

**TOWN OF CHESTER, NEW YORK
BASIC FINANCIAL STATEMENTS
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITORS' REPORT**

YEAR ENDED DECEMBER 31, 2020

TOWN OF CHESTER, NEW YORK
 TABLE OF CONTENTS
 DECEMBER 31, 2020

	Page
Independent Auditors Report.	1-3
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position.	4
Statement of Activities	5
 FUND FINANCIAL STATEMENTS	
Balance Sheet - Governmental Funds.	6
Statement of Revenues, Expenditures and Changes in Fund Equity - Governmental Funds	7
Statement of Fiduciary Net Assets - Fiduciary Funds	8
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	9
Reconciliation of Governmental Funds Revenues, Expenditures and Changes in Fund Equity to Statement of Activities.	10
Notes To Financial Statements	11-28
 Required Supplementary Information	
New York State Police and Fire Retirement System	
Schedule of Town's Proportionate Share of the Net Pension Liability	30
Schedule of Town's Contributions.	31
New York State and Local Employees Retirement System	
Schedule of Town's Proportionate Share of the Net Pension Liability	32
Schedule of Town's Contributions.	33
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - General Funds	34
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Highway Funds	35
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Sewer Special Revenue Fund	36
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Water Special Revenue Fund	37

OTHER SUPPLEMENTARY INFORMATION

General Funds

Combining Balance Sheet 39

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances 40

Special Revenue Funds

Combining Balance Sheet 41

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances 42

Highway Funds

Combining Balance Sheet 43

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances 44

Independent Auditors' Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards 45-46

PHILIP G. MYNIO
Certified Public Accountant
225 Dolson Avenue, Suite 204
Middletown, New York 10940

INDEPENDENT AUDITORS' REPORT

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities of the Town, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules included under Required Supplementary Information in the accompanying table of contents be presented to supplement the basic financial statements. 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.

Management has omitted Management's Discussion and Analysis and Budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinions on the basic financial statements are not affected by the missing information.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town's financial statements. Individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is 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 November 20, 2020, on our consideration of the Town of Chester, New York's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Town's internal control over financial reporting and compliance.

Philip G. Mynio

PHILIP G. MYNIO
CERTIFIED PUBLIC ACCOUNTANT
September 22, 2021

TOWN OF CHESTER, NEW YORK
STATEMENT OF NET POSITION
DECEMBER 31, 2020

Assets

Cash		
Unrestricted	\$	2,533,573.
Restricted		258,654.
Receivables		
Water rents		49,273.
Other governments		56,387.
Capital assets, net		<u>13,022,027.</u>
Total Assets		<u>15,919,914.</u>
Deferred Outflow of Resources		
Deferred outflows - related to pensions		<u>3,536,668.</u>
Total Assets and Deferred Outflows	\$	<u>19,456,582.</u>

Liabilities

Payables		
Accounts payable	\$	-
Guarantee & Bid Deposits		762,759.
Long-Term Liabilities		
Due and payable within one year		
Bond Anticipation Note Payable		1,310,000.
Bonds payable		599,500.
Due and payable after one year		
Compensated absences payable		573,390.
Bonds payable		5,290,000.
Net Pension Liability		<u>4,472,848.</u>
Total Liabilities		<u>13,008,497.</u>

Deferred Inflow of Resources

Deferred Inflows - Related to Pensions		<u>182,905.</u>
--	--	-----------------

Net Assets

Investment in capital assets, net of related debt		5,822,527.
Restricted for:		
Repairs		87,618.
Capital		191,837.
Highway projects		11,863.
Assigned - Subsequent year's expenditures		-
Unrestricted		<u>151,335.</u>
Total Net Assets		<u>6,265,180.</u>

**Total Liabilities, Deferred Inflows
of Resources and Net Assets**

\$ 19,456,582.

See notes to general purpose financial statements.

TOWN OF CHESTER, NEW YORK
STATEMENT OF ACTIVITIES
DECEMBER 31, 2020

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
General government	\$ (2,161,753.)	\$ 3,286.	\$ 27,894.	\$(2,130,573.)
Public safety	(2,767,000.)	451,913.	4,792.	(2,310,295.)
Health	(1,406.)	1,406.	-	-
Transportation	(3,819,243.)	57,174.	94,314.	(3,667,755.)
Economic assistance and opportunity	(3,888.)	-	-	(3,888.)
Culture and recreation	(408,658.)	43,528.	-	(365,130.)
Home and community service	(1,795,532.)	457,465.	6,561.	(1,331,506.)
Employee benefits	(3,268,715.)	-	-	(3,268,715.)
Interest and fiscal charges	(277,525.)	-	-	(277,525.)
Total Functions and Programs	<u>\$(14,503,720.)</u>	<u>\$ 1,014,772.</u>	<u>\$ 133,561.</u>	<u>\$(13,355,387.)</u>
General Revenues:				
Real property taxes				9,440,091.
Other tax items				1,591,219.
Use of money and property				10,346.
Sale of property and compensation for loss				871,671.
Miscellaneous				78,665.
State sources				419,645.
Federal sources				-
Total General Revenue				<u>12,411,637.</u>
Changes in net position				(954,150.)
Total net position - beginning				<u>7,219,330.</u>
Total net position - ending				<u>\$ 6,265,180.</u>

See notes to general purpose financial statements

TOWN OF CHESTER, NEW YORK
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS					
Cash					
Unrestricted	\$1,129,245.	\$1,404,328.	\$ -	\$ -	\$2,533,573.
Restricted	3,643.	207,675.	47,336.	-	258,654.
Receivables					
Water Rents	-	49,273.	-	-	49,273.
Due From Other Funds	-	56,387.	-	-	56,387.
Due from Other Governments	56,387.	-	-	-	56,387.
Total Assets	<u>\$1,189,275.</u>	<u>\$1,717,663.</u>	<u>\$ 47,336.</u>	<u>\$ -</u>	<u>\$2,954,274.</u>
LIABILITIES					
Payables					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Guarantee & Bid Deposits	624,284.	138,475.	-	-	762,759.
Due to Other Funds	56,387.	-	-	-	56,387.
Bond Anticipation Notes Payable	-	-	1,310,000.	-	1,310,000.
Total Liabilities	<u>680,671.</u>	<u>138,475.</u>	<u>1,310,000.</u>	<u>-</u>	<u>2,129,146.</u>
Deferred Inflow of Resources	<u>169,853.</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,853.</u>

FUND BALANCES

Restricted:					
Reserve for Repairs	-	87,618.	-	-	87,618.
Capital Reserve	3,643.	188,194.	-	-	191,837.
Reserved for Highway Projects	-	11,863.	-	-	11,863.
Total Restricted Fund Balance	<u>3,643.</u>	<u>287,675.</u>	<u>-</u>	<u>-</u>	<u>291,318.</u>
Assigned:					
Unappropriated	-	74,514.	-	-	74,514.
Appropriated for Subsequent Year's Expenditures	-	-	-	-	-
Unassigned:					
Unappropriated	335,108.	1,216,999.	(1,262,664.)	-	289,443.
Total Fund Balances	<u>338,751.</u>	<u>1,579,188.</u>	<u>(1,262,664.)</u>	<u>-</u>	<u>655,275.</u>
Total Liabilities and Fund Balances	<u>\$1,189,275.</u>	<u>\$1,717,663.</u>	<u>\$ 47,336.</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net assets are different because: Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 13,022,027.

Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds. (6,462,890.) Governmental funds do not report the effect of assets or liabilities related to net pension assets (liabilities) whereas these amounts are deferred and amortized in the statement of activities. (949,232.) Deferred amount of net pension assets (liabilities) \$6,265,180.

Net Position of Governmental Activities
See Notes to General Purpose Financial Statements.

TOWN OF CHESTER, NEW YORK
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND EQUITY - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2020

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Real Property Taxes	\$ 5,895,033.	\$ 3,545,058.	-	\$ -	\$ 9,440,091.
Real Property Tax Items	198,515.	-	-	-	198,515.
Non Property Tax Items	1,001,498.	391,206.	-	-	1,392,704.
Departmental Income	324,849.	437,947.	-	-	762,796.
Mortgage Tax	419,645.	-	-	-	419,645.
Licenses & Permits	8,840.	150.	-	-	8,990.
Use of Money & Property	5,365.	4,566.	415.	-	10,346.
Sale of Property and Compensation for Loss	5,218.	31,968.	834,485.	-	871,671.
Fines & Forfeitures	185,556.	-	-	-	185,556.
Miscellaneous Local Sources	57,385.	1,692.	-	-	59,077.
Intergovernmental Charges	-	57,024.	-	-	57,024.
Interfund Revenues	9,594.	-	-	-	9,594.
State Aid	39,247.	-	-	-	39,247.
Total Revenues	<u>8,150,745.</u>	<u>4,563,925.</u>	<u>834,900.</u>	<u>-</u>	<u>13,549,570.</u>

EXPENDITURES					
General Government Support	1,907,753.	4,109.	-	-	1,911,862.
Public Safety	2,466,748.	-	-	-	2,466,748.
Health	1,406.	-	-	-	1,406.
Transportation	304,116.	1,788,021.	1,924,823.	-	4,016,960.
Economic Assistance & Opportunity	3,888.	-	-	-	3,888.
Culture & Recreation	427,463.	-	-	-	427,463.
Home & Community Services	98,488.	1,697,044.	-	-	1,795,532.
Employee Benefits	2,013,927.	656,605.	-	-	2,670,532.
Debt Service	748,972.	42,553.	660,000.	-	1,451,525.
Total Expenditures	<u>7,972,761.</u>	<u>4,188,332.</u>	<u>2,584,823.</u>	<u>-</u>	<u>14,745,916.</u>

Excess (Deficiency) of Revenues Over Expenditures 177,984. 375,593. (1,749,923) (1,196,346.)

OTHER FINANCING SOURCES AND USES					
Proceeds of Obligations	-	-	660,000.	-	660,000.
BANS Redeemed from Appropriations	-	-	-	-	-
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>660,000.</u>	<u>-</u>	<u>660,000.</u>

Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses) 177,984. 375,593. (1,089,923.) (536,346.)

Fund Balances - Beginning of Year 160,767. 1,203,595. (172,741.) 1,191,621.

FUND BALANCES - END OF YEAR \$ 338,751. \$ 1,579,188. \$ (1,262,664.) \$ 655,275.

See Notes to General Purpose Financial Statements.

TOWN OF CHESTER, NEW YORK
STATEMENT OF FIDUCIARY NET ASSETS -
FIDUCIARY FUNDS
DECEMBER 31, 2020

	<u>AGENCY</u>
ASSETS	
Cash	\$ <u>0.</u>
Total Assets	\$ <u><u>0.</u></u>

LIABILITIES	
Other liabilities	\$ <u>0.</u>
Total Liabilities	\$ <u><u>0.</u></u>

See notes to general purpose financial statements.

TOWN OF CHESTER, NEW YORK
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Total Governmental Funds	Long-term Assets Liabilities	Reclassifications and Eliminations	Statement of Net Assets Totals
Assets				
Cash				
Unrestricted	\$2,533,573.	\$ -	\$ -	\$ 2,533,573.
Restricted	258,654.	-	-	258,654.
Water rents receivable	49,273.	-	-	49,273.
Due from other funds	56,387.	-	(56,387.)	-
Due from Fiduciary Funds	-	-	-	-
Due from other governments	56,387.	-	-	56,387.
Land, buildings and equipment (net)	-	<u>13,022,027.</u>	-	<u>13,022,027.</u>
Total Assets	<u>2,954,274.</u>	<u>13,022,027.</u>	<u>(56,387.)</u>	<u>15,919,914.</u>
Deferred Outflow of Resources				
Deferred outflows - related to pensions	-	<u>3,536,668.</u>	-	<u>3,536,668.</u>
Total Assets and Deferred Outflows	<u>\$2,954,274.</u>	<u>\$16,558,695.</u>	<u>\$ (56,387.)</u>	<u>\$19,456,582.</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Guarantee & Bid Deposits	762,759.	-	-	762,759.
Bonds payable	1,310,000.	5,889,500.	-	7,199,500.
Due to other funds	56,387.	-	(56,387.)	-
Due to Other Governments	-	-	-	-
Compensated absences	-	573,390.	-	573,390.
Net Pension Liability	-	<u>4,472,848.</u>	-	<u>4,472,848.</u>
Total Liabilities	<u>2,129,146.</u>	<u>10,935,738.</u>	<u>(56,387.)</u>	<u>13,008,497.</u>
Deferred Inflow of Resources				
Deferred inflows - Related to pensions	<u>169,853.</u>	<u>13,052</u>	-	<u>182,905.</u>
Net Position				
Total net position	<u>655,275.</u>	<u>5,609,905.</u>	-	<u>6,265,180.</u>
Total Liabilities, Deferred Inflow of Resources And Net Position	<u>\$2,954,274.</u>	<u>\$16,558,695.</u>	<u>\$ (56,387.)</u>	<u>\$19,456,582.</u>

See notes to general purpose financial statements.

**RECONCILIATION OF GOVERNMENTAL FUNDS REVENUES, EXPENDITURES
AND CHANGES IN FUND EQUITY TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Total Governmental Funds	Pension Recognition Differences	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
REVENUES					
Real property taxes	\$ 9,440,091.	\$ -	\$ -	\$ -	\$ 9,440,091.
Real property tax items	198,515.	-	-	-	198,515.
Non property tax items	1,392,704.	-	-	-	1,392,704.
Departmental income	762,796.	-	-	-	762,796.
Mortgage tax	419,645.	-	-	-	419,645.
Licenses and permits	8,990.	-	-	-	8,990.
Use of money and property	10,346.	-	-	-	10,346.
Sale of property and compensation for loss	871,671.	-	-	-	871,671.
Fines and forfeitures	185,556.	-	-	-	185,556.
Miscellaneous local sources	59,077.	-	-	-	59,077.
Intergovernmental charges	57,024.	-	-	-	57,024.
Interfund revenue	9,594.	-	-	-	9,594.
State sources	133,561.	-	-	-	133,561.
Total Revenues	<u>\$13,549,570.</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$13,549,570.</u>
EXPENDITURES					
General government support	1,911,862.	-	143,179.	106,712.	2,161,753.
Public Safety	2,466,748.	-	300,252.	-	2,767,000.
Health	1,406.	-	-	-	1,406.
Transportation	4,016,960.	-	(197,717.)	-	3,819,243.
Economic assistance & opportunity	3,888.	-	-	-	3,888.
Culture & recreation	427,463.	-	(18,805.)	-	408,658.
Home & community services	1,795,532.	-	-	-	1,795,532.
Employee benefits	2,670,532.	598,183.-	-	-	3,268,715.
Debt service	1,451,525.	-	-	(1,174,000.)	277,525.
Total Expenditures	<u>14,745,916.</u>	<u>598,183.</u>	<u>226,909.</u>	<u>(1,067,288.)</u>	<u>14,503,720.</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,196,346.)</u>	<u>(598,183.)</u>	<u>(226,909.)</u>	<u>1,067,288.</u>	<u>(954,150.)</u>
OTHER FINANCING SOURCES AND USES					
Proceeds of Obligations	660,000.	-	-	(660,000.)	-
Total Other Sources (Uses)	<u>660,000.</u>	<u>-</u>	<u>-</u>	<u>(660,000.)</u>	<u>-</u>
Excess (Deficiency) of Revenues And Other Sources Over Expenditures and Other (Uses)	<u>(536,346.)</u>	<u>(598,183.)</u>	<u>(226,909.)</u>	<u>407,288.</u>	<u>(954,150.)</u>
Fund Balances - Beginning of Year	<u>1,191,621.</u>	<u>(351,049.)</u>	<u>13,298,936.</u>	<u>(6,920,178.)</u>	<u>7,219,330.</u>
Fund Balances - End of Year	<u>\$ 655,275.</u>	<u>\$ (949,232.)</u>	<u>\$13,072,027.</u>	<u>\$ (6,512,890.)</u>	<u>\$ 6,265,180.</u>

See notes to general purpose financial statements

TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Chester, New York, (the "Town") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. These principles are prescribed by the Governmental Accounting Standards Board (GASB), which 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.

A. FINANCIAL REPORTING ENTITY

The Town of Chester which was established in 1845, covers an area of approximately 21.97 square miles. An elected five member Town Board is the legislative body responsible for overall operations. The Town Supervisor serves as the Chief Executive and Fiscal Officer.

The financial reporting entity includes all funds, account groups, organizations, functions and activities over which the elected officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters.

Excluded In The Reporting Entity:

Chester Public Library - The library is no longer a component unit of the town and is not presented in these financial statements. As of January 1, 2019 the Chester Public Library became autonomous from the Town.

B. BASIS OF PRESENTATION

1) Town-wide statements:

The Statement of Net Position and the Statement of Activities present financial information about the Town's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and nonexchange transactions. Operating grants include operating specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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

2) Fund financial statements

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

The Town reports the following governmental funds:

General Fund-Town Wide and General Fund-Town Outside Village - The principle operating funds and includes all operations not required to be recorded in other funds. The General Fund-Town Wide is used to account for activities involving the Town and Village of Chester.

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

Highway Town Wide and Highway-Part Town Funds - used to account for the assets, liabilities, fund balance, revenues and expenditures segregated for the construction and maintenance of the Town and Village roads.

Water Districts - used to account for the resources to be used in the operation of the Town's water districts. The Town has four water districts (Sugar Loaf Hills, Walton Lake Estates, Surrey Meadows and Lake Hill Farms) which account for their operations in separate funds.

Sewer Districts - used to account for the resources that are restricted for the use in the operations of the Town's sewer districts.

Refuse & Garbage Fund - used to account for the resources that are restricted for the use in the Town's refuse district.

Drainage Fund - used to account for revenue and expenditures for drainage purposes,

TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

Capital Projects Fund - used to account for financial resources to be used for the acquisition, construction, or renovation of major capital facilities, or equipment.

Fiduciary Fund:

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Town-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Town gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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

TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

D. PROPERTY TAXES

County real property taxes are levied annually no later than December 31 and become a lien on January 1. Taxes are collected during the period January 1 to April 1. Taxes for county purposes are levied together with taxes for town and special district purposes as a single bill. The towns and special districts receive the full amounts collected on the combined bills. The county assumes enforcement responsibility for all taxes levied in the town.

E. BUDGETARY DATA

1. Budget Policies:

The Town's Budget Policies are as follows:

A. No later than September 30, the budget officer submits a tentative budget to the Town Clerk's Office for the fiscal year commencing the following January 1. The tentative budget includes proposed expenditures and the proposed means of financing for the funds.

B. After public hearings are conducted to obtain taxpayer comments, no later than November 20, the Town Board adopts the budget.

C. All modifications of the budget must be approved by the Town Board. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Appropriations, except open project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of the year.

2. Encumbrances

Encumbrances 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 appropriation, is employed in the governmental funds as a control in preventing overexpenditure of established appropriations.

Encumbrances outstanding at year-end do not represent GAAP expenditures or liabilities but represent budgetary accounting controls.

The actual results of operations are presented in accordance with GAAP and the Town's accounting policies do not recognize encumbrances as expenditures until the period in which the goods or services are actually received and a liability is incurred. Open encumbrances are reported as reservations of fund balance in the governmental funds. It is necessary to include the budgetary encumbrances to reflect actual revenues and expenditures on a budgetary basis consistent with the Town's legally adopted budget. The following fiscal year's budget is amended to include any open encumbrances of the current year.

**TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2020

F. CAPITAL ASSETS

Capital assets are reported at cost or estimated historical cost, based on an appraisal by an independent third party. Donated fixed assets are recorded at estimated fair value at the date received.

Capitalization thresholds (the dollar amount above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Town-wide statement are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$2,500.	Straight-line	15-40 yrs
Improvements other Than buildings	2,500.	Straight-line	5-25 yrs
Infrastructure	2,500.	Straight-line	20-100 yrs
Furniture and equipment	2,500.	Straight-line	3-25 yrs

G. RECEIVABLES

Water Rents Receivable represent the unpaid water bills from the October 1, 2020 billing. Unpaid water bills will be received as part of the January 2020 town and county real property tax levy. The water rents will be collected out of the first amounts collected from the combined Town and county levies.

Due From Other Governments consists of unpaid water rents that were relieved in the January 2021 tax roll.

H. COMPENSATED ABSENCES

It is the Town's policy not to allow the accumulation of vacation time beyond the Town's fiscal year end. Employees are allowed one sick day per month with unlimited accumulation. At retirement employees are allowed to receive payment for 50% of their accumulated sick leave. An accrual of accumulated sick days is included in the compensated absences liability at year-end.

I. FUND EQUITY - RESERVES AND DESIGNATIONS

Reserves are the portion of the total fund balance that are legally segregated for specific future use. The unreserved but designated is the portion of fund balance that is intended to communicate tentative managerial plans for uses of certain financial resources.

TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

J. INTERFUND TRANSACTIONS

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

K. TOTAL COLUMNS ON THE GOVERNMENTAL FINANCIAL STATEMENTS

Total columns on the governmental fund financial statements are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation or changes in financial position in conformity with generally accepted accounting principles, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 2 -STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Explanation of certain differences between governmental fund statements and town-wide statements:

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

TOWN OF CHESTER
 NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

A) Total fund balances of governmental funds vs. net assets of governmental activities:

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

(a) The costs of building and acquiring capital assets (lands, buildings, infrastructure, and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred, and the assets do not appear on the Balance Sheet. However, the Statement of Net Assets includes those capital assets among the assets of the Town as a whole, and their original costs are expensed annually over their useful lives.

Original cost of capital assets	\$ 27,997,732.
Accumulated depreciation	<u>14,975,705.</u>
Capital assets, net	<u>\$ 13,022,027.</u>

Explanation of certain differences between governmental fund statements and town-wide statements:

Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bonds and notes payable	<u>\$ 5,889,500</u>
-------------------------	---------------------

Compensated absences are reported in the Statement of Net Position, but not in the governmental funds Balance Sheet.

Compensated absences	<u>\$ 573,390</u>
----------------------	-------------------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:

Deferred outflows related to employer contributions	\$ 775,000
Deferred outflows related to experience and investment	2,761,668
Deferred inflows related to pension plan	(182,905)
Net Pension Liability	<u>(4,472,848)</u>
Total	<u>\$ (1,119,085)</u>

TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

B) Statement of Revenues, Expenditures and Changes in Net Assets vs.
Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Net Position and the Statement of Activities fall into one of three broad categories. The amounts shown below represent:

1) Long-term revenue differences:

Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

2) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.

3) Long-term debt transaction differences:

Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Explanation of certain differences between governmental fund statements
and town-wide statements:

Total Revenues and other Funding Sources

Total revenues and other funding sources of governmental funds \$14,209,570.

Bond proceeds provide current financial resources in Governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position

(660,000.)

Total revenues of governmental activities in the
Statement of Activities

\$13,549,570.

TOWN OF CHESTER
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

Total Expenditures/Expenses

Total expenditures and other uses reported in
governmental funds \$14,745,916.

When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the years they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated lives and reported as depreciation expense. This is the amount by which depreciation of \$577,603 was more than capital expenditures of \$350,694 in the current year. 226,909.

Compensated absences are reported under the modified accrual basis of accounting in the governmental funds. Expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, the expense and liability for compensated absences is reported regardless of when financial resources are available. 106,712.

Net differences between pension contributions recognized on the fund financial statements and the town-wide financial statements are as follows:

Town pension contributions	\$ 775,001.
Cost of benefits earned net of employee contributions	(176,818.) 598,183.

Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Assets, and does not affect the Statement of Activities (1,174,000.)

Total Expenses of Governmental Activities \$ 14,503,720.

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

Note 3 - DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. ASSETS

1. Cash and Cash Equivalents

The Town's investment policies are governed by state statutes. Town monies must be deposited in FDIC insured commercial banks or trust companies located within the state. The Town 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.

Cash Equivalents of the Town consisted of money market accounts and certificates of deposit. All cash equivalents are stated at cost.

To maximize investment yields the Town pools cash accounts from different funds into certificates of deposit. Interest income is proportionally allocated to the individual funds based on their weighted average balance for the interest period.

Collateral is required for demand deposits and certificates of deposit at 100 percent 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 United States and its agencies and obligations of the State and its municipalities and school districts.

Bank balances at year-end were entirely covered by FDIC insurance or collateralized with securities held in the Town's custodial banks.

2. Property Taxes

Town and special district taxes are levied together with taxes for County purposes as a single bill. The Town of Chester and its special districts receive annually the full amount of their levies out of the first amounts collected on the combined bills. Unpaid Town and special district taxes are turned over to the county of Orange for collection.

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

3. Changes in Fixed Assets

Capital asset balances and activity for the year was as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Governmental activities:				
Capital assets that are not depreciated				
Land	\$ 5,723,798.	\$ -	\$ (60,321.)	5,663,477.
Total nondepreciable historical cost	<u>5,723,798.</u>	<u>-</u>	<u>(60,321.)</u>	<u>5,663,477.</u>
Capital assets that are depreciated:				
Buildings	9,204,692.	-	-	9,204,692.
Improvements and infrastructure	6,914,384.	-	-	6,914,384.
Machinery and equipment	5,923,995.	291,184.	-	6,215,179.
Total depreciable historical cost	<u>22,043,071.</u>	<u>291,184.</u>	<u>-</u>	<u>22,334,255.</u>
Less accumulated depreciation:				
Buildings	3,661,035.	188,352.	7,459.	3,858,846.
Improvements and infrastructure	6,663,325.	14,925.	(42.)	6,678,178.
Machinery and equipment	4,143,573.	374,326.	(77,248.)	4,440,651.
Total accumulated depreciation	<u>14,467,933.</u>	<u>577,603.</u>	<u>(69,831.)</u>	<u>14,975,705.</u>
Total depreciable historical cost, net	\$ <u>13,298,936.</u>	\$ <u>(286,419.)</u>	\$ <u>9,510.</u>	\$ <u>13,022,027.</u>

Depreciation expense was charged to governmental functions as follows:

General support	\$ 208,110.
Public safety	338,888.
Transportation	<u>30,605.</u>
	\$ <u>577,603.</u>

B. LIABILITIES

1. Pension Plans

Plan Description and Benefits Provided

The Town of Chester 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. The net position of the System is held in the New York State Common Retirement Fund (the "Fund") which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

the System. System benefits are established under the provisions of the NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees' Group Life Insurance Plan ("GLIP"), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.u/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

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

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

At December 31, 2020, the Town reported the following liabilities for its proportionate share of the net pension liabilities for PFRS and ERS. The net pension liabilities were measured as of March 31, 2015. The total pension liabilities used to calculate the net pension liabilities were determined by actuarial valuations as of April 1, 2014, with update procedures used to roll forward the total net pension liabilities to the measurement date. The Town's proportion of the net pension liabilities were based on projections of the Town's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the System in reports provided to the Town.

	PFRS	ERS
Measurement date	March 31, 2020	March 31, 2020
Net pension liability	\$ 2,179,105	\$ 2,293,743
Town's portion of the Plan's		
Total net pension liability	.0.0407695%	0.0086620%

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

For the year ended December 31, 2020, the Town recognized pension expenses of \$368,925 and \$387,240, respectively, for PFRS and ERS. At December 31, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following.

	Deferred Outflows of Resources		Deferred Inflows of resources++	
	PFRS	ERS	PFRS	ERS
Differences between expected and actual experiences	\$ 145,105	\$ 134,996	\$ 36,500	\$ -
Changes of assumptions	186,261	46,185	-	39,880.
Net difference between projected and actual earnings on pension plan investments	981,319.	1,175,884.	-	-
Changes in proportion and differences between the Town's contribution and proportionate share of contributions	18,562	73,355	106,525	-
Town's contributions subsequent to the measurement date	382,832	392,168	-	-
Total	<u>\$1,714,080</u>	<u>\$1,822,588</u>	<u>\$ 143,025</u>	<u>\$ 39,880</u>

The Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	PFRS	ERS
2021	\$ 234,027	\$ 246,394
2022	274,770	352,453
2023	359,732	439,961
2024	306,669	351,731
2025	13,026	-

Actuarial Assumptions

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

	PFRS	ERS
Measurement date	March 31, 2020	March 31, 2020
Actuarial valuation date	April 1, 2019	April 1, 2019
Interest rate	6.8%	6.8%
Salary scale	5.0%	4.2%
Cost of living adjustments	1.3%	1.3%
Decrement tables	April 1, 2010 - March 31, 2015	April 1, 2010 - March 31, 2015
Inflation rate	2.5%	2.5%

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

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

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

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

Measurement date Asset class:	PFRS and ERS	
	Target Allocation	Long-Term Expected Real Rate of Return
	March 31, 2020	
Domestic entities	36.0%	4.05%
International entities	14.0	6.16
Private equity	10.0	6.75
Real estate	10.0	4.95
Absolute return strategies	2.0	3.25
Opportunistic portfolio	3.0	4.65
Real estate	3.0	5.95
Bonds and mortgages	17.0	0.75
Cash	1.0	0.00
Inflation-indexed bonds	4.0	0.50
Total	<u>100.0%</u>	

Discount Rate

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

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

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

The chart below presents the Town's proportionate share of the net pension liabilities calculated using the discount rate of 6.8%, as well as what the Town's proportionate share of the net pension liabilities would be if they were calculated using a discount rate that is one percentage-point lower (5.8%) or one percentage-point higher (7.8%) than the current assumption.

	1% Decrease 5.8%)	Current Assumption (6.8%)	Increase (7.8%)
Employer's proportionate share of the net pension liability - PFRS	\$3,896,284	\$2,179,105	\$ 641,332
Employer's proportionate share of the net pension liability - ERS	\$4,209,666	\$2,293,743	\$ 529,170

Pension Plan Fiduciary Net Position

The components of the current-year net pension liabilities of the system as of March 31, 2020 were as follows:

	(Dollars in thousands)		
	ERS	PFRS	Total
Employers' total pension liability	\$ 194,596,261	\$ 35,309,017	\$ 229,905,278
Plan fiduciary net position	168,115,682	29,964,080	198,079,762
Employers' net pension liability	<u>\$ 26,480,579</u>	<u>\$ 5,344,937</u>	<u>\$ 31,825,516</u>

System fiduciary net position as a

Percentage of total pension liability	86.47%	84.99%	86.29%
---------------------------------------	--------	--------	--------

2. Long-Term Debt

On December 31, 2020 the total outstanding indebtedness of the Town aggregated \$7,772,890.

a. **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 are full faith and credit debt of the local government. 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.

b. **Other Long-Term Debt** - In addition to the above long-term debt the local government had the following non-current liabilities:

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

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

c. Summary of Changes in Long-Term Debt - The following is a summary of changes in Long-Term Liabilities for the period ended December 31, 2020:

	SERIAL BONDS	BOND ANTICIPATION NOTES	COMPENSATED ABSENCES
Payable at Beginning of Year	\$ 6,453,500.	\$ 660,000.	\$ 466,678.
Additions: New Issues	-	1,310,000.	
Reductions: Principal Payments	564,000.	660,000.	
Payable At End Of Year	<u>\$ 5,889,500.</u>	<u>\$ 1,310,000.</u>	<u>\$ 573,390.</u>

d. Long-Term Debt Maturity Schedule - The Town's Long-Term Debt Maturity Schedule is as follows:

Payable From Description	Original Date Issued	Original Amount	Interest Rate (%)	Date Final Maturity	Outstanding
General Funds:					
Refunding Serial Bond	9/04	2,565,000	2.000%	8/25	\$ 920,000.
Ambulance Building Serial Bond	4/06	790,000	4.10%	4/21	60,000.
Senior Center Serial Bond	6/18	1,475,000	3.00%	6/38	1,386,096.
Police Building Serial Bond	6/18	1,850,000	3.00%	6/38	1,738,493
Garage & Equipment BAN	11/19	660,000	1.49%	11/20	1,310,000
Special Revenue Funds:					
Sewer District #7 Serial Bond	3/02	130,000	6.00%	3/22	19,500.
Water Serial Bond	6/18	325,000	3.00%	6/38	305,411.
Buildings Serial Bond	3/19	1,515,000	3.500%	3/34	<u>1,460,000.</u>
Total					<u>\$ 7,199,500.</u>

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

e. Long-Term Debt Maturity Schedule - The following tables summarize the Town's future debt service requirements for serial bonds outstanding at December 31, 2020:

Year Ending December 31:	Serial Bonds	
	Principal	Interest
2021	\$ 599,508.	\$ 178,220.
2022	560,000.	162,993.
2023	345,000	148,755
2024	355,000.	138,542.
2025	360,000.	127,843.
2026 - 2030	1,425,000.	493,887.
2031 - 2035	1,530,000.	248,640.
2036 - 2038	<u>715,000.</u>	<u>38,063.</u>
Total	\$ <u>5,889,500.</u>	\$ <u>1,536,943.</u>

C. INTERFUND RECEIVABLES AND PAYABLES

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

<u>Fund Type</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund - Town Wide	\$ -	\$ 56,387.
General Fund - Part Town	-	-
Special Revenue Funds:		
Highway - Town Wide	-	-
Highway - Part Town	-	-
Water Funds	56,387.	-
Sewer Funds	-	-
Refuse & Garbage	-	-
Drainage Fund	-	-
Capital Projects Fund	-	-
Debt Service Fund	-	-
Trust & Agency	-	-
Total	\$ <u>56,387.</u>	\$ <u>56,387.</u>

NOTES TO FINANCIAL STATEMENTS
TOWN OF CHESTER

DECEMBER 31, 2020

D. FUND EQUITY

Restricted - consists of amounts that are externally enforceable legal purpose restrictions imposed by creditors , grantors, contributors, or law and regulations of other governments, or through constitutional provisions or enabling legislation.

Assigned - consists of amounts that are subject to a purpose constraint that represents an intended use established by the Town's board. The purpose of the assignment must be narrower than the purpose of the general fund, and in funds other than the general fund, assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes encumbrances not classified as restricted at the end of the year.

Unassigned - represent the residual classification for the Town's general funds and could report a surplus or deficit. In funds other than general funds, unassigned classification should be used only to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, or assigned.

E. CONTINGENT LIABILITIES

The Town is a defendant in various lawsuits and tax certiorari cases. The outcome of these cases and lawsuits are not presently determinable.

Required Supplementary Information

Town of Chester, New York
Schedule of Town's Proportionate Share of the
Net Pension Liability - Police and Fire Retirement System
Last Five Years

Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Town's proportion of the net pension liability (asset)	0.0407695%	0.0432872%	0.0453620%	0.0462784%	0.0433034%
Town's proportionate share of the net pension liability (asset)	<u>\$2,179,105</u>	<u>\$ 725,954</u>	<u>\$ 458,500</u>	<u>\$ 959,191</u>	<u>\$ 1,282,121</u>
Town's covered-employee payroll	<u>\$1,657,526</u>	<u>\$1,674,313</u>	<u>\$1,548,509</u>	<u>\$1,550,827</u>	<u>\$ 1,452,089</u>
Town's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	<u>131.47%</u>	<u>43.36%</u>	<u>29.61%</u>	<u>61.85%</u>	<u>88.29%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>95.09%</u>	<u>95.09%</u>	<u>96.9%</u>	<u>93.50%</u>	<u>90.70%</u>

Note -- the amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(1) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Chester, New York
 Schedule of Town's Contributions -
 Police and Fire Retirement System
 Last Ten Years (1)

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 360,925	\$ 358,132	\$ 352,087	\$ 538,108	\$ 322,558	\$ 260,224
Contributions in relation to the contractually required contribution	<u>368/925</u>	<u>358/132</u>	<u>352/087</u>	<u>538,108</u>	<u>322,558</u>	<u>260,224</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$1,657,526	\$1,674,313	\$1,548,509	\$1,550,827	\$1,452,089	\$1,611,122
Contributions as a percentage of covered-employee payroll	22.26%	21.39%	22.74%	34.70%	22.21%	16.15%

Note -- the amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(2) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Chester, New York
 Schedule of Town's Proportionate Share of the
 Net Pension Liability – Employees' Retirement System
 Last Five Years

Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Town's proportion of the net pension liability (asset)	.0088620%	.008641448%	.0085520%	0.0089429%	0.0083671%
Town's proportionate share of the net pension liability (asset)	\$ <u>2,293,743</u>	\$ <u>612,511</u>	\$ <u>276,012</u>	\$ <u>792,076</u>	\$ <u>1,342,943</u>
Town's covered-employee payroll	\$ <u>2,845,805</u>	\$ <u>2,787,056</u>	\$ <u>2,462,544</u>	\$ <u>2,454,906</u>	\$ <u>2,317,379</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>80.60%</u>	<u>21.98%</u>	<u>11.21%</u>	<u>32.27%</u>	<u>57.95%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>96.27%</u>	<u>98.20%</u>	<u>94.70%</u>	<u>90.70%</u>

Note – the amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(3) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Town of Chester, New York
Schedule of Town's Contributions -
Employees' Retirement System
Last Ten Years (1)

	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 387,240	\$ 361,117	\$ 363,859	\$ 471,559	\$ 346,522	\$ 464,581
Contributions in relation to the contractually required contribution	<u>387,240</u>	<u>361,117</u>	<u>363,859</u>	<u>471,559</u>	<u>346,522</u>	<u>464,581</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$2,845,805	\$2,787,056	\$2,462,544	\$2,454,906	\$2,317,379	\$2,313,420
Contributions as a percentage of covered-employee payroll	13.61%	12.96%	14.78%	19.21%	14.95%	20.08%

Note -- the amounts presented for each fiscal year were determined as of the March 31st measurement date within the current fiscal year.

(4) Data not available prior to fiscal year 2015 implementation of Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*.

TOWN OF CHESTER, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUNDS
 YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance with final budget positive (negative)
Revenues				
Real Property Taxes	\$ 5,895,033.	\$5,895,033.	\$5,895,033.	\$ -
Real Property Tax Items	162,793.	162,793.	198,515.	35,722.
Non Property Tax Items	1,000,000.	1,000,000.	1,001,498.	1,498.
Mortgage Tax	425,000.	425,000.	419,645.	(5,355.)
Departmental Income	700,675	700,675.	324,849.	(375,826.)
Sale of Property and Compensation for Loss	7,000	7,000.	5,218.	(1,782.)
Use of Money and Property	2,000.	2,000.	5,365.	3,365.
Licenses & Permits	8,000.	8,000.	8,840.	840.
Fines and Forfeitures	395,400.	395,400	185,556.	(209,844.)
Miscellaneous Local Sources	67,575.	67,575.	57,385	(10,190.)
Interfund Revenues	12,000.	12,000.	9,594.	(2,406.)
Services, Other Governments	-	-	-	-
State Aid	111,012.	111,012.	39,247	(71,765.)
Federal Aid	1,212.	1,212	-	(1,212.)
Total Revenues	<u>8,787,700.</u>	<u>8,787,700.</u>	<u>8,150,745.</u>	<u>(636,955.)</u>
Interfund Transfers	-	-	-	-
Proceeds of Obligations	-	-	-	-
Total Revenues and Other Sources	<u>8,787,700.</u>	<u>8,787,700.</u>	<u>8,150,745.</u>	<u>(636,955.)</u>
Expenditures				
General Government Support	1,985,834.	1,985,834.	1,907,753.	78,081.
Public Safety	2,261,766.	2,261,766.	2,466,748.	(204,982.)
Health	1,000.	1,000.	1,406.	(406.)
Transportation	310,629.	310,629.	304,116.	6,513.
Economic Assistance & Opportunity	28,825.	28,825.	3,888.	24,937.
Culture & Recreation	718,266.	718,266.	427,463.	290,803.
Home & Community Service	187,874.	187,874.	98,488.	89,386.
Employee Benefits	2,550,437.	2,550,437	2,013,927.	536,510.
Debt Service	793,069.	793,069.	748,972.	44,097.
Total Expenditures	<u>8,837,700.</u>	<u>8,837,700.</u>	<u>7,972,761.</u>	<u>864,939.</u>
Interfund Transfers	-	-	-	-
Total Expenditures and Other Uses	<u>8,837,700.</u>	<u>8,837,700.</u>	<u>7,972,761.</u>	<u>864,939.</u>
Net Change in Fund Balance	(50,000.)	(50,000.)	177,984.	<u>227,984.</u>
Fund Balance At Beginning of Year	<u>160,767.</u>	<u>160,767.</u>	<u>160,767.</u>	
Fund Balance at End of Year	<u>\$ 110,767.</u>	<u>\$ 110,767.</u>	<u>\$ 338,751.</u>	

a

TOWN OF CHESTER, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL- HIGHWAY FUNDS
 YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance with final budget positive (negative)
Revenues				
Real Property Taxes	\$1,998,503.	\$1,998,503.	\$1,998,503.	\$ -
Non Property Tax Items	420,000.	420,000.	391,206.	(28,794.)
Departmental Income	-	-	-	-
Intergovernmental Charges	55,836.	55,836.	57,024.	1,188.
Use of Money and Property	1,640.	1,640.	2,453.	813.
Permits	800.	800.	150.	(650.)
Sale of Property & Compensation for Loss	3,120.	3,120.	31,968.	28,848.
Miscellaneous Local Sources	-	-	1,414.	1,414.
Federal Aid	-	-	-	-
State Aid	80,000.	80,000.	94,314.	14,314.
Total Revenues	<u>2,559,899.</u>	<u>2,559,899.</u>	<u>2,577,032.</u>	<u>17,133.</u>
Interfund Transfers	-	-	-	-
Total Revenues and Other Sources	<u>2,559,899.</u>	<u>2,559,899.</u>	<u>2,577,032.</u>	<u>17,133.</u>
Expenditures				
General Government Support	-	-	3,346.	(3,346.)
Transportation	2,068,099.	2,068,099.	1,788,021.	280,078.
Debt Service	-	-	9,834.	(9,834.)
Employee Benefits	591,800.	591,800.	555,671.	36,129.
Total Expenditures	<u>2,659,899.</u>	<u>2,659,899.</u>	<u>2,356,872.</u>	<u>303,027.</u>
Net Change in Fund Balance	(100,000).	(100,000.)	220,160.	<u>\$ 320,160.</u>
Fund Balance at Beginning of Year	<u>403,635.</u>	<u>403,635.</u>	<u>403,635.</u>	
Fund Balance at End of Year	<u>\$ 303,635.</u>	<u>\$ 303,635.</u>	<u>\$ 623,795.</u>	

TOWN OF CHESTER, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL- SEWER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2020

	Original Budget	Final Budget	Actual	Variance with final budget positive (negative)
Revenues				
Real Property Taxes	\$ 724,960.	\$ 724,960.	\$ 724,960.	\$ -
Departmental Income	18,430.	18,430.	18,186.	(244.)
Use of Money and Property	605.	605.	764.	159.
Total Revenues	<u>743,995.</u>	<u>743,995.</u>	<u>743,910.</u>	<u>(85.)</u>
Interfund Transfers	-	-	-	-
Total Revenues and Other Sources	<u>743,995.</u>	<u>743,995.</u>	<u>743,910.</u>	<u>(85.)</u>
Expenditures				
General Government Support	-	-	-	-
Home and Community Services	733,555.	733,555.	725,407.	8,148.
Debt Service	10,440.	10,440.	10,440.	-
Total Expenditures	<u>743,995.</u>	<u>743,995.</u>	<u>735,847.</u>	<u>8,148.</u>
Net Change in Fund Balance	-	-	8,063.	<u>\$ 8,063.</u>
Fund Balance at Beginning of Year	<u>367,677.</u>	<u>367,677.</u>	<u>367,677.</u>	
Fund Balance at End of Year	<u>\$ 367,677.</u>	<u>\$ 367,677.</u>	<u>\$ 375,740.</u>	

TOWN OF CHESTER, NEW YORK
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL- WATER SPECIAL REVENUE FUND
 YEAR ENDED DECEMBER 31, 2020

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance with final budget positive <u>(negative)</u>
Revenues				
Real Property Taxes	\$ 244,698.	\$ 244,698.	\$ 244,698.	\$ -
Departmental Income	413,190.	413,190.	419,761.	6,571.
Use of Money and Property	800.	800.	643.	(157.)
Miscellaneous Local Sources	-	-	262.	262.
Total Revenues	<u>658,688.</u>	<u>658,688.</u>	<u>665,364.</u>	<u>6,676.</u>
Interfund Transfers	-	-	-	-
Total Revenues and Other Sources	<u>658,688.</u>	<u>658,688.</u>	<u>665,364.</u>	<u>6,676.</u>
Expenditures				
General Government Support	-	-	747.	(747.)
Home and Community Services	602,543.	602,543.	415,497.	187,046.
Employee Benefits	113,745.	113,745.	100,575.	13,220.
Debt Service	22,400.	22,400.	22,279.	201.
Total Expenditures	<u>738,688.</u>	<u>738,688.</u>	<u>539,098.</u>	<u>199,590.</u>
Net Change in Fund Balance	(80,000.)	(80,000.)	126,266.	\$ <u>206,266.</u>
Fund Balance at Beginning of Year	<u>332,269.</u>	<u>332,269.</u>	<u>332,269.</u>	
Fund Balance at End of Year	\$ <u>252,269.</u>	\$ <u>252,269.</u>	\$ <u>458,535.</u>	

OTHER SUPPLEMENTARY INFORMATION

TOWN OF CHESTER, NEW YORK
GENERAL FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2020

	GENERAL FUND <u>TOWN WIDE</u>	GENERAL FUND <u>PART TOWN</u>	<u>TOTALS</u>	
			<u>2020</u>	<u>2019</u>
Assets				
Cash	\$ 165,145.	\$ 159,175.	\$ 324,320.	\$ 288,097.
Cash In Time Deposits	162,664.	642,111.	804,775.	-
Petty Cash	50.	100.	150.	150.
Cash - Special Reserves	3,643.	-	3,643.	3,635.
Prepaid Expenses	-	-	-	-
Due From Other Funds	-	-	-	-
Due From Other Governments	56,387.	-	56,387.	61,465.
Total Assets	\$ <u>387,889.</u>	\$ <u>801,386.</u>	\$ <u>1,189,275.</u>	\$ <u>353,347.</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Expenses	3,805.	620,479.	624,284.	-
Due To Other Funds	56,387.	-	56,387.	192,340.
Due to Others Governments	-	-	-	-
Total Liabilities	<u>60,192.</u>	<u>620,479.</u>	<u>680,671.</u>	<u>192,340.</u>
Deferred Inflows of Resources	<u>158,635.</u>	<u>11,218.</u>	<u>169,853.</u>	<u>240.</u>
Fund Balance				
Restricted:				
Capital Reserve	3,643.	-	3,643.	3,635.
Total Restricted Fund Balance	<u>3,643.</u>	<u>-</u>	<u>3,643.</u>	<u>3,635.</u>
Assigned:				
Appropriated for Subsequent Year's Expenditures	-	-	-	36,782.
Total Assigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,782.</u>
Unassigned:				
Unappropriated	165,419.	169,689.	335,108.	120,350.
Total Unassigned Fund Balance	<u>165,419.</u>	<u>169,689.</u>	<u>335,108.</u>	<u>120,350.</u>
Total Fund Balance	<u>169,062.</u>	<u>169,689.</u>	<u>338,751.</u>	<u>160,767.</u>
Total Liabilities and Fund Balance	\$ <u>387,889.</u>	\$ <u>801,386.</u>	\$ <u>1,189,275.</u>	\$ <u>353,347.</u>

See Notes to General Purpose Financial Statements.

TOWN OF CHESTER, NEW YORK
GENERAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	GENERAL	GENERAL	TOTALS	
	FUND	FUND	2020	2019
	TOWN WIDE	PART TOWN		
Revenues				
Real Property Taxes	\$ 3,168,881.	\$2,726,152.	\$5,895,033.	\$4,978,435.
Real Property Tax Items	198,515.	-	198,515.	143,450.
Non Property Tax Items	-	1,001,498.	1,001,498.	1,048,540.
Mortgage Tax	419,645.	-	419,645.	367,878.
Departmental Income	46,814	278,035.	324,849.	350,565.
Sale of Property and Compensation for Loss	-	5,218.	5,218.	306,576.
Use of Money and Property	2,722.	2,643.	5,365.	5,671.
Licenses & Permits	8,465.	375.	8,840.	11,280.
Fines and Forfeitures	177,293.	8,263	185,556.	366,119.
Miscellaneous Local Sources	13,667.	43,718.	57,385.	52,216.
Interfund Revenues	-	9,594.	9,594	13,696.
Services, Other Governments	-	-	-	-
State Aid	34,455.	4,792.	39,247.	107,242.
Federal Aid	-	-	-	-
Total Revenues	4,070,457.	4,080,288.	8,150,745.	7,751,668.
Interfund Transfers	-	-	-	-
Proceeds of Obligations	-	-	-	-
Total Revenues and Other Sources	4,070,457.	4,080,288.	8,150,745.	7,751,668.
Expenditures				
General Government Support	1,778,589.	129,164.	1,907,753.	2,280,305.
Public Safety	41,912.	2,424,836.	2,466,748.	2,204,839.
Health	-	1,406.	1,406.	1,828.
Transportation	297,640.	6,476.	304,116.	419,247.
Economic Assistance & Opportunity	3,888.	-	3,888.	29,384.
Culture & Recreation	427,463.	-	427,463.	644,785.
Home & Community Service	-	98,488.	98,488.	132,465.
Employee Benefits	853,736.	1,160,191.	2,013,927.	1,976,936.
Debt Service	622,152.	126,820.	748,972.	626,280.
Total Expenditures	4,025,380.	3,947,381.	7,972,761.	8,316,069.
Interfund Transfers	-	-	-	-
Total Expenditures and Other Uses	4,025,380.	3,947,381.	7,972,761.	8,316,069.
Excess (Deficiency) Revenues and Other Sources Over Expenditures and Other Uses	45,077.	132,907.	177,984.	(564,401.)
Fund Balance At Beginning of Year	123,985.	36,782.	160,767.	725,168.
Fund Balance at End of Year	\$ 169,062.	\$ 169,689.	\$ 338,751.	\$ 160,767.

See Notes to General Purpose Financial Statements.

TOWN OF CHESTER, NEW YORK
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2020

	WATER DISTRICT FUNDS		SEWER DISTRICT FUNDS		REFUSE & GARBAGE FUND		DRAINAGE FUNDS		TOTALS	
	HIGHWAY FUNDS								2020	2019
Assets										
Cash	\$ 448,280.	\$ 130,467.	\$ -	\$ -	\$ 35,788.	\$ -	\$ 614,535.	\$ -	\$ 614,535.	\$ 371,223.
Cash In Time Deposits	301,927.	131,685.	190,651.	190,651.	10,816.	74,514.	789,593.	315,102.	789,593.	315,102.
Petty Cash	200.	-	-	-	-	-	200.	200.	200.	200.
Cash - Special Reserves	11,863.	90,723.	185,089.	185,089.	-	-	207,675.	287,078.	207,675.	287,078.
State & Federal Aid Receivable	-	-	-	-	-	-	-	-	-	-
Water Rents Receivable	-	49,273.	-	-	-	-	49,273.	43,527.	49,273.	43,527.
Due From Other Funds	-	56,387.	-	-	-	-	56,387.	186,465.	56,387.	186,465.
Total Assets	\$ 762,270.	\$ 458,535.	\$ 375,740.	\$ 375,740.	\$ 46,604.	\$ 74,514.	\$ 1,717,663.	\$ 1,203,595.	\$ 1,717,663.	\$ 1,203,595.

Liabilities	
Accounts Payable	\$ -
Guarantee & Bid Deposits	138,475.
Due To Other Funds	-
Total Liabilities	138,475.

Fund Balance	138,475.	-	-	-	-	-	138,475.
Restricted:							
Reserve for Repairs	-	87,618.	-	-	-	-	87,618.
Capital Reserve	-	3,105.	185,089.	-	-	-	188,194.
Reserve for Highway Projects	11,863.	-	-	-	-	-	11,863.
Assigned:							
Unappropriated	-	-	-	-	-	74,514.	74,514.
Appropriated For Subsequent Year's Expenditure	-	-	-	-	-	-	-
Unassigned:							
Unappropriated	611,932.	367,812.	190,651.	190,651.	46,604.	-	1,216,999.
Total Fund Balance	623,795.	458,535.	375,740.	375,740.	46,604.	74,514.	1,579,188.

Total Liabilities and Fund Balance	\$ 762,270.	\$ 458,535.	\$ 375,740.	\$ 375,740.	\$ 46,604.	\$ 74,514.	\$ 1,717,663.
See Notes to General Purpose Financial Statements.							\$ 1,176,814.

TOWN OF CHESTER, NEW YORK
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2020

	HIGHWAY		WATER		SEWER		REFUSE & GARBAGE		DRAINAGE		TOTALS	
	FUNDS		FUNDS	DISTRICT	FUNDS	DISTRICT	FUND	FUND	FUNDS		2020	2019
REVENUES												
Real Property Taxes	\$ 1,998,503.	\$	244,698.	\$	724,960.	\$	557,938.	\$	18,959.	\$	3,545,058.	\$ 3,494,419.
Non Property Tax Items	391,206.		-		-		-		-		391,206.	420,000.
Charges For Services	-		411,432.		18,186.		-		-		429,618.	393,046.
Interest & Penalties, Late Payments	-		8,329.		-		-		-		8,329.	11,603.
Fees & Permits	150.		-		-		-		-		150.	650.
Use of Money & Property	2,453.		643.		764.		555.		151.		4,566.	4,396.
Sale of Property & Compensation for Loss	31,968.		-		-		-		-		31,968.	353,049.
Miscellaneous	1,414.		262.		-		16.		-		1,692.	365.
Intergovernmental Charges	57,024.		-		-		-		-		57,024.	57,024.
Federal Aid	-		-		-		-		-		-	-
State Aid	94,314.		-		-		-		-		94,314.	117,900.
Total Revenues	2,577,032.		665,364.		743,910.		558,509.		19,110.		4,563,925.	4,852,452.
Interfund Transfers	-		-		-		-		-		-	-
Proceeds of Obligations	-		-		-		-		-		-	-
Total Revenues and Other Sources	2,572,032.		665,364.		743,910.		558,509.		19,110.		4,563,925.	4,852,452.
EXPENDITURES												
General Government Support	3,346.		747.		-		16.		-		4,109.	4,255.
Home & Community Services	-		415,497.		725,407.		556,140.		-		1,697,044.	1,871,514.
Transportation	1,788,021.		-		-		-		-		1,788,021.	2,170,331.
Employee Benefits	555,671.		100,575.		-		359.		-		656,605.	641,472.
Debt Service - Principal	-		12,466.		9,000.		-		-		21,466.	90,623.
Debt Service - Interest	9,834.		9,813.		1,440.		-		-		21,087.	18,425.
Total Expenditures	2,356,872.		539,098.		735,847.		556,515.		-		4,188,332.	4,796,620.
Interfund Transfers	-		-		-		-		-		-	-
Total Expenditures and Other Uses	2,356,872.		539,098.		735,847.		556,515.		-		4,188,332.	4,796,620.
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	220,160.		126,266.		8,063.		1,994.		19,110.		375,593.	55,832.
Fund Balance At Beginning of Year	403,635.		332,269.		367,677.		44,610.		55,404.		1,203,595.	1,147,763.
FUND BALANCE AT END OF YEAR	\$ 623,795.	\$	458,535.	\$	375,740.	\$	46,604.	\$	74,514.	\$	\$1,579,188.	\$ 1,203,595.

See Notes to General Purpose Financial Statements.

TOWN OF CHESTER, NEW YORK
HIGHWAY FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2020

	<u>HIGHWAY TOWN WIDE</u>	<u>HIGHWAY PART TOWN</u>	<u>TOTALS</u>	
			<u>2020</u>	<u>2019</u>
Assets				
Cash	\$ 168,845.	\$ 279,435.	\$ 448,280.	\$ 266,597.
Cash in Time Deposits	200,942.	100,985.	301,927.	-
Petty Cash	200.	-	200.	200.
Cash - Special Reserves	11,863.	-	11,863.	11,838.
State & Federal Aid Receivable	-	-	-	-
Due from Other Funds	-	-	-	125,000.
Total Assets	<u>\$ 381,850.</u>	<u>\$ 380,420.</u>	<u>\$ 762,270.</u>	<u>\$ 403,635.</u>
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Guarantee & Bid Deposits	-	138,475.	138,475.	-
Due To Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>138,475.</u>	<u>138,475.</u>	<u>-</u>
Fund Balance				
Restricted:				
Reserve for Encumbrances	-	-	-	-
Reserve for Highway Project	11,863.	-	11,863.	11,838.
Reserve for Highway Equipment	-	-	-	-
Assigned:				
Appropriated for Subsequent Year's Expenditures	-	-	-	100,000.
Unappropriated	369,987.	241,945.	611,932.	291,797.
Total Fund Balance	<u>381,850.</u>	<u>241,945.</u>	<u>623,795.</u>	<u>403,635.</u>
Total Liabilities and Fund Balance	<u>\$ 381,850.</u>	<u>\$ 380,420.</u>	<u>\$ 762,270.</u>	<u>\$ 403,635.</u>

See Notes to General Purpose Financial Statements.

TOWN OF CHESTER, NEW YORK
HIGHWAY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2020

	HIGHWAY	HIGHWAY	TOTALS	
	TOWN WIDE	PART TOWN	2020	2019
Revenues				
Real Property Taxes	\$1,117,039.	\$ 881,464.	\$1,998,503.	\$1,931,221.
Non Property Tax Items	-	391,206.	391,206.	420,001.
Departmental Income	-	-	-	-
Intergovernmental Charges	57,024.	-	57,024.	57,024.
Use of Money and Property	1,287.	1,166.	2,453.	2,201.
Permits	-	150.	150.	650.
Sale of Property & Compensation for Loss	31,200.	768.	31,968.	353,049.
Miscellaneous Local Sources	433.	981.5.	1,414.	-
Federal Aid	-	-	-	-
State Aid	-	94,314.	94,314.	117,900.
Total Revenues	<u>1,206,983.</u>	<u>1,370,049.</u>	<u>2,577,032.</u>	<u>2,882,411.</u>
Interfund Transfers	-	-	-	-
Total Revenues and Other Sources	<u>1,206,983.</u>	<u>1,370,049.</u>	<u>2,577,032.</u>	<u>2,882,411.</u>
Expenditures				
General Government Support	1,130.	2,216.	3,346.	3,410.
Transportation	785,210.	1,002,811.	1,788,021.	2,170,331.
Debt Service	9,834.	-	9,834.	-
Employee Benefits	263,337.	292,334.	555,671.	538,942.
Total Expenditures	<u>1,059,511.</u>	<u>1,297,361.</u>	<u>2,356,872.</u>	<u>2,712,683.</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures	147,472.	72,688.	220,160.	(310,836.)
Fund Balance at Beginning of Year	<u>234,378.</u>	<u>169,257.</u>	<u>403,635.</u>	<u>544,743.</u>
Fund Balance at End of Year	<u>\$ 381,850.</u>	<u>\$ 241,945.</u>	<u>\$ 623,795.</u>	<u>\$ 233,907.</u>

See Notes to General Purpose Financial Statements.

Philip G. Mynio
Certified Public Accountant
225 Dolson Avenue, Suite 204
Middletown, New York 10940
(845) 343-1868 Fax (845) 343-6616
mynlocpa@gmail.com

**Report on Internal Control over Financial Reporting
And on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Town Board and the Supervisor
Town of Chester, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Chester, New York (the Town), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated September 22, 2021.

Internal Control Over Financial Reporting

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

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

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

Town Board and the Supervisor
Town of Chester, New York

Compliance and Other Matters

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

Purpose of this Report

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

Philip G. Mynio CPA

Middletown, New York
September 22, 2021