

JUNE 30, 2021

ERRATUM NOTICE

TO THE NOTICE OF BOND SALE DATED JUNE 25, 2021

RELATING TO THE ISSUANCE OF

\$6,583,093

CITY OF COHOES

ALBANY COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$6,583,093 Public Improvement (Serial) Bonds, 2021

(referred to as the "Bonds")

CUSIP BASE: 192522

Please be advised that the OFFICIAL BID FORM in the Notice of Bond Sale for the above referenced issue, which is selling via competitive bid on Thursday, July 1, 2020, at 11:00 A.M., erroneously stated "A good faith deposit in the amount of \$131,662 will be made by:", when it should have stated "A good faith deposit in the amount of \$100,000 will be made by:"

The OFFICIAL BID FORM has been revised to include the correct good faith deposit amount and is attached to this erratum notice.

OFFICIAL BID FORM - \$6,583,093* Public Improvement (Serial) Bonds, 2021
 Electronic and facsimile bids must be submitted by **11:00 am**, Local Time on **July 1, 2021**

To: Mr. Michael J. Durocher, City Comptroller
 City of Cohoes, New York
 c/o Office of Fiscal Advisors & Marketing, Inc.
 250 South Clinton Street Suite 502
 Syracuse, New York 13202
Fax Bids to # (315) 930-2354

For the \$6,583,093* Public Improvement (Serial) Bonds, 2021, of the City of Cohoes, New York, subject to the annexed Notice of Bond Sale, which is hereby made a part of this bid, we will pay Six Million Five Hundred Eight-Three Thousand Ninety-Three Dollars (\$6,583,093) plus a premium of (\$ _____) and accrued interest to the date of delivery, provided that the Bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2022	\$273,093	_____	2029	\$310,000	_____	2036	\$355,000	_____
2023	\$275,000	_____	2030	\$315,000	_____	2037	\$365,000	_____
2024	\$285,000	_____	2031	\$325,000	_____	2038	\$370,000	_____
2025	\$290,000	_____	2032	\$330,000	_____	2039	\$380,000	_____
2026	\$295,000	_____	2033	\$335,000	_____	2040	\$385,000	_____
2027	\$300,000	_____	2034	\$345,000	_____	2041	\$395,000	_____
2028	\$305,000	_____	2035	\$350,000	_____			_____

No combination of serial maturities into term bonds will be permitted. Individual purchases will be made in the principal amount of \$5,000 or integral multiples thereof, except for one necessary odd denomination maturing in the year 2022.

The undersigned hereby acknowledges receipt and review of the Preliminary Official Statement referred to in the Notice of Sale. Respectfully submitted,

 (Name of Bidding Firm) (Authorized Signature) (Name & Phone No. of Contact Person)

Please select one of the following (if no option is selected, the book-entry-only option will be assumed to have selected by the purchaser):

- Book-Entry-Only registered to Cede & Co. (DTC Closing)
- Registered in the Name of the Purchaser ("Local" Closing)

Please select one of the following:

- We are purchasing the Bonds for our own account, and not with a view to distribution or resale to the public.
- In the event that 10% or more of each maturity of the Bonds is not sold on the Sale Date and the Competitive Sale Requirements are not met, we hereby elect to:
 - Hold the Price for all maturities
 - Follow the Price for all maturities
 - Follow the Price for each maturity with at least 10% sold on the Sale Date at the Initial Reoffering Price and Hold the Price Rule for all other maturities

The bidder represents that it has an established industry reputation for underwriting new issuances of municipal bonds.

- Yes
- No

A good faith deposit in the amount of \$100,000 will be made by:

- certified or cashier's check
- wire transfer

NO ADDITION OR ALTERATION, EXCEPT AS PROVIDED ABOVE, SHOULD BE MADE TO THIS BID.

(NOTE - The following is stated for information only and is not part of this bid: The Net Interest Cost of this bid, calculated in accordance with the Notice of Bond Sale, is _____ % (to six decimal places)).

A list of the members of our syndicate is attached.

 *Subject to adjustment as provided for under "The Bonds" in the annexed Notice of Bond Sale

JUNE 29, 2021

ERRATUM NOTICE

TO THE PRELIMINARY OFFICIAL STATEMENT DATED JUNE 25, 2021

RELATING TO THE ISSUANCE OF

\$6,583,093

CITY OF COHOES

ALBANY COUNTY, NEW YORK

GENERAL OBLIGATIONS

\$6,583,093 Public Improvement (Serial) Bonds, 2021

(referred to as the "Bonds")

CUSIP BASE: 192522

Please be advised that the "Financial Statements" section of the Preliminary Official Statement for the above referenced issue, which is selling via competitive bid on Thursday, July 1, 2020, at 11:00 A.M., erroneously stated that the audit for the fiscal year ending December 31, 2020 was not available. The "Financial Statements" section has been updated as follows.

Financial Statements

The City retains an independent certified public accountant firm for a continuous independent audit of all financial transactions of the City. The audited financial report for the fiscal year ending December 31, 2020 is attached hereto as "APPENDIX – D". Certain financial information of the City may be found in the Appendices to this Official Statement.

The City complies with the Uniform System of Accounts as prescribed for cities in New York State by the State Comptroller. This system differs from generally accepted accounting principles as prescribed by the American Institute of Certified Public Accountants' Industry Audit Guide, "Audits of State and Local Governmental Units", and codified in Government Accounting, Auditing and Financial Reporting (GAAFR), published by the Governmental Accounting Standards Board (GASB).

Please be advised that the APPENDIX - D as stated in the Preliminary Official Statement for the above referenced issue, which is selling via competitive bid on Thursday, July 1, 2020, at 11:00 A.M., erroneously contained and referenced the audited financial statements for fiscal year ended December 31, 2019 in the appendix titled "APPENDIX - D" of the Preliminary Official Statement.

The APPENDIX – D has been revised to include the audited financial statements for the fiscal year ended December 31, 2020.

CITY OF COHOES
AUDITED FINANCIAL STATEMENTS
Fiscal Year Ended December 31, 2020

CITY OF COHOES, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2020

CITY OF COHOES, NEW YORK

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CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM
WWW.CUSACKCPAS.COM

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Common Council
City of Cohoes, New York

Report on Financial Statements

We have audited the accompanying financial statements of the general fund, water fund, sewer fund, library fund and capital project fund of the City of Cohoes, New York (the "City") as of and for the year ended December 31, 2020, and the related notes to the financial statements, as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the general fund, water fund, sewer fund, library fund and capital projects fund of the City of Cohoes, New York, as of December 31, 2020, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the general fund, water fund, sewer fund, library fund and capital projects fund and do not purport to, and do not present fairly, the financial position of the City as of December 31, 2020, or the changes in its government-wide financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Amounts reported in the non-current governmental liabilities account group are presented as unaudited in Note 6 as we were not engaged to perform an audit of these items. Our opinions are not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March ____, 2021, on our consideration of the City'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 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 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 City's internal control over financial reporting and compliance.



CUSACK & COMPANY, CPA'S LLC

Latham, New York
March ____, 2021

CITY OF COHOES, NEW YORK

BALANCE SHEETS

GOVERNMENTAL FUND TYPES

DECEMBER 31, 2020

	<u>Governmental Fund Types</u>					<u>Memorandum</u>
	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Library</u>	<u>Capital Projects</u>	<u>Only</u>
<u>Assets</u>						<u>Total</u>
						<u>Governmental</u>
						<u>Funds</u>
Cash	\$ 2,803,626	\$ 341,737	\$ 365,263	\$ 71,837	\$ 197,939	\$ 3,780,402
Due from other governments	2,479,608	-	-	-	686,012	3,165,620
Prepaid expenditures	684,327	23,722	19,212	3,853	-	731,114
Other receivables	386,528	671,160	751,440	-	-	1,809,128
Total assets	\$ 6,354,089	\$ 1,036,619	\$ 1,135,915	\$ 75,690	\$ 883,951	\$ 9,486,264
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	\$ 113,719	\$ 17,276	\$ 4,906	\$ 15,432	\$ 651,755	\$ 803,088
Accrued liabilities	561,354	11,545	201,791	2,626	-	777,316
Due to other governments	-	-	935,858	-	-	935,858
Compensated absences	73,747	-	-	-	-	73,747
Unearned revenues	831,037	-	-	-	-	831,037
Total liabilities	1,579,857	28,821	1,142,555	18,058	651,755	3,421,046
Fund Balance:						
Nonspendable	684,327	23,722	-	3,853	-	711,902
Assigned	1,192,139	984,076	-	53,779	232,196	2,462,190
Unassigned	2,897,766	-	(6,640)	-	-	2,891,126
Total fund balance	4,774,232	1,007,798	(6,640)	57,632	232,196	6,065,218
Total liabilities and fund balance	\$ 6,354,089	\$ 1,036,619	\$ 1,135,915	\$ 75,690	\$ 883,951	\$ 9,486,264

CITY OF COHOES, NEW YORK
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Governmental Fund Types</u>					<u>Memorandum Only</u>
	<u>General</u>	<u>Water</u>	<u>Sewer</u>	<u>Library</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Revenue:						
Real property taxes	\$ 7,550,262	\$ -	\$ -	\$ -	\$ -	\$ 7,550,262
Real property tax items	923,900	-	-	-	-	923,900
Non property tax items	6,151,593	-	-	-	-	6,151,593
Departmental income	284,036	1,949,524	2,010,314	533	-	4,244,407
Intergovernmental charges	-	308,449	71,091	-	-	379,540
Use of money and property	30,395	39,025	-	737	-	70,157
Licenses and permits	277,053	-	-	-	-	277,053
Fines and forfeitures	61,734	-	-	-	-	61,734
Sale of property and compensation for loss	249,003	-	-	560	-	249,563
Miscellaneous local sources	144,338	-	15,000	3	73,926	233,267
State aid	<u>3,098,118</u>	<u>-</u>	<u>-</u>	<u>4,280</u>	<u>1,552,622</u>	<u>4,655,020</u>
Total revenue	<u>18,770,432</u>	<u>2,296,998</u>	<u>2,096,405</u>	<u>6,113</u>	<u>1,626,548</u>	<u>24,796,496</u>
Expenditures:						
General governmental support	3,120,472	25,978	25,703	-	-	3,172,153
Public safety and health	7,078,099	-	-	-	-	7,078,099
Transportation	1,517,799	-	-	-	-	1,517,799
Culture and recreation	156,648	-	-	140,690	-	297,338
Home and community services	1,847,920	947,450	1,427,335	-	-	4,222,705
Employee benefits	5,322,066	283,179	296,107	42,658	-	5,944,010
Debt service (principal and interest)	586,660	725,805	287,926	-	-	1,600,391
Capital outlay	-	-	-	-	<u>2,066,212</u>	<u>2,066,212</u>
Total expenditures	<u>19,629,664</u>	<u>1,982,412</u>	<u>2,037,071</u>	<u>183,348</u>	<u>2,066,212</u>	<u>25,898,707</u>
Excess (deficiency) of revenue over expenditures	<u>(859,232)</u>	<u>314,586</u>	<u>59,334</u>	<u>(177,235)</u>	<u>(439,664)</u>	<u>(1,102,211)</u>
Other financing sources (uses):						
Bond issuance proceeds	-	-	-	-	900,000	900,000
Operating transfers in	132,000	-	-	169,283	130,000	(431,283)
Operating transfers out	<u>(169,283)</u>	<u>(60,000)</u>	<u>(202,000)</u>	<u>-</u>	<u>-</u>	<u>431,283</u>
Total other financing sources (uses)	<u>(37,283)</u>	<u>(60,000)</u>	<u>(202,000)</u>	<u>169,283</u>	<u>1,030,000</u>	<u>900,000</u>
Excess (deficiency) of revenue and other sources over expenditures and other uses	<u>(896,515)</u>	<u>254,586</u>	<u>(142,666)</u>	<u>(7,952)</u>	<u>590,336</u>	<u>(202,211)</u>
Fund balance, beginning of year	<u>5,670,747</u>	<u>753,212</u>	<u>136,026</u>	<u>65,584</u>	<u>(358,140)</u>	<u>6,267,429</u>
Fund balance (deficit), end of year	<u>\$ 4,774,232</u>	<u>\$ 1,007,798</u>	<u>\$ (6,640)</u>	<u>\$ 57,632</u>	<u>\$ 232,196</u>	<u>\$ 6,065,218</u>

See accompanying notes and independent auditor's report.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Cohoes, New York (the City) has prepared its general, water, sewer, library and capital projects funds' financial statements in accordance with accounting principles generally accepted in the United States of America as applied to government units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing GAAP for state and local governments through its pronouncements (Standards and Interpretation).

The City does not comply with GASB Statement No. 34, which requires the City to present the government-wide financial statements on a full accrual government-wide basis as well as the fund basis. The financial statements present only the general, water, sewer, library and capital projects funds, and do not purport to, and do not present fairly, the government-wide financial position or changes in financial position of the City.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying governmental funds financial statements follows.

A. Financial Reporting Entity

The City was incorporated in 1869 and operates under an elected Common Council which includes the Mayor and six other persons, and provides service to approximately 16,000 residents in areas including general government services, public works, public safety and community enrichment programs.

GASB Statement No. 61 defines the financial reporting entity for the City to include all funds, account groups, agencies, boards, commissions and authorities where the elected officials (the Mayor and/or the council, respectively) are financially accountable and for which a financial benefit or burden relationship exists. The following terms are used to describe the components of a reporting entity:

- Primary Government

A legally separate state, general purpose local or special purpose government with a separately elected governing body. It must be fiscally independent of other primary governments.

- Component Unit

A legally separate organization for which the elected officials are financially accountable. Also the primary government is able to impose its will on the component unit or there is a potential for the component unit to provide a financial benefit or incur a financial burden on the primary government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Financial Reporting Entity (Continued)

Excluded from the Financial Reporting Entity

The Cohoes Industrial Development Agency (the "Agency") was created for the purpose of encouraging economic growth in the City of Cohoes. The City appoints the Agency's governing board. A separate audit report is available for the Agency's December 31, 2020 financial statements.

The Cohoes Housing Authority (the "Authority") was organized pursuant to the Housing Statutes of the State of New York and was created to provide low-income housing. The Governing Board of the Authority is appointed by the City. The City provides no subsidy to the Authority, nor is it responsible for the debt or operating deficits of the Authority. The Authority's debt is essentially supported by operating revenues of the Authority and is not guaranteed by the City. The City does not approve the Authority's budget, contracts or hiring of staff. The City has no oversight responsibility for the funds of the Authority. A separate audit report is available for the Authority's December 31, 2020 financial statements.

The Cohoes Local Development Corporation ("LDC") was organized to coordinate and execute programs in the City of Cohoes to improve the quality of life of its residents by reducing unemployment, providing additional employment and bettering and maintaining job opportunities within the City. LDC is governed by an independently appointed board of directors. The City provides no subsidy to LDC but may contract for services with LDC. The City is not responsible for the debt or operating deficits of LDC and has no oversight responsibility for the funds of the LDC. A separate audit report is available for the LDC's December 31, 2020 financial statements.

B. Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for within a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenue and expenditures or expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions and limitations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation - Fund Accounting (Continued)

The various funds are grouped in the financial statements in the following fund types and account group:

Governmental Fund Types

Governmental funds are those in which most governmental functions of the City are reported. The acquisition, use and balances of the City's expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of financial position, rather than upon determination of net income. The following are the City's governmental fund types:

General Fund - The general fund is the primary operating fund of the City and is used to account for all financial resources except those required to be accounted for in another fund.

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

- Water Fund - established by law to account for revenues and expenditures for the purpose of providing water to the City.
- Sewer Fund - established by law to account for revenues and expenditures for the purpose of providing sewage services to the City.
- Library Fund - used to account for the operation of the City's library.

Capital Projects Fund - The capital projects fund accounts for and reports financial resources to be used for the acquisition, construction or renovation of major capital facilities or equipment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation - Fund Accounting (Continued)

Account Groups

Account groups are used to establish accounting control and accountability for general fixed assets and general long-term debt. The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

The Non-Current Governmental Assets Account Group - used to account for land, buildings, improvements other than buildings, and equipment utilized for general government purposes and deferred outflows of resources for pension. The City does not report the non-current governmental assets account group as historical records of fixed assets have not been maintained. As the City has not reported the non-current governmental asset account grouping, the financial statements, as presented, are not in accordance with accounting principles generally accepted in the United States of America.

The Non-Current Governmental Liabilities Account Group - used to record all long-term obligations of the City, such as bonds, compensated absences, other long-term debt and deferred inflows of resources for pension. Unaudited information on the City's components of long-term obligations appears in Note 6.

C. Basis of Accounting

The modified accrual basis of accounting is followed by the governmental funds. Under the modified accrual basis of accounting, revenues are recorded when they are susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the liability is incurred, if measurable, except that:

- Interest on long-term debt is not recognized as an expenditure until paid.
- Sick leave, which vests or accumulates, is charged as an expenditure when paid.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

In applying the susceptible-to-accrual concept to state and federal aid, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are generally reflected as revenues at the time of receipt.

The primary non-property tax item is sales tax which is recorded as revenue in the general fund when it is received by the State and available for distribution to the City. Other revenues are recorded when received in cash because they are generally not measurable until actually received.

D. Budgetary Data

Budgets are adopted annually on a basis consistent with generally accepted accounting principles. The City employs the following budgetary procedures:

- No later than October 1, the Board of Managers submit a tentative budget to the Common Council for the fiscal year commencing that January 1. The tentative budget includes proposed expenditures and the proposed means of financing all City General Fund and Special Revenue Fund operations.
- After public hearings are conducted to obtain taxpayer comments, the Common Council adopts the City Budget.
- All revisions that alter appropriations of any department by fund must be approved by the Board of Managers.

E. Property Taxes

City, County and School taxes are collected by the City until October 15, at which time all unpaid taxes are returned to the County, which is responsible for all uncollected taxes. The following calendar pertains to City real property taxes.

Valuation date	January 1
Taxable status date	March 1
Exemption filing deadline	March 1
Final roll filed	July 1
Date taxes due	March 1
Date penalty period begins	April 1

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is employed in the governmental funds. Open encumbrances at year end are reported as reservations of fund balances since the commitments do not constitute expenditures nor liabilities.

G. Compensated Absences

City employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates subject to certain maximum limitations. The liability for accumulated vacation and related benefits has been recorded in the respective governmental fund type in accordance with GASB 16. Payment of accumulated sick leave and related benefits is reflected in the non-current governmental liabilities account group since it is anticipated that none of the liability will be liquidated with expendable financial resources. However, management believes that sufficient resources will be made available for payment of accumulated sick leave and related benefits when such payments become due.

H. Other Post Employment Benefits

In addition to the retirement benefits described in Note 7, the City provides postemployment health insurance coverage to its retired employees and their survivors in accordance with the provisions of the employment contracts negotiated between the City and its employee groups. Substantially all of these employees may become eligible for these benefits if they reach normal retirement age while working for the City. The City recognized the cost of providing benefits for the year ended December 31, 2020 by recording its costs for the benefits for approximately 112 currently enrolled retirees and family members as an expenditure in 2020, which totaled approximately \$1,166,000.

I. Total Governmental Funds Column

Total governmental funds column in the financial statements are captioned *Memorandum Only* to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in accordance with accounting principles generally accepted in the United States of America, nor is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Subsequent Events

Management has evaluated subsequent events or transactions as to potential material impact on operations or financial position occurring through March ____, 2021, the date the financial statements were available to be issued. No such events or transactions were noted.

2. CASH AND INVESTMENTS

The City's investment policy was adopted by the Common Council and is governed by State statutes. The City's monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The comptroller is authorized to use demand accounts, certificates of deposit, obligations of the United States of America, New York State and local municipalities and school districts, certificates of participation and repurchase agreements with certain restrictions.

Collateral is required for demand deposits and certificates of deposit at 100 percent of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of any state and its municipalities and school districts.

During 2020, cash and investments were either insured by Federal Depository Insurance or collateralized by assets of the City's agent in the City's name.

3. INTERFUND TRANSACTIONS

During the course of operations, the City has numerous transactions between funds, including expenditures and transfers of revenue to provide services and construct assets. As of and for the year ended December 31, 2020, interfund balances and revenues and expenses arising from these transactions were as follows:

	<u>Interfund Revenues</u>	<u>Interfund Expense</u>
General Fund	\$ 132,000	\$ 169,283
Water Fund	-	60,000
Sewer Fund	-	202,000
Library Fund	169,283	-
Capital Projects Fund	130,000	-
	<u>\$ 431,283</u>	<u>\$ 431,283</u>

3. INTERFUND TRANSACTIONS (CONTINUED)

During 2020, \$60,000 and \$70,000 were transferred from the Water and Sewer Funds, respectively, to the General Fund for administrative expenses. \$130,000 was transferred from the Sewer Fund to the Capital Projects Fund. \$169,283 was transferred from the General Fund to the Library Fund to support fund operations.

4. DEFERRED OUTFLOWS OF RESOURCES

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has five items totaling \$7,517,366 relating to pensions reported as deferred outflows.

5. BOND ANTICIPATION NOTE PAYABLE

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital projects fund. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12-month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

The following is a summary of changes in BANs for the year ended December 31, 2020:

BANs Outstanding, January 1, 2020	\$ 920,000
BANs Redeemed	(920,000)
BANs Issued	<u>-</u>
BANs Outstanding December 31, 2020	<u><u>\$ -</u></u>

CITY OF COHOES, NEW YORK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2020

6. NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP (UNAUDITED)

The changes in the City's non-current governmental liabilities account group during the year are summarized as follows:

	Balance January 1, 2020	Additions	Deletions	Balance December 31, 2020
Serial Bonds	\$ 8,696,976	\$ 900,000	\$ 1,194,287	\$ 8,402,689
Lease Payable	787,346	-	84,251	703,095
Due to Albany County - Sewer Debt	384,612	-	55,668	328,944
Combined Sewer Overflow Project	431,626	2,014	-	433,640
Compensated Absences	1,747,912	-	208,807	1,539,105
Disability Payable	965,323	-	83,949	881,374
Workers Compensation Claims	1,751,978	-	678,292	1,073,686
Net Pension Liability (Note 7)	3,092,312	7,106,221	-	10,198,533
Other Postemployment Benefits	<u>34,435,179</u>	<u>21,510,774</u>	<u>-</u>	<u>55,945,953</u>
	<u>\$ 52,293,264</u>	<u>\$ 29,519,009</u>	<u>\$ 2,305,254</u>	<u>\$ 79,507,019</u>

The following is a summary and description of the serial bonds outstanding at December 31, 2020:

Issue Date	Original Issue	Maturity	Interest Rates	Outstanding at December 31, 2020
07/26/01	\$ 928,654	11/15/21	5.15%	\$ 55,000
03/13/03	\$ 1,076,646	10/01/22	3.37%	145,000
06/19/08	\$ 1,150,000	10/01/28	4.27%	520,000
06/28/11	\$ 1,423,060	05/01/33	.88%	47,689
07/01/11	\$ 850,000	06/21/21	2.68% to 4.61%	960,000
11/07/13	\$ 3,765,000	03/15/25	2.5% to 3.5%	1,350,000
08/21/14	\$ 2,000,000	08/15/34	3.0% to 3.5%	1,530,000
08/20/15	\$ 1,725,000	09/15/29	2.0% to 3.0%	1,175,000
07/26/18	\$ 1,900,000	08/15/35	3.0% to 3.25%	1,720,000
8/13/20	\$ 900,000	08/01/35	1.75% to 2.125%	900,000
				<u>\$ 8,402,689</u>

CITY OF COHOES, NEW YORK
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2020

6. NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP (UNAUDITED)
(CONTINUED)

The following is a summary of maturity of debt service requirements for general obligation bonds:

	<u>General Obligation Bonds</u>		<u>Lease Payable (Fire Truck)</u>		<u>Albany County Conduit Sewer Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,032,689	\$ 231,959	\$ 86,071	\$ 15,192	\$ 37,289	\$ 6,566
2022	795,000	200,071	87,931	13,333	38,145	5,912
2023	745,000	178,541	89,831	11,433	32,553	5,344
2024	755,000	157,802	91,772	9,492	33,447	4,718
2025	775,000	135,960	347,490	7,508	34,026	4,062
2026-2030	2,555,000	430,822	-	-	100,274	12,245
2031-2035	<u>1,745,000</u>	<u>127,531</u>	<u>-</u>	<u>-</u>	<u>53,260</u>	<u>3,622</u>
	<u>\$ 8,402,689</u>	<u>\$ 1,462,686</u>	<u>\$ 703,095</u>	<u>\$ 56,958</u>	<u>\$ 328,994</u>	<u>\$ 42,469</u>

Due to Other Governments

Due to other governments consists of the following:

Sewer Fund

Due to Albany County Sewer District	\$ 274,836	Sewage Treatment Charges
Due to CSO Participating Governments	<u>661,022</u>	CSO Project
	<u>\$ 935,858</u>	

Long-Term Debt Account Group

Due to Albany County Sewer District	<u>\$ 328,944</u>	City's Share of Long-Term Debt
-------------------------------------	-------------------	--------------------------------

Combined Sewer Overflow Project

The City entered into a Memorandum of Understanding with the Cities of Albany, Rensselaer, Troy, Watervliet and the Village of Green Island to address an Order of Consent with the New York State Department of Environmental Conservation to resolve alleged violations of the Federal Clean Water Act regarding combined sewer overflow. The current plan, moving to the design and construction phase, is anticipated to cost \$135 million over fifteen years. It is anticipated that grant revenues will reduce costs to the participants. The City of Cohoes will be responsible for 2.74% of construction and operating costs.

**6. NET-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP (UNAUDITED)
(CONTINUED)**

Based on the original estimate of project costs, a summary of the project costs to date is as follows:

Original Cost Estimate to the City	\$ 1,836,807
Available Credits for Projects Completed	(1,018,238)
Net Cost Paid to Date	<u>(384,839)</u>
Liability Reflected in Long-Term Debt	<u>\$ 433,730</u>

An EFC Bond for \$959,000 closed in October 2020. The proceeds, when released by EFC, will be used to pay the City's portion of estimated construction costs of \$45 million.

Workers Compensation Claims Payable

The City of Cohoes incurs costs related to a self-funded workers compensation insurance plan. The third party administrator for the plan provides the City with a monthly report of claims paid as well as their estimate of loss reserves for open claims. The third party administrator does not provide an estimate of "incurred but not reported" claims. The City has recorded the estimated loss reserves as estimated by the third party administrator of \$1,073,686 in the non-current governmental liabilities account group.

During the year ended December 31, 2020, the City incurred expenditures and payments of claims and claims adjustment expenses attributable to insured events paid by the Plan on behalf of the City totaling \$639,184.

Disability Payable

General Municipal Law, Section 207A provides for firemen to receive continued salary payments to age seventy in the event of disability. The payments are funded partially by the City and partially by the retirement system. As of December 31, 2020, the present value of the payments the City was obligated to make to three firemen totaled \$881,374 which has been reflected in the non-current governmental liabilities account group. The related expense for the year ended December 31, 2020 approximated \$146,000.

Accrued Other Postemployment Benefits

Plan Description

GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires governments to account for other postemployment benefits (OPEB) on an accrual basis, rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense on the Statement of Activities when a future retiree earns their postemployment benefits, rather than when they use their postemployment benefit. The postemployment benefit liability is recognized on the Statement of Net Position over time.

**6. NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP (UNAUDITED)
 (CONTINUED)**

Accrued Other Postemployment Benefits (Continued)

Benefits Provided

The City provides postemployment healthcare benefits for certain eligible retirees, through fully insured plans.

Employees Covered by Benefit Terms

As of January 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits payments	96
Active employees	<u>116</u>
Total Participants covered by OPEB Plan	<u>212</u>

Total OPEB Liability

The City's total OPEB liability of \$53,455,398 was measured as of December 31, 2020, and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.12%
Healthcare Cost Trend Rates:	
Current Year Trend	10%
Ultimate Trend	5.0%
Year Ultimate Trend is Reached	2030
Salary Increases	2.5%

Salary Increases

The discount rate was based on the index provided by *Bond Buyer 20-Bond General Obligations Index*, based on the 20 year AA municipal bond rate as of January 1, 2019.

Mortality rates: SOA RP-2014 total Dataset mortality with scale MS-2017.

**6. NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP (UNAUDITED)
 (CONTINUED)**

Changes in the Total OPEB Liability

OPEB Liability, Beginning of Year	\$ 34,435,179
Changes for the Year:	
Service Cost	2,121,083
Interest	1,125,243
Benefits Payments	(755,771)
Changes in Assumptions	11,011,848
Loss Attributable to Experience	<u>8,008,371</u>
 OPEB Liability, End of Year	 <u>\$ 55,945,953</u>

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

The December 31, 2020 valuation was prepared using a discount rate of 2.12%. The following presents the total OPEB liability using a discount rate 1% higher and 1% lower as well as the current discount rate.

	Discount Rate		
	1% Decrease	Baseline 2.12%	1% Increase
Total OPEB Liability	<u>\$ 65,885,786</u>	<u>\$ 55,945,953</u>	<u>\$ 47,883,162</u>

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

The December 31, 2020 valuation was prepared using an initial trend rate of 10.0%. The following presents the total OPEB liability using a healthcare cost trend rate 1% higher and 1% lower as well as the current healthcare cost trend rate.

	Healthcare Cost Trend Rates		
	1% Decrease	Baseline 10.0%	1% Increase
Total OPEB Liability	<u>\$ 46,257,813</u>	<u>\$ 55,945,953</u>	<u>\$ 68,483,217</u>

At December 31, 2020, the City's deferred outflows and inflows of resources related to OPEB from the following sources:

	Total Deferred Outflows of Resources	Total Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,062,219	\$ -
Changes in assumptions	<u>9,269,467</u>	<u>(363,821)</u>
	<u>\$ 16,331,686</u>	<u>\$ (363,821)</u>

**6. NON-CURRENT GOVERNMENTAL LIABILITIES ACCOUNT GROUP (UNAUDITED)
 (CONTINUED)**

The net amount of the City's balances of deferred outflows and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

December 31, 2021	\$ 2,990,061
December 31, 2022	2,990,061
December 31, 2023	3,005,636
December 31, 2024	3,009,528
December 31, 2025	3,009,528
Thereafter	963,051
	<u>\$ 15,967,865</u>

7. PENSION PLANS

General Information

The City participates in the New York State and Local Employees' Retirement System ("ERS") and New York State and Local Police and Fire Retirement System ("PFRS"). The Systems are cost sharing multiple-employer, public employee retirement systems. The Systems offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

Plan Description and Benefits Provided

The Systems provide retirement benefits as well as death and disability benefits. The net position of the Systems are held in the New York State Common Retirement Fund, which was established to hold all net assets and record changes in plan net position allocated to the Systems. The Comptroller of the State of New York (the "Comptroller") serves as sole trustee and administrative head of the Systems. System benefits are established under provisions of the New York State Retirement and Social Security Laws ("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 Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for ERS employees who joined the System after July 27, 1976 who contribute 3% of their salary, for the first ten years of membership and employees who joined on or after January 1, 2010 who generally must contribute 3% of their salary for their entire length of service. Under the authority of the NYSRSSL, 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.

7. PENSION PLANS (CONTINUED)

Plan Description and Benefits Provided (Continued)

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

	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
2020	\$ 470,032	\$ 1,170,920	\$ 1,640,952
2019	\$ 476,492	\$ 1,132,560	\$ 1,609,052
2018	\$ 476,614	\$ 1,137,770	\$ 1,614,384

Chapter 260 of the laws of 2014 of the State of New York allows local employers to bond or amortize a portion (limitations established by fiscal year) of their retirement bill up to 10 years for fiscal years ended March 31, 2005 through 2008. Chapter 57 of the laws of 2010 of the State of New York allows local employers to amortize a portion (limitations established by fiscal year) of their retirement bill for 10 years for fiscal years ended March 31, 2012 and forward.

These laws require participating employers to make payments on a current basis, while bonding or amortizing existing unpaid amounts.

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

At December 31, 2020, the City reported a liability of \$2,991,971 for ERS and \$7,206,562 for PFRS for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2020, the City's proportion was .0113% percent ERS and .1348% PFRS.

7. **PENSION PLANS (CONTINUED)**

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions (Continued)

At December 31, 2020, the City's deferred outflows and inflows of resources related to pensions from the following sources:

	Total Deferred Outflows of Resources	Total Deferred Inflows of Revenues
Differences between expected and actual experience	\$ 655,971	\$ (120,709)
Changes in assumptions	676,231	(52,020)
Net difference between projected and actual earnings on pension plan investments	4,779,172	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	176,893	(117,642)
Contributions subsequent to the measurement date	<u>1,229,099</u>	<u>-</u>
	<u>\$ 7,517,366</u>	<u>\$ (290,371)</u>

The net amount of the City's balances of deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

December 31, 2021	\$ 2,465,496
December 31, 2022	1,427,284
December 31, 2023	1,803,250
December 31, 2024	1,485,817
December 31, 2025	<u>45,148</u>
	<u>\$ 7,226,995</u>

ERS and PFRS Actuarial Assumption

The total pension liability at March 31, 2020 was determined by using an actuarial valuation as of April 1, 2019, with update procedures used to roll forward the total pension liability to March 31, 2020. The actuarial valuation used the following actuarial assumptions.

	<u>ERS</u>	<u>PERS</u>
Interest rate	6.8%	6.8%
Salary increase	4.2%	5.0%
Inflation rate	2.5%	2.5%
Cost of living adjustment	1.3%	1.3%

7. PENSION PLANS (CONTINUED)

ERS and PFRS Actuarial Assumption (Continued)

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected 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 the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2020 for ERS and PFRS were as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.05%
International equity	6.15%
Private equity	6.75%
Real estate	4.95%
Absolute return strategies	3.25%
Opportunistic portfolio	4.65%
Real assets	5.95%
Bonds and mortgages	.75%
Cash	- %
Inflation-indexed bonds	.50%

Discount Rate

The discount rate used to calculate the total pension liability was 6.8% for ERS and PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. PENSION PLANS (CONTINUED)

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.8%, as well as what the City's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Assumption</u>	<u>1% Increase</u>
<u>ERS</u>			
Employers' proportionate share of the net pension asset (liability)	\$ (5,491,112)	\$ (2,991,971)	\$ (690,252)

<u>PFRS</u>			
Employers' proportionate share of the net pension asset (liability)	\$ (12,885,481)	\$ (7,206,562)	\$ (2,120,963)

Pension Plan Fiduciary Net Position

The components of the net pension liability of the plans as of March 31, 2019 was as follows (in thousands):

	<u>ERS</u>	<u>PFRS</u>
Plan total pension liability	\$ (194,596,261)	\$ (35,309,017)
Fiduciary net position	<u>168,115,682</u>	<u>29,964,080</u>
Plan net pension liability	<u>(26,480,579)</u>	<u>(5,344,937)</u>
Ratio of fiduciary net position to the plan total pension liability	<u>86.39%</u>	<u>84.86%</u>

8. FUND BALANCE

The City has implemented GASB 54 "Fund Balance Reporting and Governmental Fund Type Definitions."

GASB 54 defines five categories of fund balances as follows:

1. **Nonspendable** fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The City's nonspendable fund balance consists of \$684,327 General Fund, \$23,722 Water Fund and \$3,853 Library Fund in prepaid expenses at December 31, 2020.

8. FUND BALANCE (CONTINUED)

2. **Restricted** fund balance includes amounts restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The City had no restricted fund balances at December 31, 2020.
3. **Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. The City had no committed fund balances at December 31, 2020.
4. **Assigned** fund balance includes amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances include funds that are legally mandated to be accounted for separately as well as amounts that have been contractually obligated by the City or designated by the City for ensuing year's budget. Assigned fund balance includes the following:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Library Fund</u>
Assigned for Encumbrances	\$ 33,679	\$ 12,689	\$ -
Assigned for Future Economic Development	208,460	-	-
Assigned for Ensuing Year's Budget	950,000	-	-
Assigned for Special Revenue/Funds	-	971,387	53,779
	<u>\$1,192,139</u>	<u>\$ 984,076</u>	<u>\$ 53,779</u>

5. **Unassigned** fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the fund.

9. TAX ABATEMENT

The City enters into Payment in Lieu of Taxes ("PILOTS") agreements with some local businesses. PILOTS are often included as part of an Industrial Development Agency ("IDA") agreement with a commercial or industrial development for the purpose of attracting or retaining business within their jurisdictions. PILOT agreements normally provide for payments of amounts lesser than would have been collected for real estate taxes for a number of years.

For the year ended December 31, 2020, the City recognized 834,192 in PILOTS revenue under PILOT agreements expiring through 2047. Abated property taxes amounted to approximately \$355,000 under this program.

10. COMMITMENTS AND CONTINGENCIES

Litigation

Several claims against the City are presently pending for various reasons including condemnation and personal injuries. Although the final outcome of these matters cannot be predicted, management of the City, based on the advice of the City's Counsel, does not believe that the final settlement of these matters will have a material adverse effect on the financial condition of the City.

Grant Programs

The City participates in a number of grant programs. These programs are subject to financial and compliance audits by the grantor or its representatives. There is a Community Development Block Grant in which the employment goals were not achieved and which management is working with the U.S. Department of Housing and Urban Development to determine if repayment will be required. The City believes, based upon its review of current activity and prior experience, the amount of disallowances resulting from these audits, if any, will not be significant to the City's financial position or results of operations.

Environmental Concerns

The City is engaged in many activities (e.g., water and sewer service, refuse collection, gasoline storage), in the normal course of operations, that are potentially hazardous to the environment. As of December 31, 2020, the City is not aware of any significant environmental problems that should be disclosed in the financial statements.

Refuse Agreement

The City has entered into an agreement with the Colonie Landfill for refuse dumping at established rates through December 31, 2020. A contract is currently being negotiated. Total refuse dumping expenditures for the year ended December 31, 2020 were \$361,862.

Municipal Wastewater Agreement

The City has entered into an agreement with the Albany County Sewer District to treat the City's wastewater at the County's treatment plant. Total wastewater treatment expenditures for the year ended December 31, 2020 were \$894,294 (\$835,222 sewage treatment and \$59,072 debt service).

10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Debt Defeasance

In 2013, certain outstanding bonds were defeased by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the financial statements. The balance of those defeased bonds, maturing on various dates with a final maturity on March 15, 2025, was \$1,355,000 at December 31, 2020.

Union Contracts

Police, fire department and general city employees are each represented by a collective bargaining agent. Those agents which represent them and the dates of expiration of their agreements are as follows:

<u>Bargaining Unit</u>	<u>Contract Expiration Date</u>
Civil Service Employees Association - DPW	December 31, 2023
Civil Service Employees Association - Clerical	December 31, 2022
Cohoes Police Benevolent and Protective Association	December 31, 2020
International Association of Fire Fighters	December 31, 2022

11. UNCERTAINTY

The United States is presently in the midst of a national health emergency related to a virus commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional, and local level are unknown, but it has the potential to result in a significant economic impact. The impact of this situation on the City and its future financial position and results of operations is not presently determinable.

CITY OF COHOES, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND
DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance</u>
Revenues:					
Real property taxes	\$ 7,550,175	\$ 7,550,175	\$ 7,550,262	\$ -	\$ 87
Real property tax items	870,913	923,913	923,900	-	(13)
Non property tax items	6,100,000	6,100,000	6,151,593	-	51,593
Department income	538,000	538,000	284,036	-	(253,964)
Use of money and property	160,000	160,000	30,395	-	(129,605)
Licenses and permits	275,000	275,000	277,053	-	2,053
Fines and forfeitures	125,000	125,000	61,734	-	(63,266)
Sales of property and compensation of loss	190,000	248,000	249,003	-	1,003
Miscellaneous local sources	260,000	260,000	144,338	-	(115,662)
State aid	<u>3,600,331</u>	<u>3,600,331</u>	<u>3,098,118</u>	-	<u>(502,213)</u>
Total revenue	<u>19,669,419</u>	<u>19,780,419</u>	<u>18,770,432</u>	-	<u>(1,009,987)</u>
Expenditures:					
General governmental support	2,593,243	2,940,392	3,120,472	13,231	(193,311)
Public safety and health	7,179,001	7,307,184	7,078,099	6,988	222,097
Transportation	1,538,830	1,624,903	1,517,799	-	107,104
Culture and recreation	284,400	215,814	156,648	-	59,166
Home and community services	2,028,235	2,189,788	1,847,920	13,460	328,408
Employee benefits	5,765,000	5,706,160	5,322,066	-	384,094
Debt service (principal and interest)	<u>595,000</u>	<u>595,000</u>	<u>586,660</u>	-	<u>8,340</u>
Total expenditures	<u>19,983,709</u>	<u>20,579,241</u>	<u>19,629,664</u>	<u>33,679</u>	<u>915,898</u>
Deficiency of revenue over expenditures	(314,290)	(798,822)	(859,232)	(33,679)	(94,089)
Other financing sources (uses):					
Operating transfers in	132,000	132,000	132,000	-	-
Operating transfers out	<u>(217,710)</u>	<u>(217,710)</u>	<u>(169,283)</u>	-	<u>48,427</u>
Total other financing sources (uses)	<u>(85,710)</u>	<u>(85,710)</u>	<u>(37,283)</u>	-	<u>48,427</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>\$ (400,000)</u>	<u>\$ (884,532)</u>	<u>\$ (896,515)</u>	<u>\$ (33,679)</u>	<u>\$ (45,662)</u>

CITY OF COHOES, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - WATER FUND
DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Encumbrances</u>	<u>Variance</u>
Revenues:					
Department income	\$ 1,908,760	\$ 1,908,760	\$ 1,949,524	\$ -	\$ 40,764
Intergovernmental charges	175,000	212,080	308,449	-	96,369
Use of money and property	30,000	30,000	39,025	-	9,025
Sales of property and compensation of loss	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Total revenue	<u>2,118,760</u>	<u>2,155,840</u>	<u>2,296,998</u>	<u>-</u>	<u>141,158</u>
Expenditures:					
General governmental support	22,500	25,985	25,978	-	7
Home and community services	994,420	1,031,260	947,450	12,689	71,121
Employee benefits	308,800	308,800	283,179	-	25,621
Debt service (principal and interest)	<u>733,040</u>	<u>734,595</u>	<u>725,805</u>	<u>-</u>	<u>8,790</u>
Total expenditures	<u>2,058,760</u>	<u>2,100,640</u>	<u>1,982,412</u>	<u>12,689</u>	<u>105,539</u>
Excess (deficiency) of revenue over expenditures	60,000	55,200	314,586	(12,689)	246,697
Operating transfers out	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (4,800)</u>	<u>\$ 254,586</u>	<u>\$ (12,689)</u>	<u>\$ 246,697</u>

CITY OF COHOES, NEW YORK
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL - SEWER FUND
DECEMBER 31, 2020

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Department income	\$ 2,148,110	\$ 2,148,110	\$ 2,010,314	\$ (137,796)
Intergovernmental charges	50,000	71,090	71,091	1
Miscellaneous local sources	-	15,000	15,000	-
Total revenue	<u>2,198,110</u>	<u>2,234,200</u>	<u>2,096,405</u>	<u>(137,795)</u>
Expenditures:				
General governmental support	26,000	29,210	25,703	3,507
Home and community services	1,616,055	1,461,665	1,427,335	34,330
Employee benefits	195,250	296,111	296,107	4
Debt service (principal and interest)	<u>288,805</u>	<u>287,930</u>	<u>287,926</u>	<u>4</u>
Total expenditures	<u>2,126,110</u>	<u>2,074,916</u>	<u>2,037,071</u>	<u>37,845</u>
Excess (deficiency) of revenue over expenditures	72,000	159,284	59,334	(99,950)
Operating transfers out	<u>72,000</u>	<u>202,000</u>	<u>202,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ (42,716)</u>	<u>\$ (142,666)</u>	<u>\$ (99,950)</u>

**ADDITIONAL REPORT REQUIRED BY
*GOVERNMENT AUDITING STANDARDS***

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

To the Mayor and Members of the Common
Council of the City of Cohoes, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of Cohoes, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated March __, 2021.

Internal Control Over Financial Reporting

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

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

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

Outsourcing of Financial Statement Preparation Process to Your Auditors

Statement on Auditing Standards *Communicating Internal Control Related Matters Identified in an Audit* issued by the American Institute of Certified Public Accountants requires the reporting of a significant deficiency if the Organization does not employ an individual with the necessary qualifications to prepare a complete set of financial statements and related footnotes in accordance with generally accepted accounting principles. The City of Cohoes, New York does not employ such a person. Governance and management have been advised of this previously and have concluded that the cost to rectify this comment would exceed the benefit.

Compliance and Other Matters

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



CUSACK & COMPANY, CPA'S LLC

Latham, New York
March __, 2021

CUSACK & COMPANY
Certified Public Accountants LLC
7 AIRPORT PARK BOULEVARD
LATHAM, NEW YORK 12110
(518) 786-3550
FAX (518) 786-1538
E-MAIL ADDRESS: CPAS@CUSACKCPAS.COM
WWW.CUSACKCPAS.COM

MEMBERS OF:
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF:
NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

March ____, 2021

To the Mayor and Members of
the Common Council
The City of Cohoes, New York

We have audited the fund financial statements of the City of Cohoes, New York for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Cohoes, New York are described in Note 1 of the financial statements. There were no new accounting policies adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates affecting the financial statements.

The financial statement disbursements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The adjusting journal entries we proposed are attached to this letter.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March __, 2021.

Management Consultations with Other Independent Accountants

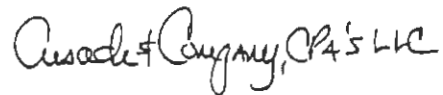
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Cohoes, New York's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Cohoes, New York's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Mayor and the Common Council and management of the City of Cohoes, New York and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



CUSACK & COMPANY CPA'S, LLC

City of Cohoes
Adjusting Journal Entries
 January 1, 2020 - December 31, 2020

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
Adjusting Journal Entries							
12/31/20	1		To gross up roof project.	C-1.1, R-1			(250,000.00)
		X16204400.00	PREVENT. MAIN.		250,000.00		
		L69100000.00	DEFERRED REVENUES			250,000.00	
03/02/21	2		RECLASS				50.00
		L90900000.00	UNRESERVED FUND BALANCE		40,787.24		
		L89100000.00	RESERVE FOR PREPAID EXPS			40,787.24	
		L90900000.00	UNRESERVED FUND BALANCE		50.00		
		X99999999.00	UNRECONCILED			50.00	
03/02/21	3		CONSOLIDATE AGENCY FUND (MIKE DO NOT BOOK)				0.00
		A20000000.00	CASH PIONEER MM		59,407.00		
		L60100000.00	ACCRUED LIABILITIES			59,407.00	
Totals for Adjusting Journal Entries					<u>350,244.24</u>	<u>350,244.24</u>	<u>(249,950.00)</u>
Report Totals					<u>350,244.24</u>	<u>350,244.24</u>	<u>(249,950.00)</u>

Journal Entry count = 3

City of Cohoes - Water Fund

Adjusting Journal Entries

January 1, 2020 - December 31, 2020

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
Adjusting Journal Entries							
03/02/21	1		RECLASS				0.00
		L90900000.00	UNRESERVED FUND BALANCE		11,250.00		
		L88900000.00	NONSPENDABLE FUND BALANCE			11,250.00	
			Totals for Adjusting Journal Entries		<u>11,250.00</u>	<u>11,250.00</u>	<u>0.00</u>
			Report Totals		<u>11,250.00</u>	<u>11,250.00</u>	<u>0.00</u>

Journal Entry count = 1

City of Cohoes - Sewer Fund

Adjusting Journal Entries

January 1, 2020 - December 31, 2020

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
Adjusting Journal Entries							
03/02/21	1		RECLASS				0.00
		X97106000.00	PRINCIPAL ON INDEBTEDNESS		5,668.00		
		X97107000.00	INTEREST ON INDEBTEDNESS			5,668.00	
		L90900000.00	FUND BALANCE		14,490.00		
		L88900000.00	NONSPENDABLE FUND BALANCE			14,490.00	
		L60100000.00	ACCRUED EXPENSES		661,022.44		
		L66200000.00	DUE TO OTHER GOVERNMENTS			661,022.44	
			Totals for Adjusting Journal Entries		<u>681,180.44</u>	<u>681,180.44</u>	<u>0.00</u>
			Report Totals		<u>681,180.44</u>	<u>681,180.44</u>	<u>0.00</u>

Journal Entry count = 1

City of Cohoes - Capital Project Fund

Adjusting Journal Entries

January 1, 2020 - December 31, 2020

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
Adjusting Journal Entries							
03/01/21	1		ADJUST BALANCES TO DETAIL				(191,366.49)
		A41000000.00	DUE FROM STATE AND FEDERAL		17,001.62		
		A44000000.00	DUE FROM OTHER GOV'TS		39,000.00		
		R27700000.00	Other Revenue		758,445.10		
		X97042000.00	BOND PURCHASES		247,368.11		
		L60000000.00	ACCOUNTS PAYABLE			247,368.11	
		R10010000.00	REAL PROPERTY TAX LIENS			37,011.60	
		R35970000.00	STATE AID			777,435.12	
			Totals for Adjusting Journal Entries		<u>1,061,814.83</u>	<u>1,061,814.83</u>	<u>(191,366.49)</u>
			Report Totals		<u>1,061,814.83</u>	<u>1,061,814.83</u>	<u>(191,366.49)</u>

Journal Entry count = 1

City of Cohoes - Library Fund

Adjusting Journal Entries

January 1, 2020 - December 31, 2020

Date	Reference	Account	Description	WP Reference	Debit	Credit	Net Income Effect
Adjusting Journal Entries							
03/02/21	1		RECLASS				0.00
		L90900009.00	INTERIM FUND BALANCE		2,004.67		
		L88900000.00	MISCELLANEOUS RESERVES			2,000.00	
		L90900000.00	FUND BALANCE			4.67	
			Totals for Adjusting Journal Entries		<u>2,004.67</u>	<u>2,004.67</u>	<u>0.00</u>
			Report Totals		<u>2,004.67</u>	<u>2,004.67</u>	<u>0.00</u>

Journal Entry count = 1