

Town Supervisor
Lance Peterson
Town Board Members
Kenneth Knapp
Donna J. Patchen
James Kenney
Kathleen LaClair



Town of Clayton
405 Riverside Drive
Clayton, New York 13624
Telephone: (315) 686-3512
Fax: (315) 686-2651
www.townofclayton.com

Town Clerk
Megan Badour

TOWN BOARD WORKSHOP MEETING AGENDA

Wednesday, August 24, 2022 • 5:00pm • Depauville Free Library, Depauville

1. **Pledge of Allegiance**
2. **Town Clerk**
 - A. *Correspondence* that Needs Recording
 - B. *Minutes* from 08/10/2022 Meeting
3. **Public:** *Comment on Agenda Items*
4. **Guests:**
 - A. N/A
5. **Workshop Discussion Items:**
 - A. Public Hearing @5:15pm on Proposed Local Law 2 2022: Tax Cap Override
 - B. Step Increases +\$.50/hour Coughlin, Greenizen and Tucker
 - C. Single Audit 2021
 - D. Rescind Resolution 48 2022 for ARPA Tranche 2 Funds to CLDC for Grants
 - E. ARPA Tranche 2 Distribution
- F. **Executive Session: §105(f)** the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation
6. **Adjournment** **Next Meeting:** *Wednesday, September 14, 2022 @ 5:00pm Town Hall BUDGET WORKSHOP*



Megan Badour <townclerk@townofclayton.com>

Solarize Clayton: Clean Energy that Cuts Costs

1 message

Sarah Gyurina <sarahg@solstice.us>
To: Megan Bandour <townclerk@townofclayton.com>

Wed, Aug 17, 2022 at 3:36 PM

Hi Megan,

I hope you're doing well. My name is Sarah and I'm a Partnerships Associate at Solstice Community Solar.

I'm writing to introduce myself and my company, and propose running a Solarize campaign in Clayton. If you've considered renewable energy programs for the town in the past, you probably think it's easier said than done. Luckily, NYSEERDA's Clean Energy Communities grants allow municipalities to help their residents save money on their electricity bills with community solar, while earning points towards a grant up to \$150,000!

Solarize campaigns are a great way for municipalities and their residents looking to plug into the financial and environmental benefits of clean energy, without the upfront investment or financing needed to install their own panels. That's why it's the perfect option for folks who otherwise couldn't afford rooftop solar. At Solstice, we're proud to offer clean energy that's truly accessible to all.

If you're not familiar with community solar, here's how it works:

- A solar farm is already being built near you
- You can sign up your town's utility meters (like the Town Hall, court, or other municipal buildings) to receive the renewable energy credits produced by this solar farm. Those credits will show up on your utility bills, and you'll see cost savings month-to-month. No need to install solar on-site!
- Solstice can help outreach to the residents of Clayton so they can also join this solar farm, save 10% every month on their electricity bills
- For every resident signed up, Solstice gives \$100 to the resident and \$100 to the town's fund of choice

If you've already been considering community solar or have been soliciting contractors, I'd be happy to fill out an RFP. In the meantime, I would love to set up some time to speak with you about this opportunity. Do you have some time to connect this week or next?

I hope to hear from you soon!
Sarah

P.S. If you're still a little confused about community solar, the State of New York has put together a helpful video to explain it.



Sarah Gyurina
Partnerships Associate Solstice

sarahg@solstice.us
+1-312-376-3478



Visit Our Blog

About Solstice:

Solstice is dedicated to bringing affordable solar power to the 80% of Americans who cannot install a rooftop system. Community solar offers a solution, enabling residents to support local clean energy at no upfront cost and save money on their electric bill every year. Solstice enrolls households and community organizations in shared solar farms, creates financing innovations that expand access to underserved Americans (the EnergyScore), and provides frictionless subscriber management software for community solar projects. Solstice has partnered with Techstars Ventures, Obvious Ventures, the Dept. of Energy, and Echoing Green, and has been featured by TEDWomen, the Sierra Club, the White House, Forbes, Fast Company, Marie Claire, Elle, and Greentech Media.



Megan Badour <townclerk@townofclayton.com>

Fwd: 6 NYCRR Subpart 368-3 Regulations– Electronic Waste Collection, Recycling and Reuse

1 message

Alicia M. Dewey <amdewey@townofclayton.com>
 To: Megan Badour <townclerk@townofclayton.com>

Wed, Aug 17, 2022 at 8:23 AM

For correspondence.

Alicia M. Dewey, SHRM-SCP, CPHR
 Budget Officer
 Town of Clayton
 405 Riverside Drive Clayton, NY 13624
 T: 315-686-6007 F: 315-686-2651



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----- Forwarded message -----

From: **dec.sm.ewaste** <ewaste@dec.ny.gov>
 Date: Tue, Aug 16, 2022 at 2:12 PM
 Subject: 6 NYCRR Subpart 368-3 Regulations– Electronic Waste Collection, Recycling and Reuse
 To: dec.sm.ewaste <ewaste@dec.ny.gov>
 Cc: dec.sm.ewaste <ewaste@dec.ny.gov>

Dear NYS Registered Electronic Waste Collection Site:

This e-mail is to notify you that the NYS Department of Environmental Conservation's guidance webpages for regulated entities under the Electronic Equipment Recycling and Reuse Act (Act) have been updated to reflect provisions in the recently adopted 6 NYCRR Subpart 368-3 Regulations– Electronic Waste Collection, Recycling and Reuse. The following provisions of the regulations are of significant importance to electronic waste collection sites:

- **Choosing to become an electronic waste acceptance "program partner"** – A manufacturer or collective electronic waste acceptance program may only operate through program partners. Program partners are the registered collection sites, consolidation facilities, recycling facilities or collectors who accept electronic waste as part of a manufacturer's and/or collective's electronic waste acceptance program. A collection site is not required to become a program partner, however, if it does become a program partner, **the collection site should expect to have its costs for acceptance of electronic waste covered by the manufacturer or**

collective acceptance program(s) in which it participates. There are additional requirements for non-program partner collection sites detailed on the Department's guidance page for electronic waste collection sites.

- **Acceptance at no charge to other program partners** – A program partner is prohibited from charging any other program partner for costs associated with acceptance of electronic waste that is part of a manufacturer or collective acceptance program, including, but not limited to, costs for, or related to, collection, handling or transportation. Program partner recycling and consolidation facilities **may not charge collection sites** for services provided as part of an electronic waste acceptance program.
- **Acceptance at no charge to consumers** - A program partner collection site **may not charge consumers** for the acceptance of electronic waste, except from business consumers or for providing a premium service.
- **Accept all types of electronic waste** – A program partner collection site must accept all electronic waste in accordance with the acceptance program(s) it is operating on behalf of.

Please review the updated guidance page for electronic waste collection sites for a summary of requirements under the Act and supporting regulations, as the above list is not comprehensive. Collection sites are expected to be in compliance with the regulations by **January 1, 2023**. If you have any questions or concerns, Department staff are available to help.

Regards,

The E-waste Recycling Team

Product Stewardship & Waste Reduction Section

Division of Materials Management

New York State Department of Environmental Conservation

625 Broadway, Albany, NY 12233-7253

P: (518) 402-8706 | F: (518) 402-9024 | ewaste@dec.ny.gov

www.dec.ny.gov |  |  | 



Department of
Environmental
Conservation



State of New York Department of Health
Watertown District Office
317 Washington Street
Watertown, NY 13601-
(315) 785-2277
wado@health.state.ny.us

Campground Inspection Summary Report

Operation: CEROW RECREATION PARK (ID: 361478)
Facility Name: CEROW RECREATION PARK
Facility Code: 22-0677 Facility Email: support@townofclayton.com
Facility Address: 600 East Line Road, Clayton, NY 13624

To the Attention of:

Lance Peterson, Sr.
Town of Clayton
405 Riverside Drive
Clayton, NY 13624
Email: support@townofclayton.com

Inspection

Date: August 16, 2022 01:26 PM
Inspector: Logan Drake (logan.drake@health.ny.gov)
Responsible Person: James Jones
Additional Email(s): jejones@townofclayton.com

Summary

Number of Public Health Hazards Found:	0
Number of Public Health Hazards NOT Corrected:	0
Number of Other Violations Found:	0

Each item found in violation is reported below along with the code requirement.

NO PUBLIC HEALTH HAZARDS REPORTED

NO NON-PUBLIC HEALTH HAZARDS REPORTED

Additional Information Collected During Inspection

Comments: No tents on site. Bathrooms in the rec center are used when camping on site.



Inspector: Logan Drake (logan.drake@health.ny.gov)



Received by: James Jones

State of New York Department of Health
Watertown District Office
317 Washington Street
Watertown, NY 13601-
(315) 785-2277
wado@health.state.ny.us

Food Service Establishment Inspection Summary Report

Operation: CLAYTON RECREATION ARENA CONCESSION STAND (ID: 363753)
Facility Name: CLAYTON RECREATION ARENA CONCESSION
Facility Code: 22-AH52 Facility Email: Ideluke13@gmail.com
Facility Address: 615 East Line Road, Clayton, NY 13624

To the Attention of:

Scott Johnson
Thousand Islands Youth Hockey Association
141 Mary Street
Clayton, NY 13624
Email: 1johnson@twcny.rr.com

Inspection

Date: August 16, 2022 01:23 PM
Inspector: Logan Drake (logan.drake@health.ny.gov)
Responsible Person: James Jones
Additional Email(s): jejones@townofclayton.com; support@townofclayton.com

Summary

Number of Public Health Hazards Found:	0
Number of Public Health Hazards NOT Corrected:	0
Number of Other Violations Found:	0

Each item found in violation is reported below along with the code requirement.

NO CRITICAL VIOLATIONS REPORTED

NO ADDITIONAL VIOLATIONS REPORTED

Additional Information Collected During Inspection

Comments: Kitchen not being used this week, but is used weekly during the Summer months and daily in the winter.
Facility is clean, no potentially hazardous foods on site.



Inspector: Logan Drake (logan.drake@health.ny.gov)



Received by: James Jones



Alice J. Kim
Director, Government Affairs

August 15, 2022

Re: Charter Communications – Upcoming Change

Dear Municipal Official:

Spectrum Northeast, LLC (“Spectrum”), locally known as Spectrum, has become aware that effective August 1, 2022, Black News Channel located on Spectrum channel 232 or 176 has rebranded to theGrio on the channel lineup serving your community.

To view a current Spectrum channel lineup visit www.spectrum.com/channels.

If you have any questions about this change, please feel free to contact me at 315-634-6170 or via email at Alice.Kim@charter.com.

Sincerely,

A handwritten signature in black ink that reads "Alice J. Kim".

Alice J. Kim
Director, Government Affairs
Charter Communications

Town of Clayton Regular Meeting Minutes

Wednesday, August 10, 2022

The Town Board of the Town of Clayton held their regular meeting at 5:00 PM, at the Town Hall located at 405 Riverside Dr., Clayton, NY.

The following persons attended:

Lance Peterson	Kenneth Knapp	Megan Badour	Donna Patchen
Kathleen LaClair	James Kenney	Pamela McDowell	Steve Dorr, Sr.
Deborah Hunter			

1. Pledge of Allegiance

2. Guests:

Deborah Hunter:

Ms. Hunter presented on the current Capital Project for the Hawn Memorial Library. The library is in need of new windows and a roof on the 2006 addition along with soffit, fascia and gutters. The proposed cost of the project is \$60,000.00 A train theme will be used to report progress.

3. Town Clerk:

Correspondence:

1. July Dog Report (see attached)
2. Proposed Thousand Islands Event Center (see attached)
3. 2023 Annual Meeting and Training School (see attached)
4. Watercraft Inspection Steward Program Report (see attached)

Minutes from 7/27/2022 Workshop Meeting to be approved. Motion made by Donna Patchen, seconded by Kathleen LaClair. **Motion carried.**

4. Public: N/A

5. General Discussion Items:

A. Bills and Transfers:

i. Abstract #8 of 2022

Motion was made by Kenneth Knapp, seconded by Donna Patchen, to approve Abstract #7, in the amount of \$515,235.33. **Motion carried.**

ii. Transfers: N/A

iii. Budget Amendment:

Motion was made by James Kenney, seconded by Kenneth Knapp to approve amendments in the amount of \$78,000.00 and \$109,214.49 moving funds from the reserve to the general highway cash.

iv. New Accounts/Special Entries: N/A

B. Supervisor's Report & Bank Reconciliations:

Motion was made by Kenneth Knapp, seconded by James Kenney to approve this for July 2022. **Motion carried.**

C. Balance Sheets: July 2022

D. Resignations and Appointments:

i. Resignations:

Motion was made to regretfully accept the resignation of Kimberli Johnston, Sole Appointed Assessor by Kathleen LaClair, seconded by Kenneth Knapp. **Motion carried.**

ii. Positions/Appointments: N/A

E. Rate Changes: N/A

F. Training:

Motion was made to accept application for Doug Rogers, Planning Board Chairman, to attend the AOT Training Workshop on October 6, 2022 with a registration fee of \$90.00, by Donna Patchen, seconded by Kathleen LaClair. **Motion carried.**

G. Village Water Main and Intake Replacement Project SEQR Lead Agency Request:

Motion to approve the Village of Clayton as the lead agency by Kenneth Knapp, seconded by James Kenney. **Motion carried.**

H. Authorize Fuel Bids 2022-2023:

Motion to approve request for bids by Kathleen LaClair, seconded by Kenneth Knapp.

Motion carried.

I. Tax Cap Override:

Introduce Tax Cap Override, Local Law #2 of 2022 made by Kenneth Knapp, seconded by Kathleen LaClair. **Motion carried.** Following this the public hearing was set for August 24, at 5:15 pm, at the Depauville Library. Motion made by Donna Patchen, seconded by James Kenney.

Motion carried.

J. Reminder: August 24, 2022 Town Board Meeting will be held at the Depauville Library @ 5:00 pm.

K. Depauville Library Water Filtration System:

Motion by Kenneth Knapp, seconded by James Kenney to approve quote in the amount of \$3,514.26 from P and T Supply Services to install a water filtration system at the library.

Motion carried.

6. Supervisor's Report: Meeting for the CLDC and Youth Commission are forth coming. Awaiting report from the Antique Boat Museum on the success of their event this past weekend.

7. Department Head Reports:

A. Highway Superintendent: Steve Dorr- Crew was able to complete the saturation of calcium on the roads on Grindstone. At this time, work is being completed on Bald Rock Road. Currently working on crushing gravel as well. New loader is working fine and truck was repaired and returned from Beam Mack.

B. Buildings & Grounds: James Jones- (see attached)

C. Assessor: Kimberli Johnston- (see attached)

D. Codes/Zoning: Richard Ingerson- (see attached)

8. Council Reports

- Councilwoman LaClair: No reports.
- Councilwoman Patchen: Multiple events at the arena have taken place such as Wrestling Duels and Catholic Dinner with success. Fencing installed at the Grindstone Cemetery site is at about 90% completion. No concern with the pool or docks at this time.
- Councilman Knapp: Libraries are looking at fundraisers and continuing with tutoring in Depauville.

- Councilman Kenney: No reports.

9. Public: N/A

10. Adjournment:

Motion was made by Kenneth Knapp, seconded by Kathleen LaClair to enter Executive Session at 5:40 PM.

Motion carried.

Motion was made by Kenneth Knapp, seconded by Donna Patchen to close Executive Session at 5:59PM.

Motion carried.

Adjournment:

Motion was made by Kathleen LaClair, seconded by James Kenney to adjourn at 5:59 PM. **Motion carried.**

Next Meeting: Wednesday, August 24, 2022 at 5:00PM.

LOCAL LAW FILING

(Use this form to file a local law with the Secretary of State)

Text of law should be given as amended. Do not include matter being eliminated and do not use italics or underlining to indicate new matter.

Town of Clayton
Local Law No. 2 of the year 2022

A local law to override the tax levy limit established in General Municipal Law §3-c.

Be it enacted by the Town Board of the Town of Clayton as follows:

Section 1. Legislative Intent. It is the intent of this local law to permit the Town of Clayton to adopt a budget for the fiscal year commencing January 1, 2023 that requires a real property tax levy in excess of the “tax levy limit” as defined by General Municipal Law § 3-c.

Section 2. Authority. This local law is adopted pursuant to subdivision 5 of General Municipal Law §3-c, which expressly authorizes a local government’s governing body to override the property tax cap for the coming fiscal year by the adoption of a local law approved by a vote of sixty percent (60%) of said governing body.

Section 3. Tax Levy Limit Override. The Town Board of the Town of Clayton, County of Jefferson, is hereby authorized to adopt a budget for the fiscal year commencing January 1, 2023 that requires a real property tax levy in excess of the amount otherwise prescribed in General Municipal Law §3-c.

Section 4. Severability. If a court determines that any clause, sentence, paragraph, subdivision, or part of this local law or the application thereof to any person, firm or corporation, or circumstance is invalid or unconstitutional, the court’s order or judgment shall not affect, impair, or invalidate the remainder of this local law, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, or part of this local law or in its application to the person, individual, firm or corporation or circumstance, directly involved in the controversy in which such judgment or order shall be rendered.

Section 5. Effective date. This local law shall take effect immediately upon filing with the Secretary of State.

(If additional space is needed, attach pages the same size as this sheet, and number each.)

(Complete the certification in the paragraph that applies to the filing of this local law and strike out that which is not applicable.)

1. (Final adoption by local legislative body only.) I hereby certify that the local law annexed hereto, designated as local law No ____ of 2022 of the Town of Clayton was passed by the Town Board on August ____, 2022, in accordance with the applicable provisions of law.

2. (Passage by local legislative body with approval, no disapproval or repassage after disapproval by the Elective

Chief Executive Officer*.)

I hereby certify that the local law annexed hereto, designated as local law No. of 20 ____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved)

(Name of Legislative Body)

(repassed after disapproval) by the _____ and was deemed duly adopted

(Elective Chief Executive Officer)*

on _____ 20____, in accordance with the applicable provisions of law.

3. (Final adoption by referendum.)

I hereby certify that the local law annexed hereto, designated as local law No. of 20 ____ of the (County)(City)(Town)(Village) of _____ was duly passed by the _____ on _____ 20____, and was (approved)(not approved)

(Name of Legislative Body)

(repassed after disapproval) by the _____ on _____ 20____

(Elective Chief Executive Officer)*

Such local law was submitted to the people by reason of a (mandatory)(permissive) referendum, and received the affirmative vote of a majority of the qualified electors voting thereon at the (general)(special)(annual) election held on 20____, in accordance with the applicable provisions of law.

4. (Subject to permissive referendum and final adoption because no valid petition was filed requesting referendum.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the of the (County)(City)(Town)(Village) of _____ was duly passed by _____ on _____ 20____, and was (approved)(not approved)

(Name of Legislative Body)

(repassed after disapproval) by the _____ on _____ 20____. Such local

(Elective Chief Executive Officer)

law was subject to permissive referendum and no valid petition requesting such referendum was filed as of _____

20____, in accordance with the applicable provisions of law.

Elective Chief Executive Officer means or includes the chief executive officer of a county elected on a county-wide basis or, if there be none, the chairperson of the county legislative body, the mayor of a city or village, or the supervisor of a town where such officer is vested with the power to approve or veto local laws or ordinances.

5. (City local law concerning Charter revision proposed by petition.)

I hereby certify that the local law annexed hereto, designated as local law No. ____ of 20____ of the City of _____ having been submitted to referendum pursuant to the provisions of section (36)(37) of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of such city voting thereon at the (special)(general)election held on _____ 20____, became operative.

6. (County local law concerning adoption of Charter.)

I hereby certify that the local law annexed hereto, designated as local law No. _____ of 20____ of the County of _____ State of New York, having been submitted to the electors at the General Election of November ____, 20____, pursuant to subdivisions 5 and 7 of section 33 of the Municipal Home Rule Law, and having received the affirmative vote of a majority of the qualified electors of the cities of said county as a unit and a majority of the qualified electors of the town of said county considered as a unit voting at said general election, became operative.

(If any other authorized form of final adoption has been followed, please provide an appropriate certification.)

I further certify that I have compared the preceding local law with the original on file in this office and that the same is a correct transcript therefrom and of the whole of such original local law, and was finally adopted in the manner indicated in paragraph 1 above.

Megan Badour, Town Clerk, of the Town of Clayton

(seal)

Date: August ____, 2022

(Certification to be executed by County Attorney, Corporation Counsel, Town Attorney, Village Attorney or other authorized attorney of locality.)

I, the undersigned, hereby certify that the foregoing local law contains the correct text and that all proper proceedings have been had or taken for the enactment of the local law annexed hereto.

Signature

Joseph W. Russell, Town Attorney

Town of Clayton

Date: August ____, 2022

Town of Clayton

**Financial Statements &
Supplementary Information**

Year Ended December 31, 2021

**Town of Clayton
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December 31, 2021**

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STACKEL & NAVARRA, C.P.A., P.C.
CERTIFIED PUBLIC ACCOUNTANTS

COMMUNITY BANK BUILDING – 216 WASHINGTON STREET
WATERTOWN, NEW YORK 13601-3336
TELEPHONE 315/782-1220
FAX 315/782-0118

Robert F. Stackel, C.P.A.
Jacob Navarra, C.P.A.
Mark B. Hills, C.P.A.

Independent Auditors' Report

To the Board of Trustees
Town of Clayton
Clayton, New York

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Clayton as of December 31, 2021 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.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Clayton and to meet our 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 Clayton's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently

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known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 Clayton'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 Clayton'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, schedule of contributions to the NYSERS pension plan, schedule of Town's proportionate share of the net pension liability of the NYSERS pension plan, and budgetary comparison information on pages 4-10, 35 and 36-37 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

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CERTIFIED PUBLIC ACCOUNTANTS

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 Clayton's basic financial statements. The accompanying schedules of combining balance sheet – special revenue funds, combining statement of revenues, expenditures, and changes in fund balance – special revenue funds, net investment in capital assets, and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedules of combining balance sheets – special revenue funds, combining statement of revenue, expenditures, and changes in fund balance – special revenue funds, net investment in capital assets, and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2022 on our consideration of the Town of Clayton'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 Clayton's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Clayton's internal control over financial reporting and compliance.

Stackel & Navarra, CPA, PC

Watertown, NY
July 27, 2022

**Town of Clayton
Management's Discussion and Analysis
December 31, 2021**

The Town of Clayton offers this discussion and analysis for the fiscal year ending December 31, 2021. Please read along with the Town's financial statements including the notes to the financial statements.

Financial Highlights

Total assets of the Town exceeded total liabilities by \$19,133,055.

For the year, total revenues for the Town were \$7,716,527, while total expenses were \$4,767,000. The net of the revenues and expenses leaves the Town with a net increase of \$2,949,527.

At the end of the year, total unassigned fund balance for the general fund was \$2,214,846. The unassigned fund balance for the general fund at December 31, 2021 represents 75.6% of the total general fund expenditures (including transfers out) for the year.

Total outstanding indebtedness for the Town at the end of the year was \$7,232,902.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as a commentary to the financial statements for the Town of Clayton. The financial statements are comprised of the following three sections: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also contains other information in addition to the financial statements, such as budgetary comparisons.

Government-wide financial statements – the government wide financial statements are intended to provide the reader with a broad overview of the financial condition of the Town that closely matches the reporting format of most private-sector companies. In future years, the Statement of Net Position will provide comparisons that will most closely answer the question of whether the Town's financial condition has improved or deteriorated during the year.

The statement of net position provides the reader with a snapshot in time of the assets, liabilities and resulting net position (or equity as stated with private sector reporting) of the Town. Over time, increases or decreases in the net position of the Town may provide an indicator of the trend in the Town's financial condition. Other forward-looking indicators include, but are not limited to: changes in total property tax base, employment trends in the Town and outlying areas, and condition of the Town's capital assets; (buildings, equipment and infrastructure).

The statement of activities provides the reader of the sources of revenue for the Town, the sources of expenses and the net balance between the two, which directly impacts the resulting net position at year-end. Reporting of revenues and expenses are recognized when measureable and available. The Town considers all revenue reported in the government funds to be available if revenue is collected within 90 days after the end of the fiscal year.

Town of Clayton
Management's Discussion and Analysis
December 31, 2021

The government-wide financial statements for the Town are limited to governmental activities of the Town primarily supported by taxes, non-property taxes and departmental revenues. The governmental activities include: general government, public safety (ambulance and fire protection), transportation, road construction and maintenance, economic development, sewer districts and culture and recreation.

The government-wide financial statements can be found on the pages immediately following this section as the first two pages of the Basic Financial Statements.

Fund Financial Statements -a fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Clayton, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Clayton are considered to be governmental funds.

- 1) **Governmental Funds:** Most of the Town's basic services are reported in governmental funds, which focus on near term inflows and outflows of spendable resources as well as on the balance of spendable resources available at the end of the year. Spendable resources are measured using the modified accrual method of accounting. Under this method, resources are considered available if they can be readily converted to cash, generally in 90 days or less. Reviewing governmental funds may be useful in assessing the Town's near-term financing requirements.

The main difference between governmental funds and the government-wide financial statements is, respectively, short-term view versus long-term view; it is useful to compare the information presented in both. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions.

The Town of Clayton maintains three governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in the fund balances for the general fund, special revenue fund, and capital projects fund, all of which are considered to be major funds. The special revenue fund aggregates data from the other subsidiary funds into a single major fund. Individual fund data for each of these subsidiary governmental funds is provided in the form of combining statements elsewhere in this report.

The financial statements for the governmental funds can be found in the Basic Financial Statements, which is the following section.

Notes to financial statements – The notes to the financial statements provide additional information that the reader of this report may require to fully understand all aspects of this report. The notes to the financial statements can be found following the Basic Financial Statements section of this report.

**Town of Clayton
Management's Discussion and Analysis
December 31, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – Net position may serve as a useful indicator of a government's financial position over time. For the year ending December 31, 2021, the Town's assets exceeded liabilities by \$19,133,055.

The majority of the Town's net position is capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire that asset that is still outstanding. The Town uses these assets to provide services to citizens (e.g. sewer, recreational facilities, roads, etc.). Since these assets are not liquid and not intended to be sold, they 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.

**Town of Clayton
Governmental Activities 2021**

Current Assets	\$ 5,644,672
Noncurrent Assets	<u>20,903,249</u>
Total Assets	\$ <u>26,547,921</u>
Pensions	\$ 909,332
Total Deferred Outflows	\$ <u>909,332</u>
Current Liabilities	\$ 1,816,890
Noncurrent Liabilities	<u>5,597,976</u>
Total Liabilities	\$ <u>7,414,866</u>
Pensions	\$ 1,158,106
Total Deferred Inflows	\$ <u>1,158,106</u>
Net Position:	
Invested in capital assets, net of related debt	\$ 13,670,347
Unrestricted	<u>5,213,934</u>
Total Net Position	\$ <u>18,884,281</u>
Total Liabilities, Deferred Inflows and Net Position	\$ <u>27,457,253</u>

**Town of Clayton
Management's Discussion and Analysis
December 31, 2021**

Total net position of the Town's governmental activities for the year ending December 31, 2021 was \$18,884,281. The majority of net position, \$13,670,347 or 72.39% is related to capital assets (net of related debt).

The remaining category of total net position, unrestricted net position may be used to meet the government's ongoing obligations and services to creditors and citizens, especially in the future.

The change in net position during the most recent fiscal year is reported in the Statement of Activities found on page 12. Key elements of this change are illustrated in the following table.

**Town of Clayton
Changes in Net Position
Governmental Activities 2021**

Revenues	
Program Revenues:	
Charges for services	\$ 851,157
Capital grants	1,557,990
General Revenues:	
Real property taxes and tax items	\$ 1,955,932
Non-property taxes	2,266,249
Government aid	768,364
Other	<u>316,835</u>
Total Revenues	<u>\$ 7,716,527</u>
Expenses	
General government support	\$ 806,745
Public safety	57,131
Public health	609,109
Transportation	1,017,125
Economic assistance & opportunity	301,254
Culture & recreation	771,576
Home & community services	294,188
Debt service: interest	64,584
Depreciation - unallocated	<u>845,288</u>
Total Expenses	<u>\$ 4,767,000</u>
Excess of Revenues over Expenses	\$ 2,949,527
Net Position - beginning	<u>15,934,754</u>
Net Position - ending	<u>\$ 18,884,281</u>

Town of Clayton
Management's Discussion and Analysis
December 31, 2021

The Town's total revenues for the year were \$7,716,527 versus total expenses of \$4,767,000. For the year, the Town's net position increased by \$2,949,527, or 18.5%, to bring total net position of the primary government of the Town to \$18,884,281.

The main source of revenues for the year was real property taxes and non-property tax items. These revenue sources comprised 54.2% of the total revenues.

On the expense side, transportation services made up the majority of the cost of the governmental activities. Costs associated with transportation services were \$1,017,125 or 21.3% of the total.

The Town's Funds

Governmental Funds

General Fund – The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance was \$2,214,846 and the total fund equity was \$2,542,556. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to fund expenditures. For the current year ending December 31, 2021, unassigned fund balances represent 75.6% of the total general fund expenditures (including transfers out), while total fund balance was 86.8% of the same amount. The total fund balance of the Town's General Fund increased \$335,761 or 15.2% during the current fiscal year.

Capital Projects Fund - The Capital Projects Fund accounts for the construction and reconstruction of general public improvements and major assets purchases. At current fiscal year end, the fund balance showed a deficit balance of \$784,099.

Special Revenue Fund – The Special Revenue Fund for the Town is made up of the following individual funds: general town, special grant, ambulance, highway town-wide, highway part-town, lighting, and sewer. At the end of the current fiscal year the special revenue fund balance was \$2,412,887. Components of December 31, 2021 fund balance are as follows:

**Town of Clayton
Management's Discussion and Analysis
December 31, 2021**

Assigned - Appropriated:	
Highway town-wide	\$ 144,408
	<u> </u>
Total Assigned - Appropriated	<u>\$ 144,408</u>
Unappropriated:	
General town	\$ 251,847
Special grant	4,329
Ambulance	133,804
Highway town-wide	1,187,566
Highway part-town	555,892
Street lighting	17,365
Sewer	<u>117,676</u>
Total Unappropriated	<u>\$ 2,268,479</u>

Budgetary Highlights

New York State Town Laws requires the Town Clerk to submit a tentative budget to the Town Board. The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year. The Town Board reviews the budget and makes amendments as considered necessary.

A summary of the proposed budget, a notice of when and where the budget is available for public inspection, and the time and place of a public hearing on the proposed budget is published in the local newspaper. A public hearing is held on the proposed budget.

Final revisions to the proposed budget are done after the public hearing.

Capital Assets and Debt Administration

Capital Assets

In accordance with GASB 34, the Town has recorded depreciation expense associated with all of its capital assets. The Town's investment in capital assets for its governmental activities as of December 31, 2021 amounted to \$20,903,249 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery and equipment, infrastructure, and construction in progress.

**Town of Clayton
Management's Discussion and Analysis
December 31, 2021**

Land	\$ 461,074
Buildings and improvements	29,172,954
Machinery & Equipment	2,838,727
Infrastructure	<u>7,162,058</u>
 Total Assets	 39,634,813
 Less: Accumulated Depreciation	 <u>18,731,564</u>
 Net Capital Assets	 <u>\$ 20,903,249</u>

Long-term Debt

For the year, total long-term debt increased (net) by \$2,236,550 due to additional debt received for capital project purposes, less payments made on long-term debt during the current year.

Serial bonds	<u>\$ 5,917,902</u>
Total Long-Term Debt	<u>\$ 5,917,902</u>

Capital Project

A) In a prior year the Town began construction on improvements to its arena for a projected \$4,099,000, to be funded as follows:

- 1) U.S. Department of Rural Development loan of \$2,734,000;
- 2) U.S. Department of Rural Development grant of \$200,000;
- 3) NYS ESD grant of \$665,000; and
- 4) NYSEPF grant of \$500,000.

During the current year the Town expended \$1,107,990 on the project.

More detailed information on the Town's capital assets and long-term debt activity is provided in the notes to the financial statements.

Request for Information

This financial report is designed to provide an overview of the Town's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Town of Clayton
405 Riverside Drive
Clayton, NY 13624

Town of Clayton
Statement of Net Position - Governmental Activities
December 31, 2021

Assets

Current Assets

Cash - unrestricted	\$ 5,497,093
State and federal aid receivable	147,559
Prepaid expenses	20
Capital assets (net)	<u>20,903,249</u>
Total Assets	<u>26,547,921</u>

Deferred Outflows of Resources

Pensions	<u>909,332</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 27,457,253</u>

Liabilities

Payables

Accrued interest	\$ 19,752
Unearned credits	158,328

Long-term liabilities

Due and payable within one year	
Bond anticipation notes payable	1,315,000
Bonds	323,810
Due and payable after one year	
Bonds	5,594,092
Net pension liability - proportionate share	<u>3,884</u>

Total Liabilities	<u>\$ 7,414,866</u>
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Deferred Inflows of Resources

Pensions	<u>\$ 1,158,106</u>
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Net Position

Invested in capital assets, net of related debt	\$ 13,670,347
Unrestricted	<u>5,213,934</u>
Total Net Position	<u>\$ 18,884,281</u>

Town of Clayton
Statement of Activities and Changes in Net Position
Governmental Activities
December 31, 2021

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Capital Grants	Revenue and Changes in Net Position
Functions/Programs				
General government support	\$ 806,745	\$ 2,772	\$ -	\$ (803,973)
Public safety	57,131	-	-	(57,131)
Public health	609,109	-	-	(609,109)
Transportation	1,017,125	427,958	-	(589,167)
Economic assistance and opportunity	301,254	-	-	(301,254)
Culture and recreation	771,576	225,149	-	(546,427)
Home and community services	294,188	195,278	1,557,990	1,459,080
Interest on debt	64,584	-	-	(64,584)
Depreciation - unallocated	845,288	-	-	(845,288)
	<u>\$ 4,767,000</u>	<u>\$ 851,157</u>	<u>\$ 1,557,990</u>	<u>(2,357,853)</u>
General Revenues				
Real property taxes and tax items				1,955,932
Nonproperty tax items				2,266,249
Use of money and property				5,284
Licenses and permits				68,078
Fines and forfeitures				56,120
Miscellaneous local sources				187,353
State aid				620,364
Federal aid				148,000
				<u>5,307,380</u>
				2,949,527
				<u>15,934,754</u>
				<u>\$ 18,884,281</u>

See notes to financial statements.

Town of Clayton
Balance Sheet - Governmental Funds
December 31, 2021

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Assets				
Cash				
Unrestricted	\$ 2,468,383	\$ 2,422,887	\$ 605,823	\$ 5,497,093
Receivables				
State and federal aid receivable	147,559	-	-	147,559
Due from other funds	74,922	-	-	74,922
Prepaid expenses	<u>20</u>	<u>-</u>	<u>-</u>	<u>20</u>
Total Assets	<u>\$ 2,690,884</u>	<u>\$ 2,422,887</u>	<u>\$ 605,823</u>	<u>\$ 5,719,594</u>
Liabilities				
Due to other funds	\$ -	\$ -	\$ 74,922	\$ 74,922
Bond anticipation notes payable	-	-	1,315,000	1,315,000
Unearned credits				
Unearned revenues	<u>148,328</u>	<u>10,000</u>	<u>-</u>	<u>158,328</u>
Total Liabilities	<u>148,328</u>	<u>10,000</u>	<u>1,389,922</u>	<u>1,548,250</u>
Fund Balances				
Nonspendable	20	-	-	20
Assigned - Appropriated	327,690	144,408	-	472,098
Unassigned	<u>2,214,846</u>	<u>2,268,479</u>	<u>(784,099)</u>	<u>3,699,226</u>
Total Fund Balances	<u>2,542,556</u>	<u>2,412,887</u>	<u>(784,099)</u>	<u>4,171,344</u>
Total Liabilities and Fund Balances	<u>\$ 2,690,884</u>	<u>\$ 2,422,887</u>	<u>\$ 605,823</u>	<u>\$ 5,719,594</u>

Town of Clayton
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2021

	Total Governmental Funds	Assets, Liabilities	Reclassification and Eliminations	Statement of Net Position Totals
Assets				
Cash				
Unrestricted	\$ 5,497,093	\$ -	\$ -	\$ 5,497,093
Receivables				
State and federal aid receivable	147,559	-	-	147,559
Due from other funds	74,922	-	(74,922)	-
Prepaid expenses	20	-	-	20
Land, buildings and equipment (net)	-	20,903,249	-	20,903,249
Total Assets	<u>5,719,594</u>	<u>20,903,249</u>	<u>(74,922)</u>	<u>26,547,921</u>
Deferred Outflow of Resources				
Pensions	-	909,332	-	909,332
Total Deferred Outflow of Resources	<u>-</u>	<u>909,332</u>	<u>-</u>	<u>909,332</u>
Total Assets and Deferred Outflow of Resource:	<u>\$ 5,719,594</u>	<u>\$ 21,812,581</u>	<u>\$ (74,922)</u>	<u>\$ 27,457,253</u>
Liabilities				
Accrued interest	\$ -	\$ 19,752	\$ -	\$ 19,752
Due to other funds	74,922	-	(74,922)	-
Unearned credits	158,328	-	-	158,328
Bond anticipation notes payable	1,315,000	-	-	1,315,000
Bonds payable, net	-	5,917,902	-	5,917,902
Net pension liability - proportionate share	-	3,884	-	3,884
Total Liabilities	<u>1,548,250</u>	<u>5,941,538</u>	<u>(74,922)</u>	<u>7,414,866</u>
Deferred Inflow of Resources				
Pensions	-	1,158,106	-	1,158,106
Total Deferred Inflow of Resources	<u>-</u>	<u>1,158,106</u>	<u>-</u>	<u>1,158,106</u>
Fund Balance/Net Position				
Total Fund Balance/Net Position	<u>4,171,344</u>	<u>14,712,937</u>	<u>-</u>	<u>18,884,281</u>
Total Liabilities and Fund Balance/Net Position	<u>\$ 5,719,594</u>	<u>\$ 21,812,581</u>	<u>\$ (74,922)</u>	<u>\$ 27,457,253</u>

Town of Clayton
Statement of Revenues, Expenditures
and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2021

	General	Special Revenue	Capital Projects	Total Governmental Funds
Revenues				
Real property taxes and tax items	\$ 992,554	\$ 963,378	\$ -	\$ 1,955,932
Non-property tax items	1,258,772	1,007,477	-	2,266,249
General government	2,772	-	-	2,772
Transportation	-	427,958	-	427,958
Culture and recreation	225,149	-	-	225,149
Home and community services	181,278	14,000	-	195,278
Use of money and property	5,122	162	-	5,284
Licenses and permits	68,078	-	-	68,078
Fines and forfeitures	56,120	-	-	56,120
Miscellaneous	80,205	107,148	-	187,353
State aid	209,863	410,501	450,000	1,070,364
Federal aid	148,000	-	1,107,990	1,255,990
Total Revenues	<u>3,227,913</u>	<u>2,930,624</u>	<u>1,557,990</u>	<u>7,716,527</u>
Expenditures				
General government support	620,004	260	-	620,264
Public safety	42,387	-	-	42,387
Public health	9,555	599,554	-	609,109
Transportation	54,876	1,334,637	-	1,389,513
Economic assistance and opportunity	286,254	15,000	-	301,254
Culture and recreation	669,106	53,803	-	722,909
Home and community services	183,153	156,242	-	339,395
Employee benefits	422,305	242,059	-	664,364
Debt service: principal	372,000	125,450	-	497,450
Debt service: interest	21,727	100	25,207	47,034
Capital expenses	-	-	1,450,791	1,450,791
Total Expenditures	<u>2,681,367</u>	<u>2,527,105</u>	<u>1,475,998</u>	<u>6,684,470</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>546,546</u>	<u>403,519</u>	<u>81,992</u>	<u>1,032,057</u>
Other Financing Sources and Uses				
Operating transfers in	37,204	87,828	125,078	250,110
Operating transfers (out)	<u>(247,989)</u>	<u>(2,121)</u>	<u>-</u>	<u>(250,110)</u>
Total Other Sources (Uses)	<u>(210,785)</u>	<u>85,707</u>	<u>125,078</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other (Uses)	335,761	489,226	207,070	1,032,057
Fund Balances - Beginning of year	<u>2,206,795</u>	<u>1,923,661</u>	<u>(991,169)</u>	<u>3,139,287</u>
Fund Balances - End of year	<u>\$ 2,542,556</u>	<u>\$ 2,412,887</u>	<u>\$ (784,099)</u>	<u>\$ 4,171,344</u>

Town of Clayton
Reconciliation of Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2021

	Total Governmental Funds	Long-term Revenue, Expenses	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
Revenues					
Real property taxes and tax items	\$ 1,955,932	\$ -	\$ -	\$ -	\$ 1,955,932
Non-property tax items	2,266,249	-	-	-	2,266,249
General government	2,772	-	-	-	2,772
Transportation	427,958	-	-	-	427,958
Culture and recreation	225,149	-	-	-	225,149
Home and community services	195,278	-	-	-	195,278
Use of money and property	5,284	-	-	-	5,284
Licenses and permits	68,078	-	-	-	68,078
Fines and forfeitures	56,120	-	-	-	56,120
Miscellaneous	187,353	-	-	-	187,353
State aid	1,070,364	-	-	-	1,070,364
Federal aid	1,255,990	-	-	-	1,255,990
Total Revenues	<u>7,716,527</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,716,527</u>
Expenditures/expenses					
General government support	620,264	186,481	-	-	806,745
Public safety	42,387	14,744	-	-	57,131
Public health	609,109	-	-	-	609,109
Transportation	1,389,513	223,172	(595,560)	-	1,017,125
Economic assistance and opportunity	301,254	-	-	-	301,254
Culture and recreation	722,909	147,771	(99,104)	-	771,576
Home and community services	339,395	32,752	(77,959)	-	294,188
Employee benefits	664,364	(664,364)	-	-	-
Debt service:					
Principal	497,450	-	-	(497,450)	-
Interest	47,034	17,550	-	-	64,584
Capital expenses	1,450,791	-	(1,450,791)	-	-
Depreciation - unallocated	-	-	845,288	-	845,288
Total Expenditures	<u>6,684,470</u>	<u>(41,894)</u>	<u>(1,378,126)</u>	<u>(497,450)</u>	<u>4,767,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,032,057</u>	<u>41,894</u>	<u>1,378,126</u>	<u>497,450</u>	<u>2,949,527</u>
Other sources and uses					
Operating transfers in	250,110	(250,110)	-	-	-
Operating transfers (out)	<u>(250,110)</u>	<u>250,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change for the Year	<u>\$ 1,032,057</u>	<u>\$ 41,894</u>	<u>\$ 1,378,126</u>	<u>\$ 497,450</u>	<u>\$ 2,949,527</u>

Town of Clayton
Reconciliation of Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2021

Net change in Fund Balances	\$ 1,032,057
Repayment of bond principal recorded as an expenditure in the Governmental Funds, but not in the Statement of Activities	497,450
Increase in interest expense due to recording of accrued interest	(17,550)
Decrease in net pension liability with adoption of GASB No. 68, recorded as a decrease to expense in the Statement of Activities, but not the Governmental Activities	1,001,913
Recording of deferred outflows of resources with adoption of GASB No. 68, recorded as a decrease to expense in the Statement of Activities, but not the Governmental Activities	168,557
Recording of deferred inflows of resources with adoption of GASB No. 68, recorded as an increase to expense in the Statement of Activities, but not the Governmental Activities	(1,111,028)
Expenditures for acquisition of capital assets recorded in the Governmental Funds, but not in the Statement of Activities	2,223,416
Depreciation on capital assets recorded as an expenditure in the Statement of Activities, but not the Governmental Funds	<u>(845,288)</u>
Change in Net Position of Governmental Activities	<u>\$ 2,949,527</u>

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

1 – Summary of accounting policies:

The financial statements of the Town of Clayton (the “Town”) have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to government units. Those 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. Significant accounting principles and policies used by the Town are described below:

A) Reporting entity:

The Town of Clayton was established in 1833. The Town is governed by Town Law, General Municipal Law, and other various State and Federal laws. The Town is located within the County of Jefferson, State of New York.

The legislative and administrative body of the Town is the Town Board of Trustees. The Board is composed of the Supervisor and four Board Members. The Town Supervisor is the chief executive officer of the Town.

The Town provides the following basic services: transportation services, culture and recreation services, home and community services, public health and safety services, and other general services.

The financial reporting entity consists of (a) the primary government which is the Town of Clayton, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete as set forth in GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*.

All governmental activities and functions performed for the Town of Clayton are its direct responsibility. No other governmental organizations have been included or excluded from the financial reporting entity other than described below.

B) Basis of Presentation:

1. Government-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, departmental income, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and 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 and services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Funds 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 major governmental funds:

General Fund: This is the Town's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

Special Revenue Funds: These funds account for the proceeds of specific revenue sources, such as Federal and State grants, that are legally restricted to expenditures for specified purposes, highway, and other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Capital Projects Fund: These fund accounts are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to be a major fund.

C) Measurement focus and basis of accounting:

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

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

The government fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, and pensions 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 Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

D) Property taxes:

Real property taxes for the Town and Special Districts are levied annually based on Town budget requirements. Town taxes, including re-levied items, are due and payable on January 1. Once the tax is levied, the receiver of taxes accepts payment on Town taxes until March 16. The receiver of taxes pays the Town Supervisor the amount necessary to satisfy the total Town tax levy. The County accepts all unpaid taxes from the receiver of taxes and becomes the enforcing agency. The Town does not maintain any interest in the unpaid taxes after it receives its full levy.

E) Restricted resources:

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

F) Inter-fund transactions:

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

The governmental funds report all inter-fund transactions as originally recorded. Inter-fund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the Town's practice to settle these amounts at a net balance based upon the right of legal offset.

G) Use of estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

H) Cash and investments:

The Town's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. New York State law governs the Town's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments are stated at fair value.

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

I) Accounts receivable:

Accounts receivable are shown net, with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

J) Capital assets:

Capital assets are reported at actual cost.

Land and construction in progress are not depreciated. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the Government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 50,000	Straight Line	15 to 50 years (varies)
Furniture and equipment	1,000	Straight Line	5 to 15 years
Infrastructure	20,000	Straight Line	20 years (varies)

K) Deferred outflows and inflows of resources:

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has one item that qualifies for reporting in this category. The item is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension asset or liability during the measurement period between the Town's contributions and its proportionate share of total contributions to the pension system not included in pension expense.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town has one item that qualifies for reporting in this category. The item is related to pensions reported in the government-wide Statement of Net Position. This represents the effect of the net change in the Town's proportion of the collective net pension liability and difference during the measurement period between the Town's contributions and its proportion share of total contributions to the pension system not included in pension expense.

L) Unearned credits:

The Town reports unearned credits on its Statement of Net Position and its balance sheet. On the Statement of Net Position, unearned credits arise when resources are received by the Town before its legal claim to them, as when grant monies are received prior to incurrence of qualifying expenditures. In subsequent periods, when the Town has legal claim to the resources, the liability for unearned credits is removed and revenue is recorded.

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

M) Vested employee benefits:

Town employees' vacation, personal and sick leave are cumulative for one year only. An individual who leaves the employ of the Town is entitled to be paid for unused vacation leave. No payments are made for unused sick leave or personal days. The expenditure of these fringe benefits is recorded at the time the benefit is paid. Town staff asserts that it is not practicable to compute the estimated value of the earned and unused leave credits as of December 31, 2021.

N) Short-term debt:

The Town may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such note may be classified as part of the general long-term debt account group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date.

Interest paid on short-term debt was composed of:

Interest paid	\$ 25,207
Less interest accrued in the prior year	-
Plus interest accrued in the current year	-
Total expense	<u>\$ 25,207</u>

Bond Anticipation Notes

The following is a summary of changes in short-term debt for the year ended December 31, 2021:

Balance, January 1	\$ 3,000,000
Increases	2,100,000
Decreases	<u>(3,785,000)</u>
Balance, December 31	<u>\$ 1,315,000</u>

O) Accrued liabilities and long-term obligations:

Payables, accrued liabilities, and long-term obligations are reported in the Town-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in full, in a timely manner, from current financial resources. Claims, judgments, other post-employment benefits and compensated absences that will be paid from governmental funds are reported as a liability in the fund's financial statements only to the extent that they are due for payment in the current year. 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.

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

P) Fund balance- reservations and designations:

In the government-wide financial statements, the difference between the Town's total assets and total liabilities represents net position. Net position displays two components- invested in capital assets, net of related debt and unrestricted. Unrestricted net assets represent the net position available for future operations.

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the Town Board through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the Town Board. Assigned fund balance in the General Fund is the net resources in excess of what can be properly classified in one of the above four categories.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Town to generally consider restricted amounts to have been reduced first. When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classification could be used, it is the policy of the Town that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts. In both instances, when a proposed expenditure is made with specific balances identified as the source of funding, that specific fund balance will be used.

The Capital Projects Fund had a deficit balance of \$784,099. This will be funded when the Town obtains financing for its current projects.

Q) Implementation of New Accounting Standards:

The Town has adopted all current Statements of the Governmental Accounting Standards Board (GASB). At December 31, 2021, the Town implemented the following new standards issued by GASB. These standards had no significant impact on the Town.

GASB has issued Statement No. 84 – *Fiduciary Activities*, effective for the year ending June 30, 2021.

GASB has issued Statement No. 90, *Accounting and Financial Reporting for Majority Equity Interest*, effective for the year ending June 30, 2021.

R) Future Changes in Accounting Standards:

GASB has issued Statement No. 87 – *Leases*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the year ending June 30, 2022

GASB has issued Statement No. 91, *Conduit Debt Obligations*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022.

GASB has issued Statement No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending June 30, 2021 (paragraphs 11b, 13 and 14 are effective for the year ending June 30, 2022.

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

GASB has issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending June 30, 2023.

GASB has issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, effective for the year ending June 30, 2022 (the requirements in paragraph 4, as they apply to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans, and paragraph 5 were effective as of June 30, 2020).

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

2 – Explanation of certain differences between governmental fund statements and government-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 Town-wide statements, compared with the current financial resources focus of the governmental funds.

A) Total fund balances of governmental funds vs. net position 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, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

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

Differences between the funds’ Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities fall into one of four broad categories. The amounts shown below represent:

i) Long-term revenue and expense 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.

ii) Capital related differences:

Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

iii) Long-term debt transaction differences:

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

iv) Pension differences:

Pension differences occur as a result of changes in the Town's proportion of the collective net pension asset/liability and differences between the Town's contributions and its proportionate share of the total contributions to the pension systems.

3 – Cash (and cash equivalents) – custodial credit, concentration of credit, interest rate, and foreign currency risks:

Cash and investments

The Town's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

Uncollateralized	\$	-
Collateralized with securities held by the pledging financial institution or its trust department or agent, in the Town's name		5,105,112

Deposits

Deposits are valued at cost or cost-plus-interest and are categorized as either (1) insured, or for which the securities are held by the Town's agent in the Town's name; (2) collateralized, and for which the securities are held by the pledging financial institution's trust department or agent in the Town's name; or (3) uncollateralized. At December 31, 2021 all deposits were fully insured and collateralized by the Town's agent in the Town's name.

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 business administrator of the Town.

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

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

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.

The Town restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies
- Obligations issued or fully insured or guaranteed by New York State and its localities

4 - Capital assets

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

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 461,074	\$ -	\$ -	\$ 461,074
Construction in progress	<u>2,954,218</u>	<u>1,107,990</u>	<u>4,062,208</u>	<u>-</u>
Total nondepreciable historical cost	<u>\$ 3,415,292</u>	<u>\$ 1,107,990</u>	<u>\$ 4,062,208</u>	<u>\$ 461,074</u>
Capital assets that are depreciated:				
Buildings and improvements	\$ 24,863,396	\$ 4,309,558	\$ -	\$ 29,172,954
Infrastructure	6,659,973	502,085	-	7,162,058
Machinery, equipment, vehicles	<u>2,732,721</u>	<u>106,006</u>	<u>-</u>	<u>2,838,727</u>
Total depreciable historical cost	<u>\$ 34,256,090</u>	<u>\$ 4,917,649</u>	<u>\$ -</u>	<u>\$ 39,173,739</u>
Less accumulated depreciation:				
Buildings and improvements	\$ 11,606,572	\$ 398,286	\$ -	\$ 12,004,858
Infrastructure	4,393,240	285,788	-	4,679,028
Machinery, equipment, vehicles	<u>1,886,464</u>	<u>161,214</u>	<u>-</u>	<u>2,047,678</u>
Total accumulated depreciation	<u>17,886,276</u>	<u>845,288</u>	<u>-</u>	<u>18,731,564</u>
Total depreciable historical cost, net	<u>16,369,814</u>	<u>4,072,361</u>	<u>-</u>	<u>20,442,175</u>
Net Capital Assets	<u>\$ 19,785,106</u>	<u>\$ 5,180,351</u>	<u>\$ 4,062,208</u>	<u>\$ 20,903,249</u>

Total unallocated depreciation expense for the current year is \$845,288.

5 - Short-term debt

Transactions in short-term debt for the year are summarized as follows:

	<u>Maturity</u>	<u>Stated Interest Rate</u>	<u>Beginning balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending balance</u>
BAN	9/7/2022	0.39%	\$ 3,000,000	\$ -	\$ 2,285,000	\$ 715,000
BAN	2/5/2022	0.59%	-	1,500,000	1,500,000	-
BAN	3/22/2022	0.49%	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>600,000</u>
			<u>\$ 3,000,000</u>	<u>\$ 2,100,000</u>	<u>\$ 3,785,000</u>	<u>\$ 1,315,000</u>

6 - Long-term obligations

Long-term liability balances and activity for the year are summarized as follows:

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

Serial bonds

The Town borrows money in order to acquire land or equipment, construct buildings, or make 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 provisions will be in the applicable fund's future budget for capital indebtedness.

Noncurrent liability balances and activity are as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Amounts due within one year</u>
Long-term Liabilities:					
Bonds payable	\$ 3,681,352	\$ 2,734,000	\$ 497,450	\$ 5,917,902	\$ 323,810
Total Long-Term Liabilities	<u>3,681,352</u>	<u>2,734,000</u>	<u>497,450</u>	<u>5,917,902</u>	<u>323,810</u>
Other Long-Term Liabilities					
Net pension liability-proportionate share	<u>1,005,797</u>	<u>-</u>	<u>1,001,913</u>	<u>3,884</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>1,005,797</u>	<u>-</u>	<u>1,001,913</u>	<u>3,884</u>	<u>-</u>
	<u>\$ 4,687,149</u>	<u>\$ 2,734,000</u>	<u>\$ 1,499,363</u>	<u>\$ 5,921,786</u>	<u>\$ 323,810</u>

Bonds Payable is comprised of the following:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Rate</u>	<u>Balance</u>
Serial bond	4/1/2005	4/1/2024	0.00%	\$ 40,950
Serial bond	12/21/2017	12/21/2024	0.50%	260,992
Serial bond	2/1/2018	2/1/2048	0.00%	2,881,960
Serial bond	9/7/2021	9/7/2044	2.25%	<u>2,734,000</u>
				<u>\$ 5,917,902</u>

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

The following is a summary of debt service requirements for bonds payable:

Fiscal year ending <u>December 31,</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 323,810	\$ 67,813	\$ 391,623
2023	325,450	64,540	389,990
2024	328,442	59,497	387,939
2025	225,800	53,483	279,283
2026	225,800	50,805	276,605
2027-2031	1,129,000	213,863	1,342,863
2032-2036	1,129,000	146,905	1,275,905
2037-2041	1,129,000	79,988	1,208,988
2042-2046	888,000	15,863	903,863
2047-2051	<u>213,600</u>	<u>-</u>	<u>213,600</u>
	<u>\$ 5,917,902</u>	<u>\$ 752,757</u>	<u>\$ 6,670,659</u>

Interest on long-term debt was comprised of the following:

Interest paid	\$ 47,034
Less interest accrued in the prior year	2,202
Plus interest accrued in the current year	<u>19,752</u>
Interest expense	<u>\$ 64,584</u>

7 – Pension plans

New York State and Local Employees’ Retirement System (ERS)

Plan Description and Benefits Provided

The Town participates in the New York State and Local Employees’ Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides 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 net assets and record changes in plan 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 the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Town also participates in the Public Employees’ Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The 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.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirements Systems, 110 State Street, Albany, NY 12244.

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for the entire length of service. In addition, employee rates under ERS tier VI vary based on a sliding salary scale. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required and were as follows:

	<u>ERS</u>
2021	\$ 143,371
2020	145,991
2019	146,098

The Town contributions made to the System was equal to 100 percent of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

Pension liabilities, pension expense (credit), and deferred outflows of resources and deferred inflows of resources related to pensions

At December 31, 2021 the Town reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for the System. The net pension asset/(liability) was measured as of March 31, 2021. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The Town's proportion of the net pension asset/(liability) was based on a projection of the Town's long-term share of contributions to the System relative of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Town.

	<u>ERS</u>
Measurement date	3/31/2021
Net pension asset/(liability)	\$ (3,884)
Town's portion of the Plan's total net pension asset/(liability)	0.0039006%

For the year ended December 31, 2021, the Town recognized pension expense of \$143,371. At December 31, 2021 the Town's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 47,434	\$ -
Changes of assumptions	714,139	13,469
Net difference between projected and actual earnings on pension plan investments	-	1,115,709
Changes in proportion and differences between the Town's contributions and proportionate share of contributions	9,236	28,928
Town's contributions subsequent to the measurement date	<u>138,523</u>	<u>-</u>
Total	<u>\$ 909,332</u>	<u>\$ 1,158,106</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset/(liability) in the year ended March 31, 2022 for ERS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension as follows:

	<u>ERS</u>
Year ended:	
2022	\$ 75,061
2023	31,009
2024	65,433
2025	215,794
2026	-
Thereafter	-

Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuation used the following actuarial assumptions:

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

	<u>ERS</u>
Measurement date	March 31, 2021
Actuarial valuation date	April 1, 2020
Interest rate	5.9%
Salary scale	4.4%
Decrement tables	April 1, 2015 - March 31, 2020 System's Experience
Inflation rate	2.7%

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

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

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

Asset class:	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	32%	4.05%
International equity	15%	6.30%
Private equity	10%	6.75%
Real estate	9%	4.95%
Opportunistic/ARS portfolio (1)	3%	4.50%
Credit	4%	3.63%
Real assets	3%	5.95%
Fixed income	23%	0.00%
Cash	<u>1%</u>	0.50%
Total	100%	

* Real rates of returns are net of the long-term inflation assumption of 2.0% for 2021.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equities and international equities, respectively.

Discount Rate

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. 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 asset/(liability).

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

The following presents the Town’s proportionate share of the net pension asset/(liability) as of December 31, 2021 calculated using the discount rate of 5.9% as well as what the Town’s proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is one percentage point lower (4.9%) or one percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	\$ (1,078,043)	\$ (3,884)	\$ 986,742

Changes of assumptions

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

Collective pension expense

Collective pension expense includes certain period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended December 31, 2021 is \$80,269.

Payables to the Pension Plan

Employer contributions are paid annually based on the System’s fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through December 31, 2021 based on ERS wages multiplied by the employer’s contribution rate, by tier. Accrued retirement contribution as of December 31, 2021 amounted to \$0.

8 – Interfund transactions – governmental funds

Interfund transactions and balances are as follows:

Interfund receivables and payables are eliminated on the statement of net position. The Town typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Town of Clayton
Notes to Financial Statements
For the Year Ended December 31, 2021

Fund	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 74,922	\$ -	\$ 37,204	\$ 247,989
Special revenue	-	-	87,828	2,121
Capital projects	-	74,922	125,078	-
Total governmental funds	<u>\$ 74,922</u>	<u>\$ 74,922</u>	<u>\$ 250,110</u>	<u>\$ 250,110</u>

Note 9 - Fund equity

For policy regarding use of fund balance types, refer to Note 1.P. above.

	<u>Fund</u>	<u>Revenue Fund</u>	<u>Fund</u>	<u>Total</u>
Nonspendable	\$ 20	\$ -	\$ -	\$ 20
Assigned to:				
General fund	327,690	-	-	327,690
Special revenue fund	-	144,408	-	144,408
Unassigned	<u>2,214,846</u>	<u>2,268,479</u>	<u>(784,099)</u>	<u>3,699,226</u>
Total Fund Balance	<u>\$ 2,542,556</u>	<u>\$ 2,412,887</u>	<u>\$ (784,099)</u>	<u>\$ 4,171,344</u>

10 – Over expended budget line items

There were two funds that had an over expended budgeted line item as follows:

The General Fund’s budget was over expended by \$247,989 for transfers to other funds.

The Special Revenue Fund’s budget was over expended by \$2,121 for transfers to other funds.

11 – Constitutional tax limit

The constitution of the State of New York limits the amount of real property taxes which may be levied by the Town. The Town may levy an amount of taxes which are subject to such limit in any fiscal year not to exceed 2% of the average full valuation of taxable real estate within the Town.

12 – Commitments and contingencies

The local government has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.

13 – Tax abatements

The Town of Clayton enters various property tax abatement programs for the purpose of economic development. The Town property tax revenue was reduced \$11,792. The Town received payment in lieu of tax (PILOT) payments totaling \$9,890.

Town of Clayton
Schedule of Contributions
NYSERS Pension Plan
Last 7 Fiscal Years
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 143,371	\$ 145,991	\$ 146,098	\$ 155,035	\$ 143,610	\$ 141,266	\$ 224,907
Contributions in Relation to the Contractually Required Contributions	<u>143,371</u>	<u>145,991</u>	<u>146,098</u>	<u>155,035</u>	<u>143,610</u>	<u>141,266</u>	<u>224,907</u>
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's Covered-Employee Payroll	\$ 1,106,847	\$ 1,099,691	\$ 1,058,913	\$ 1,085,156	\$ 948,121	\$ 941,329	\$ 1,062,651
Contributions as a Percentage of Covered-Employee Payroll	12.95%	13.28%	13.80%	14.29%	15.15%	15.01%	21.16%

Schedule of Town's Proportionate Share of the Net Pension Liability
NYSERS Pension Plan
Last 7 Fiscal Years
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's Proportion of the Net Pension Liability (Asset)	0.003901%	0.003798%	0.004065%	0.004107%	0.004154%	0.003867%	0.004150%
Town's Proportionate Share of the Net Pension Liability (Asset)	\$ 3,884	\$ 1,005,797	\$ 287,988	\$ 132,542	\$ 390,328	\$ 620,683	\$ 140,193
Town's Covered-Employee Payroll	\$ 1,106,847	\$ 1,099,691	\$ 1,058,913	\$ 1,085,156	\$ 948,121	\$ 941,329	\$ 1,062,651
Town's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0.35%	91.46%	27.20%	12.21%	41.17%	65.94%	13.19%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	100.00%

10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

See paragraph on supplementary schedules included in independent auditors' report.

Town of Clayton
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - General Fund
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
Revenues				
Real property taxes and tax items	\$ 978,667	\$ 978,667	\$ 992,554	\$ 13,887
Non-property tax items	629,085	1,008,178	1,258,772	250,594
General government	2,500	2,229	2,772	543
Culture and recreation	253,100	223,025	225,149	2,124
Home and community services	153,000	165,250	181,278	16,028
Use of money and property	2,200	2,099	5,122	3,023
Licenses and permits	26,000	25,096	68,078	42,982
Fines and forfeitures	30,000	54,912	56,120	1,208
Miscellaneous	119,730	58,590	80,205	21,615
State aid	108,048	107,705	209,863	102,158
Federal aid	-	148,000	148,000	-
Total Revenues	2,302,330	2,773,751	3,227,913	454,162
Other Financing Sources				
Transfers from other funds	-	-	37,204	37,204
Total Other Financing Sources	-	-	37,204	37,204
Total Revenues and Other Financing Sources	2,302,330	2,773,751	3,265,117	491,366
Expenditures				
General government support	768,221	787,436	620,004	167,432
Public safety	49,000	46,682	42,387	4,295
Public health	8,500	9,555	9,555	-
Transportation	56,000	56,000	54,876	1,124
Economic assistance and opportunity	127,387	297,509	286,254	11,255
Culture and recreation	656,650	734,565	669,106	65,459
Home and community services	207,000	250,089	183,153	66,936
Employee benefits	513,653	461,829	422,305	39,524
Debt service: principal	159,000	372,000	372,000	-
Debt service: interest	40,604	41,771	21,727	20,044
Total Expenditures	2,586,015	3,057,436	2,681,367	376,069
Other Financing Uses				
Transfers to other funds	-	-	247,989	(247,989)
Total Other Financing Uses	-	-	247,989	(247,989)
Total Expenditures and Other Financing Uses	2,586,015	3,057,436	2,929,356	\$ 128,080
Net Change in Fund Balance	(283,685)	(283,685)	335,761	
Fund Balance - January 1, 2021	2,206,795	2,206,795	2,206,795	
Fund Balance - December 31, 2021	<u>\$ 1,923,110</u>	<u>\$ 1,923,110</u>	<u>\$ 2,542,556</u>	

Town of Clayton
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Special Revenue Funds
For the Year Ended December 31, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Final Budget Variance With Budgetary Actual
Revenues				
Real property taxes and tax items	\$ 963,378	\$ 963,378	\$ 963,378	\$ -
Non-property tax items	773,881	823,838	1,007,477	183,639
Transportation	270,041	232,283	427,958	195,675
Home and community services	58,576	58,576	14,000	(44,576)
Use of money and property	225	147	162	15
Miscellaneous	54,839	27,127	107,148	80,021
State aid	<u>203,096</u>	<u>395,425</u>	<u>410,501</u>	<u>15,076</u>
Total Revenues	2,324,036	2,500,774	2,930,624	429,850
Other Financing Sources				
Transfers from other funds	-	-	87,828	87,828
Total Other Financing Sources	-	-	87,828	87,828
Total Revenues and Other Financing Sources	<u>2,324,036</u>	<u>2,500,774</u>	<u>3,018,452</u>	<u>517,678</u>
Expenditures				
General government support	260	260	260	-
Public health	636,054	636,054	599,554	36,500
Transportation	1,353,823	1,537,586	1,334,637	202,949
Economic assistance and opportunity	15,000	15,000	15,000	-
Culture and recreation	51,130	55,441	53,803	1,638
Home and community services	188,697	196,134	156,242	39,892
Employee benefits	275,757	256,984	242,059	14,925
Debt service: principal	125,450	125,450	125,450	-
Debt service: interest	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Total Expenditures	<u>2,646,271</u>	<u>2,823,009</u>	<u>2,527,105</u>	<u>295,904</u>
Other Financing Uses				
Transfers to other funds	-	-	2,121	(2,121)
Total Other Financing Uses	-	-	2,121	(2,121)
Total Expenditures and Other Financing (Uses)	<u>2,646,271</u>	<u>2,823,009</u>	<u>2,529,226</u>	<u>\$ 293,783</u>
Net Change in Fund Balance	(322,235)	(322,235)	489,226	
Fund Balance - January 1, 2021	<u>1,923,661</u>	<u>1,923,661</u>	<u>1,923,661</u>	
Fund Balance - December 31, 2021	<u>\$ 1,601,426</u>	<u>\$ 1,601,426</u>	<u>\$ 2,412,887</u>	

Town of Clayton
Combining Balance Sheet - Special Revenue Funds
December 31, 2021

	<u>General Town</u>	<u>Special Grant</u>	<u>Ambulance</u>	<u>Highway Town-Wide</u>	<u>Highway Part-Town</u>	<u>Lighting</u>	<u>Sewer</u>	<u>Total</u>
Assets								
Cash								
Unrestricted	\$ 261,847	\$ 4,329	\$ 133,804	\$ 1,331,974	\$ 555,892	\$ 17,365	\$ 117,676	\$ 2,422,887
Total Assets	\$ 261,847	\$ 4,329	\$ 133,804	\$ 1,331,974	\$ 555,892	\$ 17,365	\$ 117,676	\$ 2,422,887
Liabilities								
Unearned credits								
Unearned revenues	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Total Liabilities	10,000.00	-	-	-	-	-	-	10,000.00
Fund Balances								
Assigned fund balance	-	-	-	144,408	-	-	-	144,408
Unreserved fund balances	251,847	4,329	133,804	1,187,566	555,892	17,365	117,676	2,268,479
Total Fund Balances	251,847	4,329	133,804	1,331,974	555,892	17,365	117,676	2,412,887
Total Liabilities and Fund Balances	\$ 261,847	\$ 4,329	\$ 133,804	\$ 1,331,974	\$ 555,892	\$ 17,365	\$ 117,676	\$ 2,422,887

See paragraph on supplementary schedules included in independent auditors' report.

Town of Clayton
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance - Special Revenue Funds
December 31, 2021

	<u>General</u>	<u>Special</u>		<u>Highway</u>	<u>Highway</u>			
Revenues	<u>Town</u>	<u>Grant</u>	<u>Ambulance</u>	<u>Town-Wide</u>	<u>Part-Town</u>	<u>Lighting</u>	<u>Sewer</u>	<u>Total</u>
Real property taxes and tax items	\$ -	\$ 486,054	\$ 150,000	\$ 61,938	\$ -	\$ 7,500	\$ 257,886	\$ 963,378
Non-property tax items	132,477	-	-	525,000	350,000	-	-	1,007,477
Transportation	-	-	-	302,456	125,502	-	-	427,958
Home and community services	-	14,000	-	-	-	-	-	14,000
Use of money and property	-	-	-	122	-	-	40	162
Sale of property & comp for loss	-	-	-	-	-	-	-	-
Miscellaneous local source	90,466	-	-	8,341	8,341	-	-	107,148
State aid	-	-	-	-	395,501	-	15,000	410,501
Federal aid	-	-	-	-	-	-	-	-
Total Revenues	<u>222,943</u>	<u>500,054</u>	<u>150,000</u>	<u>897,857</u>	<u>879,344</u>	<u>7,500</u>	<u>272,926</u>	<u>2,930,624</u>
Expenditures								
General government support	-	-	-	-	-	-	260	260
Public health	-	486,054	113,500	-	-	-	-	599,554
Transportation	-	-	-	687,237	643,087	4,313	-	1,334,637
Economic assistance and opportunity	15,000	-	-	-	-	-	-	15,000
Culture and recreation	36,982	16,821	-	-	-	-	-	53,803
Home and community services	41,527	-	-	-	-	-	114,715	156,242
Employee benefits	18,492	-	-	116,220	106,540	-	807	242,059
Debt service - principal	-	-	-	-	-	-	125,450	125,450
Debt service - interest	-	-	-	-	-	-	100	100
Total Expenditures	<u>112,001</u>	<u>502,875</u>	<u>113,500</u>	<u>803,457</u>	<u>749,627</u>	<u>4,313</u>	<u>241,332</u>	<u>2,527,105</u>
Excess (Deficiency) of Revenue								
Over Expenditures	<u>110,942</u>	<u>(2,821)</u>	<u>36,500</u>	<u>94,400</u>	<u>129,717</u>	<u>3,187</u>	<u>31,594</u>	<u>403,519</u>
Other Financing Sources and Uses								
Operating transfers in	-	-	-	87,828	-	-	-	87,828
Operating transfers out	-	-	-	-	-	-	(2,121)	(2,121)
Total Other Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,828</u>	<u>-</u>	<u>-</u>	<u>(2,121)</u>	<u>85,707</u>
Excess (Deficiency) of Revenues								
and Other Sources Over								
Expenditures and Other Uses	110,942	(2,821)	36,500	182,228	129,717	3,187	29,473	489,226
Fund Balances - Beginning of year	<u>140,905</u>	<u>7,150</u>	<u>97,304</u>	<u>1,149,746</u>	<u>426,175</u>	<u>14,178</u>	<u>88,203</u>	<u>1,923,661</u>
Fund Balances - End of year	<u>\$ 251,847</u>	<u>\$ 4,329</u>	<u>\$ 133,804</u>	<u>\$ 1,331,974</u>	<u>\$ 555,892</u>	<u>\$ 17,365</u>	<u>\$ 117,676</u>	<u>\$ 2,412,887</u>

See paragraph on supplementary schedules included in independent auditors' report.

Town of Clayton
Supplementary Information
Net Investment in Capital Assets
December 31, 2021

Capital assets, net		\$ 20,903,249
Deduct:		
BAN payable	\$ 1,315,000	
Short-term portion of bonds payable	323,810	
Long-term portion of bonds payable	<u>5,594,092</u>	<u>7,232,902</u>
Net investment in capital assets		<u>\$ 13,670,347</u>

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Jacob Navarra, C.P.A.
Mark B. Hills, C.P.A.

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*

Board of Trustees
Town of Clayton
Clayton, 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, each major fund, and the aggregate remaining fund information of Town of Clayton, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Town of Clayton's basic financial statements, and have issued our report thereon dated July 27, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Clayton'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Clayton's internal control. Accordingly, we do not express an opinion on the effectiveness of Town of Clayton'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. Given these limitations, during our audit we did not identify

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Stackel & Navarra, CPA, PC

Watertown, NY
July 27, 2022

STACKEL & NAVARRA, C.P.A., P.C.
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**Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Trustees
Town of Clayton

Report on Compliance for the Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Town of Clayton 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Town of Clayton's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance

STACKEL & NAVARRA, C.P.A., P.C

CERTIFIED PUBLIC ACCOUNTANTS

requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Stackel & Navarra, CPA, PC

Watertown, NY
July 27, 2022

**Town of Clayton
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021**

	Assistance Listing Number	Total Federal Expenditures
<u>United States Department of Agriculture:</u>		
Direct Program:		
Community Facilities Loans and Grants	10.766	\$ 1,107,990
<u>United States Department of Treasury:</u>		
Direct Program:		
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	<u>148,000</u>
Total Federal Aid		<u>\$ 1,255,990</u>

See Notes to Schedule of Expenditures of Federal Awards.

Town of Clayton
Notes to Schedule of Expenditures of Federal Awards
December 31, 2021

1 – Basis of presentation:

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

The Town's federal award programs have not been charged with indirect costs and the Town has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures.

2 – Summary of significant accounting policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3 – Subrecipients:

No amounts were provided to subrecipients.

4 – U.S. Department of Agriculture Community Facilities Loans and Grants:

Town of Clayton has received loan funds from the U.S. Department of Agriculture under the Community Facilities Loans and Grants program. As of December 31, 2021, the balance owed on the loan funds received is \$2,734,000. The project using these funds is complete.

**Town of Clayton
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's opinion(s) issued: N/A – Single Audit

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X N/A

Significant deficiency(ies) identified? _____ yes X N/A

Noncompliance material to financial statements noted? _____ yes X N/A

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Type of auditor's opinion(s) issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR-200.516(a) _____ yes X no

Identification of major programs:

<u>Name of federal program</u>	<u>CFDA Number</u>
Community Facilities Loans and Grants	10.776

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low risk? _____ yes X no

Section II - Financial Statements Findings

N/A

Section III - Federal Award Findings and Questioned Costs

None

Town of Clayton
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

There were no prior year audit findings.

RESOLUTION _____ 2022
TOWN OF CLAYTON
CLAYTON, NY

Title: RESOLUTION AUTHORIZING AN AGREEMENT WITH THE CLAYTON LOCAL DEVELOPMENT CORPORATION TO SUPPORT PROJECTS BENEFITING THE TRANSPORTATION NEEDS AND ACCESS TO CONNECTIVITY AND OUTDOOR SPACE FOR THE UNDERSERVED SENIOR AND YOUTH POPULATIONS IN THE TOWN OF CLAYTON.

At a regular meeting of the Town Board of the Town of Clayton, held at the Town offices, 405 Riverside Drive, Clayton, New York, on _____, 2022, at 5:00 p.m. there were:

Lance L. Peterson, Supervisor
Kenneth Knapp, Councilmember
Donna Patchen, Councilmember
James Kenney, Councilmember
Kathleen LaClair, Councilmember

Absent:
_____, Councilmember

WHEREAS, The Town of Clayton has received funding through the American Rescue Plan Act to address the economic impacts from the COVID-19 pandemic, and

WHEREAS, The Town wishes to use some of the funding to address the impacts of the pandemic on the underserved senior and youth populations in the Town of Clayton, and

WHEREAS, the Town intends to enter into an agreement with the Clayton Local Development Corporation to administer and operate these programs, now, therefore, be it

RESOLVED, that this Town Board hereby authorizes an agreement with the Clayton Local Development Corporation, Strawberry Lane, Clayton, NY 13624, to administer and operate a COVID-19 Relief Fund in the amount of \$149,537.56 to address inequities experienced by disparate populations in our community, specifically those related to meeting the transportation needs of older adults and access to connectivity and outdoor space for, seniors and youth, and be it

FURTHER RESOLVED, that the Town Supervisor or his duly authorized representative is hereby empowered to execute any such agreements, documents, or papers, approved as to form by the Department of Law, as may be necessary to implement the intent and purpose of this Resolution.

FURTHER RESOLVED, that this resolution shall take effect immediately.

A motion to adopt the foregoing order was made by Councilmember _____ and seconded by Councilmember _____ and upon a roll call vote of the Board was duly adopted as follows:

Lance Peterson, Supervisor Yes X No ___

Kenneth Knapp, Councilwomen Yes X No ___

Donna Patchen, Councilwomen Yes X No ___

James Kenney, Councilman Yes X No ___

Kathleen LaClair, Councilman Yes X No ___

CERTIFICATION:

I, Megan Badour, Town Clerk of the Town of Clayton, do hereby certify that the above resolution was adopted at a regular meeting of the Town Board of the Town of Clayton held on _____, 2022 and it is on file and of record and that said resolution has not been altered, amended or revoked and it is in full force and effect.

Megan Badour, Town Clerk

(seal)