

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Financial Statements and  
Supplementary Information

Year Ended December 31, 2019

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

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## Independent Auditors' Report

### The Board of Control of the Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York ("Commission"), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Commission's financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Commission, as of December 31, 2019, and the respective changes in financial position, thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

We draw attention to Note 2D in the notes to financial statements which disclose the effects of the Commission's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, "*Fiduciary Activities*". Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Management has omitted management's discussion and analysis, that accounting principles generally accepted in the United States of America requires to be presented to supplement the financial statements. Such missing information, although not part of the financial statements, is required by the GASB who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic or historical context. Our opinion on the financial statements is not affected by this missing information.

**PKF O'Connor Davies, LLP**

Harrison, New York

November xx, 2020

**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Statement of Net Position  
December 31, 2019

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and equivalents	\$ 773,923
Accounts receivable	243,133
Prepaid expenses	131,696
Capital assets	
Not being depreciated	54,000
Being depreciated, net	<u>780,871</u>
Total Assets	<u>1,983,623</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>864,473</u>
<b>LIABILITIES</b>	
Accounts payable	287,819
Employee payroll deductions	13,424
Non-current liabilities	
Due in more than one year	<u>9,477,458</u>
Total Liabilities	<u>9,778,701</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>1,323,806</u>
<b>NET POSITION</b>	
Net Investment in capital assets	834,871
Unrestricted	<u>(9,089,282)</u>
Total Net Position	<u><u>\$ (8,254,411)</u></u>

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

**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Statement of Activities  
Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Governmental Activities
Governmental activities			
Home and community services	<u>\$ 4,099,274</u>	<u>\$ 3,677,498</u>	<u>\$ (421,776)</u>
General revenues			
Use of money and property			601
Miscellaneous			19,376
Insurance recoveries			<u>38,991</u>
Total General Revenues			<u>58,968</u>
Change in Net Position			(362,808)
<b>NET POSITION</b>			
Beginning			<u>(7,891,603)</u>
Ending			<u>\$ (8,254,411)</u>

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

**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Balance Sheet  
General Fund  
December 31, 2019

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**ASSETS**

Cash and equivalents	\$ 773,923
Accounts receivable	243,133
Prepaid expenditures	<u>131,696</u>
Total Assets	<u><u>\$ 1,148,752</u></u>

**LIABILITIES AND FUND BALANCES**

Liabilities

Accounts payable	\$ 287,819
Employee payroll deductions	<u>13,424</u>
Total Liabilities	<u>301,243</u>

Fund balances

Nonspendable	131,696
Assigned	130,000
Unassigned	<u>585,813</u>

Total Fund Balances 847,509

Total Liabilities and Fund Balances \$ 1,148,752

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

## Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York

Reconciliation of the Governmental Funds Balance Sheet to  
The Government-Wide Statement of Net Position  
December 31, 2019

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Amounts Reported for Governmental Activities in the Statement of Net Position  
are Different Because

Fund Balance - Total Governmental Funds	\$ 847,509
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>834,871</u>
Governmental funds do not report the effect of assets or liabilities related to net pension and postemployment benefit obligations whereas these amounts are deferred and amortized in the statement of activities.	
Deferred amounts on net pension liabilities	134,614
Deferred amounts on other postemployment benefit obligations	<u>(593,947)</u>
	<u>(459,333)</u>
Long-term and other liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	(406,378)
Other post employment benefit obligations payable	<u>(9,071,080)</u>
	<u>(9,477,458)</u>
Net Position of Governmental Activities	<u>\$ (8,254,411)</u>

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



# Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York

## Statement of Revenues Expenditures and Changes in Fund Balances Governmental Funds - General Fund Year Ended December 31, 2019

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### REVENUES

Intergovernmental charges	
Share of joint activity - other governments	\$ 3,611,799
Rental of real property	45,170
Departmental income	20,529
Use of money and property	601
Miscellaneous	<u>19,376</u>
 Total Revenues	 <u>3,697,475</u>

### EXPENDITURES

#### Current

Home and community services	
Personal services	1,613,215
Contractual	570,154
Employee benefits	
State retirement	173,320
Social security	119,334
Workers' compensation benefits	489,957
Life insurance	691
Disability insurance	1,073
Hospital, medical and dental insurance	<u>710,080</u>
 Total Expenditures	 <u>3,677,824</u>

Excess of Revenues Over Expenditures	19,651
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### OTHER FINANCING SOURCES

Insurance recoveries	<u>38,991</u>
 Net Change in Fund Balances	 58,642

### FUND BALANCES

Beginning of Year	<u>788,867</u>
End of Year	<u>\$ 847,509</u>

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

**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year Ended December 31, 2019

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Amounts Reported for Governmental Activities in the Statement of Activities  
are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 58,642
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	<u>(47,182)</u>
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension liabilities	(117,559)
Other postemployment benefit obligations	<u>(256,709)</u>
	<u>(374,268)</u>
Change in Net Position of Governmental Activities	<u>\$ (362,808)</u>

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

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements  
December 31, 2019

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

**A. Financial Reporting Entity**

The Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York ("Commission") is a joint agency of the Village of Larchmont, New York ("Village") and the Town of Mamaroneck, New York ("Town"). The Commission operates under the Enabling Act which provides for the reapportionment of the cost of maintenance, operation and repair of the plant based on the respective weights delivered to the plant for incineration from the Village and the Commission. The agreement between the entities provides that the Board of Control, consisting of the Village Mayor and the Commission Supervisor, is responsible for financial oversight.

The accounting policies of the Commission conform to generally accepted accounting principles as applicable to governmental units and the Uniform System of Accounts as prescribed by the State of New York. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**B. Government-Wide Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Commission as a whole. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Net Position presents the financial position of the Commission at the end of its fiscal year. The Statement of Activities demonstrates the degree to which direct expenses of the Commission's function are offset by program revenues. Direct expenses are those that are clearly identifiable with the Commission's function. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods or services or privileges provided by the Commission. Other items not identified as program revenues are reported as general revenues. The Commission does not allocate indirect expenses to functions in the Statement of Activities.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Fund Financial Statements**

The accounts of the Commission are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances/net position, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Commission maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. Since the governmental funds statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explain the adjustments necessary to transform the fund based financial statements into the governmental

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

activities column of the government-wide presentation. The Commission's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

**Fund Categories**

- a. Governmental Funds - Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. The major governmental fund of the commission is the General Fund. The General Fund constitutes the primary operating fund of the Commission and is used to account for and report all financial resources except those required to be accounted for in other funds.
- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - Fiduciary funds are used to account for assets held by the Commission in an agency capacity on behalf of others.

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

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

The governmental-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Agency Fund has no measurement focus but utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are recognized as revenues when the expenditure is made. A ninety day availability period generally is used for revenue recognition for most other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, expenditures related to net pension liability and other post employment benefit obligations are recorded only when payment is due.

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Fund Balances**

**Cash and Equivalents, Investments and Risk Disclosure**

**Cash and Equivalents** - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The Commission's deposits and investment policies are governed by New York State statutes. The Commission is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by Federal deposit insurance. The Commission has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of New York State and its municipal and school Commission subdivisions.

**Investments** - Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of New York State or its political subdivisions.

The Commission follows the provision of GASB Statement No. 72, "*Fair Value Measurements and Application*", which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

**Risk Disclosure**

**Interest Rate Risk** - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Commission does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the Commission does not invest in any long-term investment obligations.

**Custodial Credit Risk** - Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. GASB Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*", directs that deposits be disclosed as exposed to custodial credit risk if they

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the Commission's name. The Commission's aggregate bank balances that were not covered by depository insurance were not exposed to custodial credit risk at December 31, 2019.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Commission does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State of New York.

**Concentration of Credit Risk** - Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. As mentioned in Note 2C, the Commission has not adopted an investment policy.

**Receivables** - Receivables include amounts due from other governments and individuals for services provided by the Commission. Receivables are recorded and revenues recognized as earned or as specific program expenses/expenditures are incurred. Allowances are recorded when appropriate.

**Prepaid Expenses/Expenditures** - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Prepaid expenses/expenditures consist of health insurance and other costs which have been satisfied prior to the end of the fiscal year, but represent items which have been provided for in the subsequent year's budget and will benefit such periods. Reported amounts in governmental funds are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

**Capital Assets** - Capital assets, which include property, plant, equipment and infrastructure, are reported in the statement of net assets. Capital assets are defined by the Commission as assets with an initial, individual cost of \$500 or more for land and \$5,000 or more for any other asset and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives is not capitalized.

Land is not depreciated. Property, plant and equipment of the Commission are depreciated using the straight line method over the following estimated useful lives.

<u>Class</u>	<u>Life In Years</u>
Buildings and improvements	25-50
Machinery and equipment	5-8

**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

The costs associated with the acquisition of capital assets is shown as expenditures in the fund financial statements. Capital assets are not shown on the governmental fund balance sheet.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element 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 Commission reported deferred outflows of resources and deferred inflows of resources in relation to its pension obligations and other post-employment benefit obligations. These amounts are detailed below.

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
New York State and Local Employees' Retirement System	\$ 309,685	\$ 175,071
Other postemployment benefit obligations	<u>554,788</u>	<u>1,148,735</u>
	<u>\$ 864,473</u>	<u>\$ 1,323,806</u>

**Net Position** - Net position represent the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Commission or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the statement of Net Position includes, net investment in capital assets. The balance is classified as unrestricted.

**Fund Balance** - Generally, fund balance represents the difference between current assets and deferred outflows of resources and current liabilities and deferred inflows of resources. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted fund balance is reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification is used to report funds that are restricted for debt service obligations and for other items contained in the General Municipal Law of the State of New York.

Committed fund balance is reported for amounts that can only be used for specific purposes pursuant to formal action of the entity's highest level of decision making authority. The Commission's Board is the highest level of decision making authority for the Commission that can, by the adoption of a resolution prior to the end of a fiscal year, commit fund balance. Once adopted, these funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Commission's Board.

Assigned fund balance, in the General Fund, represents amounts constrained either by policies of the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.

Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities and deferred inflows of resources, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows of resources.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Commission's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Commission's policy to use fund balance in the following order: committed, assigned and unassigned.

**F. Use of Estimates**

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



**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

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**Note 1 - Summary of Significant Accounting Policies (Continued)**

**G. Subsequent Events Evaluation by Management**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is **November xx, 2020.**

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

**A. Budgetary Data**

The Commission does not follow specific guidelines nor are there any legal requirements in establishing budgetary data that is reflected in the financial statements.

**B. Excess of Expenditures Over Budget**

The following expenditure categories of the General Fund exceeded the authorized budget by the amounts indicated:

Home and community services		
Disability insurance	\$	73
Hospital, medical, and dental insurance		19,580

**C. Investment Policy**

Section 39 of General Municipal Law provides that the governing board of the Commission adopt a written investment policy which conforms to all statutes. The Commission has not adopted such an investment policy.

**D. Adoption of Accounting Standard**

For the year ended May 31, 2020, the Commission implemented the provisions of GASB Statement No. 84, "*Fiduciary Activities*". The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. As a result of the adoption of this standard, certain transactions previously reported within governmental funds are now reflected within the Fiduciary Fund while other transactions previously reported in the Fiduciary Fund are now reflected within governmental funds.

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Continued)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds**

**A. Capital Assets**

Changes in the Commission's capital assets are as follows:

Class	Balance January 1, 2019	Additions	Balance December 31, 2019
Capital Assets, not being depreciated - Land	\$ 54,000	\$ -	\$ 54,000
Capital Assets, being depreciated:			
Buildings and improvements	\$ 1,013,489	\$ -	\$ 1,013,489
Machinery and equipment	278,901	-	278,901
Total Capital Assets, being Depreciated	1,292,390	-	1,292,390
Less Accumulated Depreciation for:			
Buildings and improvements	281,238	38,539	319,777
Machinery and equipment	183,099	8,643	191,742
Total Accumulated Depreciation	464,337	47,182	511,519
Total Capital Assets, being Depreciated, net	\$ 828,053	\$ (47,182)	\$ 780,871
Capital Assets, net	\$ 882,053	\$ (47,182)	\$ 834,871

Depreciation expense of \$47,182 was charged to the Home and Community Services functional expense.

**B. Long-Term Liabilities**

The following table summarizes changes in the Commission's long-term liabilities for the year ended December 31, 2019:

	Balance January 1, 2019	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2019
Non-current Liabilities:				
Net Pension Liability	\$ 191,667	\$ 214,711	\$ -	\$ 406,378
Other Post Employment Benefit Obligations Payable	8,778,118	494,697	201,735	9,071,080
Total Long-Term Liabilities	\$ 8,969,785	\$ 709,408	\$ 201,735	\$ 9,477,458

The liability for net pension liability and other post employment benefit obligations is liquidated by the General Fund.

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

**Pension Plans**

*New York State and Local Retirement System*

The Commission participates in the New York State and Local Employees' Retirement System ("ERS"). This is a cost-sharing, multiple-employer defined benefit pension plan. 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 ("Fund"), which was established to hold all net assets and record changes in plan net position. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Obligations of employers and employees to contribute and benefits to employees are governed by 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 Commission also participates in the Public Employees' Group Life Insurance Plan, 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/about\\_us/financial\\_statement\\_index.php](http://www.osc.state.ny.us/retire/about_us/financial_statement_index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined 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 contribute between 3% and 6% 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 System's fiscal year ending March 31. The employer contribution rates for the plan's year ending in 2019 are as follows:

	<u>Tier/Plan</u>	<u>Rate</u>
ERS	3 A14	15.8 %
	4 A15	15.8
	5 A15	13.2
	6 A15	9.3

At December 31, 2019 the Commission reported the following for its proportionate share of the net pension liability for ERS.

Measurement Date	March 31, 2019
Net Pension Liability	\$ 406,378
Commission's proportion of the net pension liability	0.0057355%
Change in proportion since the prior measurement date	(0.0002031)%

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

The net pension liability was measured as of March 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on a computation of the actuarially determined indexed present value of future compensation by employer relative to the total of all participating members.

For the year ended December 31, 2019, the Commission recognized pension expense in the government-wide financial statements of \$236,893 for ERS. Pension expenditures of \$119,334 for ERS and were recorded in the fund financial statements.

At December 31, 2019 the Commission reported deferred outflows and deferred inflows of resources related to ERS from the following sources.

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 80,024	27,279
Changes of assumptions	102,147	-
Net difference between projected and actual earnings on pension plan investments	-	104,299
Changes in proportion and differences between Commission contributions and proportionate share of contributions	8,180	43,493
Commission contributions subsequent to the measurement date	119,334	-
	<u>\$ 309,685</u>	<u>\$ 175,071</u>

\$119,334 reported as deferred outflows of resources related to ERS resulting from the Commission's accrued contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the plan's year ended March 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ERS will be recognized in pension expense as follows:

Year Ended March 31,	ERS
2020	\$ 67,383
2021	(92,349)
2022	(14,049)
2023	54,295

**Larchmont-Mamaroneck Joint Garbage  
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Notes to Financial Statements (Concluded)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

The total pension liability for the ERS measurement date was determined by using an actuarial valuation date as noted below, with update procedures used to roll forward the total pension liabilities to that measurement date. Significant actuarial assumptions used in the valuation were as follows:

	<u>ERS</u>
Measurement date	March 31, 2019
Actuarial valuation date	April 1, 2018
Investment rate of return	7.0% *
Salary scale	4.2%
Inflation rate	2.5%
Cost of living adjustments	1.3%

\*Compounded annually, net of pension plan investment expenses, including inflation.

Annuitant mortality rates are based on the System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2014.

The actuarial assumptions used in the 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 return, net of investment expenses 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 is summarized in the following table.

<u>Asset Type</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	36 %	4.55 %
International Equity	14	6.35
Private Equity	10	7.50
Real Estate	10	5.55
Absolute Return Strategies	2	3.75
Opportunistic Portfolio	3	5.68
Real Assets	3	5.29
Bonds and Mortgages	17	1.31
Cash	1	(0.25)
Inflation Indexed Bonds	4	1.25
	<u>100 %</u>	

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

The real rate of return is net of the long-term inflation assumption of 2.5%.

The discount rate used to calculate the total pension liability was 7.0%. 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 those 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.

The following presents the Commission's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Commission's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Commission's proportionate share of the ERS net pension liability (asset)	<u>\$ 1,776,750</u>	<u>\$ 406,378</u>	<u>\$ (744,831)</u>

The components of the collective net pension liability as of the March 31, 2019 measurement date were as follows:

	<u>ERS</u>
Total pension liability	\$ 189,803,429,000
Fiduciary net position	<u>182,718,124,000</u>
Employers' net pension liability	<u>\$ 7,085,305,000</u>
Fiduciary net position as a percentage of total pension liability	<u>96.27%</u>

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31<sup>st</sup>. Retirement contributions as of December 31, 2019 represent the employer contribution for the period of April 1, 2019 through December 31, 2019 based on prior year ERS wages multiplied by the employers' contribution rate, by tier. Retirement contributions to ERS for the nine months ended December 31, 2019 were \$119,334.

*Voluntary Defined Contribution Plan*

The Commission can offer a defined contribution plan to all non-union employees hired on or after July 1, 2013 and earning at the annual full-time salary rate of \$75,000 or more. The employee contribution is between 3% and 6% depending on salary and the Commission will contribute 8%. Employer contributions vest after 366 days of service. No current employees participated in this program.

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

**Compensated Absences**

Pursuant to collective bargaining agreements, employees of the Commission may accumulate an unlimited amount of sick leave. Upon retirement, there is no compensation for such accumulated leave. Vacation time is generally taken in the year earned but can be carried over to succeeding years, subject to limitations, as provided in the respective collective bargaining agreements.

**Other Post Employment Benefit Obligations Payable**

In addition to providing pension benefits, the Commission provides certain health care benefits for retired employees through a single employer defined benefit OPEB plan. The various collective bargaining agreements stipulate the employees covered and the percentage of contribution. Contributions by the Commission may vary according to length of service. The cost of providing post employment health care benefits is shared between the Commission and the retired employee as noted below. Substantially all of the Commission's employees may become eligible for those benefits if they reach normal retirement age while working for the Commission. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions", so the net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	12
Active employees	<u>20</u>
	<u><u>32</u></u>

The Commission's total OPEB liability of \$9,071,080 was measured as of December 31, 2019, and was determined by an actuarial valuation as of January 1, 2019.

The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	3.26%
Healthcare cost trend rates	8.0% for 2019, decreasing by .5% per year to an ultimate rate of 5%.
Retirees' share of benefit-related costs	Varies from 2% to 100%, depending on applicable retirement year and bargaining unit

The discount rate was based on S&P 20-year AA Municipal Bond Index.

Mortality rates were based on the sex-distinct RP-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2014, and then adjusted for

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

mortality improvements with scale MP-2016 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2019 valuation for turnover and retirement for ERS and PFRS were based on the April 1, 2010 to March 31, 2015 experience study released by the Retirement Systems Actuary and published in their August 2015 report.

The Commission's change in the total OPEB liability for the year ended December 31, 2019 is as follows:

Total OPEB Liability - Beginning of Year	\$	8,778,118
Service cost		226,683
Interest		315,852
Changes of benefit terms		-
Differences between expected and actual experience		(671,974)
Changes in assumptions or other inputs		624,136
Benefit payments		<u>(201,735)</u>
Total OPEB Liability - End of Year	<u>\$</u>	<u>9,071,080</u>

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Current Assumption (3.26%)	1% Increase (4.26%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total OPEB Liability	<u>\$ 10,714,036</u>	<u>\$ 9,071,080</u>	<u>\$ 7,428,124</u>

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.0% decreasing to 4.0%) or 1 percentage point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 4%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total OPEB Liability	<u>\$ 7,244,151</u>	<u>\$ 9,071,080</u>	<u>\$ 11,321,501</u>



**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

**Note 3 - Detailed Notes on All Funds (Continued)**

For the year ended December 31, 2019, the Commission recognized OPEB expense of \$458,444 in the government-wide financial statements. At December 31, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions or other inputs	\$ 554,788	\$ -
Differences between expected and actual experience	-	1,148,735
	<u>\$ 554,788</u>	<u>\$ 1,148,735</u>

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

Year Ended December 31,	
2020	\$ (84,091)
2021	(84,091)
2022	(84,091)
2023	(84,091)
2024	(84,091)
Thereafter	(173,492)

**C. Net Position**

The components of net position are detailed below:

*Net Investment in Capital Assets* - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

*Unrestricted* - all other amounts that do not meet the definition of "restricted" or "net investment in capital assets".

**D. Fund Balances**

	General Fund
Nonspendable - Prepaid expenditures	\$ 131,696
Assigned - Subsequent year's expenditures	130,000
Unassigned	<u>585,813</u>
Total Fund Balances	<u>\$ 847,509</u>

**Larchmont-Mamaroneck Joint Garbage  
Disposal Commission, New York**

Notes to Financial Statements (Concluded)  
December 31, 2019

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**Note 3 - Detailed Notes on All Funds (Continued)**

Certain elements of fund balance are described above. Those additional elements which are not reflected in the Statement of Net Position but are reported in the governmental funds balance sheet are described below.

Prepaid Expenditures has been established to account for payments made in advance. The amount is classified as nonspendable to indicate that funds are not “available” for appropriation or expenditure even though they are a component of current assets.

Subsequent year’s expenditures are amounts that at December 31, 2019, the Board has assigned to be appropriated to the ensuing year’s budget.

Unassigned fund balance in the General Fund represents amounts not classified as nonspendable, restricted, committed or assigned.

**Note 4 - Summary Disclosure of Significant Contingencies**

**A. Risk Management**

The Commission purchases various conventional liability and workers’ compensation insurance policies to protect against potential losses. The Commission maintains commercial general liability insurance with coverage up to \$3 million (\$1 million per occurrence), public officials insurance and employment practices liability insurance, with coverage up to \$2 million (\$1 million for each wrongful act) and commercial auto insurance with coverage up to \$1 million. The Commission also maintains an umbrella liability policy with coverage up to \$10 million per occurrence; \$10 million aggregate providing excess coverage over the underlying liability coverages which are Commercial General Liability, Public Officials Liability, Employment Practices Liability, and Automobile Liability. The Commission’s workers’ compensation policy provides coverage at statutory levels. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

**B. Litigation**

The Commission, in common with other municipalities, receives numerous notices of claims for money damages arising from property damage or personal injury.

**Note 5 - Subsequent Event**

*Coronavirus*

On March 11, 2020, the World Health Organization declared a global pandemic as a result of the spread of Coronavirus. This was followed by the President of the United States declaring the outbreak of Coronavirus a national emergency on March 13, 2020. This has resulted in substantial economic volatility on a global scale.

As a result, collections from intergovernmental charges could be slowed. The Commissions expenditures would also be expected to increase. None of these factors were taken into consideration in the development of the 2020 adopted budget. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the actual impact on the Commission’s financial position at this time.

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**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

General Fund  
Statement of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental charges				
Share of joint activity - other governments	\$ 3,611,799	\$ 3,611,799	\$ 3,611,799	\$ -
Rental of real property	45,100	45,100	45,170	70
Departmental income	22,000	22,000	20,529	(1,471)
Use of money and property	450	450	601	151
Miscellaneous	19,000	19,000	19,376	376
	<u>3,698,349</u>	<u>3,698,349</u>	<u>3,697,475</u>	<u>(874)</u>
<b>EXPENDITURES</b>				
Current				
Home and community services				
Personal services	1,670,249	1,670,249	1,613,215	57,034
Contractual	585,900	585,900	570,154	15,746
Employee benefits				
State retirement	250,000	250,000	173,320	76,680
Social security	124,700	124,700	119,334	5,366
Workers' compensation benefits	542,000	542,000	489,957	52,043
Life insurance	2,000	2,000	691	1,309
Disability insurance	1,000	1,000	1,073	(73)
Hospital, medical and dental insurance	690,500	690,500	710,080	(19,580)
	<u>3,866,349</u>	<u>3,866,349</u>	<u>3,677,824</u>	<u>188,525</u>
Excess (Deficiency) of Revenues Over Expenditures	(168,000)	(168,000)	19,651	187,651
<b>OTHER FINANCING SOURCES</b>				
Insurance recoveries	38,000	38,000	38,991	991
Net Change in Fund Balance	(130,000)	(130,000)	58,642	188,642
<b>FUND BALANCE</b>				
Beginning of Year	130,000	130,000	788,867	658,867
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 847,509</u>	<u>\$ 847,509</u>

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

**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Required Supplementary Information - Schedule of Changes in the  
Commission's Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years (1)(2)

	2019	2018
Total OPEB Liability:		
Service cost	\$ 226,683	\$ 245,767
Interest	315,852	327,472
Changes of benefit terms	-	-
Differences between expected and actual experience	(671,974) (5)	(708,975)
Changes of assumptions or other inputs	624,136 (4)	-
Benefit payments	(201,735)	(165,248)
Net Change in Total OPEB Liability	292,962	(300,984)
Total OPEB Liability – Beginning of Year	8,778,118	9,079,102 (3)
Total OPEB Liability – End of Year	<u>\$ 9,071,080</u>	<u>\$ 8,778,118</u>
Commission's covered-employee payroll	<u>\$ 1,596,662</u>	<u>\$ 1,620,647</u>
Total OPEB liability as a percentage of covered-employee payroll	<u>568.13%</u>	<u>541.64%</u>

Notes to Schedule:

(1) Data not available prior to fiscal year 2018 implementation of Governmental Accounting Standards Board Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions".

(2) No assets are accumulated in a trust that meets the criteria in paragraph 4 of this Statement to pay related benefits.

(3) Restated for the implementation of the provisions of GASB Statement No. 75.

was based on the yield to maturity of the S&P Municipal Bond 20 Year High Grade Rate Index and was as follows:

December 31, 2018: 3.64%

December 31, 2019: 3.26%

(5) Differences between expected and actual experience is due to actual health care costs being less than expected.

**Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York**

Required Supplementary Information  
New York State and Local Employees' Retirement System  
Last Ten Fiscal Years (1)

Schedule of the Commission's Proportionate Share of the Net Pension Liability (2)

	2019	2018	2017	2016 (3)	2015
Commission's proportion of the net pension liability	<u>0.0057355%</u>	<u>0.0059386%</u>	<u>0.0063227%</u>	<u>0.0065226%</u>	<u>0.0067050%</u>
Commission's proportionate share of the net pension liability	<u>\$ 406,378</u>	<u>\$ 191,667</u>	<u>\$ 594,097</u>	<u>\$ 1,046,890</u>	<u>\$ 226,510</u>
Commission's covered payroll	<u>\$ 1,512,550</u>	<u>\$ 1,571,956</u>	<u>\$ 1,501,825</u>	<u>\$ 1,506,855</u>	<u>\$ 1,476,124</u>
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	<u>26.87%</u>	<u>12.19%</u>	<u>39.56%</u>	<u>69.48%</u>	<u>15.34%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>96.27%</u>	<u>98.24%</u>	<u>94.70%</u>	<u>90.70%</u>	<u>97.90%</u>

Schedule of Contributions

	2019	2018	2017	2016	2015
Contractually required contribution	\$ 222,540	\$ 229,333	\$ 225,408	\$ 228,172	\$ 285,526
Contributions in relation to the contractually required contribution	<u>(222,540)</u>	<u>(229,333)</u>	<u>(225,408)</u>	<u>(228,172)</u>	<u>(285,526)</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Commission's covered payroll	<u>\$ 1,533,963</u>	<u>\$ 1,541,350</u>	<u>\$ 1,555,596</u>	<u>\$ 1,509,558</u>	<u>\$ 1,513,783</u>
Contributions as a percentage of covered payroll	<u>14.51%</u>	<u>14.88%</u>	<u>14.49%</u>	<u>15.12%</u>	<u>18.86%</u>

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

(2) The amounts presented for each fiscal year were determined as of the March 31 measurement date within the current fiscal year.

(3) The discount rate used to calculate the total pension liability was decreased from 7.5% to 7.0% effective with the March 31, 2016 measurement date.

See independent auditors' report.