
New York State	827,429		
Federal government	<u>2,145,495</u>		2,972,924
Nonmajor Funds:			
New York State			<u>98,825</u>
Total governmental funds		\$	<u><u>8,924,706</u></u>

***Loans Receivable***—Loans receivable of \$7,118,633 within the Special Grant Fund consist of loans which were made by the Community Development Office of the Town through implementation of the Community Development Block Grant program. The funds received from repayments of such loans will be used towards future Community Development Block Grant expenditures and the related programs implemented through such grant.

#### 4. CAPITAL ASSETS

Capital asset activity for governmental activities for fiscal year ended December 31, 2021 was as follows:

	Balance 1/1/2021	Increases	Decreases and Reclassifications	Balance 12/31/2021
Capital assets not being depreciated:				
Land	\$ 10,791,459	\$ -	\$ -	\$ 10,791,459
Construction in progress	35,755,094	18,191,861	16,999,092	36,947,863
Total capital assets not being depreciated	<u>46,546,553</u>	<u>18,191,861</u>	<u>16,999,092</u>	<u>47,739,322</u>
Capital assets, being depreciated:				
Infrastructure	214,690,367	9,080,966	851,676	222,919,657
Land improvements	20,266,142	80,925	-	20,347,067
Buildings	206,020,824	-	-	206,020,824
Building improvements	19,181,341	310,328	-	19,491,669
Machinery and equipment	80,279,481	1,792,237	305,748	81,765,970
Ice rink facility	19,842,737	-	-	19,842,737
Total capital assets, being depreciated	<u>560,280,892</u>	<u>11,264,456</u>	<u>1,157,424</u>	<u>570,387,924</u>
Less accumulated depreciation for:				
Infrastructure	104,283,071	5,762,726	851,676	109,194,121
Land improvements	8,948,254	1,211,330	-	10,159,584
Buildings	150,259,252	4,008,368	-	154,267,620
Building improvements	8,586,448	822,916	-	9,409,364
Machinery and equipment	46,027,338	5,938,953	295,112	51,671,179
Ice rink facility	9,130,844	444,174	-	9,575,018
Total accumulated depreciation	<u>327,235,207</u>	<u>18,188,467</u>	<u>1,146,788</u>	<u>344,276,886</u>
Total capital assets being depreciated, net	<u>233,045,685</u>	<u>(6,924,011)</u>	<u>10,636</u>	<u>226,111,038</u>
Governmental activities capital assets, net	<u>\$ 279,592,238</u>	<u>\$ 11,267,850</u>	<u>\$ 17,009,728</u>	<u>\$ 273,850,360</u>

Depreciation expense, for governmental activities, was charged to functions and programs of the primary government as follows:

Governmental activities:	
General government support	\$ 701,413
Public safety	520,264
Transportation	2,979,011
Economic assistance and opportunity	234,903
Culture and recreation	2,046,118
Home and community services	11,706,758
Total	<u>\$ 18,188,467</u>

**Discretely Presented Component Units**

**Town of Amherst Industrial Development Agency**—Capital asset activity for the Town of Amherst Industrial Development Agency was as follows:

	Balance 1/1/2021	Increases	Decreases	Balance 12/31/2021
Capital assets not being depreciated:				
Land	\$ 100,000	\$ -	\$ -	\$ 100,000
Total capital assets not being depreciated	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Capital assets, being depreciated:				
Leasehold improvements	22,710	-	-	22,710
Equipment	89,997	-	-	89,997
Buildings	719,835	-	-	719,835
Total capital assets, being depreciated	<u>832,542</u>	<u>-</u>	<u>-</u>	<u>832,542</u>
Less accumulated depreciation for:				
Leasehold improvements	20,465	807	-	21,272
Equipment	76,286	3,274	-	79,560
Buildings	283,412	18,162	-	301,574
Total accumulated depreciation	<u>380,163</u>	<u>22,243</u>	<u>-</u>	<u>402,406</u>
Total capital assets being depreciated, net	<u>452,379</u>	<u>(22,243)</u>	<u>-</u>	<u>430,136</u>
Capital assets, net	<u>\$ 552,379</u>	<u>\$ (22,243)</u>	<u>\$ -</u>	<u>\$ 530,136</u>

**5. ACCRUED LIABILITIES**

Accrued liabilities include salary and other related liabilities. Accrued liabilities of the Town's governmental funds and proprietary funds at December 31, 2021 are:

General Fund:	
Salary	\$ 1,268,460
Highway Fund:	
Salary	130,102
Sewer Fund:	
Salary	\$ 233,460
Deposits	<u>21,000</u>
Total	254,460
Special Grant Fund:	
Salary	4,898
Capital Project Fund:	
Salary	126
Nonmajor Funds:	
Salary	<u>162,043</u>
Total governmental funds	<u>\$ 1,820,089</u>
Proprietary Funds:	
Workers Compensation	<u>3,356,580</u>
Total proprietary funds	<u>\$ 3,356,580</u>

## 6. RETIREMENT SYSTEM PENSION PLANS

### *Plan Descriptions and Benefits Provided*

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

The Systems are noncontributory, except for employees who joined the ERS after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

***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 liabilities for its proportionate share of the net pension liabilities for PFRS and ERS. The net pension liabilities were measured as of March 31, 2021. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2020, with update procedures used to roll forward the total net pension liabilities to the measurement date. The Town’s proportion of the net pension liabilities were based on projections of the Town’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

	PFRS	ERS
	March 31, 2021	March 31, 2021
Measurement date	March 31, 2021	March 31, 2021
Net pension liability	\$ 8,438,836	\$ 89,971
Town's portion of the Plan's total net pension liability	0.4860308%	0.0903560%

For the year ended December 31, 2021, the Town recognized pension expenses of \$4,710,072 and \$2,646,006 for PFRS and ERS, respectively. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	PFRS	ERS	PFRS	ERS
Differences between expected and actual experiences	\$ 1,872,533	\$ 1,098,790	\$ -	\$ -
Changes of assumptions	20,733,309	16,542,777	-	312,002
Net difference between projected and actual earnings on pension plan investments	-	-	24,813,904	25,844,988
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	602,750	1,434,938	516,048	430,781
Town contributions subsequent to the measurement date	4,403,847	3,491,046	-	-
<b>Total</b>	<b>\$ 27,612,439</b>	<b>\$ 22,567,551</b>	<b>\$ 25,329,952</b>	<b>\$ 26,587,771</b>

The Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>PFRS</u>	<u>ERS</u>
2022	\$ (972,820)	\$ (1,068,711)
2023	(80,437)	(299,288)
2024	(818,598)	(1,230,965)
2025	(4,379,067)	(4,912,302)
2026	4,129,562	-

**Actuarial Assumptions**—The total pension liabilities as of the measurement date were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the following actuarial assumptions:

	<u>PFRS</u>	<u>ERS</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	6.2%	4.4%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.7%	2.7%
Cost-of-living adjustments	1.4%	1.4%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System's experience with adjustments for mortality improvements based on 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:

Measurement date	PFRS and ERS	
	Target Allocation	Long-Term Expected
		Real Rate of Return
	March 31, 2021	
Asset class:		
Domestic equity	32.0 %	4.1 %
International equity	15.0	6.3
Private equity	10.0	6.8
Real estate	9.0	5.0
Opportunistic absolute return strategy	3.0	4.5
Credit	4.0	3.6
Real assets	3.0	6.0
Fixed income	23.0	0.0
Cash	1.0	0.5
Total	<u>100 %</u>	

**Discount Rate**—The discount rate used to calculate the total pension liabilities was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the 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 of the Net Pension Liability to the Discount Rate Assumption**—The chart below presents the Town's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—PFRS	\$ 35,886,688	\$ 8,438,836	\$ (14,280,891)
Employer's proportionate share of the net pension liability/(asset)—ERS	24,972,487	89,971	(22,857,532)

**Pension Plan Fiduciary Net Position**—The components of the current-year net pension liabilities of the employers as of the valuation date, were as follows:

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	April 1, 2020	April 1, 2020	
Employers' total pension liability	\$ 41,236,775	\$ 220,680,157	\$ 261,916,932
Plan fiduciary net position	39,500,500	220,580,583	260,081,083
Employers' net pension liability	<u>\$ 1,736,275</u>	<u>\$ 99,574</u>	<u>\$ 1,835,849</u>
System fiduciary net position as a percentage of total pension liability	95.8%	100.0%	99.3%

## 7. PENSION OBLIGATIONS—LOSAP

**Plan Description**—The Town established a defined benefit Length of Service Awards Program (the “LOSAP”) for the active volunteer firefighters of Ellicott Creek Fire Protection District No. 9, Getzville Fire Protection District No. 11, Main-Transit Fire Protection District No. 14, North Amherst Fire Protection District No. 10 and North Bailey Fire Protection District No. 18. The program took effect January 1, 1992. 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 is the sponsor of the program.

Certain information contained in this note is based on information for LOSAP as of December 31, 2020, which is the most recent valuation date for which complete information related to the year ended December 31, 2021 is available.

**Participation, Vesting and Service Credit**—Active volunteer firefighters who have reached the age of eighteen and who have completed one year of firefighting service are eligible to participate in the program. The program’s entitlement age is age fifty-five. 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.

**Benefits**—A participant’s benefit under the program is the actuarial equivalent of a monthly payment for life equal to twenty dollars 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 thirty. Except in the case disability or death, benefits are payable when a participant reaches entitlement age. The program provides statutorily mandated death and disability benefits.

**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.

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.

Authority to invest program assets is vested in the Investment Committee. 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. Portions of the following information are derived from the most recent report prepared by the actuary, dated February 11, 2022.

**Contributions**—New York State General Municipal Law §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.

**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.

***Measurement of Total Pension Liability***

The total pension liability at the December 31, 2020 measurement date was determined using an actuarial valuation as of that date.

**Actuarial Assumptions**—The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Salary Scale:	None assumed

Mortality rates were based on the RP-2014 Male Mortality Table without projection for mortality improvement.

**Discount Rate**—The discount rate used to measure the total pension liability was 1.93%. This was the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020. In describing this index, S&P Dow Jones Indices notes that the index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years and with a rating of at least Aa2 by Moody’s Investors Service’s, AA by Fitch, or AA by Standard & Poor’s Rating Services.

**Participants Covered by the Benefit Terms**—At the December 31, 2020 measurement date, the following participants were covered by the benefit terms:

Inactive participants currently receiving benefit payments	220
Inactive participants entitled to but not yet receiving benefit payments	240
Active participants	<u>165</u>
Total	<u>625</u>

**Changes in the Total Pension Liability**—The following table presents the changes to the total pension liability during the fiscal year, by source:

	<u>Total Pension Liability</u>
Balance as of 12/31/2019 measurement date	<u>\$ 19,749,325</u>
Changes for the year:	
Service cost	321,154
Interest	639,874
Changes of assumptions or other inputs	4,334,843
Differences between expected and actual experience	323,690
Benefit payments	<u>(884,937)</u>
Net changes	<u>4,734,624</u>
Balance as of 12/31/2020 measurement date	<u>\$ 24,483,949</u>

**Sensitivity of the Total Pension Liability to changes in the discount rate**—The following presents the total pension liability of the Town as of the December 31, 2020 measurement date, calculated using the discount rate of 1.93 percent, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is one percentage point lower (0.93 percent) or one percentage point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Net pension liability	\$ 28,781,574	\$ 24,483,949	\$ 21,104,801

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension**—For the year ended December 31, 2021, the Town recognized pension expense of \$2,183,206. 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	\$ 533,449	\$ 106,149
Changes of assumptions or other inputs	4,447,114	825,022
Benefit payments and administrative expenses subsequent to the measurement date	<u>970,804</u>	<u>-</u>
Total	<u>\$ 5,951,367</u>	<u>\$ 931,171</u>

Amounts reported as deferred outflows of resources related to pensions resulting from Town transactions subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending 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 shown on the following page.

Year Ending December 31,	
2022	\$ 1,251,626
2023	1,190,705
2024	740,525
2025	467,745
2026	323,659
Thereafter	75,132

## 8. OTHER POSTEMPLOYMENT BENEFITS

**Plan Description**—The Town provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee’s total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Town provides two experience rated Preferred Provider Organization (“PPO”) plans and one experience rates traditional indemnity plan for its retirees and their dependents. In addition, the Town provides a Medicare Supplemental plan option for Medicare eligible retirees and dependents.

**Employees Covered by Benefit Terms**—At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	351
Active employees	<u>166</u>
Total	<u>517</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

### **Total OPEB Liability**

The Town’s total OPEB liability of \$230,830,195 was measured as of January 1, 2021, and was determined by an actuarial valuation as of that date.

**Actuarial Methods and Assumptions**—Calculations are based on the types of benefits provided under the terms of the substantive plan, the plan as understood by the employer and the plan members, at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the January 1, 2021 actuarial valuation, the Entry Age Normal over a level percent of pay was used. The actuarial assumptions included a valuation and measurement date of January 1, 2021. The discount rate used is 2.12%. The RPH-2014 Mortality Table, with generation mortality, using scale MP-2014 and projected forward using scale MP-2020, for males and females is used for mortality rates. The rates of decrement due to turnover and retirement are based on the experience under the New York State & Local Retirement System as prepared by the Department of Civil Service’s actuarial consultant report entitled “Development of Recommended Actuarial Assumptions for New York State/SUNY GASB 45 Valuation.” Upon retirement it is assumed that 100% of eligible

employees and their spouses will elect for post-employment health care benefits, while it is assumed that 70% of retirees will be married at the time of their retirement.

**Changes in the Total OPEB Liability**—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	<u>Total OPEB Liability</u>
Balances at 12/31/2020	\$ 232,937,834
Changes for the year:	
Service cost	5,480,388
Interest	6,447,225
Changes of assumptions	21,612,724
Differences between expected and actual experience	(29,411,867)
Contributions—employer	<u>(6,236,109)</u>
Net changes	<u>(2,107,639)</u>
Balances at 12/31/2021	<u>\$ 230,830,195</u>

**Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate**—The discount rate assumption can have an impact on the OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the OPEB liability:

	<u>Decrease (1.12%)</u>	<u>Discount Rate (2.12%)</u>	<u>Increase (3.12%)</u>
Total OPEB liability	\$ 282,477,507	\$ 230,830,195	\$ 191,730,886

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the net OPEB liability of a 1% change in current health cost trend rates as reported by the Town’s actuary:

	<u>1% Decrease (5.0%)</u>	<u>Healthcare Cost Trend (6.0%)</u>	<u>1% Increase (7.0%)</u>
Total OPEB liability	\$ 189,991,109	\$ 230,830,195	\$ 285,575,459

**Funding Policy**—Authorization for the Town to pay a portion, or all, of retiree health insurance premiums was enacted by resolution of the Town Board or through union contracts, which are ratified by the Town Board. For an employee to be eligible for the Town’s postemployment health plan they must qualify for retirement as a member of the New York State retirement system. All current retirees, future eligible police retirees as well as future eligible non-police retirees (hired prior to January 1, 1977) receive full health care coverage with no contribution requirements for themselves, dependents, and surviving spouses. Eligible non-police retirees that were hired after January 1, 1977 will be required to pay 10% of the additional premium for spousal coverage, with surviving spouse being required to contribute 15% of the individual premium.

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**—The Town reports deferred outflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability are required to be determined. The table on the following page presents the Town’s deferred outflows and inflows of resources at December 31, 2021.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 23,608,773
Changes of assumptions	38,999,994	6,400,513
Town contributions subsequent to the measurement date	5,521,637	-
Total	<u>\$ 44,521,631</u>	<u>\$ 30,009,286</u>

The Town's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending December 31,</u>	
2022	\$ 2,937,931
2023	7,898,375
2024	(1,845,598)

## 9. RISK MANAGEMENT

The Town is exposed to various risks of losses related to torts; theft of damage to, and destruction of assets; injuries to employees; and natural disasters. The Town purchases insurance for: property (fire, flood, earthquake and boiler); computer equipment; and, employee fidelity. The Town purchases excess coverage for workers' compensation for claims in excess of \$1.25 million for Firemen and First Responders and \$1 million for all other employees. Workers' compensation insurance coverage is limited to \$2 million per accident. The Town also purchases excess liability coverage for claims in excess of \$2 million limited to \$20 million per occurrence or wrongful act or employee benefit wrongful act. There is an aggregate \$20 million limit for products-completed operations hazards, errors and omissions liability and employee benefit liability aggregate.

There have been no significant reductions in the levels of commercial insurance from the prior year.

**Judgments and Claims**—The Town is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town reports all of its risk management activities in its Internal Service Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

At December 31, 2021, the judgments and claims liability and the workers' compensation liability are recorded within the Town's Internal Service Fund. This liability is the Town's best estimate based on available information. Changes in the reported liabilities since January 1, 2020 resulted from the following:

	Liability, 1/1/2021	Claims	Payments	Liability, 12/31/2021
Judgments and claims	\$ 748,663	\$ -	\$ 748,663	\$ -
Workers' compensation	3,632,010	1,040,368	1,315,798	3,356,580

	Liability, 1/1/2020	Claims	Payments	Liability, 12/31/2020
Judgments and claims	\$ 550,000	\$ 870,345	\$ 671,682	\$ 748,663
Workers' compensation	3,840,581	1,722,919	1,931,490	3,632,010

There are outstanding claims in the range of \$2,000,000 to \$3,200,000 which are classified as reasonably possible.

## 10. LEASE OBLIGATIONS

**Operating Leases**—Operating lease obligations are for rental of public safety equipment. Lease expenditures/expenses for the year were approximately \$7,015. The future minimum rental payments required by the primary government for noncancelable operating leases are as follows:

Year Ending December 31,	
2022	\$ 7,018
2023	7,018
2024	7,018
2025	5,522
Total	<u>\$ 26,576</u>

## 11. SHORT-TERM DEBT

Liabilities for bond anticipation notes (“BANs”) are generally accounted for in the Capital Projects Fund. Principal payments on BANs must be made annually. State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs used for assessable improvement projects may be renewed for periods equivalent to the life of the permanent financing provided that annual reductions of principal are made. The table below is a summary of the Town’s short-term debt for the year ended December 31, 2021:

	Issued	Maturity	Interest Rate	Balance 1/1/2021	Issues	Redemptions	Balance 12/31/2021
Bond anticipation notes:							
Various capital projects	10/27/20	11/5/20	2.00%	\$ 36,262,892	\$ -	\$ 36,262,892	\$ -
Payment of settlement	10/27/20	11/5/20	2.00%	1,127,000	-	1,127,000	-
Various capital projects	10/26/21	11/4/22	1.50%	-	34,295,023	-	34,295,023
Total				<u>\$ 37,389,892</u>	<u>\$ 34,295,023</u>	<u>\$ 37,389,892</u>	<u>\$ 34,295,023</u>

The BANs issued on October 26, 2021 included a premium of \$442,749 included within governmental activities.

## 12. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The Town's outstanding long-term liabilities include bonds payable, deficiency notes payable, compensated absences, judgments and claims, workers' compensation, OPEB obligation and net pension liabilities. The serial bonds of the Town are secured by its general credit and revenue raising powers, as per State statute.

A summary of the Town's long-term debt at December 31, 2021 is presented below.

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Governmental activities:					
Serial bonds	\$ 86,091,000	\$ 15,810,000	\$ 8,210,000	\$ 93,691,000	\$ 9,130,000
Premium on serial bonds	4,198,152	2,136,713	344,362	5,990,503	349,725
Net bonds payable	90,289,152	17,946,713	8,554,362	99,681,503	9,479,725
Long-term deficiency notes payable	5,000,000	-	5,000,000	-	-
Compensated absences	17,086,710	363,282	751,849	16,698,143	1,100,750
Judgements and claims	748,663	-	748,663	-	-
Workers' compensation	3,632,010	1,040,368	1,315,798	3,356,580	1,623,644
OPEB obligation	232,937,834	4,128,470	6,236,109	230,830,195	-
Net pension liability*	51,436,693	-	42,907,886	8,528,807	-
Net pension liability—LOSAP	19,749,325	5,619,561	884,937	24,483,949	-
Total governmental activities	<u>\$ 420,880,387</u>	<u>\$ 29,098,394</u>	<u>\$ 66,399,604</u>	<u>\$ 383,579,177</u>	<u>\$ 12,204,119</u>

(\*Reductions to the net pension liability are shown net of additions.)

**Serial Bonds**—The Town issues general obligation bonds to provide funds for the acquisition, construction, and renovation of major capital facilities. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government.

In the current year, the Town issued \$15,810,000 in Public Improvement Serial Bonds for various purposes and received a premium of \$2,136,713. The interest rate ranges between 2.0% and 5.0% and the bonds will mature on November 1, 2039.

**Prior Year's Advanced Refunding**—During prior years, the Town issued \$7,155,000 in non-callable Refunding Bonds—2007 Series B, which collectively refund the previously issued 1999A bonds, originally issued to finance the acquisition of a parcel of real property and the existing building thereon. The interest on Series B bonds yield 5.630%. The total net proceeds of \$15,712,576 (after deductions for net issuance costs, including underwriters discount) were used to purchase non-callable, direct obligations of the United States of America and placed in an irrevocable trust fund to pay for all future debt service payments of the original bonds. As a result, the original bonds are considered refunded and the liability of those bonds, \$1,325,000, has been removed from the financial statements.

Additionally, in prior years, the Town also advance refunded \$17,980,000 of Tax-Exempt Lease Revenue Bonds 1997A of the Amherst Industrial Development Agency (the "AIDA Bonds") that were used to finance the construction of the Amherst Multi-Surface Ice Rink complex. The bond proceeds were placed into an irrevocable trust fund with an escrow agent to provide for all future debt service payments on the AIDA Bonds. As a result, the AIDA Bonds were considered to be defeased, and the December 31, 2021 financial statements do not reflect the obligation, now equal to \$1,120,000.

A summary of bonded indebtedness transactions for the year ended December 31, 2021 follows:

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2021	Issues	Redemptions	Principal Outstanding 12/31/2021
<b>General Fund:</b>						
Central Alarm Voice Recording Equipment	2011/2022	2.000-5.000%	\$ 37,470	\$ -	\$ 18,360	\$ 19,111
Traffic Signals	2011/2022	2.000-5.000%	8,717	-	4,271	4,447
Amherst Park Master Plan	2011/2022	2.000-5.000%	25,479	-	12,483	12,996
Local Waterfront Rev Plan	2011/2022	2.000-5.000%	8,269	-	4,052	4,218
Veterans Canal Park Improvements	2014/2039	2.000-5.000%	20,000	-	5,000	15,000
Dellwood Park Improvements	2014/2039	2.000-5.000%	19,000	-	6,000	13,000
Golf Course Improvements	2014/2039	2.000-5.000%	288,000	-	71,000	217,000
Youth and Community Center Improvements	2015/2030	2.000-3.000%	65,000	-	22,500	42,500
Traffic Signals	2015/2030	2.000-3.000%	30,000	-	3,000	27,000
Replacement of Traffic Signal Equipment at Various Intersections	2015/2030	2.000-3.000%	35,000	-	3,000	32,000
Various Improvements to Fetto Park	2015/2030	2.000-3.000%	29,482	-	6,000	23,482
Ice Rink Acquisition, G.O. Refunding 2007 Series B (taxable)	2007/2022	5.630%	190,000	-	95,000	95,000
2016A Refunding Bonds Acquisition (2007)	2016/2022	2.000-5.000%	80,000	-	40,000	40,000
2016A Refunding Bonds Improvements (2007)	2016/2022	2.000-5.000%	80,000	-	40,000	40,000
Parking Lot Improvements	2016/2039	3.000-3.125%	79,000	-	79,000	-
Traffic Signal Controls	2016/2039	3.000-3.125%	7,000	-	7,000	-
Recreation Dept. Facility and Park Improvements	2016/2039	3.000-3.125%	106,000	-	12,000	94,000
HVAC North Amherst Rec Center	2016/2039	3.000-3.125%	37,000	-	12,000	25,000
Parking Lot Improvements	2016/2039	3.000-3.125%	175,000	-	57,000	118,000
Recreation Dept. Facility and Park Improvements	2016/2039	3.000-3.125%	106,000	-	12,000	94,000
Central Fire Radio Repeater System Upgrade	2016/2039	3.000-3.125%	61,000	-	20,000	41,000
Various Traffic Signal Upgrades	2016/2039	3.000-3.125%	69,000	-	5,000	64,000
North Amherst Rec Center Garage B Roof Replacement	2016/2039	3.000-3.125%	32,000	-	11,000	21,000
Northtown Center Dasher Board Replacements	2016/2039	3.000-3.125%	170,000	-	19,000	151,000
Town Facility Park Lot Improvements 2013	2016/2039	3.000-3.125%	180,000	-	59,000	121,000
Harlem Rd. Community Center Building Improvements	2016/2039	3.000-3.125%	81,000	-	9,000	72,000
Bike Path and Trailway Repaving	2016/2039	3.000-3.125%	61,000	-	7,000	54,000
Improvements to Service Lifts HWY Garage A5132	2016/2039	3.000-3.125%	83,000	-	8,000	75,000
Town Parking Lot Improvements	2016/2039	3.000-3.125%	243,000	-	59,000	184,000
Traffic Signal Controls Replacements	2016/2039	3.000-3.125%	40,000	-	8,000	32,000
Town Park Improvements	2016/2039	3.000-3.125%	285,000	-	29,000	256,000
Amherst Justice Facility Addition	2016/2039	3.000-3.125%	839,000	-	38,000	801,000
Clearfield Pool Liner Replacement	2016/2039	3.000-3.125%	47,000	-	5,000	42,000
2007 Series A Ice Rink Refunding Federally Taxable	2016/2022	1.320-2.000%	2,210,000	-	1,100,000	1,110,000
Northtown Center Ice Resurfacers	2016/2039	3.000-3.125%	95,000	-	11,000	84,000
Ballfield Canopy Backstops	2016/2022	2.000-3.000%	64,000	-	6,000	58,000
Police Secure Storage Building	2017/2035	2.000-3.000%	304,000	-	18,000	286,000
Veterans Park Improvements	2017/2035	2.000-3.000%	41,000	-	4,000	37,000
HRCC AUD HVAC Replacement	2017/2035	2.000-3.000%	149,000	-	36,000	113,000
Maplemere Traffic Signal	2017/2035	2.000-3.000%	93,000	-	6,000	87,000
Eggertsville Youth Center Gym Roof Replacement	2017/2035	2.000-3.000%	23,000	-	4,000	19,000
Parking Lot Maintenance	2017/2035	2.000-3.000%	230,000	-	55,000	175,000
Recreation & Park Area Improvements	2017/2035	2.000-3.000%	24,000	-	2,000	22,000
Bike Path & Trailway Repaving Phase II	2017/2035	2.000-3.000%	72,000	-	7,000	65,000
Maple & Culpepper Traffic Signal Installation	2017/2035	2.000-3.000%	112,000	-	7,000	105,000
Highway HVAC Improvements	2017/2035	2.000-3.000%	110,000	-	21,000	89,000
Amherst State Park Improvements	2018/2040	4.0000%	196,000	-	15,000	181,000
Town Park Shelter Improvements	2018/2040	4.0000%	15,000	-	3,000	12,000
Amherst Sidewalks for Safety Transportation Enhancement	2018/2040	4.0000%	106,000	-	16,000	90,000
Central Amherst Little League Parking Lot Reconstruction	2018/2040	4.0000%	41,000	-	7,000	34,000
Northtown Center at Amherst Safety Updates	2018/2040	4.0000%	52,000	-	8,000	44,000
Amherst Police / Court ADA Restrooms & Entranceway	2018/2040	4.0000%	102,000	-	9,000	93,000
Town Facility Parking Lot Maintenance	2018/2040	4.0000%	354,000	-	53,000	301,000
Police & Court HVAC Systems Improvements	2018/2040	4.0000%	398,000	-	60,000	338,000

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2021	Issues	Redemptions	Principal Outstanding 12/31/2021
Bassett Park Accessibility & Pond Improvements	2018/2040	4.0000%	109,000	-	9,000	100,000
Northtown Center Softball Field Improvements	2018/2040	4.0000%	79,000	-	6,000	73,000
Traffic Signal Controls	2018/2040	4.0000%	63,000	-	4,000	59,000
Recreational Facility and Park Area Improvements	2018/2040	4.0000%	101,000	-	9,000	92,000
Police, Fire & Emergency Operations Center Radio	2018/2040	4.0000%	463,000	-	70,000	393,000
Museum Buildings & Grounds Improvements	2018/2040	4.0000%	60,000	-	9,000	51,000
Amherst State Park Improvements II	2019/2037	3.0000%	125,000	-	16,000	109,000
Police Court emergency Generator	2019/2037	3.0000%	102,000	-	13,000	89,000
Police Court HVAC & Lighting Phase II	2019/2037	3.0000%	265,000	-	30,000	235,000
Town Parking Lots	2019/2037	3.0000%	279,000	-	35,000	244,000
Pool Improvements	2019/2037	3.0000%	168,000	-	13,000	155,000
Recreation Equipment A	2019/2037	3.0000%	10,000	-	10,000	-
Recreation Equipment B	2019/2037	3.0000%	65,000	-	5,000	60,000
Engineering Equipment B	2019/2037	3.0000%	7,000	-	2,000	5,000
Highway Building Improvements	2019/2037	3.0000%	371,000	-	26,000	345,000
Amherst State Park Stariway Restoration	2019/2037	3.0000%	126,000	-	9,000	117,000
Bassett Park Accessibility & Pond Improvements II	2019/2037	3.0000%	84,000	-	6,000	78,000
Dann Lake Park Improvements	2019/2037	3.0000%	183,000	-	13,000	170,000
Traffic Signal Improvemnts	2019/2037	3.0000%	57,000	-	3,000	54,000
Harlem Rd. Community Center Improvements	2019/2037	3.0000%	130,000	-	17,000	113,000
General Fund Equipment B	2019/2037	3.0000%	39,739	-	4,817	34,922
Northtown Center Ice Resurfacers	2019/2037	3.0000%	234,000	-	17,000	217,000
ADP Interior Space Reallocation	2020/2043	2.000-5.000%	548,000	-	34,000	514,000
Police Court HVAC & Lighting Phase III	2020/2043	2.000-5.000%	110,000	-	11,000	99,000
Town Parking Lot Maintenance	2020/2043	2.000-5.000%	232,000	-	24,000	208,000
ECO Park Improvements	2020/2043	2.000-5.000%	63,000	-	4,000	59,000
Building Maintenance Equipment	2020/2043	2.000-5.000%	25,000	-	3,000	22,000
Highway Equipment	2020/2043	2.000-5.000%	38,043	-	2,381	35,662
NARC Roof Replacement	2020/2043	2.000-5.000%	172,000	-	18,000	154,000
Police - Court Security & Building Improvements	2020/2043	2.000-5.000%	84,000	-	6,000	78,000
HRCC Building Improvements	2020/2043	2.000-5.000%	115,000	-	12,000	103,000
West Royal Park Rehabilitation	2020/2043	2.000-5.000%	220,000	-	10,000	210,000
Renewable Energy Town Building	2020/2043	2.000-5.000%	41,000	-	3,000	38,000
Playground Safety Surface Improvements	2020/2043	2.000-5.000%	71,000	-	5,000	66,000
Acquisition of 4220 Bailey Ave A	2020/2043	2.000-5.000%	299,000	-	19,000	280,000
Acquisition of 4220 Bailey Ave B	2020/2043	2.000-5.000%	1,505,000	-	57,000	1,448,000
Highway Building Improvements	2020/2043	2.000-5.000%	181,000	-	9,000	172,000
Highway Equipment Snow Relief Districts	2020/2043	2.000-5.000%	52,500	-	3,500	49,000
Bassett Park Accessibility and Pond Improvements II	2021/2039	2.000-5.000%	-	46,000	-	46,000
Northtown Center Improvements	2021/2039	2.000-5.000%	-	90,000	-	90,000
Pathway Safety Enhancement	2021/2039	2.000-5.000%	-	80,000	-	80,000
Steffen Building Improvements	2021/2039	2.000-5.000%	-	79,000	-	79,000
Youth & Recreation Equipment A	2021/2039	2.000-5.000%	-	18,000	-	18,000
Youth & Recreation Equipment B	2021/2039	2.000-5.000%	-	37,000	-	37,000
Building Vehicles	2021/2039	2.000-5.000%	-	49,000	-	49,000
Town Parking Lots	2021/2039	2.000-5.000%	-	110,000	-	110,000
Booking Safety and Improvements	2021/2039	2.000-5.000%	-	473,000	-	473,000
Town Hall Generator	2021/2039	2.000-5.000%	-	106,000	-	106,000
Pool Heaters Replacement	2021/2039	2.000-5.000%	-	87,000	-	87,000
Town Guide Rail Replacements	2021/2039	2.000-5.000%	-	82,000	-	82,000
Radio System Upgrades	2021/2039	2.000-5.000%	-	366,000	-	366,000
Town Athletic Facility Improvements - Parking & Signage	2021/2039	2.000-5.000%	-	262,000	-	262,000
Billy Wilson Park Improvements	2021/2039	2.000-5.000%	-	110,000	-	110,000
Reconstruction of 5005 Sheridan Drive	2021/2039	2.000-5.000%	-	184,000	-	184,000
Purchase of 5005 Sheridan Drive	2021/2039	2.000-5.000%	-	641,000	-	641,000
Traffic Signals	2021/2039	2.000-5.000%	-	91,000	-	91,000
Playground Safety Surface Improvements	2021/2039	2.000-5.000%	-	68,000	-	68,000
NARC Roof Restoration	2021/2039	2.000-5.000%	-	305,000	-	305,000
Police Headquarters Roof Restoration	2021/2039	2.000-5.000%	-	380,000	-	380,000
Police Training Center Improvements	2021/2039	2.000-5.000%	-	153,000	-	153,000
Police Radio Systems Upgrades	2021/2039	2.000-5.000%	-	264,000	-	264,000
Town Parking Lot Maintenance	2021/2039	2.000-5.000%	-	147,000	-	147,000
<b>Total General Fund</b>			<b>15,285,699</b>	<b>4,228,000</b>	<b>2,782,362</b>	<b>16,731,337</b>

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2021	Issues	Redemptions	Principal Outstanding 12/31/2021
<b>Highway Fund:</b>						
Highway Equipment - Highway	2011/2022	2.000-5.000%	26,820	-	13,140	13,680
Various Town Road Pavements	2016/2039	3.000-3.125%	592,000	-	67,000	525,000
Higway Dept. Asphalt Paver	2016/2039	3.000-3.125%	201,000	-	23,000	178,000
Various Town Road Pavements 2013	2016/2039	3.000-3.125%	699,000	-	80,000	619,000
Paving & Curbing Improvements	2016/2039	3.000-3.125%	690,000	-	69,000	621,000
Improvements to Kings Highway	2016/2039	3.000-3.125%	189,000	-	19,000	170,000
Rehab Northledge Drive	2017/2035	2.000-3.000%	147,000	-	15,000	132,000
Town Road & Curbing Improvements	2017/2035	2.000-3.000%	702,000	-	70,000	632,000
Ditch 5 Culvert at Flint Road	2017/2035	2.000-3.000%	39,000	-	10,000	29,000
Town Road Pavement & Curbing Improvements	2018/2040	4.0000%	1,558,000	-	124,000	1,434,000
Town Paving and Curbing	2019/2037	3.0000%	1,722,000	-	121,000	1,601,000
Highway Equipment	2019/2037	3.0000%	464,000	-	33,000	431,000
Townwide Guide Rail Replacement	2019/2037	3.0000%	71,000	-	9,000	62,000
Highway Equipment A	2019/2037	3.0000%	495,470	-	35,228	460,242
Highway Equipment B	2019/2037	3.0000%	37,382	-	4,531	32,851
Pedestrian Safety Improvements at Signalized Intersections	2020/2043	2.000-5.000%	102,000	-	5,000	97,000
Town Road Pavement & Curbing Improvements	2020/2043	2.000-5.000%	1,688,000	-	111,000	1,577,000
Guide Rail Replacement	2020/2043	2.000-5.000%	79,000	-	8,000	71,000
Highway Equipment	2020/2043	2.000-5.000%	580,312	-	36,317	543,995
Highway Equip Snow Relief Districts	2020/2043	2.000-5.000%	52,500	-	3,500	49,000
JJ Audubon Bridge Replacement	2021/2039	2.000-5.000%	-	201,000	-	201,000
Highway Vehicles	2021/2039	2.000-5.000%	-	826,000	-	826,000
2019 Paving & Curbing	2021/2039	2.000-5.000%	-	1,643,000	-	1,643,000
Amherst Canalway Trail Pedestrian Bridge	2021/2039	2.000-5.000%	-	322,000	-	322,000
Ditch 5 Culvert Extension	2021/2039	2.000-5.000%	-	163,000	-	163,000
Highway Building Improvements	2021/2039	2.000-5.000%	-	252,000	-	252,000
JJ Audubon Bridge Replacement	2021/2039	2.000-5.000%	-	145,000	-	145,000
Town Road Paving & Curbing	2021/2039	2.000-5.000%	-	1,721,000	-	1,721,000
<b>Total Highway Fund</b>			<u>10,135,485</u>	<u>5,273,000</u>	<u>856,717</u>	<u>14,551,768</u>
<b>Sewer District Fund:</b>						
WWPC SSD#1 & SSD#16 Bar Screens	2009/2021	2.500-5.000%	140,000	-	140,000	-
Lehn Springs SSD#16 - Ext. 23 -SF	2009/2021	2.500-5.000%	65,000	-	65,000	-
SSD #1 & 16 WWTP Roofs (Phase II)	2011/2022	2.500-5.000%	50,213	-	24,601	25,612
SSD #1 Lafayette Blvd.	2011/2022	2.500-5.000%	16,763	-	8,213	8,551
SSD # 16 N. French	2011/2022	2.500-5.000%	113,836	-	55,772	58,064
SSD #1 & 16 Transformer Rehab Study	2011/2022	2.500-5.000%	13,410	-	6,570	6,840
SSD #1 & 16 Pelletizer Bagging Facility	2011/2022	2.500-5.000%	34,792	-	17,046	17,747
SSD #1 & 16 Centrifuge #5 Replacement	2011/2022	2.500-5.000%	33,451	-	16,389	17,063
SSD #1 & 16 Scum Removal System Replacement	2011/2022	2.500-5.000%	21,456	-	10,512	10,944
SSD #1 & 16 Elect System Load Curtailment	2011/2022	2.500-5.000%	34,792	-	17,046	17,747
SSD #1 & 16 Sand Filter Replacement	2011/2022	2.500-5.000%	79,715	-	39,055	40,660
Grit Collector/ Plant 16 Equipment	2014/2039	2.000-5.000%	105,000	-	5,000	100,000
Sewage Pump Motor Replacement	2014/2039	2.000-5.000%	297,000	-	14,000	283,000
Oxygen Deck Stage II Repairs	2014/2039	2.000-5.000%	141,500	-	7,500	134,000
Lift Station Control Panel	2014/2039	2.000-5.000%	57,000	-	3,000	54,000
Pump House Recovery	2014/2039	2.000-5.000%	79,500	-	4,500	75,000
Sanitary Sewers 16 Generators	2014/2039	2.000-5.000%	137,000	-	7,000	130,000
New Motor Control Center	2014/2039	2.000-5.000%	107,000	-	5,000	102,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	277,000	-	26,000	251,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	25,000	-	3,000	22,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	232,000	-	21,000	211,000
Improv. to Sanitary Sewer District No.1 & 16	2015/2030	2.000-3.000%	126,000	-	12,000	114,000
SS Dist. No. 1 & 16 WPCF Digester Rehab	2015/2030	2.000-3.000%	106,000	-	10,000	96,000
Incr. and Impr. of Sanitary Sewer District 1	2015/2030	2.000-3.000%	181,420	-	18,237	163,183
Incr. and Impr. of Sanitary Sewer District 1	2015/2030	2.000-3.000%	84,000	-	8,000	76,000
Incr. and Impr. of Sanitary Sewer District 16	2015/2030	2.000-3.000%	202,000	-	17,000	185,000
2016A Refunding Sewer District No.1 Harlem & Kensington (2007)	2016/2022	2.000-5.000%	40,000	-	20,000	20,000
2016A Refunding Sand Filtration System Improvements (2007)	2016/2022	2.000-5.000%	760,000	-	370,000	390,000
2016A Refunding Various Plant 16 Improvements (2007)	2016/2022	2.000-5.000%	260,000	-	125,000	135,000
2016A Refunding LeBrun Storm Sewer (2007)	2016/2022	2.000-5.000%	35,000	-	15,000	20,000

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2021	Issues	Redemptions	Principal Outstanding 12/31/2021
Main Sewage Pump Motors	2016/2039	3.000-3.125%	373,000	-	31,000	342,000
Polymer System Replacement	2016/2039	3.000-3.125%	26,000	-	26,000	-
Oxygen Plant Optimization	2016/2039	3.000-3.125%	145,000	-	13,000	132,000
WPCF Solids Handling	2016/2039	3.000-3.125%	620,000	-	50,000	570,000
Switchgear Replacement	2016/2039	3.000-3.125%	245,000	-	81,000	164,000
Underground Feeders / MMC	2016/2039	3.000-3.125%	111,000	-	18,000	93,000
HVAC Facility Improvements	2016/2039	3.000-3.125%	321,000	-	51,000	270,000
Hydraulic Actuators & Valve Replacement	2016/2039	3.000-3.125%	199,000	-	31,000	168,000
Scum Systems Replacement	2016/2039	3.000-3.125%	167,000	-	32,000	135,000
WPCF Basic, Scum System, Polymer, Hydraulic	2016/2039	3.000-3.125%	2,264,000	-	103,000	2,161,000
WPCF Roof Replacement	2016/2039	3.000-3.125%	64,000	-	8,000	56,000
WPCF Multiple Project Upgrades Phase II	2016/2039	3.000-3.125%	1,018,000	-	46,000	972,000
Allenhurst, Eggertsville, Capin Sanitary Sewer II & III	2016/2039	3.000-3.125%	885,000	-	41,000	844,000
WPCF EQ Basic	2016/2039	3.000-3.125%	471,000	-	22,000	449,000
WPCF Multiple Projects	2016/2039	3.000-3.125%	5,621,000	-	254,000	5,367,000
Brantwood, N. French, Harlem, Hancock Sanitary Sewer	2016/2039	3.000-3.125%	839,000	-	38,000	801,000
WPCF Oxygen System Rehabilitation	2016/2039	3.000-3.125%	2,394,000	-	108,000	2,286,000
WPCF Electric Upgrades Phase 5	2016/2039	3.000-3.125%	531,000	-	24,000	507,000
WPCF HVAC Facility Improvements	2016/2039	3.000-3.125%	181,000	-	9,000	172,000
WPCF Building Infrastructure Reconstruction	2016/2039	3.000-3.125%	198,000	-	10,000	188,000
Sanitary Sewer Lift Station Reconstruction	2016/2039	3.000-3.125%	35,000	-	7,000	28,000
WPCF Stage 1 & 2 Activated Sludge	2016/2039	3.000-3.125%	1,799,000	-	82,000	1,717,000
WPCF Dewatering Process Phase II	2016/2039	3.000-3.125%	919,000	-	42,000	877,000
Delta Rd./ Eggert Rd., Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	959,000	-	55,000	904,000
Chestnut Ridge Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	184,000	-	11,000	173,000
Capen Blvd Sanitary Sewer Upgrade	2017/2035	2.000-3.000%	62,000	-	4,000	58,000
WPCF Lift Station Pump Control Improvements	2017/2035	2.000-3.000%	287,000	-	17,000	270,000
WPCF Asset Management	2017/2035	2.000-3.000%	117,000	-	7,000	110,000
WPCF Air Scrubber Building No. 4	2017/2035	2.000-3.000%	49,000	-	3,000	46,000
WPCF Claridier Grit Air Rehab	2017/2035	2.000-3.000%	4,660,000	-	269,000	4,391,000
Sanitary Sewer Bondcroft / Danebrock	2018/2040	4.0000%	675,000	-	30,000	645,000
WPCF RAS/WAS System Rehab, Phase II	2018/2040	4.0000%	633,000	-	27,000	606,000
WPCF Facility Various Projects	2018/2040	4.0000%	4,457,000	-	191,000	4,266,000
Maple Road Sanitary Sewer Upgrades	2018/2040	4.0000%	353,000	-	16,000	337,000
Maple Road Sanitary Sewer Upgrades II	2019/2037	3.0000%	103,000	-	7,000	96,000
Engineering Sewer Equipment A	2019/2037	3.0000%	249,000	-	18,000	231,000
Water Pollution Control Facility Multiple Projects	2019/2037	3.0000%	4,002,000	-	198,000	3,804,000
Sewer Equipment A	2019/2037	3.0000%	237,010	-	16,852	220,158
Sewer Equipment B	2019/2037	3.0000%	21,879	-	2,652	19,227
Maple Road Sanitary Trunk Sewer Upgrades II	2020/2043	2.000-5.000%	83,000	-	6,000	77,000
Maple Road SS Trunk Sewer Upgrades 1B	2020/2043	2.000-5.000%	502,000	-	23,000	479,000
Engineering Equipment A	2020/2043	2.000-5.000%	69,000	-	7,000	62,000
Engineering Equipment B	2020/2043	2.000-5.000%	363,000	-	23,000	340,000
Eggert LeBrun Sanitary Sewer	2020/2043	2.000-5.000%	193,000	-	9,000	184,000
Ransom Oaks Lift Station	2020/2043	2.000-5.000%	62,000	-	3,000	59,000
WPCF Clarifier - Grit System Rehab	2021/2039	2.000-5.000%	-	74,000	-	74,000
ENG Facilities Rehabilitation	2021/2039	2.000-5.000%	-	62,000	-	62,000
2018 WPCF Multiple Project Bond	2021/2039	2.000-5.000%	-	1,747,000	-	1,747,000
Engineering HVAC Improvements	2021/2039	2.000-5.000%	-	146,000	-	146,000
Engineering Roof Replacement	2021/2039	2.000-5.000%	-	82,000	-	82,000
WPCF - Solids Handling Study	2021/2039	2.000-5.000%	-	249,000	-	249,000
WPCF - Micro screen Additions	2021/2039	2.000-5.000%	-	1,498,000	-	1,498,000
2019 Sanitary Sewer Upgrades and Rehabilitation Projects	2021/2039	2.000-5.000%	-	243,000	-	243,000
Engineering Vehicles	2021/2039	2.000-5.000%	-	255,000	-	255,000
<b>Total Sewer District Fund</b>			<b>41,602,737</b>	<b>4,356,000</b>	<b>3,161,943</b>	<b>38,440,794</b>
<b>Town Outside Village Fund</b>						
Highway Equipment - Part Town	2011/2022	2.000-5.000%	1,714	-	840	875
Highway Equipment	2020/2043	2.000-5.000%	38,043	-	2,381	35,662
Highway Equipment	2020/2043	2.000-5.000%	67,705	-	4,210	63,495
<b>Total Town Outside Village Fund</b>			<b>107,462</b>	<b>-</b>	<b>7,430</b>	<b>100,032</b>
<b>Lighting Fund:</b>						
Niagara Falls Blvd Lighting	2021/2039	2.000-5.000%	-	239,000	-	239,000
<b>Total Lighting Fund</b>			<b>-</b>	<b>239,000</b>	<b>-</b>	<b>239,000</b>

(continued)

Description	Issue/ Maturity Date	Interest Rate	Principal Outstanding 1/1/2021			(concluded) Principal Outstanding 12/31/2021
				Issues	Redemptions	
<b>Community Environment Fund:</b>						
Highway Equipment - Community Environment	2011/2022	2.000-5.000%	26,820	-	13,140	13,680
2016A Refunding Bonds Residential Refuse Containers (2007)	2016/2022	2.000-5.000%	265,000	-	130,000	135,000
Highway Equipment	2016/2022	2.000-5.000%	110,601	-	6,922	103,679
<b>Total Community Environment Fund</b>			<u>402,421</u>	<u>-</u>	<u>150,062</u>	<u>252,359</u>
<b>Water District Fund:</b>						
Waterline Country Pkwy	2011/2022	2.000-5.000%	68,838	-	33,726	35,112
Water District 15 Improvements	2014/2039	2.000-5.000%	1,087,000	-	49,000	1,038,000
Improvement of Facilities of Water District No. 15	2015/2030	2.000-3.000%	662,098	-	59,263	602,835
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	458,000	-	41,000	417,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	224,000	-	20,000	204,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	39,000	-	4,000	35,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	468,000	-	43,000	425,000
Increase and Improvement of Facilities Water District No. 15	2015/2030	2.000-3.000%	181,000	-	16,000	165,000
2016A Refunding Bonds Willowridge Road (2007)	2016/2022	2.000-5.000%	95,000	-	45,000	50,000
2016A Refunding Bonds Haussauer Road (2007)	2016/2022	2.000-5.000%	80,000	-	40,000	40,000
2016A Refunding Bonds Greengage Circle Phase II (2007)	2016/2022	2.000-5.000%	20,000	-	10,000	10,000
Indian Trail Waterline Replacement	2016/2039	3.000-3.125%	124,000	-	11,000	113,000
Indian Lakeside Drive Waterline	2016/2039	3.000-3.125%	67,000	-	6,000	61,000
Indian Smith Road Waterline	2016/2039	3.000-3.125%	160,000	-	15,000	145,000
2012 Waterline Replacement Projects	2016/2039	3.000-3.125%	950,000	-	43,000	907,000
Waterline Replacements	2016/2039	3.000-3.125%	2,407,000	-	109,000	2,298,000
Sheridan Dr. & Transit Waterline Ext./ Connection	2016/2039	3.000-3.125%	59,000	-	4,000	55,000
Muegel Rd. Waterline Replacement	2016/2039	3.000-3.125%	350,000	-	16,000	334,000
Meadowview Lane Waterline Replacements	2016/2039	3.000-3.125%	424,000	-	20,000	404,000
Presidents Walk Waterline Replacement	2016/2039	3.000-3.125%	330,000	-	15,000	315,000
Dodge Road Waterlines	2017/2035	2.000-3.000%	116,000	-	6,000	110,000
Waterline Replacement Robin Hill Road	2017/2035	2.000-3.000%	405,000	-	24,000	381,000
Waterline Replacement Northington Drive	2017/2035	2.000-3.000%	244,000	-	14,000	230,000
Waterline Replacement Clearfield Drive	2017/2035	2.000-3.000%	209,000	-	12,000	197,000
Waterline Replacement Odessa Srive & Lily Brooke Ct.	2017/2035	2.000-3.000%	246,000	-	14,000	232,000
Various Waterlines	2018/2040	4.0000%	1,511,000	-	64,000	1,447,000
Old Oak Post, Millbrook, & Park	2019/2037	3.0000%	1,817,000	-	90,000	1,727,000
2018 Waterlines - Maple Rd II	2020/2043	2.000-5.000%	1,903,000	-	90,000	1,813,000
2019 Waterlines Replacements	2021/2039	2.000-5.000%	-	1,623,000	-	1,623,000
<b>Total Water District Fund</b>			<u>14,704,936</u>	<u>1,623,000</u>	<u>913,989</u>	<u>15,413,947</u>
<b>Drainage Fund:</b>						
Highway Equipment - Drainage	2011/2022	2.500-5.000%	46,861	-	22,959	23,903
Storm Drain #4 McKinley / Harding	2011/2022	2.500-5.000%	62,133	-	30,441	31,692
Storm Drain #16 Eggerts / Bailey	2011/2022	2.500-5.000%	33,451	-	16,389	17,063
Drainage 16 Harding/McKinley/Caesar	2014/2039	2.000-5.000%	346,000	-	17,000	329,000
Drainage 26 Rambling Culvert	2014/2039	2.000-5.000%	107,000	-	5,000	102,000
Drainage 16 Bassett Park	2014/2039	2.000-5.000%	333,000	-	16,000	317,000
Drainage 26 Chapel Wood Culvert	2014/2039	2.000-5.000%	201,000	-	10,000	191,000
Improv. of SWD District 4, 16 & 26	2015/2030	2.000-3.000%	115,000	-	22,000	93,000
2016A Refunding Various Drainage Improvements (2007)	2016/2022	2.000-5.000%	80,000	-	40,000	40,000
Amherston, Oakwood, Bellingham Drainage	2016/2039	3.000-3.125%	178,000	-	28,000	150,000
Oakwood, Amherston, Bellingham Improve Phase II	2016/2039	3.000-3.125%	537,000	-	25,000	512,000
Ditch 9-A Weir Replacement	2016/2039	3.000-3.125%	61,000	-	3,000	58,000
Oakwood, Amherston, Bellingham Improve Phase III	2016/2039	3.000-3.125%	377,000	-	18,000	359,000
Bramblewood Lane Drainage Stormwater	2016/2039	3.000-3.125%	273,000	-	13,000	260,000
Ditch 26D-1 Culvert Replacement	2016/2039	3.000-3.125%	5,000	-	2,000	3,000
Glenn Oak Culvert Replacement	2017/2035	2.000-3.000%	297,000	-	18,000	279,000
Drainage Equipment A	2019/2037	3.0000%	139,520	-	9,920	129,600
Highway Equipment	2020/2043	2.000-5.000%	125,296	-	7,790	117,506
Longmeadow Dr Drainage Improvements	2020/2043	2.000-5.000%	535,000	-	33,000	502,000
Sattler Dellwood Park Stormwater Project	2021/2039	2.000-5.000%	-	91,000	-	91,000
<b>Total Drainage Fund</b>			<u>3,852,261</u>	<u>91,000</u>	<u>337,498</u>	<u>3,605,763</u>
<b>Total governmental activities</b>			<u>\$ 86,091,000</u>	<u>\$ 15,810,000</u>	<u>\$ 8,210,000</u>	<u>\$ 93,691,000</u>

**Premiums on Serial Bonds**—Governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental activities.

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021
Premium on Serial Bonds	\$ 4,198,152	\$ 2,136,713	\$ 344,362	\$ 5,990,503

**Long-Term Deficiency Notes**—In accordance with Section 29.20 of the local finance laws of the State of New York, any municipality, school district or district corporation may issue deficiency notes during any fiscal year to finance a deficiency in any fund or funds arising from revenues being less than the amount estimated in the budget for such current fiscal year. Such notes may be issued in such amount as the finance board shall determine to be necessary, but not to exceed five per centum of the amount of the annual budget of such municipality, school district or district corporation. On November 12, 2020, the Town issued \$5,000,000 in 2020 deficiency notes with an interest rate of 0.6 percent. These notes were redeemed in full, prior to maturity, on November 8, 2021.

**Compensated Absences**—As explained in Note 1, the Town records the value of governmental fund type compensated absences. The annual budgets of the operating funds provide funding for these benefits as they become payable. The value recorded in the financial statements at December 31, 2021, for governmental activities is \$16,698,143. Management estimates that \$1,100,750 is due within one year. Since payments of compensated absences are dependent upon many factors, the timing of future payments is not readily determinable.

**Judgments and Claims**—As explained in Note 9, the Town considers a liability for general liability claims in the government-wide financial statements. The Town’s outstanding judgments and claims liability as of the prior year ended December 31, 2020, totaling \$748,663 was settled on October 7, 2021. No other claims are considered probable, and therefore the Town does not report a liability for judgments and claims at December 31, 2021.

**Workers’ Compensation**—Accrued workers’ compensation, which totals \$3,356,580 represents the Town’s estimate of both asserted and unasserted workers’ compensation losses. The payments related to these liabilities are dependent upon many factors and, therefore, timing of future payments are not readily determinable. The Town has estimated that \$1,623,644 will be paid in the next fiscal year. Refer to Note 9 for additional information related to workers’ compensation.

**OPEB Obligation**—As explained in Note 8, the Town provides medical and prescription drug insurance benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee’s total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Town’s annual postemployment benefit (“OPEB”) cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability). The long-term OPEB obligation is estimated to be \$230,830,195 at December 31, 2021.

**Net Pension Liability**—The Town reports a liability for its proportionate share of the net pension liability for the Police and Fire Retirement System and Employee’s Retirement System. The total net pension liability is estimated to be \$8,528,807 in the governmental activities. Refer to Note 6 additional information related to the Town’s net pension liability.

**Net Pension Liability—LOSAP**—The Town reports a liability for its proportionate share of the net pension liability for the Length of Service Awards Program. The net pension liability is estimated to be \$24,483,949 in the governmental activities. Refer to Note 7 additional information related to the Town’s net pension liability.

A maturity schedule of the Town’s indebtedness is shown below.

Year Ending December 31,	Serial Bonds	Premium on Serial Bonds	Compensated Absences	Workers' Compensation	OPEB Obligation	Net Pension Liability	Net Pension Liability LOSAP	Total
2022	\$ 9,130,000	\$ 349,725	\$ 1,100,750	\$ 1,623,644	\$ -	\$ -	\$ -	\$ 12,204,119
2023	6,775,000	330,705	-	-	-	-	-	7,105,705
2024	6,630,000	328,627	-	-	-	-	-	6,958,627
2025	6,540,000	328,627	-	-	-	-	-	6,868,627
2026	6,565,000	328,627	-	-	-	-	-	6,893,627
2027-2031	29,090,000	1,637,759	-	-	-	-	-	30,727,759
2032-2036	20,401,000	1,620,117	-	-	-	-	-	22,021,117
2037-2041	8,425,000	972,070	-	-	-	-	-	9,397,070
2042-thereafter	135,000	94,246	15,597,393	1,732,936	230,830,195	8,528,807	24,483,949	281,402,526
Total	<u>\$ 93,691,000</u>	<u>\$ 5,990,503</u>	<u>\$ 16,698,143</u>	<u>\$ 3,356,580</u>	<u>\$ 230,830,195</u>	<u>\$ 8,528,807</u>	<u>\$ 24,483,949</u>	<u>\$ 383,579,177</u>

Interest requirements on serial bonds are as follows:

Year ending December 31,	Interest
2022	\$ 3,069,530
2023	2,777,372
2024	2,538,872
2025	2,303,671
2026	2,074,259
2027-2031	7,037,033
2032-2036	2,912,380
2037-2041	542,431
2042-thereafter	4,631
Total	<u>\$ 23,260,179</u>

***Discretely Presented Component Unit***

***Town of Amherst Industrial Development Agency***

The Agency’s mortgage with KeyBank amounted to \$306,395 and \$316,821 at December 31, 2021 and 2020, respectively. The mortgage is a direct borrowing. The original mortgage agreement stated that the mortgage bore interest at 6% per year and was payable in 60 monthly installments of \$6,225 comprising of principal and interest through December 31, 2014. At January 1, 2015, the interest rate adjusted daily to 2% above the Regular Fixed Advance Rate offered by the Federal Home Loan Bank of New York for instruments having a term of five years. The rate was never to fall below 6%. Payments were to be made in 60 monthly installments based on a 10-year amortization of the outstanding balance at January 1, 2015. A balloon payment for the remaining balance was due in January 2020 per the original agreement; however, in January 2020, the Agency refinanced its mortgage, extending the maturity date to January 1, 2040 with the remaining balance to be paid in 240 monthly installments of \$2,121 comprising both principal and interest. The interest rate is 4.75% until January 1, 2025, the first adjustment date, upon which time the interest rate will be adjusted.

The terms of the mortgage require the Agency to maintain a restricted deposit with the bank which amounted to \$66,312 and \$66,306 at December 31, 2021 and 2020.

### 13. NET POSITION AND FUND BALANCE

The government wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets**—This category groups all capital assets including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the Town’s governmental activities net investment in capital assets is presented as follows:

Capital assets, net of accumulated depreciation	\$ 273,850,360
Related debt:	
Serial bonds issued	\$ (93,691,000)
Unamortized bond issue premium	(5,990,503)
Deferred loss on refunding	95,250
Bond anticipation notes issued for capital assets	(34,295,023)
Unspent proceeds from debt	<u>29,518,321</u>
Debt issued and used for capital assets	<u>(104,362,955)</u>
Net investment in capital assets	<u>\$ 169,487,405</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position**—This category represents net position of the Town not restricted for any project or other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the Town at December 31, 2021 includes:

	General Fund	Highway Fund	Sewer Fund	Special Grant Fund	Nonmajor Funds	Total
Prepaid items	<u>\$ 5,346,628</u>	<u>\$ 628,133</u>	<u>\$ 737,492</u>	<u>\$ 8,913</u>	<u>\$ 852,722</u>	<u>\$ 7,573,888</u>

- **Prepaid Items**—Represents the portion of fund balance composed of prepaid assets. This balance is nonspendable as the asset does not represent an available resource.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balances of the Town at December 31, 2021 are presented on the following page.

	General Fund	Highway Fund	Fire Protection Fund	Sewer Fund	Special Grant Fund	Other Nonmajor Funds	Total
Loans receivable	\$ -	\$ -	\$ -	\$ -	\$ 7,118,633	\$ -	\$ 7,118,633
LOSAP	-	-	14,509,501	-	-	-	14,509,501
Special purpose	214,200	-	-	-	-	4,811,825	5,026,025
Debt service	612,941	477,837	-	707,085	-	495,823	2,293,686
Total	<u>\$ 827,141</u>	<u>\$ 477,837</u>	<u>\$ 14,509,501</u>	<u>\$ 707,085</u>	<u>\$ 7,118,633</u>	<u>\$ 5,307,648</u>	<u>\$ 28,947,845</u>

- **Restricted for Loans Receivable**—Represent community development loans within the Special Grant Fund, which are required to be maintained intact.
- **Restricted for LOSAP**—Represents monies, \$14,509,501, held in trust for the administration of the Town’s LOSAP.
- **Restricted for Special Purpose**—Represents tree planting deposits, ditch escrows and public improvement permit deposits within the General Fund and monies for various purposes as accounted for in special purpose special revenue funds.
- **Restricted for Debt Service**—Represents resources within the General Fund, Highway Fund, Sewer Fund and Nonmajor Funds legally restricted for the payment of debt service.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the Town’s highest level of decision-making authority, or by its designated body or official. As of December 31, 2021, the Town had no committed fund balance.

In the fund financial statements, assignments are not legally required segregations, but are segregated for a specific purpose by the Town. At December 31, 2021, the following balances were considered to be assigned:

	General Fund	Highway Fund	Fire Protection Fund	Sewer Fund	Nonmajor Governmental Funds	Total
Subsequent year's expenditures	\$ 3,270,000	\$ 1,500,000	\$ 41,425	\$ 1,600,000	\$ 220,000	\$ 6,631,425
Encumbrances	339,096	-	-	53,393	33,410	425,899
New developments	300,000	-	-	-	-	300,000
Specific use:						
Highway expenditures	-	2,800,728	-	-	-	2,800,728
Fire protection expenditures	-	-	140,183	-	-	140,183
Sewer expenditures	-	-	-	2,405,469	-	2,405,469
Town outside village expenditures	-	-	-	-	1,138,513	1,138,513
Lighting expenditures	-	-	-	-	271,610	271,610
Community environment expenditures	-	-	-	-	1,015,118	1,015,118
Water district expenditures	-	-	-	-	53,205	53,205
Drainage district expenditures	-	-	-	-	391,150	391,150
Total assigned fund balance	<u>\$ 3,909,096</u>	<u>\$ 4,300,728</u>	<u>\$ 181,608</u>	<u>\$ 4,058,862</u>	<u>\$ 3,123,006</u>	<u>\$ 15,573,300</u>

- **Assigned to Subsequent Year’s Expenditures**—Represents funds to be used to assist in supporting the subsequent year’s authorized appropriations.
- **Assigned to Encumbrances**—Represents authorizations related to unperformed contracts or purchase orders for goods or services.
- **Assigned for New Developments**—Represents impact fees set aside to be used for costs of providing public services to new developments.

- **Assigned for Specific Use**—Represents remaining fund balance of special revenue funds to be used for each fund’s specific use.

Unassigned fund balance represents the residual classification of the government’s General Fund surplus, and Special Grant Fund and Capital Projects Fund deficits.

The Town will spend the most restricted dollars before less restricted where such spending is appropriate and the legal restriction does not limit the use of such restricted amount for the particular purpose in question in the following order: 1) nonspendable (if funds become spendable), 2) restricted, 3) committed, 4) assigned, and 5) unassigned.

**14. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Interfund receivables and payables of the Town at December 31, 2021 consisted of the following:

Fund	Interfund Receivables	Interfund Payables
Governmental funds:		
General Fund	\$ 4,649,799	\$ -
Highway Fund	-	183,361
Sewer Fund	-	2,252,723
Other nonmajor funds	-	1,099,515
Subtotal governmental funds	<u>4,649,799</u>	<u>3,535,599</u>
Proprietary funds	-	900,000
Fiduciary funds	-	214,200
Total	<u>\$ 4,649,799</u>	<u>\$ 4,649,799</u>

The balances outstanding between funds are the result of transfers made to the proprietary funds to cover operating costs. Other balances result from payments made on behalf of other funds or temporary advances. All of these other balances are expected to be collected/paid within the subsequent year.

The Town made the following transfers during the year ended December 31, 2021:

Fund	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 3,815,203	\$ 1,378,938
Highway Fund	234,223	437,587
Sewer Fund	1,107,406	2,985,866
Capital Projects Fund	4,163,881	-
Nonmajor funds	424,149	4,942,471
Total	<u>\$ 9,744,862</u>	<u>\$ 9,744,862</u>

Transfers are used primarily to pay debt service expenditures, charge back allocations and to support capital projects. Additionally, during the year ended December 31, 2021, the Town elected to liquidate their Debt Service Fund, a nonmajor fund, resulting in a one-time transfer of the outstanding debt reserves to the respective operating funds.

A summary of the transfers out made during the year ended December 31, 2021 is follows:

	BAN Redemption	Capital and Other	Total
Governmental funds:			
General Fund	\$ 934,441	\$ 444,497	\$ 1,378,938
Highway Fund	254,226	183,361	437,587
Sewer Fund	258,047	2,727,819	2,985,866
Nonmajor funds	<u>192,618</u>	<u>4,749,853</u>	<u>4,942,471</u>
Total	<u>\$ 1,639,332</u>	<u>\$ 8,105,530</u>	<u>\$ 9,744,862</u>

## 15. LABOR RELATIONS

Town employees are represented by five bargaining units with the balance governed by Town Board rules and regulations. All bargaining unit contracts were settled as of December 31, 2021.

## 16. COMMITMENTS

**Encumbrances**—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) are re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The Town considers encumbrances to be significant for amounts that are encumbered in excess of \$50,000. Significant encumbrances as of December 31, 2021, are as listed below:

Fund	Purpose	Amount
General	Public safety vehicles	\$ 123,635
General	Public safety equipment	191,171

## 17. SERVICE CONCESSION ARRANGEMENT

The Town has a contract for services that meets the criteria of a service concession arrangement (“SCA”) per GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. In accordance with the contract entered into during March 2021, Antares Golf, LLC (the “Operator”) will manage and operate all golf related aspects of the Courses; Audubon, Par 3, and Oakwood Golf Courses. The agreement expires in five years during March 2026, with an option for renewal for two successive period of three years. The agreement stipulates that the Operator will provide operational services related to the Courses including, without limitation the following; hiring of employees, inventory for re-sale, equipment, consultation to the Town, marketing, accounting and reporting, annual budgeting, payment of vendors and IT services. The Town maintains certain responsibilities such as overseeing significant purchases through our procurement policy, and reviewing capital improvements through the Town’s capital improvement plan process. The Town also approves the annual budget, along with the golf and cart fees. The Operator will be compensated monthly from golf fees and has an incentive fee on positive net operating income. Any balance of operating income shall be retained by the Town.

During fiscal year 2021, the Operator’s monthly fees totaled \$67,121 and a year-end incentive fee of \$3,991. The Town recognized net golf revenue from this agreement of \$15,964. This revenue is included in departmental income within the General Fund on the statement of revenues, expenditures, and changes in fund balances (deficit), governmental funds.

## **18. TAX ABATEMENTS**

The Town is subject to tax abatements granted by the Amherst Industrial Development Agency (“AIDA”) and the Town of Amherst under New York State private housing finance law. These programs have the stated purpose of increasing business activity and employment in the region and providing housing for senior citizens and disabled citizens with low to moderate income. Economic development agreements entered into by the AIDA includes the abatement of state, county, local and school district taxes, in addition to other assistance. In the case of the Town the abatements have resulted in reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. Under the agreements entered into by the AIDA and the Town, the Town collected \$997,199 during 2021 in payments in lieu of taxes (“PILOT”); these collections were made in lieu of \$1,374,967 in property taxes.

## **19. CONTINGENCIES**

**Assessments**—The Town is a defendant in various litigation under Article 7 of the Real Property Tax Law of the State of New York to review tax assessments. While the Town vigorously defends assessments, the likelihood of success is on a case-by-case basis, and is dependent upon many factors including market values and appraised amounts. No potential amount or potential range of loss is determinable. However, management believes that level of such potential loss, if any, would be immaterial and no provisions have been made within the financial statements.

**Grants**—In the normal course of operations, the Town receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of any expenditure that may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

**Pollution Remediation Obligations**—On February 13, 2007, the Town was issued a consent order by the New York State Department of Environmental Conservation. As part of the consent order the Town submitted a plan for the abatement of the overflow of sanitary sewer discharge in February 2011. The NYSDEC approved the plan in September 2011. As of December 31, 2021, the Town has issued debt to remediate the notice of consent and additional liabilities will be financed as remediation progresses.

## **20. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through May 2, 2022, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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## REQUIRED SUPPLEMENTARY INFORMATION



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**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability—**  
**Police and Fire Retirement System**  
**Last Eight Fiscal Years\***

	<b>Year Ended December 31,</b>							
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Town's proportion of the net pension liability	0.4860308%	0.5009199%	0.5124932%	0.5318793%	0.5764179%	0.5741059%	0.5128572%	0.5128572%
Town's proportionate share of the net pension liability	<u>\$ 8,438,836</u>	<u>\$ 26,773,857</u>	<u>\$ 8,594,835</u>	<u>\$ 5,376,006</u>	<u>\$ 11,325,341</u>	<u>\$ 16,998,055</u>	<u>\$ 1,411,688</u>	<u>\$ 2,135,073</u>
Town's covered payroll	\$ 17,715,872	\$ 17,411,186	\$ 16,851,145	\$ 16,614,053	\$ 16,834,399	\$ 17,032,680	\$ 16,342,612	\$ 14,344,572
Town's proportionate share of the net pension liability as a percentage of its covered payroll	47.6%	153.8%	51.0%	32.4%	67.3%	99.8%	8.6%	14.9%
Plan fiduciary net position as a percentage of the total pension liability	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%	98.5%

\*Information prior to the year ended December 31, 2014 is not available.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Contributions—**  
**Police and Fire Retirement System**  
**Last Eight Fiscal Years\***

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,646,272	\$ 4,887,906	\$ 4,619,015	\$ 4,607,107	\$ 4,805,801	\$ 4,975,907	\$ 5,090,970	\$ 4,776,310
Contributions in relation to the contractually required contribution	(5,646,272)	(4,887,906)	(4,619,015)	(4,607,107)	(4,805,801)	(4,975,907)	(5,090,970)	(4,776,310)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 18,264,626	\$ 18,032,773	\$ 17,358,513	\$ 16,761,253	\$ 16,465,208	\$ 16,072,173	\$ 16,616,683	\$ 16,330,150
Contributions as a percentage of covered payroll	30.9%	27.1%	26.6%	27.5%	29.2%	31.0%	30.6%	29.2%

\*Information prior to the year ended December 31, 2014 is not available.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability—**  
**Employees' Retirement System**  
**Last Eight Fiscal Years\***

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Town's proportion of the net pension liability	0.0903560%	0.0931356%	0.0947778%	0.1002319%	0.0924143%	0.0964040%	0.1006434%	0.1006434%
Town's proportionate share of the net pension liability	\$ 89,971	\$ 24,662,836	\$ 6,715,292	\$ 3,234,929	\$ 8,683,451	\$ 15,473,115	\$ 3,399,979	\$ 4,547,932
Town's covered payroll	\$ 30,254,567	\$ 29,834,281	\$ 29,718,225	\$ 29,546,930	\$ 30,348,302	\$ 27,434,989	\$ 27,210,703	\$ 27,768,404
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.3%	82.7%	22.6%	10.9%	28.6%	56.4%	12.5%	16.4%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

\*Information prior to the year ended December 31, 2014 is not available.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of the Town's Contributions—**  
**Employees' Retirement System**  
**Last Eight Fiscal Years\***

	Year Ended December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,581,512	\$ 4,352,120	\$ 4,330,347	\$ 4,411,549	\$ 4,220,001	\$ 4,794,259	\$ 4,947,837	\$ 6,019,128
Contributions in relation to the contractually required contribution	(4,581,512)	(4,352,120)	(4,330,347)	(4,411,549)	(4,220,001)	(4,794,259)	(4,947,837)	(6,019,128)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 29,092,410	\$ 29,977,061	\$ 30,328,975	\$ 29,505,213	\$ 29,362,605	\$ 28,857,463	\$ 27,606,404	\$ 27,664,705
Contributions as a percentage of covered payroll	15.7%	14.5%	14.3%	15.0%	14.4%	16.6%	17.9%	21.8%

\*Information prior to the year ended December 31, 2014 is not available.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Changes in the Town's Total OPEB Liability and Related Ratios**  
**Last Four Fiscal Years\***

	Year Ended December 31,			
	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 5,480,388	\$ 3,472,989	\$ 4,289,006	\$ 3,862,403
Interest	6,447,225	7,365,643	7,536,995	7,580,098
Changes of assumptions	21,612,724	48,894,293	(31,665,697)	12,614,433
Differences between expected and actual experience	(29,411,867)	-	(8,315,741)	-
Change in benefit terms	-	-	(4,527,725)	-
Benefit payments	(6,236,109)	(5,943,820)	(5,955,612)	(5,877,430)
Net change in total OPEB liability	(2,107,639)	53,789,105	(38,638,774)	18,179,504
Total OPEB liability—beginning	232,937,834	179,148,729	217,787,503	199,607,999
Total OPEB liability—ending	<u>\$ 230,830,195</u>	<u>\$ 232,937,834</u>	<u>\$ 179,148,729</u>	<u>\$ 217,787,503</u>
<b>Plan Fiduciary Net Position</b>				
Contributions—employer	\$ 6,236,109	\$ 5,943,820	\$ 5,955,612	\$ 5,877,430
Benefit payments	(6,236,109)	(5,943,820)	(5,955,612)	(5,877,430)
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's net OPEB liability—ending	<u>\$ 230,830,195</u>	<u>\$ 232,937,834</u>	<u>\$ 179,148,729</u>	<u>\$ 217,787,503</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 4,199,999	\$ 3,780,650	\$ 3,316,459	N/A
Town's net OPEB liability as a percentage of covered-employee payroll	5496%	6161%	5402%	N/A

\*Information prior to the year ended December 31, 2018 is not available.

The notes to the Required Supplementary Information are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Changes in the Town's Total Pension Liability—LOSAP**  
**Last Five Fiscal Years\***

	Year Ended December 31,				
	2021	2020	2019	2018	2017
<b>Total Pension Liability</b>					
Service cost	\$ 321,154	\$ 290,864	\$ 372,403	\$ 338,367	\$ 397,324
Interest	639,874	670,885	613,353	645,513	587,498
Changes of assumptions or other inputs	4,334,843	1,006,261	(1,285,680)	1,448,727	(1,314,183)
Differences between expected and actual experience	323,690	58,451	211,783	300,779	148,264
Benefit payments	<u>(884,937)</u>	<u>(834,306)</u>	<u>(784,284)</u>	<u>(729,348)</u>	<u>(710,703)</u>
Net changes in total pension liability	<u>4,734,624</u>	<u>1,192,155</u>	<u>(872,425)</u>	<u>2,004,038</u>	<u>(891,800)</u>
Total pension liability—beginning	<u>19,749,325</u>	<u>18,557,170</u>	<u>19,429,595</u>	<u>17,425,557</u>	<u>18,317,357</u>
Total pension liability—ending	<u>\$ 24,483,949</u>	<u>\$ 19,749,325</u>	<u>\$ 18,557,170</u>	<u>\$ 19,429,595</u>	<u>\$ 17,425,557</u>
Covered-employee payroll	N/A	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	N/A

\*Information prior to the year ended December 31, 2017 is not available.

The notes to the required supplementary information is an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—General Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 36,628,885	\$ 36,628,885	\$ 36,628,885	\$ -
Other property tax items	1,320,575	1,335,075	1,347,224	12,149
Non property tax items	21,740,034	21,740,034	23,519,998	1,779,964
Departmental income	5,109,100	5,169,100	4,184,585	(984,515)
Use of money and property	338,000	338,000	281,461	(56,539)
Licenses and permits	-	-	30	30
Fines and forfeitures	2,065,000	2,065,000	978,863	(1,086,137)
Sale of property and compensation for loss	-	62,067	65,496	3,429
Miscellaneous	1,211,356	1,216,812	2,335,339	1,118,527
State aid	4,077,274	4,107,274	6,084,600	1,977,326
Federal aid	57,000	8,023,347	7,809,606	(213,741)
Total revenues	<u>72,547,224</u>	<u>80,685,594</u>	<u>83,236,087</u>	<u>2,550,493</u>
<b>EXPENDITURES</b>				
Current:				
General government support	14,557,046	16,012,956	14,734,541	1,278,415
Public safety	40,200,987	47,720,347	39,693,287	8,027,060
Transportation	2,057,502	2,065,327	2,062,829	2,498
Economic assistance and opportunity	3,201,485	3,201,651	3,194,123	7,528
Culture and recreation	8,651,463	8,909,500	8,026,841	882,659
Home and community services	1,328,811	1,367,353	1,171,426	195,927
Debt service:				
Principal	4,061,483	7,778,861	7,778,861	-
Interest and other fiscal charges	780,555	830,589	830,589	-
Total expenditures	<u>74,839,332</u>	<u>87,886,584</u>	<u>77,492,497</u>	<u>10,394,087</u>
Excess (deficiency) of revenues over expenditures	<u>(2,292,108)</u>	<u>(7,200,990)</u>	<u>5,743,590</u>	<u>12,944,580</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,452,000	3,469,000	3,815,203	346,203
Transfers out	<u>(1,362,279)</u>	<u>(1,378,938)</u>	<u>(1,378,938)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,089,721</u>	<u>2,090,062</u>	<u>2,436,265</u>	<u>346,203</u>
Net change in fund balances*	(202,387)	(5,110,928)	8,179,855	13,290,783
Fund balances—beginning	15,945,848	15,945,848	15,945,848	-
Fund balances—ending	<u>\$ 15,743,461</u>	<u>\$ 10,834,920</u>	<u>\$ 24,125,703</u>	<u>\$13,290,783</u>

\* The net change in fund balances was included in the budget as a re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Highway Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 10,154,987	\$ 10,154,987	\$ 10,154,987	\$ -
Departmental income	442,441	442,441	445,648	3,207
Use of money and property	12,000	12,000	3,182	(8,818)
Sale of property and compensation for loss	45,000	45,000	39,684	(5,316)
Miscellaneous	874,838	874,838	789,142	(85,696)
State aid	587,045	1,303,235	1,188,233	(115,002)
Total revenues	<u>12,116,311</u>	<u>12,832,501</u>	<u>12,620,876</u>	<u>(211,625)</u>
<b>EXPENDITURES</b>				
Current:				
General government support	25,482	25,482	482	25,000
Transportation	11,394,459	12,127,083	10,300,386	1,826,697
Debt service:				
Principal	692,900	856,717	856,717	-
Interest and other fiscal charges	381,329	477,232	477,232	-
Total expenditures	<u>12,494,170</u>	<u>13,486,514</u>	<u>11,634,817</u>	<u>1,851,697</u>
Excess (deficiency) of revenues over expenditures	<u>(377,859)</u>	<u>(654,013)</u>	<u>986,059</u>	<u>1,640,072</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	234,223	234,223
Transfers out	(735,813)	(476,093)	(437,587)	38,506
Total other financing sources (uses)	<u>(735,813)</u>	<u>(476,093)</u>	<u>(203,364)</u>	<u>272,729</u>
Net change in fund balances*	(1,113,672)	(1,130,106)	782,695	1,912,801
Fund balances—beginning	4,624,003	4,624,003	4,624,003	-
Fund balances—ending	<u>\$ 3,510,331</u>	<u>\$ 3,493,897</u>	<u>\$ 5,406,698</u>	<u>\$ 1,912,801</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Fire Protection Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 6,323,573	\$ 6,323,573	\$ 6,323,573	\$ -
Use of money and property	300	300	432	132
Miscellaneous	29,721	101,032	1,646,374	1,545,342
Total revenues	<u>6,353,594</u>	<u>6,424,905</u>	<u>7,970,379</u>	<u>1,545,474</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	6,392,394	6,463,705	6,444,312	19,393
Total expenditures	<u>6,392,394</u>	<u>6,463,705</u>	<u>6,444,312</u>	<u>19,393</u>
Net change in fund balances*	(38,800)	(38,800)	1,526,067	1,564,867
Fund balances—beginning	<u>13,165,042</u>	<u>13,165,042</u>	<u>13,165,042</u>	<u>-</u>
Fund balances—ending	<u>\$ 13,126,242</u>	<u>\$ 13,126,242</u>	<u>\$ 14,691,109</u>	<u>\$ 1,564,867</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Sewer Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 17,144,293	\$ 17,144,293	\$ 17,144,293	\$ -
Departmental income	499,002	499,002	470,830	(28,172)
Intergovernmental revenues	2,550,000	2,550,000	2,714,793	164,793
Use of money and property	24,200	24,200	5,042	(19,158)
Sale of property and compensation for loss	-	3,091	5,067	1,976
Miscellaneous	749,623	756,399	412,191	(344,208)
Total revenues	<u>20,967,118</u>	<u>20,976,985</u>	<u>20,752,216</u>	<u>(224,769)</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	15,119,573	15,173,220	15,134,642	38,578
Debt service:				
Interest and other fiscal charges	1,388,459	1,455,880	1,455,880	-
Total expenditures	<u>19,598,975</u>	<u>19,791,043</u>	<u>19,752,465</u>	<u>38,578</u>
Excess of revenues over expenditures	<u>1,368,143</u>	<u>1,185,942</u>	<u>999,751</u>	<u>(186,191)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	476,834	1,107,406	630,572
Transfers out	(2,626,629)	(2,985,866)	(2,985,866)	-
Total other financing sources (uses)	<u>(2,626,629)</u>	<u>(2,509,032)</u>	<u>(1,878,460)</u>	<u>630,572</u>
Net change in fund balances*	(1,258,486)	(1,323,090)	(878,709)	444,381
Fund balances—beginning	<u>6,382,148</u>	<u>6,382,148</u>	<u>6,382,148</u>	<u>-</u>
Fund balances—ending	<u>\$ 5,123,662</u>	<u>\$ 5,059,058</u>	<u>\$ 5,503,439</u>	<u>\$ 444,381</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

The notes to the required supplementary information are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Notes to the Required Supplementary Information**  
**Year Ended December 31, 2021**

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**1. OPEB LIABILITY**

*Changes of Assumptions*—The actuarial cost method used as of January 1, 2021 was the Entry Age Normal Level Percent of Pay method as prescribed under GASB 75.

The rate used to discount future plan cash flows decreased from 2.74% to 2.12% as of January 1, 2021 based on a review of a 20-year high-quality tax-exempt municipal bond index as of each measurement date.

The mortality assumption was revised as of January 1, 2021 to the RPH-2014 Mortality Table, with generation mortality, using scale MP-2014 and projected forward using scale MP-2020, for males and females.

**2. PENSION LIABILITY—LOSAP**

*Changes of Assumptions or Other Inputs*—The discount rate used to measure the total pension liability was based on yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2020	1.93%
December 31, 2019	3.26%

*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.

**3. BUDGETARY INFORMATION**

*Budgetary Basis of Accounting*—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except the Special Grant Fund, the Special Purpose Fund, and the Capital Projects Fund. The Special Grant Fund, the Special Purpose Fund and the Capital Projects Fund appropriations are not included in the Town's annual budget. Instead appropriations are approved through a Town Board resolution at the grant/funding/project's inception and lapse upon completion/termination of the grant/funding/project.

The appropriated budget is prepared by fund, function, and department. The Town's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Town Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

## SUPPLEMENTARY INFORMATION



# COMBINING STATEMENTS OF NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

**Special Purpose Special Revenue Fund**—maintains funds that are handled by the Town, deposited on behalf of another party and designated for a specified purpose.

**Town Outside Village Special Revenue Fund**—accounts for selected services which by New York State statute cannot be charged to residents of the Village located within the Town.

**Nonmajor Special Districts Special Revenue Funds**—funds that maintain various systems throughout the Town but are not considered a major fund.

- **Lighting District**—accounts for lighting services provided to areas within the Town.
- **Community Environment**—accounts for sanitation services provided within the Town.
- **Water District**—accounts for water services provided to areas within the Town.
- **Drainage District**—accounts for drainage services provided to areas within the Town.

**Debt Service Fund**—accounts for the payment of principal and interest on serial bonds within all governmental funds.



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**TOWN OF AMHERST, NEW YORK**  
**Combining Balance Sheet—Nonmajor Governmental Funds**  
**December 31, 2021**

	<u>Special Revenue</u>			<u>Debt Service Fund</u>	<u>Total Nonmajor Funds</u>
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>		
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 1,093,490	\$ 3,786,693	\$ -	\$ 4,880,183
Restricted cash and cash equivalents	5,294,279	52,736	437,087	-	5,784,102
Receivables	-	253,958	447,714	-	701,672
Intergovernmental receivables	-	98,825	-	-	98,825
Prepaid items	-	394,506	458,216	-	852,722
Total assets	<u>\$ 5,294,279</u>	<u>\$ 1,893,515</u>	<u>\$ 5,129,710</u>	<u>\$ -</u>	<u>\$ 12,317,504</u>
<b>LIABILITIES</b>					
Accounts payable	459,454	85,825	\$ 891,710	\$ -	\$ 1,436,989
Accrued liabilities	-	53,909	108,134	-	162,043
Due to other funds	17,000	60,932	1,021,583	-	1,099,515
Total liabilities	<u>476,454</u>	<u>200,666</u>	<u>2,021,427</u>	<u>-</u>	<u>2,698,547</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Mortgage receivable	-	-	335,581	-	335,581
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>335,581</u>	<u>-</u>	<u>335,581</u>
<b>FUND BALANCES</b>					
Nonspendable	-	394,506	458,216	-	852,722
Restricted	4,817,825	52,736	437,087	-	5,307,648
Assigned	-	1,245,607	1,877,399	-	3,123,006
Total fund balances	<u>4,817,825</u>	<u>1,692,849</u>	<u>2,772,702</u>	<u>-</u>	<u>9,283,376</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,294,279</u>	<u>\$ 1,893,515</u>	<u>\$ 5,129,710</u>	<u>\$ -</u>	<u>\$ 12,317,504</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2021**

	<u>Special Revenue</u>			<u>Debt Service Fund</u>	<u>Total Nonmajor Funds</u>
	<u>Special Purpose Fund</u>	<u>Town Outside Village Fund</u>	<u>Nonmajor Special Districts</u>		
<b>REVENUES</b>					
Real property taxes	\$ 44,951	\$ 931,963	\$17,060,521	\$ -	\$18,037,435
Departmental income	48,141	14,675	517,077	-	579,893
Use of money and property	5,209	613	27,462	-	33,284
Licenses and permits	-	3,747,983	-	-	3,747,983
Sale of property and compensation for loss	-	3,139	58,088	-	61,227
Miscellaneous	1,011,480	134,011	150,749	-	1,296,240
State aid	-	151,315	44,442	-	195,757
Total revenues	<u>1,109,781</u>	<u>4,983,699</u>	<u>17,858,339</u>	<u>-</u>	<u>23,951,819</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	3,846,107	353,472	-	4,199,579
Transportation	-	-	-	-	-
Culture and recreation	552,982	-	-	-	552,982
Home and community services	114,786	1,285,880	14,848,780	-	16,249,446
Debt service:					
Principal	3,500	7,430	1,401,549	-	1,412,479
Interest and other fiscal charges	-	10,261	678,831	-	689,092
Total expenditures	<u>671,268</u>	<u>5,149,678</u>	<u>17,282,632</u>	<u>-</u>	<u>23,103,578</u>
Excess (deficiency) of revenues over expenditures	<u>438,513</u>	<u>(165,979)</u>	<u>575,707</u>	<u>-</u>	<u>848,241</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	424,149	-	424,149
Transfers out	<u>(302,000)</u>	<u>(109,596)</u>	<u>(1,139,531)</u>	<u>(3,391,344)</u>	<u>(4,942,471)</u>
Total other financing sources (uses)	<u>(302,000)</u>	<u>(109,596)</u>	<u>(715,382)</u>	<u>(3,391,344)</u>	<u>(4,518,322)</u>
Net change in fund balances	136,513	(275,575)	(139,675)	(3,391,344)	(3,670,081)
Fund balances—beginning	<u>4,681,312</u>	<u>1,968,424</u>	<u>2,912,377</u>	<u>3,391,344</u>	<u>12,953,457</u>
Fund balances—ending	<u>\$ 4,817,825</u>	<u>\$ 1,692,849</u>	<u>\$ 2,772,702</u>	<u>-</u>	<u>\$ 9,283,376</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Balance Sheet—Nonmajor Special District Funds**  
**December 31, 2021**

	<u>Special Revenue</u>				<b>Total Nonmajor Special Districts</b>
	<u>Lighting District</u>	<u>Community Environment</u>	<u>Water District</u>	<u>Drainage District</u>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 556,770	\$ 1,502,635	\$ 256,549	\$ 1,470,739	\$ 3,786,693
Restricted cash and cash equivalents	-	12,835	288,438	135,814	437,087
Receivables	-	445,335	-	2,379	447,714
Prepaid items	18,882	100,457	-	338,877	458,216
Total assets	<u>\$ 575,652</u>	<u>\$ 2,061,262</u>	<u>\$ 544,987</u>	<u>\$ 1,947,809</u>	<u>\$ 5,129,710</u>
<b>LIABILITIES</b>					
Accounts payable	275,242	524,978	74,320	17,170	\$ 891,710
Accrued liabilities	1,187	4,904	1,087	100,956	108,134
Due to other funds	8,731	52,389	17,463	943,000	1,021,583
Total liabilities	<u>285,160</u>	<u>582,271</u>	<u>92,870</u>	<u>1,061,126</u>	<u>2,021,427</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Mortgage receivable	-	335,581	-	-	335,581
Total deferred inflows of resources	<u>-</u>	<u>335,581</u>	<u>-</u>	<u>-</u>	<u>335,581</u>
<b>FUND BALANCES</b>					
Nonspendable	18,882	100,457	-	338,877	458,216
Restricted	-	12,835	288,438	135,814	437,087
Assigned	271,610	1,030,118	163,679	411,992	1,877,399
Total fund balances	<u>290,492</u>	<u>1,143,410</u>	<u>452,117</u>	<u>886,683</u>	<u>2,772,702</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 575,652</u>	<u>\$ 2,061,262</u>	<u>\$ 544,987</u>	<u>\$ 1,947,809</u>	<u>\$ 5,129,710</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—**  
**Nonmajor Special District Funds**  
**Year Ended December 31, 2021**

	<u>Special Revenue</u>				<u>Total Nonmajor Special Districts</u>
	<u>Lighting District</u>	<u>Community Environment</u>	<u>Water District</u>	<u>Drainage District</u>	
<b>REVENUES</b>					
Real property taxes	\$ 3,212,783	\$ 7,379,250	\$ 951,451	\$ 5,517,037	\$ 17,060,521
Departmental income	-	517,077	-	-	517,077
Use of money and property	802	24,350	620	1,690	27,462
Sale of property and compensation for loss	-	58,088	-	-	58,088
Miscellaneous	5,227	25,538	-	119,984	150,749
State aid	-	3,848	-	40,594	44,442
Total revenues	<u>3,218,812</u>	<u>8,008,151</u>	<u>952,071</u>	<u>5,679,305</u>	<u>17,858,339</u>
<b>EXPENDITURES</b>					
Current:					
Public safety	-	353,472	-	-	353,472
Transportation	-	-	-	-	-
Home and community services	3,258,538	7,001,592	147,664	4,440,986	14,848,780
Debt service:					
Principal	-	150,062	913,989	337,498	1,401,549
Interest and other fiscal charges	-	17,796	507,051	153,984	678,831
Total expenditures	<u>3,258,538</u>	<u>7,522,922</u>	<u>1,568,704</u>	<u>4,932,468</u>	<u>17,282,632</u>
Excess (deficiency) of revenues over expenditures	<u>(39,726)</u>	<u>485,229</u>	<u>(616,633)</u>	<u>746,837</u>	<u>575,707</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	47,077	182,090	194,982	424,149
Transfers out	(8,731)	(52,389)	(94,300)	(984,111)	(1,139,531)
Total other financing sources (uses)	<u>(8,731)</u>	<u>(5,312)</u>	<u>87,790</u>	<u>(789,129)</u>	<u>(715,382)</u>
Net change in fund balances	(48,457)	479,917	(528,843)	(42,292)	(139,675)
Fund balances—beginning	<u>338,949</u>	<u>663,493</u>	<u>980,960</u>	<u>928,975</u>	<u>2,912,377</u>
Fund balances—ending	<u>\$ 290,492</u>	<u>\$ 1,143,410</u>	<u>\$ 452,117</u>	<u>\$ 886,683</u>	<u>\$ 2,772,702</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Net Position—Internal Service Funds**  
**December 31, 2021**

	<b>Governmental Activities— Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Restricted cash and cash equivalents	\$ 46,378	\$ 95,660	\$ 142,038
Prepaid items	-	100,000	100,000
Total current assets	46,378	195,660	242,038
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	87,173	163,330	250,503
Accrued liabilities	-	3,356,580	3,356,580
Due to other funds	900,000	-	900,000
Total current liabilities	987,173	3,519,910	4,507,083
<b>NET POSITION</b>			
Unrestricted	(940,795)	(3,324,250)	(4,265,045)
Net position	\$ (940,795)	\$ (3,324,250)	\$ (4,265,045)

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Position—Internal Service Funds**  
**Year Ended December 31, 2021**

	<b>Governmental Activities—</b>		
	<b>Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Total</b>
Operating revenues:			
Contributions	\$ 3,238,867	\$ 1,614,888	\$ 4,853,755
Total operating revenues	<u>3,238,867</u>	<u>1,614,888</u>	<u>4,853,755</u>
Operating expenses:			
Administrative expenses	255,787	52,192	307,979
Judgments and claim expenses	537,702	1,306,123	1,843,825
Total operating expenses	<u>793,489</u>	<u>1,358,315</u>	<u>2,151,804</u>
Operating income	<u>2,445,378</u>	<u>256,573</u>	<u>2,701,951</u>
Nonoperating revenues (expenses):			
Interest expense	(22,540)	-	(22,540)
Interest income	259	200	459
Total nonoperating revenues (expenses)	<u>(22,281)</u>	<u>200</u>	<u>(22,081)</u>
Change in net position	2,423,097	256,773	2,679,870
Net position—beginning	<u>(3,363,892)</u>	<u>(3,581,023)</u>	<u>(6,944,915)</u>
Net position—ending	<u>\$ (940,795)</u>	<u>\$ (3,324,250)</u>	<u>\$ (4,265,045)</u>

**TOWN OF AMHERST, NEW YORK**  
**Combining Statement of Cash Flows—Internal Service Funds**  
**Year Ended December 31, 2021**

	<b>Governmental Activities— Internal Service Funds</b>		
	<b>Self Insurance Fund</b>	<b>Workers Compensation Fund</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from participating funds	\$ 3,238,867	\$ 1,614,888	\$ 4,853,755
Payments for administrative fees, supporting services and judgments and claims	(1,494,817)	(1,626,020)	(3,120,837)
Net cash provided by operating activities	<u>1,744,050</u>	<u>(11,132)</u>	<u>1,732,918</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Loan repayment	(600,000)	-	(600,000)
Principal payments on bond anticipation notes	(1,127,000)	-	(1,127,000)
Interest on bond anticipation notes	(22,540)	-	(22,540)
Net cash (used for) noncapital financing activities	<u>(1,749,540)</u>	<u>-</u>	<u>(1,749,540)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest earnings	259	200	459
Net cash provided by investing activities	<u>259</u>	<u>200</u>	<u>459</u>
Net change in cash and cash equivalents	(5,231)	(10,932)	(16,163)
Cash and cash equivalents—beginning	51,609	106,592	158,201
Cash and cash equivalents—ending	<u>\$ 46,378</u>	<u>\$ 95,660</u>	<u>\$ 142,038</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 2,445,378	\$ 256,573	\$ 2,701,951
Adjustments to reconcile operating income to net cash provided by (used for) operations:			
(Increase) in prepaid items	-	(100,000)	(100,000)
Increase in accounts payable	47,335	107,725	155,060
(Decrease) in accrued liabilities	(748,663)	(275,430)	(1,024,093)
Total adjustments	<u>(701,328)</u>	<u>(267,705)</u>	<u>(969,033)</u>
Net cash provided by operating activities	<u>\$ 1,744,050</u>	<u>\$ (11,132)</u>	<u>\$ 1,732,918</u>

## OTHER INFORMATION



**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Town Outside Village Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 931,963	\$ 931,963	\$ 931,963	\$ -
Departmental income	18,000	18,000	14,675	(3,325)
Use of money and property	4,200	4,200	613	(3,587)
Licenses and permits	3,180,000	3,180,000	3,747,983	567,983
Sale of property and compensation for loss	-	-	3,139	3,139
Miscellaneous	101,150	121,630	134,011	12,381
State aid	-	133,012	151,315	18,303
Total revenues	<u>4,235,313</u>	<u>4,388,805</u>	<u>4,983,699</u>	<u>594,894</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	3,860,087	3,980,684	3,846,107	134,577
Home and community services	1,372,936	1,445,916	1,285,880	160,036
Debt service:				
Principal	840	7,430	7,430	-
Interest and other fiscal charges	6,678	11,116	10,261	855
Total expenditures	<u>5,240,541</u>	<u>5,445,146</u>	<u>5,149,678</u>	<u>295,468</u>
Excess (deficiency) of revenues over expenditures	<u>(1,005,228)</u>	<u>(1,056,341)</u>	<u>(165,979)</u>	<u>890,362</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(129,832)</u>	<u>(118,804)</u>	<u>(109,596)</u>	<u>9,208</u>
Total other financing uses	<u>(129,832)</u>	<u>(118,804)</u>	<u>(109,596)</u>	<u>9,208</u>
Net change in fund balances*	(1,135,060)	(1,175,145)	(275,575)	899,570
Fund balances—beginning	<u>1,968,424</u>	<u>1,968,424</u>	<u>1,968,424</u>	<u>-</u>
Fund balances—ending	<u>\$ 833,364</u>	<u>\$ 793,279</u>	<u>\$ 1,692,849</u>	<u>\$ 899,570</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and re-appropriation of prior year encumbrances.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Lighting District Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 3,212,783	\$ 3,212,783	\$ 3,212,783	\$ -
Use of money and property	3,500	3,500	802	(2,698)
Miscellaneous	2,953	2,953	5,227	2,274
Total revenues	<u>3,219,236</u>	<u>3,219,236</u>	<u>3,218,812</u>	<u>(424)</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	3,210,736	3,210,505	3,258,538	(48,033)
Total expenditures	<u>3,210,736</u>	<u>3,210,505</u>	<u>3,258,538</u>	<u>(48,033)</u>
Excess (deficiency) of revenues over expenditures	<u>8,500</u>	<u>8,731</u>	<u>(39,726)</u>	<u>(48,457)</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(8,500)	(8,731)	(8,731)	-
Total other financing uses	<u>(8,500)</u>	<u>(8,731)</u>	<u>(8,731)</u>	<u>-</u>
Net change in fund balances	-	-	(48,457)	(48,457)
Fund balances—beginning	338,949	338,949	338,949	-
Fund balances—ending	<u>\$ 338,949</u>	<u>\$ 338,949</u>	<u>\$ 290,492</u>	<u>\$ (48,457)</u>

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Community Environment Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 7,379,250	\$ 7,379,250	\$ 7,379,250	\$ -
Departmental income	13,000	34,557	517,077	482,520
Use of money and property	20,958	20,958	24,350	3,392
Sale of property and compensation for loss	67,761	67,761	58,088	(9,673)
Miscellaneous	69,868	73,716	25,538	(48,178)
State aid	-	3,848	3,848	-
Total revenues	<u>7,550,837</u>	<u>7,580,090</u>	<u>8,008,151</u>	<u>428,061</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	348,536	353,630	353,472	158
Home and community services	6,977,497	7,001,655	7,001,592	63
Debt service:				
Principal	143,140	150,062	150,062	-
Interest and other fiscal charges	14,288	17,796	17,796	-
Total expenditures	<u>7,483,461</u>	<u>7,523,143</u>	<u>7,522,922</u>	<u>221</u>
Excess of revenues over expenditures	<u>67,376</u>	<u>56,947</u>	<u>485,229</u>	<u>428,282</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	47,077	47,077
Transfers out	(67,376)	(56,947)	(52,389)	4,558
Total other financing sources (uses)	<u>(67,376)</u>	<u>(56,947)</u>	<u>(5,312)</u>	<u>51,635</u>
Net change in fund balances	-	-	479,917	479,917
Fund balances—beginning	<u>663,493</u>	<u>663,493</u>	<u>663,493</u>	<u>-</u>
Fund balances—ending	<u>\$ 663,493</u>	<u>\$ 663,493</u>	<u>\$ 1,143,410</u>	<u>\$ 479,917</u>

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Water District Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 951,451	\$ 951,451	\$ 951,451	\$ -
Use of money and property	3,700	3,700	620	(3,080)
Miscellaneous	110,416	110,416	-	(110,416)
Total revenues	<u>1,065,567</u>	<u>1,065,567</u>	<u>952,071</u>	<u>(113,496)</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	152,394	180,714	147,664	33,050
Debt service:				
Principal	823,989	913,989	913,989	-
Interest and other fiscal charges	461,821	507,051	507,051	-
Total expenditures	<u>1,438,204</u>	<u>1,601,754</u>	<u>1,568,704</u>	<u>33,050</u>
Deficiency of revenues over expenditures	<u>(372,637)</u>	<u>(536,187)</u>	<u>(616,633)</u>	<u>(80,446)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	182,090	182,090
Transfers out	(277,526)	(142,297)	(94,300)	47,997
Total other financing sources (uses)	<u>(277,526)</u>	<u>(142,297)</u>	<u>87,790</u>	<u>230,087</u>
Net change in fund balances*	(650,163)	(678,484)	(528,843)	149,641
Fund balances—beginning	980,960	980,960	980,960	-
Fund balances—ending	<u>\$ 330,797</u>	<u>\$ 302,476</u>	<u>\$ 452,117</u>	<u>\$ 149,641</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and a re-appropriation of prior year encumbrances.

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances—**  
**Budget and Actual—Drainage District Fund**  
**Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUE</b>				
Real property taxes	\$ 5,517,037	\$ 5,517,037	\$ 5,517,037	\$ -
Use of money and property	7,300	7,300	1,690	(5,610)
Miscellaneous	290,742	290,742	119,984	(170,758)
State aid	<u>-</u>	<u>-</u>	<u>40,594</u>	<u>40,594</u>
Total revenues	<u>5,815,079</u>	<u>5,815,079</u>	<u>5,679,305</u>	<u>(135,774)</u>
<b>EXPENDITURES</b>				
Current:				
Home and community services	4,456,772	4,474,623	4,440,986	33,637
Debt service:				
Principal	296,708	337,498	337,498	-
Interest and other fiscal charges	<u>134,375</u>	<u>153,984</u>	<u>153,984</u>	<u>-</u>
Total expenditures	<u>4,887,855</u>	<u>4,966,105</u>	<u>4,932,468</u>	<u>33,637</u>
Excess of revenues over expenditures	<u>927,224</u>	<u>848,974</u>	<u>746,837</u>	<u>(102,137)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	194,982	194,982
Transfers out	<u>(1,047,084)</u>	<u>(986,686)</u>	<u>(984,111)</u>	<u>2,575</u>
Total other financing sources (uses)	<u>(1,047,084)</u>	<u>(986,686)</u>	<u>(789,129)</u>	<u>197,557</u>
Net change in fund balances*	(119,860)	(137,712)	(42,292)	95,420
Fund balances—beginning	<u>928,975</u>	<u>928,975</u>	<u>928,975</u>	<u>-</u>
Fund balances—ending	<u>\$ 809,115</u>	<u>\$ 791,263</u>	<u>\$ 886,683</u>	<u>\$ 95,420</u>

\* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance and a re-appropriation of prior year encumbrances.

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# FEDERAL AWARDS INFORMATION



**TOWN OF AMHERST, NEW YORK**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN Number	Pass-Through Entity Identifying Number	Passed- Through to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Agriculture:</b>				
<i>Passed through the County of Erie, New York:</i>				
Child and Adult Care Food Program	10.558	1050, 1099, 2020	-	13,543
<b>Total U.S. Department of Agriculture</b>			-	13,543
<b>Department of Housing and Urban Development:</b>				
<i>Direct Programs:</i>				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 215,964	\$ 978,748
Home Investment Partnerships Program	14.239	N/A	64,286	400,739
<i>Section 8 Project-Based Cluster:</i>				
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	N/A	-	713,719
Total Section 8 Project-Based Cluster			-	713,719
<i>Housing Voucher Cluster:</i>				
Section 8 Housing Choice Vouchers	14.871	N/A	-	31,177,511
Section 8 Housing Choice Vouchers- CARES Act	14.877.HCC	N/A	-	167,287
Total Housing Voucher Cluster			-	31,344,798
Mainstream Vouchers	14.879	N/A	-	892,453
Public Housing Family Self-Sufficiency under Resident Opportunity and Supportive Services	14.896	N/A	-	164,686
Emergency Housing Vouchers	14.879.EHV	N/A	-	30,679
<b>Total U.S. Department of Housing and Urban Development</b>			280,250	34,525,822
<b>U.S. Department of Interior:</b>				
<i>Passed through the NYS Office of Parks Recreation &amp; Historic Preservation:</i>				
Historic Preservation Fund Grants-In-Aid	15.904	PRK01-T62002GG-1290000	-	10,000
<b>Total U.S. Department of Interior</b>			-	10,000
<b>U.S. Department of Justice:</b>				
<i>Direct Program:</i>				
Equitable Sharing Program	16.922	N/A	-	49,370
<b>Total U.S. Department of Justice</b>			-	49,370
<b>U.S. Department of Transportation</b>				
<i>Passed through the NYS Department of Transportation:</i>				
<i>Highway Planning and Construction Cluster:</i>				
Highway Planning and Construction	20.205	D036000	-	260,065
Highway Planning and Construction	20.205	D035762	-	72,484
Highway Planning and Construction	20.205	D035620	-	3,327,553
Total Highway Planning and Construction Cluster			-	3,660,102
<b>Total U.S. Department of Transportation</b>			-	3,660,102
<b>U.S. Department of Treasury</b>				
<i>Direct Program:</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	7,551,969
<b>Total U.S. Department of Treasury</b>			-	7,551,969
<b>U.S. Department of Health and Human Services:</b>				
<i>Passed through the County of Erie, New York:</i>				
<i>Aging Cluster:</i>				
Special Programs for the Aging—Title III Part C Nutrition Services	93.045	III C-1 2021	-	61,399
Total Aging Cluster			-	61,399
<i>Direct Program:</i>				
Drug-Free Communities Support Program Grants	93.276	N/A	-	36,412
<b>Total U.S. Department of Health and Human Services</b>			-	97,811
<b>U.S. Department of Homeland Security:</b>				
<i>Passed through New York State Division of Homeland Security and Emergency Services:</i>				
Homeland Security Grant Program	97.067	T180163	-	1,848
Homeland Security Grant Program	97.067	C163689	-	31,441
<b>Total U.S. Department of Homeland Security</b>			-	33,289
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			\$ 280,250	\$ 45,941,906

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**TOWN OF AMHERST, NEW YORK**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2021**

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**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the Town under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town. The following notes were identified on the schedule of expenditures of federal awards:

- (a) Includes all federal award programs of the Town of Amherst, New York. The Amherst Industrial Development Agency and Amherst Development Corporation did not report any federal awards.
- (b) Source: Assistance Listing Numbers, previously known as the Catalog of Federal Domestic Assistance.
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the financial statements is available.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principle contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

**3. MATCHING COSTS**

Matching costs, i.e., the Town’s share of certain program costs, are not included in the reported expenditures.

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Certified Public Accountants

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

Honorable Town Board  
Town of Amherst, New York:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Amherst, New York (the "Town") 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, and have issued our report thereon dated May 2, 2022. Our report includes a reference to other auditors who audited the financial statements of the Town of Amherst Industrial Development Agency and the Town of Amherst Development Corporation, as described in our report on the Town's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting ("internal control") to determine audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Town's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

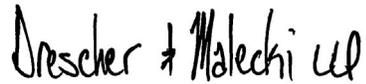
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



May 2, 2022

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Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

Honorable Town Board  
Town of Amherst, New York:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of Amherst, New York's (the "Town") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2021. The Town's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The Town's basic financial statements include the operations of the Town of Amherst Industrial Development Agency (the "Agency") and the Town of Amherst Industrial Development Corporation (the "Corporation"), which received \$0 and \$5,000, respectively, in federal awards, which are not included on the Town's Schedule of Expenditures of Federal Awards for the year ended December 31, 2020. Our audit, described below, did not include the operations of the Agency and the Corporation.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("Government Auditing Standards"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

The Town's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Town's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

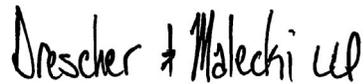
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material

weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose

Handwritten signature in black ink that reads "Drescher & Malecki LLP". The signature is written in a cursive, professional style.

May 2, 2022



**TOWN OF AMHERST, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements:**

Type of report the auditor issued: Unmodified\*  
 (\* which report includes a reference to other auditors)

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes  None reported

Noncompliance material to the financial statements noted? \_\_\_\_\_ Yes  No

**Federal Awards:**

Internal control over major federal programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes  None reported

Type of report the auditor issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported  
 in accordance with 2 CFR 200.516(a)? \_\_\_\_\_ Yes  No

Identification of major federal programs:

<u>ALN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.856	Section 8 Project-Based Cluster
14.871	Section 8 Housing Choice Vouchers
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs? \$ 1,378,257

Auditee qualified as low-risk auditee?  Yes  No

**TOWN OF AMHERST, NEW YORK**  
**Schedule of Findings and Questioned Costs**  
**Year Ended December 31, 2021**

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**Section II. FINANCIAL STATEMENT FINDINGS**

No findings noted.

**Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings noted.

**TOWN OF AMHERST, NEW YORK**  
**Summary Schedule of Prior Audit Findings**  
**and Corrective Action Plan**  
**Year Ended December 31, 2021**  
**(Follow-up of December 31, 2020 findings)**

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No findings noted.

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