

**Town of Hamburg, New York**

**Basic Financial Statements  
Required Supplementary Information,  
and Supplementary Information  
As of December 31, 2021  
Together With  
Independent Auditor's Report**

**TOWN OF HAMBURG, NEW YORK**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Town Board  
Town of Hamburg  
Hamburg, New York

### Report on the Audit of the Financial Statements

#### *Opinions*

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Hamburg, New York, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Hamburg, New York and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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 of Hamburg, New York's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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## ***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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Hamburg, New York's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Hamburg, New York's ability to continue as a going concern for a reasonable period of time.

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and other schedules, 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 of Hamburg, New York's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the Town of Hamburg, New York's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Hamburg, New York'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 Town of Hamburg, New York's internal control over financial reporting and compliance.

*Allied CPAs, P.C.*

Tonawanda, New York  
June 29, 2022

## **MANAGEMENT DISCUSSION AND ANALYSIS**

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

This section of the Town of Hamburg's (the "Town") annual financial report presents a discussion and analysis of the Town's financial performance during the fiscal year ended December 31, 2021. Please read it in conjunction with the Town's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The Town's primary government net position decreased by \$2,810,887 as a result of this year's activity.
- The liabilities and deferred inflows of resources of the primary government of the Town of Hamburg exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$101,639,779 (net position).
- The Town's total bonded indebtedness decreased by \$719,268 during the year. This change was due to the Town making routine debt payments during the current year.
- The general fund, the Town's primary operating fund, reported an increase of \$1,324,113 in total fund balance.
- Primary government general revenues accounted for \$41.58 million in revenue or 84.98% of all revenues. Program specific revenues for charges for services and grants and contributions accounted for \$7.35 million or 15.02% of \$48.93 million in total revenues.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

*Government-Wide Financial Statements* are two statements 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 Town assets and liabilities, with the difference between the two 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. Other non-financial factors will also need to be considered to assess the overall health of the Town.

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

Both of these 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, in part, a portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety, health, transportation, economic assistance and opportunity, culture and recreation, home and community services, interest and fiscal charges and depreciation. The business-type activities are those that the Town charges customers to provide specific services. The Town's golf course and ice arena are categorized as business-type activities.

**The government-wide financial statement can be found on pages 14 – 16 of this report.**



**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)**

**Fund Financial Statements**

These funds are groupings of related accounts that are 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 finance related legal compliance. All funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds**

These 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as, balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a Town's near term financing requirements.

Because of 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 financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains four individual major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Highway, Part Town, and the Capital Projects Fund. Data for the other non-major governmental funds is presented elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund, part-town fund and highway funds. A budgetary comparison statement has been provided for the general fund, part-town fund and highway funds to demonstrate compliance with this budget.

**The basic governmental fund financial statements can be found on pages 17 - 22 of this report.**

**Proprietary Funds**

Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short and long-term financial information. The Town's Enterprise Fund is the same as its business-type activities, but provides more detail and additional information, such as a statement of cash flows for each Enterprise Fund.

**The proprietary fund financial statements can be found on pages 23 – 25 of this report.**

**Fiduciary Funds**

These funds are used to account for resources held for the benefit of parties outside the government. The Town has one fiduciary fund. The Custodial Fund is not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs.

**The basic fiduciary fund financial statements can be found on page 26 of this report.**

**Notes to the Financial Statements**

Notes to the basic financial statements 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 27 – 58 of this report.**

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**OVERVIEW OF THE FINANCIAL STATEMENTS (Cont.)**

**Required Supplementary Information**

This information explains and supports the financial statements and includes budgetary comparison information for major governmental funds, schedule of the Town's proportionate share of the net pension liability, schedule of the Town's pension contributions, schedule of changes in the Town's total OPEB liability and schedule of changes in the Town's total pension liability - LOSAP.

The required supplementary information can be found on pages 59 - 65 of this report.

**Other Supplementary Information**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of the Town, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by (\$102,765,694) at the close of the most recent fiscal year.

		<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
			<b>2020</b>		
		<b>2021</b>	<b>(Restated)</b>	<b>2021</b>	<b>2020</b>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>					
<b><u>ASSETS</u></b>					
Current and other assets	\$	39,780,912	\$ 32,282,750	\$ 2,703,364	\$ 2,493,841
Capital assets		26,292,862	27,364,252	989,198	1,092,674
<b>TOTAL ASSETS</b>		<b>66,073,774</b>	<b>59,647,002</b>	<b>3,692,562</b>	<b>3,586,515</b>
Deferred outflows of resources		26,216,411	20,215,153	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>		<b>26,216,411</b>	<b>20,215,153</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$</b>	<b>92,290,185</b>	<b>\$ 79,862,155</b>	<b>\$ 3,692,562</b>	<b>\$ 3,586,515</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u></b>					
<b><u>LIABILITIES</u></b>					
Long-term liabilities	\$	150,397,190	\$ 164,389,187	\$ 2,140,498	\$ 2,181,369
Other liabilities		3,152,995	2,574,510	426,149	279,231
<b>TOTAL LIABILITIES</b>		<b>153,550,185</b>	<b>166,963,697</b>	<b>2,566,647</b>	<b>2,460,600</b>
Deferred inflows of resources		41,505,694	18,475,039	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>		<b>41,505,694</b>	<b>18,475,039</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>		<b>195,055,879</b>	<b>185,438,736</b>	<b>2,566,647</b>	<b>2,460,600</b>
<b><u>NET POSITION</u></b>					
Net investment in capital assets		20,254,044	19,267,105	973,205	1,055,086
Restricted		20,106,672	22,469,396	2,037,560	2,050,000
Unrestricted		(143,126,410)	(147,313,082)	(1,884,850)	(1,979,171)
<b>TOTAL NET POSITION</b>		<b>(102,765,694)</b>	<b>(105,576,581)</b>	<b>1,125,915</b>	<b>1,125,915</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$</b>	<b>92,290,185</b>	<b>\$ 79,862,155</b>	<b>\$ 3,692,562</b>	<b>\$ 3,586,515</b>

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS (Cont.)**

The largest portion of the Town's net position reflects its investment in capital assets of \$20,254,044 (e.g. land, buildings, machinery, equipment and infrastructure) 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of the Town's net position of \$20,106,672 represents resources that are subject to external restrictions on how they may be used, which include Town Board established reserves, and funds designated for capital projects.

The remaining balance of unrestricted net position of (\$143,126,410) may be used to meet the Town's ongoing obligations to citizens and creditors.

A comparison of current assets as compared to current liabilities for both governmental and business-type activities are as follows:

	<b><u>Governmental Activities</u></b>		<b><u>Business Type Activities</u></b>	
	<b><u>2021</u></b>	<b><u>2020 (Restated)</u></b>	<b><u>2021</u></b>	<b><u>2020 (Restated)</u></b>
Current assets	\$ 39,780,912	\$ 32,282,750	\$ 2,703,364	\$ 2,493,841
Current liabilities	\$ 3,152,995	\$ 2,574,510	\$ 426,149	\$ 279,231
Ratio of current assets to current liabilities	12.62	12.54	6.34	8.93

**Governmental Activities and Business-Type Activities**

Governmental activities increased the Town's net position by \$2,810,887 and business-type activities had no impact on net position.

**Summary of Town of Hamburg's Changes in Net Position**

	<b><u>Governmental Activities</u></b>		<b><u>Business-Type Activities</u></b>	
	<b><u>2021</u></b>	<b><u>2020 (Restated)</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>
<b><u>REVENUES:</u></b>				
<b>PROGRAM REVENUES:</b>				
Charges for services	\$ 2,683,234	\$ 2,048,024	\$ 986,373	\$ 706,061
Operating grants and contributions	3,675,484	3,793,192	-	-
<b>GENERAL REVENUES:</b>				
Real property taxes and tax items	29,781,899	29,403,606	-	-
Non-property tax items	9,114,318	8,005,302	-	-
Use of money and property	960,760	1,183,633	230	543
Sale of property and compensation for loss	84,750	373,680	-	-
Miscellaneous	1,642,875	2,042,925	-	-
<b>TOTAL REVENUES</b>	<b>\$ 47,943,320</b>	<b>\$ 46,850,362</b>	<b>\$ 986,603</b>	<b>\$ 706,604</b>

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS (Cont.)**

**Governmental Activities and Business-Type Activities (Cont.)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2021</b>	<b>2020 (Restated)</b>	<b>2021</b>	<b>2020</b>
<b>EXPENSES:</b>				
General government	\$ 5,081,596	\$ 9,232,884	\$ -	\$ -
Public safety	20,970,898	27,172,244	-	-
Health	5,846	8,889	-	-
Transportation	7,095,527	8,871,310	-	-
Economic assistance	1,085,307	1,368,779	-	-
Culture and recreation	6,169,697	8,619,870	1,260,737	1,078,153
Home and community services	4,104,635	4,294,936	-	-
Interest and fiscal charges	344,793	191,432	-	-
<b>TOTAL EXPENSES</b>	<b>44,858,299</b>	<b>59,760,344</b>	<b>1,260,737</b>	<b>1,078,153</b>
Change in net position before transfers	3,085,021	(12,909,982)	(274,134)	(371,549)
Transfers in (out)	(274,134)	(240,523)	274,134	240,523
Change in net position	2,810,887	(13,150,505)	-	(131,026)
NET POSITION - BEGINNING (Restated)	(105,576,581)	(92,426,076)	1,125,915	1,256,941
<b>NET POSITION - ENDING</b>	<b>\$ (102,765,694)</b>	<b>\$ (105,576,581)</b>	<b>\$ 1,125,915</b>	<b>\$ 1,125,915</b>

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

As noted earlier, the Town uses *fund accounting* to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

The general governmental functions are contained in the general, special revenue, capital projects and nonmajor 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 spending at the end of the fiscal year.

At December 31, 2021, the Town's governmental funds reported combined fund balances of \$30,749,926, an increase of \$1,378,568 in comparison with the prior year. Of the combined fund balances, \$2,799,733 constitutes *unassigned fund balance*, which is available to meet the Town's current and future operational and capital needs. *Assigned fund balance* represents fund balances of governmental funds other than general and amounts designated for subsequent years' expenditures in the amount of \$6,994,021. *Restricted fund balance* represents amounts restricted by outside sources in the amount of \$20,106,672. *Non-spendable fund balance* represents reserves for prepaid expenditures in the amount of \$849,500.

The general fund is the chief operating fund of the Town. At December 31, 2021, unassigned fund balance of the general fund was \$2,799,733 while total fund balance reached \$6,518,917. As a measure of general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15.37% of total fund expenditures, while total fund balance also represents 35.79% of that same amount.

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**FINANCIAL ANALYSIS – GOVERNMENTAL REVENUES**

Revenues for governmental functions totaled \$47,943,320 in fiscal year ended December 31, 2021, which represents an increase of 4.59% from the fiscal year ended December 31, 2020.

The following table presents the amount of revenues from various sources, as well as the increase or decrease from the prior year:

**Revenues Classified by Source – Governmental Funds**

	<b>Governmental Activities</b>				
	<b>Revenues 2021</b>	<b>Percent of Total</b>	<b>Revenues 2020</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent of Increase (Decrease)</b>
<b><u>REVENUES:</u></b>					
Real property taxes	\$ 29,059,990	60.61%	\$ 28,752,872	\$ 307,118	1.07%
Real property tax items	721,909	1.51%	650,734	71,175	10.94%
Non-property tax items	9,114,318	19.01%	8,005,302	1,109,016	13.85%
Departmental income	585,665	1.22%	445,082	140,583	31.59%
Intergovernmental charges	475,645	0.99%	481,864	(6,219)	-1.29%
Use of money and property	960,760	2.00%	1,183,633	(222,873)	-18.83%
Licenses and permits	918,180	1.92%	738,588	179,592	24.32%
Fines and forfeitures	703,744	1.47%	382,490	321,254	83.99%
Sale of property and compensation for loss	84,750	0.18%	373,680	(288,930)	-77.32%
Miscellaneous	1,642,875	3.43%	1,032,816	610,059	59.07%
State aid	2,964,161	6.18%	2,377,857	586,304	24.66%
Federal aid	711,323	1.48%	1,415,335	(704,012)	-49.74%
<b>TOTAL REVENUES</b>	<b><u>\$ 47,943,320</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 45,840,253</u></b>	<b><u>\$ 2,103,067</u></b>	<b>4.59%</b>

The following provides an explanation of revenue by source that changed significantly over the prior year:

- Non-property tax items increased due to an increase in sales tax payments from the County during 2021.
- Departmental income increased because of less restrictions on activities caused by the pandemic.
- Fines and forfeitures changed due to an increase in court fees collected during 2021.
- Miscellaneous revenue increased due to a greater amount of video terminal lottery aid received.
- State aid changed from 2020 because of an increase in mortgage tax and highway aid.
- Federal aid was reduced due to a decrease in funding for COVID-19 response.

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**FINANCIAL ANALYSIS – GOVERNMENTAL EXPENSES**

Expenses for governmental functions totaled \$46,290,618 in fiscal year ended December 31, 2021, which represents an increase of 2.08% from the fiscal year ended December 31, 2020.

The following table presents expenditures, by function, compared to prior year amounts:

**Expenditures by function – Governmental Funds**

	<b>Governmental Activities</b>				
	<b>Expenditures 2021</b>	<b>Percent of Total</b>	<b>Expenditures 2020</b>	<b>Amount of Increase (Decrease)</b>	<b>Percent of Increase (Decrease)</b>
<b><u>EXPENDITURES:</u></b>					
General government	\$ 4,548,578	9.8%	\$ 4,911,433	\$ (362,855)	-7.39%
Public safety	14,004,485	30.3%	14,222,134	(217,649)	-1.53%
Health	3,662	0.0%	3,662	-	0.00%
Transportation	6,192,561	13.4%	5,590,480	602,081	10.77%
Economic assistance	754,754	1.6%	657,974	96,780	14.71%
Culture and recreation	4,834,042	10.4%	4,203,858	630,184	14.99%
Home and community services	1,898,944	4.1%	1,685,304	213,640	12.68%
Employee benefits	12,990,390	28.1%	12,929,991	60,399	0.47%
Debt service	1,063,202	2.3%	1,144,505	(81,303)	-7.10%
<b>TOTAL EXPENDITURES</b>	<b><u>\$ 46,290,618</u></b>	<b><u>100.0%</u></b>	<b><u>\$ 45,349,341</u></b>	<b><u>\$ 941,277</u></b>	<b>2.08%</b>

The following provides an explanation of expenditures by source that changed significantly over the prior year:

- Transportation increased due to ongoing capital projects and the purchase of highway equipment.
- Economic assistance changed due to a greater need to aid the citizens affected by the pandemic.
- Culture and recreation increased due to various ongoing capital projects.
- Home and community services increased due to various ongoing capital projects.
- Debt service was higher in 2020 because the Town had more obligations outstanding during the year.

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**GOVERNMENTAL-WIDE FINANCIAL ANALYSIS**

The table below summarizes changes in fund balances of the Town's Governmental Funds for year's ending December 31, 2021, 2020, and 2019:

**Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds**

	Governmental Funds					
	General	Part Town	Highway	Capital Projects	Nonmajor Governmental Funds	Total
<b>FUND BALANCE AT DECEMBER 31, 2019</b>	\$ 5,056,635	\$ 2,482,161	\$ 1,392,602	\$ 1,647,144	\$ 8,808,199	\$ 19,386,741
Revenues	17,888,173	12,811,509	6,817,685	29,396	8,293,490	45,840,253
Expenditures	(18,987,056)	(13,319,033)	(5,705,283)	(542,451)	(6,795,518)	(45,349,341)
Excess (deficiency) of revenues over expenditures	(1,098,883)	(507,524)	1,112,402	(513,055)	1,497,972	490,912
Other financing sources (uses)	972,933	(521,709)	(665,975)	8,553,196	2,941,141	11,279,586
<b>FUND BALANCE AT DECEMBER 31, 2020</b>	4,930,685	1,452,928	1,839,029	9,687,285	13,247,312	31,157,239
Fund balance restatement	264,119	-	-	(2,050,000)	-	(1,785,881)
<b>FUND BALANCE AT DECEMBER 31, 2020, AS RESTATED</b>	5,194,804	1,452,928	1,839,029	7,637,285	13,247,312	29,371,358
Revenues	18,312,204	14,427,358	6,888,072	64,143	8,251,543	47,943,320
Expenditures	(18,215,689)	(13,750,251)	(5,895,989)	(1,656,278)	(6,772,411)	(46,290,618)
Excess (deficiency) of revenues over expenditures	96,515	677,107	992,083	(1,592,135)	1,479,132	1,652,702
Other financing sources (uses)	1,227,598	(923,663)	(792,872)	395,000	(180,197)	(274,134)
<b>FUND BALANCE AT DECEMBER 31, 2021</b>	<b>\$ 6,518,917</b>	<b>\$ 1,206,372</b>	<b>\$ 2,038,240</b>	<b>\$ 6,440,150</b>	<b>\$ 14,546,247</b>	<b>\$ 30,749,926</b>

**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the original budget and the amended budget in the General Fund were as follows:

- General government increased by \$74,373.
- Public safety decreased by \$29,106.
- Transportation decreased by \$14,734.
- Economic assistance decreased by \$85,516.
- Culture and recreation increased by \$2,339.
- Home and community services decreased by 1,516.
- Employee benefits increased by \$9,200.
- Debt service increased by \$22,060.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounted to \$26,292,862 and \$989,198, (net of accumulated depreciation). This investment in capital assets includes land and land improvements, infrastructure, buildings and improvements, vehicles and equipment.

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 and business-type activities are presented below:

**Summary of Town of Hamburg's Capital Assets**  
**(Net of Depreciation)**

	<b><u>Governmental</u></b> <b><u>Activities</u></b>	<b><u>Business-Type</u></b> <b><u>Activities</u></b>	<b><u>Total Primary</u></b> <b><u>Government</u></b>
Land	\$ 1,128,632	\$ 470,194	\$ 1,598,826
Construction in progress	1,283,013	12,440	1,295,453
Land improvements	36,440	-	36,440
Buildings	1,697,391	425,363	2,122,754
Building improvement	1,100,219	15,929	1,116,148
Vehicles	1,947,391	-	1,947,391
Machinery and equipment	891,835	65,272	957,107
Infrastructure	18,207,941	-	18,207,941
<b>TOTAL CAPITAL ASSETS</b>	<b><u>\$ 26,292,862</u></b>	<b><u>\$ 989,198</u></b>	<b><u>\$ 27,282,060</u></b>

The Town's infrastructure assets are recorded at historical cost in the government-wide financial statements. The Town has elected to depreciate their infrastructure assets. Additional information on the Town's capital assets can be found in the Notes to the Financial Statements section of this report.

**Long-Term Debt**

At December 31, 2021, the Town had total long-term debt of \$13,045,467, as compared to \$13,764,735 in the prior year. During the year, retirement of debt amounted to \$719,268. New York State statutes limit the amount of general obligation debt a governmental entity may issued up to 7% of its five-year valuation. The current debt-limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The Town has maintained its credit rating from Moody's Investor Service of "Aa2".



**TOWN OF HAMBURG, NEW YORK**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2021**

**Long-Term Debt (Cont.)**

The following is a summary of the Town of Hamburg's long-term liabilities for governmental and business-type activities, as shown on the Statement of Net Position, for the year ending December 31, 2021:

<b><u>LONG-TERM LIABILITIES</u></b>	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
Bonds payable	\$ 11,201,914	\$ 1,843,553	\$ 13,045,467
Unamortized bond premium	714,000	210,000	924,000
Compensated absences	4,059,380	86,945	4,146,325
Workers' compensation liability	1,879,636	-	1,879,636
Net pension liability - proportionate share	22,217,316	-	22,217,316
Net OPEB liability	110,324,944	-	110,324,944
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 150,397,190</b>	<b>\$ 2,140,498</b>	<b>\$ 152,537,688</b>

Additional information on the Town's long-term debt can be found in the Notes to the Financial Statements in this report.

**Financial Position**

In the past two decades, the Town had experienced a steady growth in population and business. Although this growth has benefited the Town's financial position, the Town continues to seek ways to improve the quality and quantity of the services we provide to the citizens of the Town. Considering the stable condition of the General Fund, Part Town and Highway Funds, respectively, the Town's overall financial position has continued to remain steady during 2021.

**Request 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. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Director of Finance and Administration, Hamburg Town Hall, S 6100 South Park Avenue, Hamburg, New York 14075.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF HAMBURG, NEW YORK**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>	<b>Hamburg</b>
	<b>Activities</b>	<b>Activity -</b>	<b>Primary</b>	<b>Industrial</b>
		<b>Enterprise Funds</b>	<b>Government</b>	<b>Development</b>
				<b>Agency</b>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 18,106,122	\$ -	\$ 18,106,122	\$ 1,065,015
Restricted cash	6,132,167	2,037,560	8,169,727	-
Restricted investments	11,239,895	-	11,239,895	-
Accounts receivable	623,022	30,205	653,227	-
Loans receivable	236,891	-	236,891	-
State and federal aid receivable	36,218	-	36,218	-
Due from other governments	2,557,097	-	2,557,097	-
Due from governmental funds	-	620,470	620,470	-
Prepaid expenditures	849,500	15,129	864,629	-
Capital assets:				
Capital assets not being depreciated	2,411,645	482,634	2,894,279	-
Capital assets, net of accumulated depreciation	23,881,217	506,564	24,387,781	-
<b>TOTAL ASSETS</b>	<b>66,073,774</b>	<b>3,692,562</b>	<b>69,766,336</b>	<b>1,065,015</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>				
Pensions	21,878,813	-	21,878,813	-
Other post employment benefits	4,337,598	-	4,337,598	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>26,216,411</b>	<b>-</b>	<b>26,216,411</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 92,290,185</b>	<b>\$ 3,692,562</b>	<b>\$ 95,982,747</b>	<b>\$ 1,065,015</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

	<b><u>Primary Government</u></b>			<b><u>Component Unit</u></b>
	<b><u>Governmental</u></b>	<b><u>Business-Type</u></b>	<b><u>Primary</u></b>	<b><u>Hamburg</u></b>
	<b><u>Activities</u></b>	<b><u>Activity -</u></b>	<b><u>Government</u></b>	<b><u>Industrial</u></b>
		<b><u>Enterprise Funds</u></b>		<b><u>Development</u></b>
				<b><u>Agency</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 1,864,158	\$ 377,642	\$ 2,241,800	\$ -
Accrued liabilities	525,877	48,507	574,384	-
Accrued interest payable	123,613	-	123,613	-
Due to other governments	18,877	-	18,877	-
Due to enterprise funds	620,470	-	620,470	-
Long-term liabilities:				
Due within one year:				
Bonds payable	1,061,914	123,553	1,185,467	-
Due in more than one year:				
Bonds payable	10,140,000	1,720,000	11,860,000	-
Unamortized bond premium	714,000	210,000	924,000	-
Compensated absences	4,059,380	86,945	4,146,325	-
Workers' compensation liability	1,879,636	-	1,879,636	-
Net pension liability - proportionate share	22,217,316	-	22,217,316	-
Net OPEB liability	110,324,944	-	110,324,944	-
<b>TOTAL LIABILITIES</b>	<b>153,550,185</b>	<b>2,566,647</b>	<b>156,116,832</b>	<b>-</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Deferred revenues	236,891	-	236,891	-
Unearned revenue - ARPA	5,764,713	-	5,764,713	-
Pensions	19,353,568	-	19,353,568	-
OPEB	16,150,522	-	16,150,522	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>41,505,694</b>	<b>-</b>	<b>41,505,694</b>	<b>-</b>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	20,254,044	973,205	21,227,249	-
Restricted	20,106,672	2,037,560	22,144,232	-
Unrestricted	(143,126,410)	(1,884,850)	(145,011,260)	1,065,015
<b>TOTAL NET POSITION</b>	<b>(102,765,694)</b>	<b>1,125,915</b>	<b>(101,639,779)</b>	<b>1,065,015</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 92,290,185</b>	<b>\$ 3,692,562</b>	<b>\$ 95,982,747</b>	<b>\$ 1,065,015</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

				Net (Expense) Revenue and Changes in Net Position			
	Program Revenues			Primary Government		Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activity - Enterprise Funds	Total Primary Government	Hamburg Industrial Development Agency
<b>FUNCTIONS / PROGRAMS</b>							
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental activities:</b>							
General government	\$(5,081,596)	\$ 947,995	\$ 2,291,633	\$ (1,841,968)	\$ -	\$ (1,841,968)	\$ -
Public safety	(20,970,898)	795,081	167,612	(20,008,205)	-	(20,008,205)	-
Health	(5,846)	-	-	(5,846)	-	(5,846)	-
Transportation	(7,095,527)	105,620	582,812	(6,407,095)	-	(6,407,095)	-
Economic assistance	(1,085,307)	339,497	-	(745,810)	-	(745,810)	-
Culture and recreation	(6,169,697)	264,102	43,863	(5,861,732)	-	(5,861,732)	-
Home and community services	(4,104,635)	230,939	589,564	(3,284,132)	-	(3,284,132)	-
Interest and other fiscal services	(344,793)	-	-	(344,793)	-	(344,793)	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>(44,858,299)</b>	<b>2,683,234</b>	<b>3,675,484</b>	<b>(38,499,581)</b>	<b>-</b>	<b>(38,499,581)</b>	<b>-</b>
<b>Business-type activities:</b>							
Enterprise funds	(1,260,737)	986,373	-	-	(274,364)	(274,364)	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>(1,260,737)</b>	<b>986,373</b>	<b>-</b>	<b>-</b>	<b>(274,364)</b>	<b>(274,364)</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>(46,119,036)</b>	<b>3,669,607</b>	<b>3,675,484</b>	<b>(38,499,581)</b>	<b>(274,364)</b>	<b>(38,773,945)</b>	<b>-</b>
<b>Component Unit:</b>							
Hamburg Industrial Development Agency	(188,451)	599,770	-	-	-	-	411,319
<b>TOTAL COMPONENT UNIT</b>	<b>(188,451)</b>	<b>599,770</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>411,319</b>
<b>General revenues:</b>							
Property taxes and related tax items				29,781,899	-	29,781,899	-
Nonproperty tax items				9,114,318	-	9,114,318	-
Use of money and property				960,760	230	960,990	1,475
Sale of property and compensation for loss				84,750	-	84,750	-
Miscellaneous				1,642,875	-	1,642,875	-
Interfund transfers				(274,134)	274,134	-	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS, NET</b>				<b>41,310,468</b>	<b>274,364</b>	<b>41,584,832</b>	<b>1,475</b>
Change in net position				2,810,887	-	2,810,887	412,794
Total net position at beginning of year (restated)				(105,576,581)	1,125,915	(104,450,666)	652,221
<b>Total net position at end of year</b>				<b>\$ (102,765,694)</b>	<b>\$ 1,125,915</b>	<b>\$ (101,639,779)</b>	<b>\$ 1,065,015</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2021**

	<b><u>ASSETS</u></b>					
	<b><u>General</u></b>	<b><u>Special Revenue</u></b>		<b><u>Capital Projects</u></b>	<b><u>Nonmajor Governmental Funds</u></b>	<b><u>Total Governmental Funds</u></b>
		<b><u>Part Town</u></b>	<b><u>Highway</u></b>			
<b><u>ASSETS</u></b>						
Cash and cash equivalents	\$ 11,771,534	\$ -	\$ 1,839,043	\$ -	\$ 4,495,545	\$ 18,106,122
Restricted cash	-	-	-	6,132,167	-	6,132,167
Restricted investments	-	-	-	-	11,239,895	11,239,895
Accounts receivable	115,182	489,445	1,215	-	17,180	623,022
Loans receivable	-	-	-	-	236,891	236,891
Due from other funds	1,731,619	7,875	-	340,711	6,000	2,086,205
State and Federal receivable	36,218	-	-	-	-	36,218
Due from other governments	72	2,013,131	543,894	-	-	2,557,097
Prepaid expenditures	314,584	465,276	69,640	-	-	849,500
<b>TOTAL ASSETS</b>	<b>\$ 13,969,209</b>	<b>\$ 2,975,727</b>	<b>\$ 2,453,792</b>	<b>\$ 6,472,878</b>	<b>\$ 15,995,511</b>	<b>\$ 41,867,117</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2021**

**LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES**

		<u>Special Revenue</u>			<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Part</u>	<u>Highway</u>	<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Town</u>		<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 438,205	\$ 978,553	\$ 212,818	\$ -	\$ 234,582	\$ 1,864,158
Accrued liabilities	221,443	226,625	77,809	-	-	525,877
Due to other funds	1,007,054	564,177	124,925	32,728	977,791	2,706,675
Due to other governments	18,877	-	-	-	-	18,877
<b>TOTAL LIABILITIES</b>	<u>1,685,579</u>	<u>1,769,355</u>	<u>415,552</u>	<u>32,728</u>	<u>1,212,373</u>	<u>5,115,587</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Deferred revenues	-	-	-	-	236,891	236,891
Unearned revenue - ARPA	5,764,713	-	-	-	-	5,764,713
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>5,764,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>236,891</u>	<u>6,001,604</u>
<b><u>FUND BALANCE</u></b>						
Non-spendable	314,584	465,276	69,640	-	-	849,500
Restricted	2,155,734	220,576	50,317	6,440,150	11,239,895	20,106,672
Assigned	1,248,866	520,520	1,918,283	-	3,306,352	6,994,021
Unassigned	2,799,733	-	-	-	-	2,799,733
<b>TOTAL FUND BALANCES</b>	<u>6,518,917</u>	<u>1,206,372</u>	<u>2,038,240</u>	<u>6,440,150</u>	<u>14,546,247</u>	<u>30,749,926</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 13,969,209</u></u>	<u><u>\$ 2,975,727</u></u>	<u><u>\$ 2,453,792</u></u>	<u><u>\$ 6,472,878</u></u>	<u><u>\$ 15,995,511</u></u>	<u><u>\$ 41,867,117</u></u>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**RECONCILIATION OF STATEMENT OF NET POSITION**  
**TO GOVERNMENTAL FUND BALANCES**  
**DECEMBER 31, 2021**

**Amounts reported for Governmental Activities in the  
Statement of Net Position are different because:**

Total governmental fund balances \$ 30,749,926

Certain assets and deferred outflows are not considered financial resources  
and are not reported in the governmental funds:

Capital assets	110,373,249
Accumulated depreciation	(84,080,387)
Deferred outflows of employee retirement system liability	7,849,813
Deferred outflows of police and fire retirement system liability	8,631,139
Deferred outflows of length of service awards program liability	5,397,861
Deferred outflows of other post employment benefits liability	4,337,598

Certain liabilities and deferred inflows are not considered financial uses or are not  
due or payable in the current period and therefore are not reported in the funds:

Accrued interest on outstanding debt	(123,613)
Bonds payable	(11,175,000)
Other debt payable	(26,914)
Unamortized bond premium	(714,000)
Compensated absences	(4,059,380)
Worker's compensation	(1,879,636)
Proportionate share of employee retirement system liability	(33,751)
Proportionate share of police and fire retirement system liability	(2,644,411)
Proportionate share of length of service award program liability	(19,539,154)
Net other post employment benefits liability	(110,324,944)

Deferred inflows of employee retirement system liability	(9,864,641)
Deferred inflows of police and fire retirement system liability	(8,119,392)
Deferred inflows of length of service awards program liability	(1,369,535)
Deferred inflows of other postemployment benefits liability	(16,150,522)

**NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (102,765,694)**

The accompanying notes are an integral  
part of the basic financial statements.



**TOWN OF HAMBURG, NEW YORK**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		<b><u>Special Revenue</u></b>			<b><u>Nonmajor</u></b>	<b><u>Total</u></b>
	<b><u>General</u></b>	<b><u>Part</u></b>	<b><u>Highway</u></b>	<b><u>Capital</u></b>	<b><u>Governmental</u></b>	<b><u>Governmental</u></b>
		<b><u>Town</u></b>		<b><u>Projects</u></b>	<b><u>Funds</u></b>	<b><u>Funds</u></b>
<b><u>REVENUES:</u></b>						
Real property taxes	\$ 11,667,922	\$ 5,089,072	\$ 6,202,110	\$ -	\$ 6,100,886	\$ 29,059,990
Real property tax items	721,909	-	-	-	-	721,909
Non-property tax items	144,235	8,970,083	-	-	-	9,114,318
Departmental income	351,726	76,064	-	-	157,875	585,665
Intergovernmental charges	105,620	87,928	-	-	282,097	475,645
Use of money and property	15,183	2,249	3,385	-	939,943	960,760
Licenses and permits	893,500	24,680	-	-	-	918,180
Fines and forfeitures	692,744	11,000	-	-	-	703,744
Sale of property and compensation for loss	66,309	15,918	-	-	2,523	84,750
Miscellaneous	1,281,294	3,050	115,733	64,143	178,655	1,642,875
State aid	2,266,504	103,763	543,894	-	50,000	2,964,161
Federal aid	105,258	43,551	22,950	-	539,564	711,323
<b>TOTAL REVENUES</b>	<b>\$ 18,312,204</b>	<b>\$ 14,427,358</b>	<b>\$ 6,888,072</b>	<b>\$ 64,143</b>	<b>\$ 8,251,543</b>	<b>\$ 47,943,320</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

		Special Revenue			Nonmajor	Total
	General	Part Town	Highway	Capital Projects	Governmental Funds	Governmental Funds
<b>EXPENDITURES:</b>						
General government support	\$ 4,513,758	\$ -	\$ -	\$ 34,820	\$ -	\$ 4,548,578
Public safety	2,296,298	8,332,791	-	-	3,375,396	14,004,485
Health	3,662	-	-	-	-	3,662
Transportation	189,065	-	4,328,752	778,174	896,570	6,192,561
Economic assistance	731,004	-	-	23,750	-	754,754
Culture and recreation	4,088,244	-	-	745,798	-	4,834,042
Home and community services	265,768	400,262	-	73,736	1,159,178	1,898,944
Employee benefits	5,748,237	5,017,198	1,559,427	-	665,528	12,990,390
Debt service - principal	285,233	-	-	-	415,000	700,233
Debt service - interest	94,420	-	7,810	-	260,739	362,969
<b>TOTAL EXPENDITURES</b>	<b>18,215,689</b>	<b>13,750,251</b>	<b>5,895,989</b>	<b>1,656,278</b>	<b>6,772,411</b>	<b>46,290,618</b>
Excess (deficiency) of revenues over expenditures	96,515	677,107	992,083	(1,592,135)	1,479,132	1,652,702
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	2,184,038	-	-	395,000	-	2,579,038
Transfers out	(956,440)	(923,663)	(792,872)	-	(180,197)	(2,853,172)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,227,598</b>	<b>(923,663)</b>	<b>(792,872)</b>	<b>395,000</b>	<b>(180,197)</b>	<b>(274,134)</b>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	1,324,113	(246,556)	199,211	(1,197,135)	1,298,935	1,378,568
Fund balance - beginning of year (restated)	5,194,804	1,452,928	1,839,029	7,637,285	13,247,312	29,371,358
<b>Fund balance - end of year</b>	<b>\$ 6,518,917</b>	<b>\$ 1,206,372</b>	<b>\$ 2,038,240</b>	<b>\$ 6,440,150</b>	<b>\$ 14,546,247</b>	<b>\$ 30,749,926</b>

The accompanying notes are an integral part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Amounts reported for Governmental Activities in the  
Statement of Activities are different because:**

Net change in fund balances - total governmental funds	\$ 1,378,568
Governmental funds report all capital outlays as expenditures. However, in the statement of activities, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital assets increased in the current year	1,983,700
Depreciation is only recorded on the statements of activities.	(3,055,090)
Change in deferred outflows - employee retirement system	1,466,768
Change in deferred outflows - police and fire retirement system	1,844,494
Change in deferred outflows - LOSAP	2,689,996
Accrued interest is only reported on the Statement of Activities	(32,824)
Payment of bond principal	675,000
Payment of other debt principal	25,233
Change in unamortized bond premium	51,000
The net change in compensated absences are recorded in the statement of activities but not in the statement of governmental funds	904,311
The net change in the workers' compensation liability is recorded in the statement of activities but not in the statement of governmental funds	672,912
Change in proportionate share of employee retirement system liability	8,887,974
Change in proportionate share of police and fire retirement system liability	6,402,964
Change in proportionate share of the LOSAP liability	(3,627,397)
Change in deferred inflows - employee retirement system	(9,658,566)
Change in deferred inflows - police and fire retirement system	(7,921,996)
Change in deferred inflows - LOSAP	123,840
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>2,810,887</u></b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**PROPRIETARY FUND TYPES - ENTERPRISE FUNDS**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

**ASSETS**

	<b>Golf Course Fund</b>	<b>Ice Arena Fund</b>	<b>Total</b>
<b><u>CURRENT ASSETS</u></b>			
Restricted cash	\$ 237,560	\$ 1,800,000	\$ 2,037,560
Accounts receivable	-	30,205	30,205
Due from governmental funds	254,079	366,391	620,470
Prepaid expenditures	8,405	6,724	15,129
<b>TOTAL CURRENT ASSETS</b>	<b>500,044</b>	<b>2,203,320</b>	<b>2,703,364</b>
<b><u>NON-CURRENT ASSETS</u></b>			
Capital assets (net of accumulated depreciation)	525,047	464,151	989,198
<b>TOTAL NON-CURRENT ASSETS</b>	<b>525,047</b>	<b>464,151</b>	<b>989,198</b>
<b>TOTAL ASSETS</b>	<b>\$ 1,025,091</b>	<b>\$ 2,667,471</b>	<b>\$ 3,692,562</b>

**LIABILITIES AND NET POSITION**

<b><u>CURRENT LIABILITIES</u></b>			
Accounts payable	\$ 67,906	\$ 309,736	\$ 377,642
Accrued liabilities	9,583	38,924	48,507
Bonds payable - current portion	13,000	110,553	123,553
<b>TOTAL CURRENT LIABILITIES</b>	<b>90,489</b>	<b>459,213</b>	<b>549,702</b>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Compensated absences	40,774	46,171	86,945
Bonds payable - long-term portion	207,000	1,513,000	1,720,000
Unamortized bond premium	28,000	182,000	210,000
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>275,774</b>	<b>1,741,171</b>	<b>2,016,945</b>
<b>TOTAL LIABILITIES</b>	<b>366,263</b>	<b>2,200,384</b>	<b>2,566,647</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	514,607	458,598	973,205
Restricted	237,560	1,800,000	2,037,560
Unrestricted	(93,339)	(1,791,511)	(1,884,850)
<b>TOTAL NET POSITION</b>	<b>658,828</b>	<b>467,087</b>	<b>1,125,915</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 1,025,091</b>	<b>\$ 2,667,471</b>	<b>\$ 3,692,562</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**PROPRIETARY FUND TYPES - ENTERPRISE FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Golf Course Fund</b>	<b>Ice Arena Fund</b>	<b>Total</b>
<b><u>OPERATING REVENUES:</u></b>			
Charges for services	\$ 632,116	\$ 354,257	\$ 986,373
<b>TOTAL OPERATING REVENUES</b>	<b>632,116</b>	<b>354,257</b>	<b>986,373</b>
<b><u>OPERATING EXPENSES:</u></b>			
Personal services	333,081	346,895	679,976
Contractual services, supplies and materials	223,606	88,422	312,028
Benefits	52,936	46,112	99,048
Depreciation	12,301	103,615	115,916
<b>TOTAL OPERATING EXPENSES</b>	<b>621,924</b>	<b>585,044</b>	<b>1,206,968</b>
<b>TOTAL OPERATING INCOME</b>	<b>10,192</b>	<b>(230,787)</b>	<b>(220,595)</b>
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>			
Interest income	120	110	230
Interest expense	(6,148)	(47,621)	(53,769)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(6,028)</b>	<b>(47,511)</b>	<b>(53,539)</b>
Income before transfers	4,164	(278,298)	(274,134)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Transfer from other funds	10,942	338,298	349,240
Transfer to other funds	(15,106)	(60,000)	(75,106)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(4,164)</b>	<b>278,298</b>	<b>274,134</b>
Change in net position	-	-	-
Total net position at beginning of year	658,828	467,087	1,125,915
<b>Total net position at end of year</b>	<b>\$ 658,828</b>	<b>\$ 467,087</b>	<b>\$ 1,125,915</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**PROPRIETARY FUND TYPES - ENTERPRISE FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Golf Course Fund</b>	<b>Ice Arena Fund</b>	<b>Total</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from customers and users	\$ 633,951	\$ 348,062	\$ 982,013
Payments to suppliers	(266,290)	168,420	(97,870)
Payments to employees	(378,668)	(376,936)	(755,604)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(11,007)</b>	<b>139,546</b>	<b>128,539</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>			
Cash to other funds	(15,106)	(60,000)	(75,106)
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>(15,106)</b>	<b>(60,000)</b>	<b>(75,106)</b>
<b><u>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</u></b>			
Cash paid for addition of capital assets	(12,440)	-	(12,440)
Amortization of bond premium	(2,000)	(13,000)	(15,000)
Payments of capital debt	-	(19,035)	(19,035)
Interest paid on capital debt	(6,148)	(47,621)	(53,769)
<b>NET CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>	<b>(20,588)</b>	<b>(79,656)</b>	<b>(100,244)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest received	120	110	230
Change in cash and cash equivalents	(46,581)	-	(46,581)
Cash and cash equivalents at January 1, 2021 (restated)	284,141	1,800,000	2,084,141
<b>Cash and cash equivalents at December 31, 2021</b>	<b>\$ 237,560</b>	<b>\$ 1,800,000</b>	<b>\$ 2,037,560</b>
<b><u>RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>			
Operating income (loss)	\$ 10,192	\$ (230,787)	\$ (220,595)
Adjustments to reconcile income to net cash flows from operating activities:			
Depreciation	12,301	103,615	115,916
Changes in assets and liabilities:			
Accounts receivable	1,835	(6,195)	(4,360)
Prepaid expenditures	(1,057)	(846)	(1,903)
Accounts payable	(41,627)	257,688	216,061
Accrued liabilities	4,671	25,585	30,256
Compensated absences	2,678	(9,514)	(6,836)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ (11,007)</b>	<b>\$ 139,546</b>	<b>\$ 128,539</b>

The accompanying notes are an integral  
part of the basic financial statements.

**TOWN OF HAMBURG, NEW YORK**  
**FIDUCIARY FUND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b><u>Custodial Fund</u></b>
<b><u>ADDITIONS:</u></b>	
Taxes collected for other governments and schools	\$ 111,883,582
<b>TOTAL ADDITIONS</b>	<b><u>111,883,582</u></b>
<b><u>DEDUCTIONS:</u></b>	
Payment of tax to other governments and schools	<u>111,883,582</u>
<b>TOTAL DEDUCTIONS</b>	<b><u>111,883,582</u></b>
Net change in fiduciary net position	-
Net position - beginning of year	<u>-</u>
Net position - end of year	\$ <u><u>-</u></u>

The accompanying notes are an integral  
part of the basic financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**



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

**Note 1 - Summary of Significant Accounting Policies**

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

**Financial Reporting Entity**

The Town of Hamburg is located within the County of Erie, New York. The Town is governed by Town law and other general laws of the State of New York and various local laws. The Town Board is the legislative body responsible for overall operations and the Supervisor serves as Chief Fiscal Officer.

The following basic services are provided: police, highway, sanitation, recreation, sewer service, drainage, street lighting, water service, fire protection through contracts with local volunteer companies and general administration.

Independently elected officials of the Town consist of the following:

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

All governmental activities and functions performed for the Town of Hamburg are its direct responsibility. The financial reporting is in accordance with Government Accounting Standards No. 14, *The Financial Reporting Entity*. The component unit subsequently discussed is included in the Town's reporting entity within the component unit columns in the combined financial statements because of the significance of their operational and financial relationships with the Town. This unit is reported in a separate column to emphasize that they are legally separate from the Town.

**Hamburg Industrial Development Agency**

The members of the governing board of the Agency are appointed by the Town Board. The Town Board is able to impose its will on the agency; however the Agency does not provide services entirely to the primary government. Additional detailed information concerning the Agency may be found in the Agency's annual financial report, which can be obtained from the Town of Hamburg, 6100 South Park Avenue, Hamburg, New York 14075.

**Governmental-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effects of interfund activity within governmental has been eliminated from these statements. However, balances due and resource flows between governmental activities have not been eliminated. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been allocated and are reported as direct program expenses of individual functions or programs. Program revenues include: charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; grants and contributions that are restricted to meeting the operational requirements of a particular function or segment; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not included as program revenues are reported as general revenues, as required.

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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (custodial). Since by definition these assets are being held for the benefits of a third party and cannot be used to address activities or obligations of the Town, these funds are not incorporated into the government-wide financial statements.

This government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

**Governmental Funds**

The fund statements provide information about the Town's funds, including each type of fiduciary fund. 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.

The Town reports the following major governmental funds:

General Fund - the principal operating fund and includes all operations not required to be recorded in other funds.

**Special Revenue Funds**

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

General Fund - Town Outside Town - This fund accounts for selected services which cannot be charged to taxable properties located in the Towns within the town by various New York State statutes.

Highway Fund - This fund is used to record all revenues and expenditures related to road maintenance and construction throughout the Town.

**Capital Projects Fund**

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or acquisition of equipment.

**Non-Major Governmental Funds**

The other funds which do not meet the major fund criteria are aggregated and reported in one column as non-major governmental funds. The following are reported as non-major governmental funds:

Community Development Fund – This fund is used to provide services to income eligible residents of the Town of Hamburg.

Park Land Fund – This fund is used to provide services for land development improvements for the Town of Hamburg

Special Revenues Funds – These funds are used to account for taxes, user fees, or other revenues which are raised or received to provide special services to areas that may or may not encompass the whole Town. The following are non-major special revenue funds utilized by the Town:

- Fire Protection Fund
- Hydrant Improvement Fund
- Lighting Fund
- Water Fund
- Sewer Fund

**Proprietary Funds**

These funds are used to record revenues and expenditures for business type activities, where residents are charged a fee for services. The Town reports the following major proprietary funds: Golf Course Fund and Ice Arena Fund.

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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Fiduciary Fund**

Fiduciary funds are used to account for assets held by the Town in a trustee or custodial capacity.

*Custodial Fund* – This fund is use to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Government-wide financial statements apply all applicable Governmental Accounting Standards Board ("GASB") pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict subsequent GASB pronouncements, Statements and Interpretations of the Financial Accounting Standards Board ("FASB"), Accounting Principles Board ("APB") Opinions, and Accounting Research Bulletins ("ARBs") of the Committee on Accounting Procedure.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues are those that cannot be associated directly with program activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as is the Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Taxes are recognized as revenues in the year in which they are earned. Grants, entitlements and donations are recognized as revenues as soon as all eligibility requirements have been met.

**Accrual Basis**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. 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.

Proprietary Funds are accounted for on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recorded when incurred. Fixed assets and long-term liabilities related to these activities are recorded within the funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Property taxes 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Modified Accrual Basis**

All governmental funds are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities for the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days. Material revenues that are accrued include real property taxes, state and federal aid, sales tax and certain user charges. If expenditures are the prime factor for determining eligibility, revenues from federal and state grants are accrued when the expenditure is made.

Expenditures are recorded when incurred except that:

- a) Expenditures for prepaid expenses and inventory-type items are recognized at the time of purchase.
- b) Principal and interest on long-term debt are not recognized as expenditure until due.
- c) Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

**Property Tax Revenue Recognition**

The Erie County Legislature prepares the levy in late December of each year and jointly bills the Town levy with New York State and Erie County real property taxes. On January 1 of each year, property taxes become a lien on the property. Tax payments are due January 1 to February 15<sup>th</sup> without penalty; February 16 to 28 a 1.5% penalty; March 1 to 15 a 3% penalty; March 16 to 31 a 4.5% penalty; April 1 to 15 a 6% penalty; April 16 to 30 a 7.5% penalty; and 1.5% added each month thereafter.

Taxes for County purposes are levied together with taxes for Town and special district purposes as a single bill. The Town and special districts receive the full amount of their levies annually out of the first amounts collected on the combined bill. The County assumes enforcement responsibility for all taxes levied in the Town. 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. Any such taxes remaining unpaid at year end are re-levied as county taxes in the subsequent year. The County enforces all liens.

**Budgets and Budgetary Data**

Annual budgets for the General and Special Revenue Funds, except for Park Land Special Revenue Fund, are adopted on a basis consistent with generally accepted accounting principles except that encumbrances are treated as budgeted expenditures in the year of incurrence of the commitment to purchase. Encumbrances outstanding at year-end are accounted for by a reservation of fund balance. All unencumbered appropriations lapse at the end of the fiscal year. Budgetary comparisons presented in this report are on the budgetary basis and represent the budget as modified.

Capital Project Fund appropriations are not included in the Town's annual budget. Instead appropriations are approved through the Town Board resolution at the projects' inception and lapse upon termination of the project. Accordingly, the Capital Projects Fund budget is not presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, since a comparison of the budgeted amounts with the current year's expenditures would not be meaningful.

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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Budgets and Budgetary Data (Cont.)**

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- No later than September 30<sup>th</sup> the budget officer submits a tentative budget to the Town Clerk for the fiscal year commencing the following January 1<sup>st</sup>. The Town Clerk presents the tentative budget to the Town Board by October 5<sup>th</sup>.
- After public hearings are conducted to obtain taxpayer comments, no later than November 20<sup>th</sup>, the Town Board adopts the budget.
- All modifications of the budget must be approved by the Town Board.
- Budgetary controls for the Special Grant Fund are established by applicable grant agreements which cover a period other than the Town's fiscal year.
- Budgetary controls are established for the Capital Projects Fund through Town Board resolutions authorizing individual projects which remain in effect for the life of the projects.
- Proprietary Funds budgetary control and evaluation is accomplished by comparing actual interim and annual revenues and expenses.

**Budget Basis of Accounting**

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

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all Town funds. Outstanding encumbrances at year end, exclusive of grant-related commitments, are presented for GAAP reporting purposes as reservations of fund balances, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

**Cash and Cash Equivalents**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the Town.

**Restricted Cash and Investments**

Restricted cash represents cash that has been set aside for a certain purpose or project in the governmental and enterprise funds.

The Town's restricted investments consist of annuity contracts related to the Town's Length of Service Award Program ("LOSAP").

**Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditures /expense when consumed.

**Due To and Due From Other Funds**

In the fund financial statements, non-current portions of long-term interfund loans receivable are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. A detailed description of the individual fund balances at year end is provided subsequently in the notes to the financial statements.

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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, water lines, and sewer lines), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost equal to or greater than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized.

Property, plant and equipment are depreciated using the straight-line method over the estimated useful lives as follows:

Land improvements	25 years
Buildings	40 years
Building improvements	20 years
Machinery and equipment	5 – 10 years
Infrastructure	10 – 50 year

When capital assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period in the government-wide statements.

**Accrued Liabilities and Long-Term Obligation**

Payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in a timely manner and in full, from current financial resources. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due. Long-term obligations represent the Town's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the statement of net position.

**Insurance**

The Town utilizes a combination of commercial insurance policies and a self-insurance program for the risk associated with, but not limited to, workers' compensation, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has incurred and the amount of loss can be reasonably estimated. Estimated current contingent loss liabilities (i.e., those to be liquidated with available financial resources in the ensuing fiscal year) of governmental fund types are recorded in the General Fund.

**Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the Statement of Net Position will report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has one item that qualify for reporting in this category. It is deferred amounts related to the pension reported in the government-wide Statement of Net Position. The deferred amounts related to pension relate difference s between estimated and actual investing earnings, changes in assumptions and other pension related changes.

In addition to liabilities, the Statement of Net Position includes 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. The District has one item that qualify for reporting in this category. In the government-wide financial statements the Town reports deferred amounts related to pension.

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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Federal Grants**

Federal grants are recorded as grants receivable and deferred revenue when the entitlement period occurs. Revenues are recognized using the modified accrual basis of accounting as the Town meets the performance requirements of the grants.

**Pensions**

Nearly all Town employees are members of various New York State retirement systems. The Town is invoiced annually by the retirement systems for its share of the costs.

**Compensated Absences**

Most Town employees are granted vacation and sick leave and earn compensatory absences in varying amounts. Vacations and compensatory absences not taken may be carried over at the end of the fiscal year in which they are earned. Upon retirement, certain eligible employees qualify for paid hospitalization insurance premiums and/or payment for fractional values of unused sick leave.

Vacations and compensatory absences carried over at the end of the fiscal year accumulated by governmental fund type employees are recorded as long-term liability in the Schedule of Non-current Government Liabilities because expendable available financial resources will not be used to liquidate these amounts. Instead, such amounts will be paid from subsequent years appropriations for personal services.

Compensated absences for governmental fund type employees are reported as a fund liability and expenditure in the government-wide financial statements. For proprietary fund type employees, the accumulation is recorded as an accrued liability and/or other long term obligation of the proprietary fund type.

The compensated absences liability for the primary government at December 31, 2021 totaled \$4,146,325 and is reported as governmental activities - \$4,059,380 and business-type activities - \$86,945 in the government-wide financial statements as a long-term liability.

Payment of compensated absences recorded in the government-wide financial statements is dependent on many factors; therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

**Post-Employment Benefits**

In addition to providing pension benefits, the Town provides health insurance coverage for retired employees. The obligation of the Town and its employees to contribute to the cost of providing these benefits has been established pursuant to Town Board resolution and various collective bargaining agreements. These benefits are provided to all full-time employees employed continuously for ten years or more by the Town. Payments of such benefits commence when the employee reaches age fifty-five. These payments are budgeted annually without accrual. The cost of such benefits totaled \$2,383,740 on behalf of 315 eligible retirees for the year ending December 31, 2021.

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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Net Position/Fund Balance:**

**Net Position Flow Assumptions**

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 governmental-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

**Fund Balance Flow Assumption**

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 that the Town Board will assess the current financial condition of the Town and then determine the order of application of expenditures to which fund balance classification will be charged.

**Interfund Transactions**

The operations of the Town include transactions between funds. These transactions may be temporary in nature, such as with certain interfund borrowings. The Town typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financial or other services.

**Order of Use of Fund Balance**

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported in unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**Restatement of Beginning Net Position**

Beginning Net Position on the Statement of Net Position was restated to account for bonds issued and outstanding in the prior year that should have been accounted for in the enterprise funds. Beginning net position was also restated to include unamortized bond premiums on issued bonds. The amount of the restatement decreased Net Position for Governmental Activities in the amount of \$725,881.

Governmental fund balances were also restated at the beginning of the year. Fund balance in the capital projects fund was decreased by \$2,050,000 to account for a prior period debt issuance in the enterprise funds. Additionally, fund balance in the General fund was restated by \$264,119 at the beginning of the year to include a cash balance held by the Town for workers compensation claims.



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

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

**Net Position Classifications:**

**Governmental-Wide Financial Statements**

The government-wide financial statements display net position in three classes:

*Net Investment in Capital Assets* - This category groups all capital assets, including infrastructure, into one component of net assets. 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.

*Restricted Net Position* - This category presents external restrictions imposed by creditors, grantors, contributors or laws or 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.

**Governmental Fund Financial Statements**

The fund balance financial statements have five classifications of fund balance

*Non-spendable Fund Balances* - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes prepaid expenditures.

*Restricted* - Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or law or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

*Committed* - Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the town's highest level of decision making authorities, i.e., the Town Board. The Town has no committed fund balances as of December 31, 2021.

*Assigned* - Includes amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances are classified as Assigned Fund Balance where appropriate.

*Unassigned* - Includes all other fund balances that do not meet the definition of the above four classifications and are deemed to be available for general use by the Town.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Note 2 – Stewardship, Compliance and Accountability**

**Budget**

Budgetary control of the General Fund is minimally exercised at the department and account level. There were no excesses of expenditures over appropriations at the established control level.

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

**Note 3 – Cash, Cash Equivalents, and Investments**

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

Collateral is required for demand deposits and certificates of deposit at 105% of the amount of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

The Town's cash balances at December 31, 2021 are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Component Unit</b>	<b>Reporting Entity Total</b>
Petty cash	\$ 4,860	\$ -	\$ -	\$ 4,860
Deposits	24,332,828	2,087,888	1,065,015	27,485,731
<b>TOTAL</b>	<b>\$ 24,337,688</b>	<b>\$ 2,087,888</b>	<b>\$ 1,065,015</b>	<b>\$ 27,490,591</b>

**Deposits**

All deposits, including certificates of deposit, are carried at cost plus accrued interest.

Deposits at year end were entirely covered by federal depository insurance or by collateral held by the Town's custodial bank in the Town's name. They consisted of:

	<b>Bank Balance</b>	<b>Carrying Amount</b>
Insured (FDIC)	\$ 500,000	\$ 500,000
<b><u>COLLATERALIZED:</u></b>		
Collateral Held by Bank's Agent in Town's Name	25,622,789	25,920,716
<b>TOTAL DEPOSITS</b>	<b>\$ 26,122,789</b>	<b>\$ 26,420,716</b>

**Investment and Deposit Policy**

The Town follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with Federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Town Supervisor and Town Board.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Town's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

The Town's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Town's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

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

**Note 3 - Cash and Cash Equivalents (Cont.)**

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Town's investment and deposit policy, all deposits of the Town including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

**Investments**

The Town has restricted investments designated for its Length of Service Awards program (LOSAP) as of December 31, 2021 in the amount of \$11,239,895 in the Fire Protection Fund.

**Note 4 - Loans Receivable**

Loans receivable represent amounts owed to the Town relating to the Federal Housing and Urban Development Community Development Loan Program. The value of the loans outstanding at December 31, 2021 was \$236,891.

**Note 5 - State and Federal Receivables**

Major state and federal revenues accrued by the Town at December 31, 2021 include the following:

**GENERAL FUND:**

Court fines	\$	36,018
Erie County		<u>200</u>
<b>TOTAL</b>	<b>\$</b>	<b><u>36,218</u></b>

There were no significant revenues considered as not subject to accrual.

**Note 6 - Due from Other Governments**

Other major government revenues accrued by the Town at December 31, 2021 include the following:

**GENERAL FUND:**

Miscellaneous	\$	<u>72</u>
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**PART-TOWN FUND:**

Erie County Sales Tax		<u>2,013,131</u>
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**HIGHWAY FUND:**

CHIPS		366,285
PAVE NY		97,170
Extreme Winter Recovery		<u>80,439</u>
Total Highway Fund		<u>543,894</u>

<b>TOTAL DUE FROM OTHER GOVERNMENTS</b>	<b>\$</b>	<b><u>2,557,097</u></b>
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There were no significant revenues considered as not subject to accrual.

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

**Note 7 - Capital Assets**

A summary of governmental fund type capital assets by major classification follows:

	Balance at January 1, 2021	Additions	Deletions	Balance at December 31, 2021
<b><u>CAPITAL ASSETS NOT BEING DEPRECIATED:</u></b>				
Land	\$ 1,128,632	\$ -	\$ -	\$ 1,128,632
Construction in progress	-	1,283,013	-	1,283,013
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b>\$ 1,128,632</b>	<b>\$ 1,283,013</b>	<b>\$ -</b>	<b>\$ 2,411,645</b>
<b><u>CAPITAL ASSETS BEING DEPRECIATED:</u></b>				
Land improvements	\$ 468,380	\$ -	\$ -	\$ 468,380
Buildings	8,020,941	-	-	8,020,941
Building improvements	5,794,552	-	-	5,794,552
Vehicles	10,330,290	601,587	-	10,931,877
Machinery and equipment	6,985,552	99,100	-	7,084,652
Infrastructure	75,661,202	-	-	75,661,202
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<b>107,260,917</b>	<b>700,687</b>	<b>-</b>	<b>107,961,604</b>
<b><u>LESS: ACCUMULATED DEPRECIATION:</u></b>				
Land improvements	(425,899)	(6,041)	-	(431,940)
Buildings	(6,204,735)	(118,815)	-	(6,323,550)
Building improvements	(4,473,605)	(220,728)	-	(4,694,333)
Vehicles	(8,562,336)	(422,150)	-	(8,984,486)
Machinery and equipment	(6,023,062)	(169,755)	-	(6,192,817)
Infrastructure	(55,335,660)	(2,117,601)	-	(57,453,261)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(81,025,297)</b>	<b>(3,055,090)</b>	<b>-</b>	<b>(84,080,387)</b>
Total capital assets being depreciated, net	26,235,620	(2,354,403)	-	23,881,217
<b>TOTAL GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 27,364,252</b>	<b>\$ (1,071,390)</b>	<b>\$ -</b>	<b>\$ 26,292,862</b>

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

**Note 7 - Capital Assets (Cont.)**

**Business Type Activities** - A summary of proprietary fund type capital assets by major classification are as follows:

	Balance at January 1, 2021	Additions	Deletions	Balance at December 31, 2021
<b><u>CAPITAL ASSETS NOT BEING DEPRECIATED:</u></b>				
Land	\$ 470,194	\$ -	\$ -	\$ 470,194
Construction in progress	-	12,440	-	12,440
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b>470,194</b>	<b>12,440</b>	<b>-</b>	<b>482,634</b>
<b><u>CAPITAL ASSETS BEING DEPRECIATED:</u></b>				
Buildings	2,887,016	-	-	2,887,016
Building improvements	1,318,244	-	-	1,318,244
Equipment	988,925	-	-	988,925
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<b>5,194,185</b>	<b>-</b>	<b>-</b>	<b>5,194,185</b>
<b><u>LESS: ACCUMULATED DEPRECIATION:</u></b>				
Buildings	(2,399,280)	(62,373)	-	(2,461,653)
Building improvements	(1,292,825)	(9,490)	-	(1,302,315)
Equipment	(879,600)	(44,053)	-	(923,653)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(4,571,705)</b>	<b>(115,916)</b>	<b>-</b>	<b>(4,687,621)</b>
Total capital assets being depreciated, net	622,480	(115,916)	-	506,564
<b>TOTAL BUSINESS-TYPE ACTIVITIES, CAPITAL ASSETS, NET</b>	<b>\$ 1,092,674</b>	<b>\$ (103,476)</b>	<b>\$ -</b>	<b>\$ 989,198</b>

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

<b><u>GOVERNMENTAL ACTIVITIES:</u></b>	
General government	\$ 194,865
Public safety	228,872
Transportation	280,985
Culture and recreation	147,715
Home and community services	2,202,653
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 3,055,090</b>
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>	
Golf Course	\$ 12,301
Ice Arena	103,615
<b>TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 115,916</b>

The component unit of the Town, Hamburg Industrial Development Agency, does not own land, buildings or equipment; therefore, no amounts are included within the component's balance sheet.

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

**Note 8 – Deferred Revenue – American Rescue Plan Act (ARPA)**

In July 2021, the Town was awarded funding from the American Recovery Plan Act (ARPA) Coronavirus Local Fiscal Recovery Fund and received the first installment in the amount of \$5,769,433, which was passed through the New York State Office of the State Comptroller. Of this amount, \$5,764,713 has not been spent and is reported as unearned revenue as of December 31, 2021. The second installment is anticipated to be received during the year ended December 31, 2022.

**Note 9 - Long-Term Obligations**

**Serial Bonds**

The Town borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Town. The provision to be made in future budgets for capital indebtedness represents the amount exclusive of interest, authorized to be collected in future years from taxpayers and others for liquidation of the long-term liabilities.

**Other Long-Term Debt**

In addition to the above serial bonds, the Town had the following noncurrent liabilities:

Premium on Serial Bonds – The Town's premium is being amortized on a straight-line basis over the life of the related bonds. The total unamortized premiums as of December 31, 2021 was \$714,000 in the governmental funds and \$210,000 in the business-type funds.

Compensated Absences - represents the value of earned and unused portions of the liability for vacation and sick leave.

Workers' Compensation - represents amounts expected to be paid out to employees to settle work related injuries over a period of time.

Net Pension Liability – Proportionate Share - represents the Town's share of the state retirement systems' liability for pensions for employees, police and firefighters, as well as volunteer firefighters covered under the length of service awards program.

Net OPEB Liability - represents the Town's obligation for benefits expected to be paid out to retirees (e.g. health insurance costs), discounted to the present value, over a number of years.

The following is a summary of long-term liabilities outstanding at December 31, 2021:

	<b><u>Non-current Governmental Liabilities</u></b>	<b><u>Non-current Business-Type Liabilities</u></b>
Serial bonds	\$ 11,201,914	\$ 1,843,553
Unamortized bond premium	714,000	210,000
Compensated absences	4,059,380	86,945
Workers' compensation	1,879,636	-
Net pension liability - proportionate share	22,217,316	-
Net OPEB liability	110,324,944	-
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b><u>\$ 150,397,190</u></b>	<b><u>\$ 2,140,498</u></b>

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

**Note 9 - Long-Term Obligations (Cont.)**

**Summary of Changes in Non-Current Government Liabilities**

The following is a summary of changes in the Non-current Government Liabilities for the year ended December 31, 2021:

	Balance January 1, 2021 (Restated)		Additions		Deletions		Balance December 31, 2021
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>							
Serial bonds	\$ 11,902,147	\$	-	\$	700,233	\$	11,201,914
Unamortized bond premium	765,000		-		51,000		714,000
Compensated absences	4,963,691		-		904,311		4,059,380
Workers' compensation	2,552,548		-		672,912		1,879,636
Net pension liability	33,880,857		3,627,397		15,290,938		22,217,316
Net OPEB liability	110,324,944		-		-		110,324,944
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 164,389,187</b>	<b>\$</b>	<b>3,627,397</b>	<b>\$</b>	<b>17,619,394</b>	<b>\$</b>	<b>150,397,190</b>
<b><u>BUSINESS-TYPE ACTIVITIES:</u></b>							
Serial bonds	\$ 1,862,588	\$	-	\$	19,035	\$	1,843,553
Unamortized bond premium	225,000		-		15,000		210,000
Compensated absences	93,781		-		6,836		86,945
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 2,181,369</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>40,871</b>	<b>\$</b>	<b>2,140,498</b>

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

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

**Note 9 - Long-Term Obligations (Cont.)**

**Summary of Serial Bond Transactions**

The following is a summary of bond transactions for the governmental activities and enterprise fund activities for the year ended December 31, 2021:

Description	Original Issue Amount	Term	Interest Rate	Balance January 1, 2021 (Restated)	Issued	Payments	Balance December 31, 2021
<b><u>GOVERNMENTAL ACTIVITIES:</u></b>							
<b>GENERAL FUND:</b>							
General improvements	\$ 211,196	2012-22	2.70-2.80	\$ 52,147	\$ -	\$ 25,233	\$ 26,914
General improvements	800,000	2003-23	3.75-4.00	180,000	-	55,000	125,000
General improvements	3,545,000	2017-35	2.00-2.95	2,860,000	-	205,000	2,655,000
General improvements	675,000	2020-35	1.10-5.00	675,000	-	-	675,000
<b>TOTAL GENERAL FUND</b>	<b>5,231,196</b>			<b>3,767,147</b>	<b>-</b>	<b>285,233</b>	<b>3,481,914</b>
<b>HIGHWAY FUND:</b>							
Resurface roads	265,000	2020-35	1.10-5.00	265,000	-	-	265,000
<b>SPECIAL DISTRICTS:</b>							
Sewer - Highland Acres	535,309	2002-21	1.40-5.00	30,000	-	30,000	-
Sewer improvements	948,750	2003-23	3.75-4.00	90,000	-	35,000	55,000
Water improvements	341,713	2004-24	3.50-4.50	80,000	-	20,000	60,000
Sewer improvements	765,000	2017-35	2.00-2.95	660,000	-	40,000	620,000
Sewer improvements	1,245,000	2020-31	5.00	1,245,000	-	180,000	1,065,000
Sewer improvements	310,000	2020-31	5.00	310,000	-	110,000	200,000
Sewer improvements	5,455,000	2020-35	1.10-5.00	5,455,000	-	-	5,455,000
<b>TOTAL SPECIAL DISTRICTS</b>	<b>9,600,772</b>			<b>7,870,000</b>	<b>-</b>	<b>415,000</b>	<b>7,455,000</b>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>15,096,968</b>			<b>11,902,147</b>	<b>-</b>	<b>700,233</b>	<b>11,201,914</b>
<b><u>ENTERPRISE FUNDS:</u></b>							
<b>ICE ARENA:</b>							
Ice arena	157,379	2012-22	2.70-2.80	37,588	-	19,035	18,553
Ice arena improvements	1,605,000	2020-35	1.10-5.00	1,605,000	-	-	1,605,000
Total ice arena	1,762,379			1,642,588	-	19,035	1,623,553
<b>GOLF COURSE:</b>							
Golf course improvements	220,000	2020-35	1.10-5.00	220,000	-	-	220,000
<b>TOTAL ENTERPRISE FUNDS</b>	<b>1,982,379</b>			<b>1,862,588</b>	<b>-</b>	<b>19,035</b>	<b>1,843,553</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 17,079,347</b>			<b>\$ 13,764,735</b>	<b>\$ -</b>	<b>\$ 719,268</b>	<b>\$ 13,045,467</b>



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

**Note 9 - Long-Term Obligations (Cont.)**

**Long-Term Debt Maturity Schedules**

The following schedule sets forth the remaining annual maturities of long-term debt by type for governmental activities at December 31, 2021:

<b>Governmental Activities</b>					
<b>Year</b>	<b>Serial bonds</b>	<b>Unamortized bond premium</b>	<b>Compensated Absences</b>	<b>Workers' Compensation</b>	<b>Total</b>
2022	\$ 1,061,914	\$ 51,000	\$ -	\$ -	\$ 1,112,914
2023	1,078,000	51,000	-	-	1,129,000
2024	899,000	51,000	-	-	950,000
2025	866,000	51,000	-	-	917,000
2026	827,000	51,000	-	-	878,000
2027 - 2031	3,636,000	255,000	-	-	3,891,000
2032 - 2036	2,834,000	204,000	-	-	3,038,000
Thereafter	-	-	4,059,380	1,879,636	5,939,016
<b>Total</b>	<b>\$ 11,201,914</b>	<b>\$ 714,000</b>	<b>\$ 4,059,380</b>	<b>\$ 1,879,636</b>	<b>\$ 17,854,930</b>

The following schedule sets forth the remaining annual maturities of long-term debt by type for business-type activities at December 31, 2021:

<b>Business-Type Activities</b>				
<b>Year</b>	<b>Serial bonds</b>	<b>Unamortized bond premium</b>	<b>Compensated Absences</b>	<b>Total</b>
2022	\$ 123,553	\$ 15,000	\$ -	\$ 138,553
2023	112,000	15,000	-	127,000
2024	116,000	15,000	-	131,000
2025	119,000	15,000	-	134,000
2026	123,000	15,000	-	138,000
2027 - 2031	669,000	75,000	-	744,000
2032 - 2036	581,000	60,000	-	641,000
Thereafter	-	-	86,945	86,945
<b>Total</b>	<b>\$ 1,843,553</b>	<b>\$ 210,000</b>	<b>\$ 86,945</b>	<b>\$ 2,140,498</b>

The following schedule sets forth the annual interest payments due on serial bonds at December 31, 2021:

<b>Year</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
2022	\$ 358,325	\$ 58,276	\$ 416,601
2023	314,284	52,496	366,780
2024	268,930	46,896	315,826
2025	232,174	41,096	273,270
2026	196,524	35,146	231,670
2027 - 2031	544,100	89,350	633,450
2032 - 2036	133,320	20,180	153,500
<b>Total</b>	<b>\$ 2,047,657</b>	<b>\$ 343,440</b>	<b>\$ 2,391,097</b>

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

**Note 9 - Long-Term Obligations (Cont.)**

**Risk Financing Activities**

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. Beginning in 1995, the Town decided to stop carrying commercial workers' compensation insurance because of its prohibitive cost and began covering all related claim settlements and judgments out of its General Fund resources. The Town purchased insurance coverage for claims in excess of \$400,000. Previously, the Town had been retaining risk related to general liability only. All other risks of loss are covered through the purchase of commercial insurance. There have been no significant reductions in the levels of commercial insurance from the prior year, nor have there been any settlements which exceeded insurance coverage for each of the past three fiscal years. The Town currently reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

**Note 10 - Pension Plans**

**Plan Description**

The Town of Hamburg participates in the New York State and Local Employees' Retirement System (ERS), the New York State and Local Police and Fire Retirement System (PFRS) and the Public Employees' Group Life Insurance Plan (Systems). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, 110 State Street, Albany, New York 12244.

**Funding Policy**

The Systems are noncontributory for employees who joined prior to July 27, 1976. For employees who joined the Systems after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary, except that employees in the Systems more than ten years are no longer required to contribute. For employees who joined after January 1, 2010, employees in the Systems contribute 3% of their salary throughout their active membership. Employees who join on or after April 1, 2012 will contribute 3% of their reportable salary. Beginning April 1, 2013, the contribution rate for Tier 6 members varied based on each member's annual compensation, between 3% and 6%. Under the authority of the NYSRSSL, the Comptroller annually determines and certifies the employer contribution rates expressed as proportions of payroll of members, which rate is used in computing the contributions required to be made by employers to the pension fund.

Membership, benefits and employer and employee obligations to contribute are described in the NYSRSSL using the tier concept. Pension legislation established tier membership by the date a member last joined the Retirement System. They are as follows:

**ERS**

- Tier 1 - Those persons who last became members of the System before July 1, 1973.
- Tier 2 – Those persons who last became members on or after July 1, 1973, but before July 27, 1976.
- Tier 3 – Generally those persons who are State correction officers who last became members on or after July 27, 1976, but before January 1, 2010, and all others who last became members on or after July 27, 1976, but before September 1, 1983.
- Tier 4 – Generally, except for correction officers, those persons who last became members on or after September 1, 1983, but before January 1, 2010.
- Tier 5 – Those persons who last became members of the System on or after January 1, 2010, but before April 1, 2012.
- Tier 6 - Those persons who first became members of the System on or after April 1, 2012.

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

**Note 10 - Pension Plans (Cont.)**

**PFRS**

- Tier 1 – Those persons who last became members before July 31, 1973.
- Tier 2 – Those persons who last became members on or after July 31, 1973, but before July 1, 2009.
- Tier 3 – Those persons who last became members on or after July 1, 2009, but before January 9, 2010.
- Tier 4 - Not applicable.
- Tier 5 - Those persons who last became members on or after January 9, 2010, but before April 1, 2012, or who were previously PFRS Tier 3 members who elected to become Tier 5.
- Tier 6 - Those persons who first became members on or after April 1, 2012.

The Town is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<b><u>ERS</u></b>	<b><u>PFRS</u></b>
2021	\$ 1,346,132	\$ 1,557,191
2020	\$ 1,320,569	\$ 1,518,637
2019	\$ 1,358,530	\$ 1,410,873

**Pension Liabilities, Pension Expenses and Deferred Outflows of Resources and Deferred Inflows of Resourced Related to Pensions**

At December 31, 2021, the Town of Hamburg reported a liability of \$2,678,162 for its proportionate share of the pension liability (\$33,751 for ERS, \$2,644,411 for PFRS). The net pension liability was measured as of March 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2020. The Town of Hamburg's proportion of the net pension liability was based on a projection of the Town of Hamburg's long-term share of contributions to the pension plan relative to the projected contribution of all participating members, actuarially determined.

At December 31, 2021, the Town of Hamburg's proportion was .186 percent. For the year ended December 31, 2021, the Town of Hamburg recognized pension expense of \$2,229,621. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pension from the following resources:

	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 412,912	\$ -	\$ 586,781	\$ -
Changes in assumptions	6,205,738	117,042	6,497,033	-
Net difference between projected and actual investment earnings on pension plan investments	-	9,695,303	-	7,775,737
Changes in proportion and differences between Town contributions and proportionate share of contributions	77,060	52,296	176,712	343,655
Town contributions subsequent to the measurement date	1,154,103	-	1,370,613	-
TOTAL	\$ 7,849,813	\$ 9,864,641	\$ 8,631,139	\$ 8,119,392

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

**Note 10 - Pension Plans (Cont.)**

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

<b>Year Ended March 31</b>	<b>ERS</b>	<b>PFRS</b>
2022	\$ (567,316)	\$ (335,476)
2023	(190,908)	(61,424)
2024	(538,740)	(294,693)
2025	(1,871,967)	(1,415,896)
2026	-	1,248,623
Thereafter	-	-

**Actuarial Assumptions**

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

	<b>ERS</b>	<b>PFRS</b>
Interest rate	5.90%	5.90%
Inflation rate	2.70%	2.70%
Salary	4.40%	6.20%
Investment rate of return	5.90%	5.90%
Costs of living adjustments	1.40%	1.40%
Decrement tables	April 1, 2015 - March 31, 2020 system's experience	April 1, 2015 - March 31, 2020 system's experience

Annuitant mortality rates are based on April 1, 2015- March 31, 2020 System's experience with adjustments for mortality improvement based on the Society of Actuaries' Scale MP-2020.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015-March 31, 2020.

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

**Note 10 - Pension Plans (Cont.)**

The long term expected rate of return on pension plan investments was determined using a building block method which is best estimates ranges of best estimate future real rates of return (expected returns nets 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

<u>Asset Type</u>	<u>Long-Term Expected Real Rate</u>
Domestic equity	4.05%
International Equity	6.30%
Private Equity	6.75%
Real Estate	4.95%
Opportunistic / ARC Portfolio	4.50%
Credit	3.63%
Real Assets	5.95%
Fixed Income	0.00%
Cash	0.50%

The real rate of return is net of the long-term inflation assumption of 2.00 percent.

**Discount Rate**

The discount used to calculate the total pension liability was 5.90%. The project 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 the statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods 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 following presents the Town of Hamburg's proportionate share of the net pension liability calculated using the discount rate of 5.90 percent, as well as what the Town of Hamburg's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.90 percent) or 1-percentage point higher (6.90 percent) than the current rate:

	<u>1% Decrease (4.90%)</u>	<u>Current Assumption (5.90%)</u>	<u>1% Increase (6.90%)</u>
Town's proportionate share of the net pension liability - ERS	<u>\$ 9,367,999</u>	<u>\$ 33,751</u>	<u>\$ (8,574,610)</u>
Town's proportionate share of the net pension liability - PFRS	<u>\$ 11,245,528</u>	<u>\$ 2,644,411</u>	<u>\$ (4,475,090)</u>

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

**Note 10 - Pension Plans (Cont.)**

**Pension Plan Fiduciary Net Position**

The components of the current-year net position liability of the total employers' share for the New York State Retirement System and Police and Fire Retirement System as of March 31, 2021, are as follows:

(Dollars in thousands)	Employees' Retirement System	Police and Fire Retirement System	Total
Employers' total pension liability	\$ 220,680,157	\$ 41,236,775	\$ 261,916,932
Fiduciary net position	(220,580,583)	(39,500,500)	(260,081,083)
Employer's net pension liability	<u>\$ 99,574</u>	<u>\$ 1,736,275</u>	<u>\$ 1,835,849</u>
Ratio of fiduciary net position to the employers' total pension liability	99.95%	95.79%	99.30%

**Note 11 - Defined Benefit Volunteer Firefighter Service Award Program**

The Town of Hamburg is a sponsor for Length of Service Awards Programs (LOSAP) covering the following six fire companies that serve residents in the Town:

1. Armor Fire Company
2. Big Tree Volunteer Fireman's Company
3. Lake Shore Volunteer Fire Company
4. Newton Abbott Volunteer Fire Company, Inc.
5. Scranton Fire Department
6. Woodlawn Volunteer Fire Company Inc.

**Length of Service Awards Program – LOSAP**

The Town sponsored these defined benefit LOSAPs for the active volunteer firefighters. The programs took effect on January 1, 1991 and the programs were established pursuant to Article 11-A of the General Municipal Law. The programs provide municipally funded pension-like benefits to facilitate the recruitment and retention of active volunteer firefighters. The Town is the sponsor of the programs.

***Program Description***

**Participation, Vesting and Service Credit – All Plans**

Active volunteer firefighters who have reached the age of 18 and who have completed one (1) year of firefighting service are eligible to participate in the program. Participants acquire a non-forfeitable right to a service award after being credited with five (5) years of firefighting service or upon attaining the program's entitlement age. For the programs the entitlement age is between 55 and 62. 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 accordance with the Sponsor's determination of active status. Points are granted for the performance of certain activities in accordance with a system established by the sponsor on the basis of a statutory list of activities and point values. A participant may also receive credit for five (5) years of firefighting service rendered prior to the establishment of the program.

**TOWN OF HAMBURG, NEW YORK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 11 - Defined Benefit Volunteer Firefighter Service Award Program (Cont.)**

**Benefits**

A participant's service award benefit is paid as a ten year certain and continuous monthly payment life annuity. The amount payable each month equals \$20 multiplied by the total number of years of service credit earned by the volunteer under the point system. The maximum number of years of service credit a participant may earn is between 30 and 40 years under the program. Currently, there are no other forms of payment of a volunteer's earned service award under the program. Except in the case of death or total and permanent disablement, service awards commence to be paid when a participant attains the entitlement age. Volunteers who continue to be active after attaining the entitlement age and beginning to be paid a service award continue to have the opportunity to earn program credit and to thereby increase their service award payments. The program provides death and disability benefits equal to the actuarial value of the participant's earned service award at the time of death or disablement (the minimum death benefit payable is \$10,000 if the volunteer had earned 50 points in at least one of the three years preceding death.) The program does not provide extra line-of-duty death or disability benefits. The \$10,000 minimum death benefit is funded through a Group Term Life Insurance policy. All other death and disability benefits are "self-insured" and are paid from the program trust fund.

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

Inactive participants currently receiving benefit payments	149
Inactive participants entitled to but not currently receiving benefit payments	167
Active participants	<u>193</u>
Total	<u><u>509</u></u>

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

*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 Town's total pension liability was measured at December 31, 2020 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 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.

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

**Note 11 - Defined Benefit Volunteer Firefighter Service Award Program (Cont.)**

**Changes in the Total Pension Liability**

<b>Balance as of 12/31/2019 measurement date</b>	<b>\$ 15,911,757</b>
Service cost	352,356
Interest	517,892
Changes of assumptions and other inputs	3,578,115
Differences between expected and actual experience	(65,249)
Benefit payments	(755,717)
Net changes	3,627,397
<b>Balance as of 12/31/2020 measurement date</b>	<b>\$ 19,539,154</b>

*Sensitivity of the Total Pension Liability to Changes in the Discount Rate* – The following presents the total pension liability of the Town as of December 31, 2020 measurement date, calculated using the discount rate of 1.93%, as well as what the Town's total personal liability would be if it were calculated using a discount rate that is 1% point lower (0.93%) or 1 %point higher (2.93%) than the current rate:

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 23,068,445	\$ 19,539,154	\$ 16,750,876

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2021, the Town recognized pension expenses of \$1,568,644. 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
Differences between expected and actual experience	\$ 455,766	\$ 293,086
Changes of assumptions of other inputs	4,213,932	1,076,449
Benefit payments and administrative expenses subsequent to the measurement date	728,163	-
Total	\$ 5,397,861	\$ 1,369,535

\$728,163 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 future years.



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

**Note 11 - Defined Benefit Volunteer Firefighter Service Award Program (Cont.)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended	
December 31:	
2022	\$ 659,813
2023	661,992
2024	688,937
2025	486,321
2026	286,158
Thereafter	516,942

**Note 12 - Other Postemployment Benefits (GASB 75)**

**Plan Description**

The Town's defined benefit OPEB plan provides OPEB for all permanent full-time general, highway, and public safety employees of the Town. The plan is a single-employer defined benefit OPEB plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The Plan is currently unfunded.

**Funding Policy**

The Town provides healthcare benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the districts offices and are available upon request.

**Employee Covered by Benefit Terms**

At December 31, 2021, the following employees were covered by the benefit terms:

	<u>Total</u>
Active not eligible to retire	150
Active and eligible to retire	53
Retired and surviving spouses	226
Retired spouses covered	128
TOTAL	<u>557</u>

**Total OPEB Liability**

The Town's total OPEB liability of \$110,324,944 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate:	2.41%
Long-Term Bond Rate	2.41%
Salary Increases	3.11%
Healthcare Cost Trend Rate	4.00% increase to 4.08%

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

**Note 12 - Other Postemployment Benefits (GASB 75) (Cont.)**

The discount rate was based on a blending of the investment rate of return and the long-term bond rate using expected plan benefit payments.

The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date.

Mortality rates were based on the Mortality Improvement Scale MP-2020, as appropriate, with adjustments for mortality improvements based on Scale AA.

**Changes in the Total OPEB Liability**

<b>Balance at December 31, 2019</b>	<b>\$ 117,475,203</b>
<b>Changes for the year:</b>	
Service cost	1,616,883
Interest	3,181,237
Changes of benefit terms	718,288
Differences between expected and actual experience	(16,691,814)
Changes in assumptions	7,435,882
Benefit payments	(3,410,735)
Net changes	<u>(7,150,259)</u>
<b>Balance at December 31, 2020</b>	<b><u>\$ 110,324,944</u></b>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.75 percent in 2019 to 2.41 percent in 2020.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would have been if it were calculated using a discount rate that is 1 percentage point lower (1.41 percent) of 1 percentage point higher (3.41 percent) than the current discount rate:

	<u>1% Decrease</u> <u>(1.41%)</u>	<u>Discount Rate</u> <u>(2.41%)</u>	<u>1% Increase</u> <u>(3.41%)</u>
Total OPEB liability	<u>\$ 133,232,245</u>	<u>\$ 110,324,944</u>	<u>\$ 92,817,579</u>

**TOWN OF HAMBURG, NEW YORK**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 12 - Other Postemployment Benefits (GASB 75) (Cont.)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

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

	1% Decrease (3.00% Decreasing to 3.08%)	Healthcare Cost Trend Rates (4.00% Decreasing to 4.08%)	1% Increase (5.00% Decreasing to 5.08%)
Total OPEB liability	\$ 92,167,798	\$ 110,324,944	\$ 134,081,243

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

For the year ended December 31, 2021, the Town recognized OPEB expense (income) of (\$15,443,246). At December 31, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 14,508,088
Changes of assumptions or other inputs	4,337,598	1,642,434
<b>TOTAL</b>	<b>\$ 4,337,598</b>	<b>\$ 16,150,522</b>

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

Fiscal Year Ending December 31	Total Net Deferrals
2021	\$ (10,270,270)
2022	(1,542,654)
2023	-
2024	-
2025	-
Thereafter	-

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

**Note 13 - Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2021 were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
<b>GOVERNMENTAL ACTIVITIES:</b>		
General fund	\$ 1,731,619	\$ 1,007,054
Part-Town fund	7,875	564,177
Highway fund	-	124,925
Capital projects fund	340,711	32,728
Park land fund	-	246,491
Fire protection fund	-	81,816
Water fund	-	327,206
Sewer fund	6,000	322,278
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>2,086,205</u>	<u>2,706,675</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>		
Golf course	254,079	-
Ice arena	366,391	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>620,470</u>	<u>-</u>
<b>TOTAL INTERFUND RECEIVABLES AND PAYABLES</b>	<u><u>\$ 2,706,675</u></u>	<u><u>\$ 2,706,675</u></u>

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

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

**Note 14 – Interfund Transfers**

Individual fund operating transfers for the year ended December 31, 2021 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
<b>GOVERNMENTAL ACTIVITIES:</b>		
General fund	\$ 2,184,038	\$ 956,440
Part-Town fund	-	923,663
Highway fund	-	792,872
Capital projects fund	395,000	-
Community development fund	-	11,797
Fire protection fund	-	136,400
Hydrant improvement fund	-	10,000
Lighting fund	-	10,000
Sewer fund	-	12,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>2,579,038</u>	<u>2,853,172</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>		
Golf course	10,942	15,106
Ice arena	338,298	60,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<u>349,240</u>	<u>75,106</u>
<b>TOTAL INTERFUND TRANSFERS</b>	<u><b>\$ 2,928,278</b></u>	<u><b>\$ 2,928,278</b></u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and move residual cash from closed projects to debt service to be used for debt payments at a later date.

The purpose of the government's interfund transfers are debt service payments, capital projects and self-insurance cost.

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

**Note 15 - Fund Balances**

Assigned fund balances, which are constrained by the Town's intent to be used for specific purposes, are as follows:

<b>Fund</b>	<b>Balance</b>
<b>GENERAL FUND:</b>	
Appropriated	\$ 800,000
Insurance reserve - appropriated	350,000
Encumbrances	98,786
Ravenwood sewer - unappropriated	80
<b>TOTAL GENERAL FUND</b>	<b>1,248,866</b>
<b>SPECIAL REVENUE FUND:</b>	
Highway - unappropriated	1,918,283
Part-Town - unappropriated	320,520
Part-Town - appropriated	200,000
<b>TOTAL SPECIAL REVENUE FUND</b>	<b>2,438,803</b>
<b>NON-MAJOR GOVERNMENTAL FUNDS:</b>	
Sewer - unappropriated	1,168,009
Street lighting - unappropriated	575,453
Park land - unappropriated	557,416
Hydrant improvement - unappropriated	340,213
Fire protection - unappropriated	278,804
Community development - unappropriated	268,217
Water - unappropriated	76,705
Sewer - appropriated	28,135
Fire protection - appropriated	13,400
<b>TOTAL NON-MAJOR FUNDS</b>	<b>3,306,352</b>
<b>TOTAL ASSIGNED FUND BALANCE</b>	<b>\$ 6,994,021</b>

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

**Note 15 - Fund Balances (Cont.)**

Restricted fund balances which have external constraints, are as follows:

<u>Fund</u>	<u>Amount</u>
<b>GENERAL FUND:</b>	
Reserve for insurance	\$ 1,094,000
Reserve for workers' compensation	954,636
Reserve for tax stabilization	107,098
<b>TOTAL GENERAL FUND</b>	<u>2,155,734</u>
<b>PART-TOWN FUND:</b>	
Reserve for drug seizures	204,701
Reserve for tax stabilization	15,875
<b>TOTAL PART-TOWN FUND</b>	<u>220,576</u>
<b>HIGHWAY FUND:</b>	
Reserve for tax stabilization	30,000
Reserve for encumbrances	20,317
<b>TOTAL HIGHWAY FUND</b>	<u>50,317</u>
<b>CAPITAL PROJECTS FUND:</b>	
Fund balance	<u>6,440,150</u>
<b>FIRE PROTECTION FUND:</b>	
Service award program	<u>11,239,895</u>
<b>TOTAL RESTRICTED FUND BALANCE</b>	<b><u>\$ 20,106,672</u></b>

Non-spendable fund balances as of December 31, 2021 are as follows:

<u>Fund</u>	<u>Amount</u>
<b>GENERAL FUND:</b>	
Prepaid retirement	\$ 291,768
Prepaid expenditures	22,816
<b>TOTAL GENERAL FUND</b>	<u>314,584</u>
<b>PART-TOWN FUND:</b>	
Prepaid retirement	<u>465,276</u>
<b>HIGHWAY FUND:</b>	
Prepaid retirement	<u>69,640</u>
<b>TOTAL NON-SPENDABLE FUND BALANCE</b>	<b><u>\$ 849,500</u></b>

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

**Note 16 – Tax Abatement Disclosures**

In August 2015, the Government Accounting Standards Board issued Statement No. 77, *Tax Abatement Disclosures* (GASB 77) which provides disclosure requirements for certain types of tax abatements. GASB 77 defines tax abatements as follows: A reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or citizens of those governments.

The Town of Hamburg, New York employs the Hamburg Industrial Development Agency (IDA) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing, industrial, manufacturing, warehousing, commercial, research and recreation facilities including certain defined facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living in Hamburg, New York. To accomplish this, the IDA is empowered to grant tax abatements on behalf of the Town.

At December 31, 2021, the Town has total tax abatements amounting to \$382,851, and has collected payments in lieu of taxes of \$401,945.

The following tax abatement agreements have been determined to meet the criteria for disclosure under GASB Statement No. 77:

<b>Type</b>	<b>Percentage of Taxes Abated During the Fiscal Year</b>	<b>Amount of Taxes Abated During the Fiscal Year</b>
Housing	44.1%	\$ 168,852
Manufacturing	22.4%	85,892
Office Building	9.2%	35,270
Wholesale Trade	7.9%	30,167
Metal Recycling	6.7%	25,508
Retail Trade	5.2%	19,811
Services	2.1%	8,150
School Bus Garage	1.2%	4,515
Finance	0.4%	1,634
Other	0.4%	1,660
Printing	0.4%	1,392
<b>Total Taxes Abated at 12/31/2021</b>		<b><u>\$ 382,851</u></b>

**Note 17 - Contingencies**

The Town receives significant financial assistance from numerous federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. The amount, if any, of expenditures which may be disallowed cannot be determined at this time, although the Town expects such amounts to be immaterial to the Town's financial statements.

**Note 18 – Subsequent Events**

The Town has evaluated events and transactions for potential recognition or disclosure in the financial statements through June 29, 2022 (the date the financial statements were available to be issued).

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF HAMBURG, NEW YORK**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET VS. ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Real property taxes	\$ 11,638,262	\$ 11,638,262	\$ 11,667,922	\$ 29,660
Real property tax items	544,540	544,540	721,909	177,369
Nonproperty tax items	148,000	148,000	144,235	(3,765)
Departmental income	393,900	398,851	351,726	(47,125)
Intergovernmental charges	137,250	137,250	105,620	(31,630)
Use of money and property	30,900	35,940	15,183	(20,757)
Licenses and permits	647,400	647,400	893,500	246,100
Fines and forfeitures	667,800	667,800	692,744	24,944
Sale of property and compensation for loss	50,000	100,162	66,309	(33,853)
Miscellaneous	2,214,543	2,217,158	1,281,294	(935,864)
State aid	1,453,133	1,495,549	2,266,504	770,955
Federal aid	-	-	105,258	105,258
<b>TOTAL REVENUES</b>	<b>17,925,728</b>	<b>18,030,912</b>	<b>18,312,204</b>	<b>281,292</b>
<b>EXPENDITURES:</b>				
General government support	4,517,173	4,591,546	4,513,758	77,788
Public safety	2,335,872	2,306,766	2,296,298	10,468
Health	3,662	3,662	3,662	-
Transportation	209,223	194,489	189,065	5,424
Economic assistance	837,733	752,217	731,004	21,213
Culture and recreation	4,085,992	4,088,331	4,088,244	87
Home and community services	268,948	267,432	265,768	1,664
Employee benefits	5,904,312	5,913,512	5,748,237	165,275
Debt services - principal	282,673	285,233	285,233	-
Debt services - interest	78,524	98,024	94,420	3,604
<b>TOTAL EXPENDITURES</b>	<b>18,524,112</b>	<b>18,501,212</b>	<b>18,215,689</b>	<b>285,523</b>
Excess (deficiency) of revenues over expenditures	(598,384)	(470,300)	96,515	566,815
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	623,240	623,240	2,184,038	1,560,798
Transfers out	(857,041)	(956,440)	(956,440)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(233,801)</b>	<b>(333,200)</b>	<b>1,227,598</b>	<b>1,560,798</b>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(832,185)	(803,500)	1,324,113	2,127,613
Fund balance at January 1, 2021 (restated)	5,194,804	5,194,804	5,194,804	-
<b>Fund Balance at December 31, 2021</b>	<b>\$ 4,362,619</b>	<b>\$ 4,391,304</b>	<b>\$ 6,518,917</b>	<b>\$ 2,127,613</b>

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**PART-TOWN FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET VS. ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance</u></b>
<b><u>REVENUES:</u></b>				
Real property taxes	\$ 5,089,072	\$ 5,089,072	\$ 5,089,072	\$ -
Nonproperty tax items	7,750,000	8,300,000	8,970,083	670,083
Departmental income	24,500	24,500	76,064	51,564
Intergovernmental charges	82,000	82,000	87,928	5,928
Use of money and property	5,000	5,000	2,249	(2,751)
Licenses and permits	17,700	17,700	24,680	6,980
Fines and forfeitures	5,000	5,000	11,000	6,000
Sale of property and compensation for loss	35,000	51,918	15,918	(36,000)
Miscellaneous	-	3,433	3,050	(383)
State aid	127,246	167,151	103,763	(63,388)
Federal aid	20,000	41,076	43,551	2,475
<b>TOTAL REVENUES</b>	<b>13,155,518</b>	<b>13,786,850</b>	<b>14,427,358</b>	<b>640,508</b>
<b><u>EXPENDITURES:</u></b>				
Public safety	8,479,781	8,332,791	8,332,791	-
Home and community services	389,768	400,262	400,262	-
Employee benefits	4,637,585	5,020,413	5,017,198	3,215
<b>TOTAL EXPENDITURES</b>	<b>13,507,134</b>	<b>13,753,466</b>	<b>13,750,251</b>	<b>3,215</b>
Excess (deficiency) of revenues over expenditures	(351,616)	33,384	677,107	643,723
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	(543,384)	(928,384)	(923,663)	4,721
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(543,384)</b>	<b>(928,384)</b>	<b>(923,663)</b>	<b>4,721</b>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(895,000)	(895,000)	(246,556)	648,444
Fund balance at January 1, 2021	1,452,928	1,452,928	1,452,928	-
<b>Fund balance at December 31, 2021</b>	<b>\$ 557,928</b>	<b>\$ 557,928</b>	<b>\$ 1,206,372</b>	<b>\$ 648,444</b>

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**HIGHWAY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET VS. ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b><u>Original Budget</u></b>	<b><u>Final Budget</u></b>	<b><u>Actual</u></b>	<b><u>Variance Positive (Negative)</u></b>
<b><u>REVENUES:</u></b>				
Real property taxes	\$ 6,202,110	\$ 6,202,110	\$ 6,202,110	\$ -
Use of money and property	9,000	9,000	3,385	(5,615)
Sale of property and compensation for loss	-	-	-	-
Miscellaneous	9,000	14,725	115,733	101,008
State aid	387,835	387,835	543,894	156,059
Federal aid	85,000	85,000	22,950	(62,050)
<b>TOTAL REVENUES</b>	<b><u>6,692,945</u></b>	<b><u>6,698,670</u></b>	<b><u>6,888,072</u></b>	<b><u>189,402</u></b>
<b><u>EXPENDITURES:</u></b>				
Transportation	4,375,749	4,329,287	4,328,752	535
Employee benefits	1,599,046	1,568,701	1,559,427	9,274
Debt service	-	7,810	7,810	-
<b>TOTAL EXPENDITURES</b>	<b><u>5,974,795</u></b>	<b><u>5,905,798</u></b>	<b><u>5,895,989</u></b>	<b><u>9,809</u></b>
Excess (deficiency) of revenues over expenditures	<u>718,150</u>	<u>792,872</u>	<u>992,083</u>	<u>199,211</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(718,150)</u>	<u>(792,872)</u>	<u>(792,872)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>(718,150)</u></b>	<b><u>(792,872)</u></b>	<b><u>(792,872)</u></b>	<b><u>-</u></b>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>-</u>	<u>-</u>	<u>199,211</u>	<u>199,211</u>
Fund balance at January 1, 2021	<u>1,839,029</u>	<u>1,839,029</u>	<u>1,839,029</u>	<u>-</u>
<b>Fund balance at December 31, 2021</b>	<b><u>\$ 1,839,029</u></b>	<b><u>\$ 1,839,029</u></b>	<b><u>\$ 2,038,240</u></b>	<b><u>\$ 199,211</u></b>

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE**  
**OF THE NET PENSION LIABILITY**  
**NYSLRS PENSION PLAN**  
**DECEMBER 31, 2021**

	<b>ERS &amp; PFRS</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Measurement date	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Town's proportion of the net pension liability	0.186%	0.203%	0.202%	0.194%	0.189%
Town's proportionate share of the net pension liability	\$ 2,678,162	\$ 17,969,100	\$ 5,235,321	\$ 2,681,222	\$ 6,388,116
Town's covered-employee payroll	\$ 18,462,293	\$ 18,248,910	\$ 18,813,288	\$ 16,838,775	\$ 15,877,809
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	14.51%	98.47%	27.83%	15.92%	40.23%
Plan fiduciary net position as a percentage of the total pension liability	100.0%	86.4%	96.3%	98.2%	94.7%

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**SCHEDULE OF THE TOWN'S CONTRIBUTIONS**  
**NYSLRS PENSION PLAN**  
**DECEMBER 31, 2021**

	<b>ERS &amp; PFRS</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Contractually required contribution	\$ 2,903,323	\$ 2,839,206	\$ 2,769,403	\$ 2,688,146	\$ 2,688,146
Contributions in relation to the contractually required contribution	\$ 2,903,323	\$ 2,839,206	\$ 2,769,403	\$ 2,688,146	\$ 2,688,146
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 18,462,293	\$ 18,248,910	\$ 18,813,288	\$ 16,838,775	\$ 15,877,809
Contributions as a percentage of covered-employee payroll	15.73%	15.56%	14.72%	15.96%	16.93%

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY**  
**DECEMBER 31, 2021**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>			
Service cost	\$ 1,616,883	\$ 1,688,096	\$ 1,688,096
Interest	3,181,237	4,203,943	4,203,943
Changes of benefit terms	718,288	-	-
Difference between expected and actual experience	(16,691,814)	(20,675,187)	(20,675,187)
Changes in assumptions	7,435,882	(7,117,212)	(7,117,212)
Benefit payments	(3,410,735)	(3,133,839)	(3,133,839)
Net change in total OPEB liability	(7,150,259)	(25,034,199)	(25,034,199)
 Total OPEB liability - beginning	 \$ 117,475,203	 \$ 121,558,406	 \$ 121,558,406
 <b>Total OPEB liability - ending</b>	 <b><u>\$ 110,324,944</u></b>	 <b><u>\$ 96,524,207</u></b>	 <b><u>\$ 96,524,207</u></b>
 Covered-employee payroll	 \$ 14,952,230	 \$ 13,472,638	 \$ 13,472,638
 Town's net OPEB liability as a percentage of covered-employee payroll	 737.85%	 716.45%	 716.45%

Note: A valuation is not required and was not obtained for the year ended December 31, 2021.

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**SCHEDULE OF CHANGES IN THE TOWN'S TOTAL PENSION LIABILITY –**  
**LENGTH OF SERVICE AWARDS PROGRAM (LOSAP)**  
**DECEMBER 31, 2021**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total LOSAP liability</b>					
Service cost	\$ 352,356	\$ 332,381	\$ 398,216	\$ 380,507	\$ 446,220
Interest	517,892	532,766	486,348	509,409	463,212
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	(65,249)	200,259	94,272	108,908	80,537
Changes in assumptions	3,578,115	860,726	(1,084,701)	1,215,104	(1,102,624)
Benefit payments	<u>(755,717)</u>	<u>(636,902)</u>	<u>(528,292)</u>	<u>(614,905)</u>	<u>(517,699)</u>
Net change in total pension liability	3,627,397	1,289,230	(634,157)	1,599,023	(630,354)
Total LOSAP liability - beginning	<u>15,911,757</u>	<u>14,622,527</u>	<u>15,256,684</u>	<u>13,657,661</u>	<u>14,288,015</u>
<b>Total LOSAP liability - ending</b>	<b><u>\$ 19,539,154</u></b>	<b><u>\$ 15,911,757</u></b>	<b><u>\$ 14,622,527</u></b>	<b><u>\$ 15,256,684</u></b>	<b><u>\$ 13,657,661</u></b>
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Town's LOSAP liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

See independent auditor's report.



## **SUPPLEMENTARY INFORMATION**

**TOWN OF HAMBURG, NEW YORK**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**DECEMBER 31, 2021**

**ASSETS**

	Special Revenue			
	Community Development	Park Land	Non Major Special Districts	Total Nonmajor Governmental Funds
<b><u>ASSETS</u></b>				
Cash	\$ 296,667	\$ 799,907	\$ 3,398,971	\$ 4,495,545
Restricted investments	-	-	11,239,895	11,239,895
Accounts receivable	-	4,000	13,180	17,180
Loans receivable	236,891	-	-	236,891
Due from other funds	-	-	6,000	6,000
<b>TOTAL ASSETS</b>	<b>\$ 533,558</b>	<b>\$ 803,907</b>	<b>\$ 14,658,046</b>	<b>\$ 15,995,511</b>

**LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 28,450	\$ -	\$ 206,132	\$ 234,582
Due to other funds	-	246,491	731,300	977,791
<b>TOTAL LIABILITIES</b>	<b>28,450</b>	<b>246,491</b>	<b>937,432</b>	<b>1,212,373</b>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenue	236,891	-	-	236,891
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>236,891</b>	<b>-</b>	<b>-</b>	<b>236,891</b>

**FUND BALANCES**

Restricted	-	-	11,239,895	11,239,895
Assigned	268,217	557,416	2,480,719	3,306,352
<b>TOTAL FUND BALANCES</b>	<b>268,217</b>	<b>557,416</b>	<b>13,720,614</b>	<b>14,546,247</b>

<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<b>\$ 533,558</b>	<b>\$ 803,907</b>	<b>\$ 14,658,046</b>	<b>\$ 15,995,511</b>
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See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Special Revenue			
	Community Development	Park Land	Nonmajor Special Districts	Total Nonmajor Governmental Funds
<b>REVENUES:</b>				
Real property taxes	\$ -	\$ -	\$ 6,100,886	\$ 6,100,886
Departmental income	38,065	93,000	26,810	157,875
Intergovernmental charges	-	-	282,097	282,097
Use of money and property	10	-	939,933	939,943
Sale of property and compensation for loss	-	-	2,523	2,523
Miscellaneous	178,655	-	-	178,655
State aid	-	-	50,000	50,000
Federal aid	539,564	-	-	539,564
<b>TOTAL REVENUES</b>	<b>\$ 756,294</b>	<b>\$ 93,000</b>	<b>\$ 7,402,249</b>	<b>\$ 8,251,543</b>
<b>EXPENDITURES:</b>				
Public safety	\$ -	\$ -	\$ 3,375,396	\$ 3,375,396
Transportation	-	-	896,570	896,570
Home and community services	480,642	-	678,536	1,159,178
Employee benefits	-	-	665,528	665,528
Debt service - principal	-	-	415,000	415,000
Debt service - interest	-	-	260,739	260,739
<b>TOTAL EXPENDITURES</b>	<b>480,642</b>	<b>-</b>	<b>6,291,769</b>	<b>6,772,411</b>
Excess (deficiency) of revenues over expenditures	275,652	93,000	1,110,480	1,479,132
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(11,797)	-	(168,400)	(180,197)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(11,797)</b>	<b>-</b>	<b>(168,400)</b>	<b>(180,197)</b>
Changes to fund balance	263,855	93,000	942,080	1,298,935
Fund Balance at January 1, 2021	4,362	464,416	12,778,534	13,247,312
<b>Fund Balance at December 31, 2021</b>	<b>\$ 268,217</b>	<b>\$ 557,416</b>	<b>\$ 13,720,614</b>	<b>\$ 14,546,247</b>

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**NONMAJOR SPECIAL DISTRICTS – SPECIAL REVENUE FUND**  
**COMBINING BALANCE SHEET – BY DISTRICT TYPE**  
**DECEMBER 31, 2021**

**ASSETS**

	Nonmajor Special Districts					
	Fire Protection	Hydrant Improvement	Lighting	Water	Sewer	Total
<b><u>ASSETS</u></b>						
Cash	\$ 445,908	\$ 340,213	\$ 644,500	\$ 403,911	\$ 1,564,439	\$ 3,398,971
Restricted investments	11,239,895	-	-	-	-	11,239,895
Accounts receivables	-	-	-	-	13,180	13,180
Due from other funds	-	-	-	-	6,000	6,000
<b>TOTAL ASSETS</b>	<b>\$ 11,685,803</b>	<b>\$ 340,213</b>	<b>\$ 644,500</b>	<b>\$ 403,911</b>	<b>\$ 1,583,619</b>	<b>\$ 14,658,046</b>

**LIABILITIES AND FUND BALANCE**

<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 71,888	\$ -	\$ 69,047	\$ -	\$ 65,197	\$ 206,132
Due to other funds	81,816	-	-	327,206	322,278	731,300
<b>TOTAL LIABILITIES</b>	<b>153,704</b>	<b>-</b>	<b>69,047</b>	<b>327,206</b>	<b>387,475</b>	<b>937,432</b>
<b><u>FUND BALANCE</u></b>						
Restricted	11,239,895	-	-	-	-	11,239,895
Assigned	292,204	340,213	575,453	76,705	1,196,144	2,480,719
<b>TOTAL FUND BALANCES</b>	<b>11,532,099</b>	<b>340,213</b>	<b>575,453</b>	<b>76,705</b>	<b>1,196,144</b>	<b>13,720,614</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 11,685,803</b>	<b>\$ 340,213</b>	<b>\$ 644,500</b>	<b>\$ 403,911</b>	<b>\$ 1,583,619</b>	<b>\$ 14,658,046</b>

See independent auditor's report.

**TOWN OF HAMBURG, NEW YORK**  
**NONMAJOR SPECIAL DISTRICTS – SPECIAL REVENUE FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Nonmajor Special Districts					
	Fire Protection	Hydrant Improvement	Lighting	Water	Sewer	Total
<b>REVENUES:</b>						
Real property taxes	\$ 3,770,335	\$ 440,015	\$ 972,042	\$ 127,642	\$ 790,852	\$ 6,100,886
Departmental income	-	-	-	-	26,810	26,810
Intergovernmental charges	-	-	-	-	282,097	282,097
Use of money and property	939,556	50	188	14	125	939,933
Sale of property and compensation for loss	-	-	-	-	2,523	2,523
State aid	-	-	-	-	50,000	50,000
<b>TOTAL REVENUES</b>	<b>4,709,891</b>	<b>440,065</b>	<b>972,230</b>	<b>127,656</b>	<b>1,152,407</b>	<b>7,402,249</b>
<b>EXPENDITURES:</b>						
Public safety	2,967,369	408,027	-	-	-	3,375,396
Transportation	-	-	896,570	-	-	896,570
Home and community services	-	-	-	741	677,795	678,536
Employee benefits	651,503	-	-	-	14,025	665,528
Debt service - principal	-	-	-	110,000	305,000	415,000
Debt service - interest	-	-	158,390	15,500	86,849	260,739
<b>TOTAL EXPENDITURES</b>	<b>3,618,872</b>	<b>408,027</b>	<b>1,054,960</b>	<b>126,241</b>	<b>1,083,669</b>	<b>6,291,769</b>
Excess (deficiency) of revenues over expenditures	1,091,019	32,038	(82,730)	1,415	68,738	1,110,480
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers out	(136,400)	(10,000)	(10,000)	-	(12,000)	(168,400)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(136,400)</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>-</b>	<b>(12,000)</b>	<b>(168,400)</b>
Changes in fund balance	954,619	22,038	(92,730)	1,415	56,738	942,080
Fund balance at January 1, 2021	10,577,480	318,175	668,183	75,290	1,139,406	12,778,534
<b>Fund balance at December 31, 2021</b>	<b>\$ 11,532,099</b>	<b>\$ 340,213</b>	<b>\$ 575,453</b>	<b>\$ 76,705</b>	<b>\$ 1,196,144</b>	<b>\$ 13,720,614</b>

See independent auditor's report.



**Independent Auditor's 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 Hamburg  
Hamburg, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Hamburg, New York, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Town of Hamburg, New York's basic financial statements and have issued our report thereon dated June 29, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we Town of Hamburg, New York's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Hamburg, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Hamburg, New York's internal control.

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Town of Hamburg, New York'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 reportable instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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## **Town of Hamburg's Response to Prior Audit Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Hamburg, New York's response to the findings identified in our audit and described in the accompanying schedule of prior audit findings. The Town of Hamburg, New York's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

*Allied CPAs, P.C.*

Tonawanda, New York  
June 29, 2022

**TOWN OF HAMBURG**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Year Ended December 31, 2020 Audit Findings)**

**Finding 2020-001 – Credit Card Policy**

Condition:

The Town should consider adopting a formal credit card usage policy.

Criteria:

During the year under audit, we noted that the finance department reviews and approves the credit card statements for all Town departments, including the credit card statement of the finance department. A separate party within the Town, outside of the finance office, does not review the Director of Finance and Administration's credit card statement.

Cause of Condition:

The Town does not have a formal credit card policy in place. The Town did not enact proper oversight to review and approve the credit card statement for the Director of Finance and Administration.

Potential Effect of Condition:

The lack of formal oversight at the appropriate level can lead to an increase in the risk of fraudulent activity, possible misappropriation of Town funds, and the potential for financial reporting errors within the Town's accounting system.

Recommendation:

We recommend that the Town develop and implement a formal credit card usage policy for all Town employees to abide by. We further recommend that a member of Town management separate from the finance department, such as the Town Supervisor or a designated Town Board Member, review and approve the monthly credit card statement for the Director of Finance and Administration. This will aid in ensuring that the proper oversight and accountability is in place.

Town of Hamburg Response and Corrective Action Plan:

The Town acknowledges the lack of a credit card policy as a deficiency for the year ended December 31, 2020. The Town will begin to consider implementing a credit card policy to put in place and will ensure that proper oversight of credit card purchases is occurring.

Current Status:

Subsequent to the year ended December 31, 2021, the Town began to make significant improvements to its credit card policy. A Town credit card usage policy has been drafted and is currently waiting for review and approval by the appropriate level of management.



**TOWN OF HAMBURG**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Year Ended December 31, 2020 Audit Findings)**

**Finding 2020-002 – Bank Reconciliations**

Condition:

The Town should focus on implementing a formal policy concerning the preparation and review of bank reconciliations for all Town bank accounts. The policy should emphasize the timely completion of bank reconciliations in a practical manner. The policy should also specify who prepares and reviews the bank reconciliations.

Criteria:

During the year under audit, the Town was not performing necessary bank reconciliations on several Town bank accounts in a timely manner.

Cause of Condition:

The Town does not currently have a formal policy related to bank reconciliation preparation that addresses when the account reconciliations should be completed and reviewed.

Potential Effect of Condition:

The lack of reconciling the bank accounts in a timely manner can lead to misstated account balances, an increase in the risk of fraudulent activity, and the potential for financial reporting errors within the Town's accounting system.

Recommendation:

We recommend that the Town adopt a standard policy that ensures that bank reconciliations be performed and reviewed on a timely basis by designated Town employees.

Town of Hamburg Response and Corrective Action Plan:

The Town acknowledges that the untimely preparation of the bank reconciliations is a significant deficiency. The Town is considering implementing a policy that will ensure that bank reconciliations are completed in a specified period after the end of each month.

Current Status:

Subsequent to the year ended December 31, 2021, the Town enacted a bank reconciliation policy. The policy specifies that the monthly bank reconciliations are to be completed no later than the last day of the subsequent month, and identifies a plan to communicate any discrepancies to the appropriate level of management in a timely manner. The approved policy also specifies that the Director of Finance is responsible for reviewing the completed bank reconciliations for accuracy and reasonableness.