Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York

Financial Statements and
Supplementary Information

Year Ended December 31, 2021

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 Audit of the Financial Statements

Opinions

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise the Commissions' basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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 Government Accounting Standard Board ("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.

Supplementary Information

Our audit for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual fund financial statements and schedules for the year ended December 31, 2021 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

PKF O'Connor Davies, LLP

PKF O'Connor Davies, LLP
Harrison, New York
May 6, 2022

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Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York

Statement of Net Position
December 31, 2021

	Governmental Activities
ASSETS	
Cash and equivalents	$ 321,681
Accounts receivable	12,876
Prepaid expenses	490,801
Capital assets	
Not being depreciated	54,000
Being depreciated, net	677,681
Total Assets	1,557,039
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,270,948
OPEB related	2,931,126
Total Deferred Outflows of Resources	4,202,074
LIABILITIES	
Accounts payable	264,123
Employee payroll deductions	7,870
Non-current liabilities	
Due within one year	3,000
Due in more than one year	12,357,584
Total Liabilities	12,632,577
DEFERRED INFLOWS OF RESOURCES	
Pension related	1,579,949
OPEB related	1,359,155
Total Deferred Inflows of Resources	2,939,104
NET POSITION	
Investment in capital assets	731,681
Unrestricted	(10,544,249)
Total Net Position	$ (9,812,568)

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, 2021

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenue and Changes in Net Position Governmental Activities
Governmental activities			
Home and community services	$ 4,141,436	$ 3,586,814	$ (554,622)
General revenues			
Use of money and property			45
Miscellaneous			31,425
Insurance recoveries			75,270
Total General Revenues			106,740
Change in Net Position			(447,882)
NET POSITION			
Beginning			(9,364,686)
Ending			$ (9,812,568)

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

Balance Sheet
General Fund
December 31, 2021

ASSETS		
Cash and equivalents	$	321,681
Accounts receivable		12,876
Prepaid expenditures		490,801
Total Assets	$	825,358
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	264,123
Employee payroll deductions		7,870
Total Liabilities		271,993
Fund balances		
Nonspendable		490,801
Unassigned		62,564
Total Fund Balance		553,365
Total Liabilities and Fund Balance	$	825,358

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

Larchmont-Mamaroneck Joint Garbage Disposal Commission, New York

Reconciliation of the Governmental Fund Balance Sheet to
The Government-Wide Statement of Net Position
December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because	
Fund Balance - Total Governmental Fund	$ 553,365
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets - non-depreciable	54,000
Capital assets - depreciable	1,292,390
Accumulated depreciation	(614,709)
	731,681
Differences between expected and actual experiences, assumptions changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the on the statement of net position	
Deferred outflows - pension related	1,270,948
Deferred outflows - OPEB related	2,931,126
Deferred inflows - pension related	(1,579,949)
Deferred inflows - OPEB related	(1,359,155)
	1,262,970
Long-term and other liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(30,280)
Net pension liability	(5,343)
Total OPEB liability	(12,324,961)
	(12,360,584)
Net Position of Governmental Activities	$ (9,812,568)

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

Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund - General Fund
Year Ended December 31, 2021

REVENUES	
Intergovernmental charges	
Share of joint activity - other governments	$ 3,498,333
Rental of real property	51,946
Departmental income	36,535
Use of money and property	45
Miscellaneous	31,425
Total Revenues	3,618,284
EXPENDITURES	
Current	
Home and community services	
Personal services	1,602,878
Contractual	663,455
Employee benefits	
State retirement	253,948
Social security	112,262
Workers' compensation benefits	349,621
Life insurance	646
Disability insurance	636
Hospital, medical and dental insurance	706,190
Total Expenditures	3,689,636
Deficiency of Revenues Over Expenditures	(71,352)
OTHER FINANCING SOURCES	
Insurance recoveries	75,270
Net Change in Fund Balance	3,918
FUND BALANCE	
Beginning of Year	549,447
End of Year	$ 553,365

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 Fund
to the Statement of Activities
Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because	
Net Change in Fund Balances - Total Governmental Fund	$ 3,918
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	(51,595)
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.	
Compensated absences	(30,280)
Changes in pension liabilities and related deferred outflows and inflows of resources	141,131
Changes in pension liabilities and related deferred outflows and inflows of resources	(511,056)
	(400,205)
Change in Net Position of Governmental Activities	$ (447,882)

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

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental charges				
Share of joint activity - other governments	$ 3,498,333	$ 3,498,333	$ 3,498,333	$ -
Rental of real property	45,100	45,100	51,946	6,846
Departmental income	20,000	20,000	36,535	16,535
Use of money and property	450	450	45	(405)
Miscellaneous	27,000	27,000	31,425	4,425
Total Revenues	3,590,883	3,590,883	3,618,284	27,401
EXPENDITURES				
Current				
Home and community services				
Personal services	1,563,099	1,563,099	1,602,878	(39,779)
Contractual	714,075	714,075	663,455	50,620
Employee benefits				
State retirement	228,809	228,809	253,948	(25,139)
Social security	110,000	110,000	112,262	(2,262)
Workers' compensation benefits	335,000	335,000	349,621	(14,621)
Life insurance	1,900	1,900	646	1,254
Disability insurance	1,000	1,000	636	364
Hospital, medical and dental insurance	677,000	677,000	706,190	(29,190)
Total Expenditures	3,630,883	3,630,883	3,689,636	(58,753)
Deficiency of Revenues Over Expenditures	(40,000)	(40,000)	(71,352)	(31,352)
OTHER FINANCING SOURCES				
Insurance recoveries	40,000	40,000	75,270	35,270
Net Change in Fund Balance	-	-	3,918	3,918
FUND BALANCE				
Beginning of Year	-	-	549,447	549,447
End of Year	$ -	$ -	$ 553,365	$ 553,365

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

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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 Town. The agreement between the entities provides that the Board of Control, consisting of the Village Mayor, the Town Supervisor and the Commission Supervisor, is responsible for financial oversight.

The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America as applied 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. The Commission’s significant accounting policies are described below.

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.

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.

While separate government-wide and fund financial statements are presented, they are inter related. 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 activities column of the government-wide presentation.

<u>Note 1 - Summary of Significant Accounting Policies</u> (Continued)

The Commission's resources are reflected in the fund financial statements in one broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

a. <u>Governmental Funds</u> - 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.

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*. 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 when they have been earned and 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 and the amounts are expected to be collected within one year of the fiscal year end. 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 liability are recognized later based on specific accounting rules applicable to each, generally when payment is due.

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 Measurement 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 pries 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 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, 2021.

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. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Class	Life In Years
Buildings and improvements	25-50
Machinery and equipment	5-8

The costs associated with the acquisition or construction of capital assets are shown as capital outlay expenditures on 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 includes 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 includes 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 and other postemployment benefit liabilities in the government-wide financial statements. These amounts are detailed in the discussion of the Commission's pension and other postemployment benefit liabilities in Note 3B.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Compensated Absences - The collective bargaining agreements provide for the payment of accumulated vacation and sick leave upon separation from service. The liability for such accumulated leave is reflected in the government-wide Statement of Net Position as current and long-term liabilities. A liability for these amounts is reported in the General Fund only if the liability has matured through employee resignation or retirement. The liability for compensated absences includes salary related payments, where applicable.

Net Pension Liability - The net pension liability represents the Commission's proportionate share of the net pension liability of the New York State and Local Employees' Retirement System. The financial reporting of this amount is presented in accordance with the provisions of GASB Statement No. 68, "*Accounting and Financial Reporting for Pensions*" and GASB Statement No. 71, "*Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*."

Other Postemployment Benefit Liability ("OPEB") - In addition to providing pension benefits, the Commission provides health care benefits for certain retired employees and their survivors. The

Note 1 - Summary of Significant Accounting Policies (Continued)

financial reporting of these amounts are presented in accordance with the provisions of GASB Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*".

Net Position - represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is comprised of two components: net investment in capital assets and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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 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 Board of Control 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

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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 unassigned fund balance.

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.

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 May 6, 2022.

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		
Personal services	$	39,779
Employee benefits		
State retirement		25,139
Social security		2,262
Workers' compensation benefits		14,621
Hospital, medical, and dental insurance		29,190

In addition, the entire General Fund budget was overexpended by $58,753.

Note 2 - Stewardship, Compliance and Accountability (Continued)

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.

Note 3 - Detailed Notes on All Funds

A. Capital Assets

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

Class	Balance January 1, 2021	Additions	Balance December 31, 2021
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	358,316	38,540	396,856
Machinery and equipment	204,798	13,055	217,853
Total Accumulated Depreciation	563,114	51,595	614,709
Total Capital Assets, being Depreciated, net	$ 729,276	$ (51,595)	$ 677,681
Capital Assets, net	$ 783,276	$ (51,595)	$ 731,681

Depreciation expense of $51,595 was charged to the Home and Community Services functional expense.

Note 3 - Detailed Notes on All Funds (Continued)

B. Long-Term Liabilities

The following table summarizes changes in the Commission's long-term liabilities for the year ended December 31, 2021:

	Balance January 1, 2021	New Issues/ Additions	Maturities and/or Payments	Balance December 31, 2021	Due Within One Year
Non-current Liabilities:					
Net Pension Liability	$ 1,404,479	$ -	$ 1,399,136	$ 5,343	$ -
Compensated Absences	-	30,280	-	30,280	3,000
Other Post Employment Benefit Obligations Liability	12,314,854	263,288	253,181	12,324,961	-
Total Long-Term Liabilities	$ 13,719,333	$ 293,568	$ 1,652,317	$ 12,360,584	$ 3,000

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

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 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 2021 are as follows:

Note 3 - Detailed Notes on All Funds (Continued)

	Tier/Plan	Rate
ERS	3 A14	18.2 %
	4 A15	18.2
	5 A15	15.2
	6 A15	10.6

At December 31, 2021 the Commission reported the following for its proportionate share of the net pension liability for ERS.

Measurement Date		March 31, 2021
Net Pension Liability	$	5,343
Commission's proportion of the net pension liability		0.0053660%
Change in proportion since the prior measurement date		0.0000622%

The net pension liability was measured as of March 31, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2021, the Commission recognized its proportionate share of pension expense in the government-wide financial statements of $112,817 for ERS. Pension expenditures of $253,948 for ERS and were recorded in the fund financial statements.

At December 31, 2021 the Commission reported its proportionate share of 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	$ 65,254	$ -
Changes of assumptions	982,431	18,529
Net difference between projected and actual earnings on pension plan investments	-	1,534,864
Changes in proportion and differences between Commission contributions and proportionate share of contributions	26,220	26,556
Commission contributions subsequent to the measurement date	197,043	-
	$ 1,270,948	$ 1,579,949

Note 3 - Detailed Notes on All Funds (Continued)

$197,043 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, 2022. 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
2022	$ (97,010)
2023	(32,680)
2024	(83,465)
2025	(292,889)
2026	-
	$ (506,044)

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:

	ERS
Measurement date	March 31,2021
Actuarial valuation date	April 1, 2020
Investment rate of return	5.9% *
Salary scale	4.4%
Inflation rate	2.7%
Cost of living adjustments	1.4%

*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-2020.

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

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.

Note 3 - Detailed Notes on All Funds (Continued)

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.

Asset Type	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32 %	4.05 %
International Equity	15	6.30
Private Equity	10	6.75
Real Estate	9	1.95
Opportunistic/ARS Portfolio	3	4.50
Credit	4	3.63
Real Assets	3	5.95
Fixed Income	23	0.00
Cash	1	0.50
	100 %	

The real rate of return is net of the long-term inflation assumption of 2.7%.

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon 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 5.9%, 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 (4.9%) or 1 percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current Discount Rate (5.9%)	1% Increase (6.9%)
Commission's proportionate share of the ERS net pension liability (asset)	$ 1,483,049	$ 5,343	$ (1,357,447)

Note 3 - Detailed Notes on All Funds (Continued)

The components of the collective net pension liability as of the March 31, 2021 measurement date were as follows:

	ERS
Total pension liability	$ 220,680,157,000
Fiduciary net position	220,580,583,000
Employers' net pension liability	$ 99,574,000
Fiduciary net position as a percentage of total pension liability	99.95%

Employer contributions to ERS are paid annually and cover the period through the end of the System's fiscal year, which is March 31st. Retirement contributions as of December 31, 2021 represent the employer contribution for the period of April 1, 2021 through December 31, 2021 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, 2021 were $197,043.

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.

Compensated Absences

Pursuant to collective bargaining agreements, employees of the Commission upon retirement shall be paid for accumulated sick leave in excess of one hundred and sixty-five days to two hundred and twenty days, for a minimum of fifty-five days. The rate of pay applicable to this payment is $70 per day. 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. The liability for compensated absences at December 31, 2021 was $30,280.

Other Post Employment Benefit Liability ("OPEB")

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

Note 3 - Detailed Notes on All Funds (Continued)

net OPEB liability is equal to the total OPEB liability. Separate financial statements are not issued for the plan.
At December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	10
Active employees	21
	31

The Commission's total OPEB liability of $12,324,961 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021.

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

Inflation	3.00%
Salary increases	3.00%
Discount rate	2.25%
Healthcare cost trend rates	8.0% for 2021, 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-2006 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with scale MP-2006, and then adjusted for mortality improvements with scale MP-2020 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the January 1, 2021 valuation for turnover and retirement for ERS were based on the April 1, 2015 to March 31, 2020 experience study.

The Commission's change in the total OPEB liability for the year ended December 31, 2021 is as follows:

Total OPEB Liability - Beginning of Year	$	12,314,854
Service cost		323,022
Interest		235,233
Changes of benefit terms		-
Differences between expected and actual experience		286,993
Changes in assumptions or other inputs		(581,960)
Benefit payments		(253,181)
Total OPEB Liability - End of Year	$	12,324,961

Note 3 - Detailed Notes on All Funds (Continued)

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 (1.25%) or 1 percentage point higher (3.25%) than the current discount rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	$ 14,144,120	$ 12,324,961	$ 10,505,802

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 4.0%)	Healthcare Cost Trend Rates (8.0% decreasing to 5.0%)	1% Increase (9.0% decreasing to 6.0%)
Total OPEB Liability	$ 9,879,184	$ 12,324,961	$ 15,329,613

For the year ended December 31, 2021, the Commission recognized OPEB expense of $764,237 in the government-wide financial statements. At December 31, 2021, 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	$ 2,191,043	$ 517,298
Differences between expected and actual experience	740,083	841,857
	$ 2,931,126	$ 1,359,155

Note 3 - Detailed Notes on All Funds (Continued)

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,		
2022	$	205,982
2023		205,982
2024		205,982
2025		205,982
2026		205,982
Thereafter		542,061
	$	1,571,971

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	$	490,801
Unassigned		62,564
Total Fund Balances	$	553,365

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.

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 - Recently Issued GASB Pronouncements

GASB Statement No. 87, "*Leases*", as amended by GASB Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*", establishes a single model for lease accounting based on the concept that leases are a financing of a "right-to-use" underlying asset. As such, this Statement requires a lessee to recognize a lease liability and an intangible right-to-use lease asset. A lessor will be required to recognize a lease receivable and a deferred inflow of resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

This is not an all-inclusive list of recently issued GASB pronouncements but rather a listing of Statements that the Commission believes will most impact its financial statements. The Commission will evaluate the impact this and other pronouncements may have on its financial statements and will implement them as applicable and when material.

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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)

	2021	2020	2019	2018
Total OPEB Liability:				
Service cost	$ 323,022	$ 238,006	$ 226,683	$ 245,767
Interest	235,233	292,581	315,852	327,472
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	286,993	623,542	(671,974) (5)	(708,975)
Changes of assumptions or other inputs	(581,960) (5)	2,282,081 (4)	624,136 (4)	-
Benefit payments	(253,181)	(192,436)	(201,735)	(165,248)
Net Change in Total OPEB Liability	10,107	3,243,774	292,962	(300,984)
Total OPEB Liability – Beginning of Year	12,314,854	9,071,080	8,778,118	9,079,102 (3)
Total OPEB Liability – End of Year	$ 12,324,961	$ 12,314,854	$ 9,071,080	$ 8,778,118
Commission's covered-employee payroll	$ 1,600,780	$ 1,648,525	$ 1,596,662	$ 1,620,647
Total OPEB liability as a percentage of covered-employee payroll	769.93%	747.02%	568.13%	541.64%

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.

(4) Changes of assumptions or other inputs. The discount rate used to measure the total pension liability 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%
December 31, 2020: 1.93%
December 31, 2021: 2.25%

(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)

	2021 (5)	2020 (4)	2019	2018	2017	2016 (3)	2015
Commission's proportion of the net pension liability	0.0053660%	0.0053038%	0.0057355%	0.0059386%	0.0063227%	0.0065226%	0.0067050%
Commission's proportionate share of the net pension liability	$ 5,343	$ 1,404,479	$ 406,378	$ 191,667	$ 594,097	$ 1,046,890	$ 226,510
Commission's covered payroll	$ 1,565,569	$ 1,549,472	$ 1,512,550	$ 1,571,956	$ 1,501,825	$ 1,506,855	$ 1,476,124
Commission's proportionate share of the net pension liability as a percentage of its covered payroll	0.34%	90.64%	26.87%	12.19%	39.56%	69.48%	15.34%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Schedule of Contributions

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 262,724	$ 227,618	$ 222,540	$ 229,333	$ 225,408	$ 228,172	$ 285,526
Contributions in relation to the contractually required contribution	(262,724)	(227,618)	(222,540)	(229,333)	(225,408)	(228,172)	(285,526)
Contribution excess	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commission's covered payroll	$ 1,498,956	$ 1,571,749	$ 1,533,963	$ 1,541,350	$ 1,555,596	$ 1,509,558	$ 1,513,783
Contributions as a percentage of covered payroll	17.53%	14.48%	14.51%	14.88%	14.49%	15.12%	18.86%

(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.
(4) Increase in the Commission's proportionate share of the net pension liability mainly attributable to decrease in plan fiduciary net position due to investment losses, and by a decrease in the discount rate from 7.0% to 6.8% effective with the March 31, 2020 measurement date.
(5) Decrease in the Commission's proportionate share of the net pension liability mainly attributable to increase in plan fiduciary net position due to investment gains, partially offset by a decrease in the discount rate from 6.8% to 5.9% effective with the March 31, 2021 measurement date.

See independent auditors' report.