

---

*Certified Public Accountants*

July 16, 2020

Honorable Town Board  
Town of Throop, New York:

We have audited the financial statements of the Town of Throop, New York (the “Town”) as of and for the year ended December 31, 2019, and have issued our report thereon dated July 16, 2020 (which report includes a disclaimer of opinion). Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated April 21, 2020, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Town solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our findings regarding material weaknesses in internal control over financial reporting, a significant deficiency in internal control over financial reporting, and other matters noted during our audit in separate communications to you dated July 16, 2020.

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Town is included in Note 1 to the financial statements. Except for the matters discussed below, there have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2019.

During the year ended December 31, 2019, the Town implemented Governmental Accounting Standards Board (“GASB”) Statements No. 83, *Certain Asset Retirement Obligations*; No. 84, *Fiduciary Activities*; No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*; and No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB Statement No. 95 provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing effective dates of certain provisions in Statements. GASB Statements No. 83, 84, 88, 90, and 95 did not have a material impact on the Town’s financial position or results from operations.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments.

The most sensitive accounting estimate affecting the financial statements was the net pension liability.

Management's estimate of the net pension liability is based on an actuarial valuation. We evaluated the key factors and assumptions used to develop this liability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### **Identified or Suspected Fraud**

Within our reported dated July 16, 2020 we identified six material weaknesses in internal control over financial reporting and one significant deficiency in internal control over financial reporting. The absence of sufficient documentation and the presence of several material weaknesses in internal control over financial reporting creates a risk that fraud could have occurred during the year ended December 31, 2019 and gone undetected by the Town.

### **Significant Difficulties Encountered during the Audit**

Although we ultimately received full cooperation of management and believe that we were given direct and unrestricted access to the Town's books and records, as we disclosed in the management letter, we encountered significant difficulties in performing and completing the audit process. Principally, these difficulties related to the poor condition of the books and records, lack of consistent and standard accounting procedures, lack of available documentation, and the lack of qualified internal staffing. All of these issues, as well as others, such as the constant turnover of senior-level management officials, contributed to the problem and added to the time and related cost of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Due to the difficulties described above, we are unable to determine, other than those items listed in Exhibit I to the management representation letter, if there were uncorrected misstatements in the financial statements at December 31, 2019.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The proposed adjusting journal entries for the year ended December 31, 2019 were brought to the attention of, and corrected by, management, are attached to the management representation letter dated July 16, 2020 as Exhibit I (copy attached).

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Town's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated July 16, 2020.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Town, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Town's auditors.

### **Modifications of the Auditors' Report**

We have made the following modifications to our auditors' report:

As expressed in our opinion on the financial statements, we have issued a disclaimer of opinion on the Town's governmental activities, each major fund and the aggregate remaining fund information.

\*\*\*\*\*

This report is intended solely for the information and use of the Town Board and management of the Town and is not intended to be and should not be used by anyone other than these specified parties.

*Drescher & Malecki LLP*

July 16, 2020



July 16, 2020

Drescher & Malecki LLP  
3083 William Street, Suite 5  
Buffalo, New York 14227

This representation letter is provided in connection with your audit of the financial statements of each major fund and the aggregate remaining fund information of the Town of Throop, New York (the "Town"), as of December 31, 2019, and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of the Town in accordance with accounting principles generally accepted for governments in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of July 16, 2020:

#### **Financial Statements**

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 21, 2020, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP. The Town has not presented government-wide financial statements.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- There are no identified material uncorrected misstatements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- The Town does not have any component units.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense/expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available is appropriately disclosed and fund balance is properly recognized under the policy.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets have been omitted from the Town’s financial statements.
- All required supplementary information is measured and presented within the prescribed guidelines.

## Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements. Certain documentation and other accounting records for the year ended December 31, 2019 were not available.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information that we are aware of in relation to fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The Town has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the Town is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.

- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (“GASB-62”), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There has been no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240,15(2-12)).
- The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral.
- We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



## Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period and the basis for our assumptions and interpretations, underlying those measurements or presentations, are reasonable and appropriate in the circumstances.

## Other Specific Representations

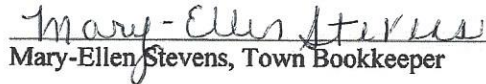
- The Town has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the year ending December 31, 2021, No. 87, *Leases*; No. 91, *Conduit Debt Obligations*; No. 92, *Omnibus 2020*; No. 93, *Replacement of Interbank Offered Rates*; and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, effective for the year ending December 31, 2022, and No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the year ending December 31, 2023. The Town is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 89, 91, 92, 93, 94, 96, and 97 will have on its financial position and results of operations when such statements are adopted.
- The Town is in compliance with the Office of the New York State Comptroller's reporting requirements relating to the New York State property tax cap and tax freeze legislation.
- We have no intention of withdrawing from multi-employer pension plans, or taking any other action that could result in an effective termination or reportable events for any of the plans. We are not aware of any occurrences that could result in the termination of any of our multi-employer pension plans to which we contribute. We believe the actuarial assumptions and methods used to measure pension liabilities and costs for financial accounting purpose are appropriate in the circumstances.
- Management has elected to report all governmental funds as major for the year ended December 31, 2019.
- Management has chosen not to present the government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of these items; however, the amounts that would be reported are not reasonably determinable.
- We have received and approved the adjusting journal entries that were proposed by you for recording in our books and recorded in the financial statements. We have posted these adjusting journal entries to our records. The proposed adjusting journal entries are presented in Exhibit I.

- We agree with the work of specialist in evaluating the net pension liability and have adequately considered the qualifications of the specialist in determining amounts and disclosures used in the financial statements and underlying accounting records. We did not give any instructions, nor cause any instructions to be given, to the specialist with respect to value or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the specialist. We believe that the actuarial assumptions and methods used to measure the net pension liability are appropriate in the circumstances.
- We believe that there is no material unfunded liability at December 31, 2019 in relation to our workers' compensation plan.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Management has evaluated subsequent events through July 16, 2020, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.
- The Town's Water District Fund reported a deficit fund balance of \$19,579 at December 31, 2019. The deficit exists because the Town issued a bond anticipation note ("BAN"), which does not qualify for treatment as a long-term liability. Accordingly, the BAN is reported as a fund liability in the Water District Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). This deficit will be remedied by future tax revenues and proceeds from future bond issuances.
- In addition to the audit services, based on information in the Town's trial balance, Drescher & Malecki LLP has assisted the Town in preparing the Town's financial statements for the year ended December 31, 2019. In conjunction with the preparation of the financial statements, the Town has performed the following functions:
  - Made all management decisions and performed all management functions.
  - Assigned Mary-Ellen Stevens, Bookkeeper, whom we believe has suitable skill, knowledge, and/or experience to perform bookkeeping functions and who has overseen the above services.
  - Evaluated the adequacy and results of the services performed.
  - Evaluated and accepted responsibility for the results of the services performed.
  - Established and maintained internal controls, including monitoring ongoing activities.

- The Town management understands the Drescher & Malecki LLP has not performed any management functions or made management decisions on behalf of the Town. Any nonattest services were performed in accordance with the applicable professional standards issued by the American Institute of Certified Public Accountants.



Eric Ridley, Town Supervisor



Mary-Ellen Stevens, Town Bookkeeper

Town of Throop, New York  
Proposed Adjusting Journal Entries  
For the Year Ended December 31, 2019

Exhibit I

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
To adjust ending Accounts Payable balance to reflect actual amounts due at 12/31/2019.			
A1355.2	ASSESSMENT - EQUIPMENT	\$ 332	\$ -
A1620.41	BUILDINGS - ELECTRIC	1,661	-
A1620.42	BUILDINGS - TELEPHONES	418	-
A1670.4	CENTRAL PRINTING & MAILING - CONTRACTUAL	110	-
A1680.4	CENTRAL DATA PROCESSING - CONTRACTUAL	105	-
A1680.4	CENTRAL DATA PROCESSING - CONTRACTUAL	1,084	-
A600	ACCOUNTS PAYABLE	24,534	-
A8160.4	REFUSE & GARBAGE - CONTRACTUAL	246	-
A9060.8	HOSPITAL & MEDICAL INSURANCE	50	-
DA5110.41	GENERAL REPAIRS - PATCH & CULVERT	130	-
DA5130.4	MACHINERY - CONTRACTUAL	28	-
DA5142.4	SNOW REMOVAL - CONTRACTUAL	266	-
DA600	ACCOUNTS PAYABLE	8,507	-
DA9060.8	HOSPITAL & MEDICAL INSURANCE	50	-
DA9080.81	CELL PHONE EXPENSE	450	-
SW1-8340.4	PERSONAL SERVICES - CONTRACTUAL	696	-
SW8340.4	TRANSMISSION & DISTRIBUTION - CONTRACT	217	-
SW8340.4	TRANSMISSION & DISTRIBUTION - CONTRACT	1,788	-
A1255	CLERK FEES	-	249
A9010.8	STATE RETIREMENT	-	28,291
DA9010.8	STATE RETIREMENT	-	9,430
SW1-600	ACCOUNTS PAYABLE	-	696
SW600	ACCOUNTS PAYABLE	-	2,006
<b>Total</b>		<b><u>40,672</u></b>	<b><u>40,672</u></b>
<b>Adjusting Journal Entries JE # 2</b>			
To record Due to Other Governments balances as of 12/31/2019.			
A2610	FINES & FORFEITED BAIL	2,124	-
DA5142.4	SNOW REMOVAL - CONTRACTUAL	425	-
DA5142.4	SNOW REMOVAL - CONTRACTUAL	1,798	-
SW1-8320.4	WATER CONTRACTUAL	1,359	-
SW8320.4	SOURCE OF SUPPLY - CONTRACTUAL	3,494	-
A631	DUE TO OTHER GOVERNMENTS	-	2,124
DA631	Due to Other Governments	-	2,223
SW1-631	Due to Other Governments	-	1,359
SW631	Due to Other Governments	-	3,494
<b>Total</b>		<b><u>9,200</u></b>	<b><u>9,200</u></b>

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 3</b>			
To accrue payroll for pay periods 12/22-12/28 and 12/29-1/4.			
A1010.1	TOWN BOARD - PERSONAL SERVICES	354	-
A1010.1	TOWN BOARD - PERSONAL SERVICES	354	-
A1010.1	TOWN BOARD - PERSONAL SERVICES	354	-
A1010.1	TOWN BOARD - PERSONAL SERVICES	354	-
A1110.1	JUSTICES - PERSONAL SERVICES	583	-
A1110.1	JUSTICES - PERSONAL SERVICES	583	-
A1110.12	JUSTICES - COURT CLERK - PERSONAL SERV	458	-
A1220.1	SUPERVISOR - PERSONAL SERVICES	661	-
A1220.13	DEPUTY SUPERVISOR	250	-
A1340.1	BUDGET - PERSONAL SERVICES	268	-
A1355.1	ASSESSMENT - PERSONAL SERVICES	1,131	-
A1410.1	TOWN CLERK - PERSONAL SERVICES	181	-
A1410.1	TOWN CLERK - PERSONAL SERVICES	423	-
A3120.1	CONSTABLE - PERSONAL SERVICES	208	-
A3510.1	CONTROL OF DOGS - PERSONAL SERVICES	500	-
A3620.1	SAFETY INSPECTION - PERSONAL SERVIC	667	-
A4020.1	REGISTRAR OF VITAL STATISTICS - PER SER	4	-
A4020.1	REGISTRAR OF VITAL STATISTICS - PER SER	10	-
A5010.1	HIGHWAY ADMINISTRATION - PERSONAL SERV	387	-
A5010.1	HIGHWAY ADMINISTRATION - PERSONAL SERV	902	-
A7020.1	RECREATION ADMINISTRATION - PERS SERV	21	-
A7020.1	RECREATION ADMINISTRATION - PERS SERV	48	-
A7110.1	PARKS - PERSONAL SERVICES	33	-
A7110.1	PARKS - PERSONAL SERVICES	77	-
A7510.1	HISTORIAN - PERSONAL SERVICES	83	-
A8010.1	ZONING - PERSONAL SERVICES	617	-
A8810.1	CEMETERIES - PERSONAL SERVICES	375	-
A8810.12	CEMETERIES - MAINTENANCE SUPERVISOR	8	-
A8810.12	CEMETERIES - MAINTENANCE SUPERVISOR	19	-
DA5110.1	GENERAL REPAIRS - PERSONAL SERVICES	74	-
DA5110.1	GENERAL REPAIRS - PERSONAL SERVICES	111	-
DA5130.1	MACHINERY - PERSONAL SERVICES	506	-
DA5130.1	MACHINERY - PERSONAL SERVICES	1,440	-
DA5142.1	SNOW REMOVAL - PERSONAL SERVICES	88	-
SW1-8310.1	PERSONAL SERVICES	5	-
SW1-8310.1	PERSONAL SERVICES	12	-
SW1-8310.11	PERSONAL SERVICES - WATER BILLING	149	-
SW1-8340.1	PERSONAL SERVICES	392	-
SW1-8340.11	PERSONNEL SERVICES -METER READER	175	-
SW8310.1	ADMINISTRATION - PERSONAL SERVICES	20	-
SW8310.1	ADMINISTRATION - PERSONAL SERVICES	46	-

(continued)

## Exhibit I

Account	Description	Debit	Credit
			(concluded)
SW8310.11	PERSONAL SERVICES- WATER BILLER	384	-
SW8340.1	TRANSMISSION & DISTRIBUTION - PERS SERV	1,566	-
SW8340.11	TRANSMISSION & DIST.- METER READER	450	-
A602	ACCRUED PAYROLL	-	1,563
A602	ACCRUED PAYROLL	-	8,350
DA602	ACCRUED PAYROLL	-	705
DA602	ACCRUED PAYROLL	-	1,514
SW1-602	ACCRUED PAYROLL	-	5
SW1-602	ACCRUED PAYROLL	-	728
SW602	ACCRUED PAYROLL	-	20
SW602	ACCRUED PAYROLL	-	2,446
<b>Total</b>		<b><u>15,331</u></b>	<b><u>15,331</u></b>
<b>Adjusting Journal Entries JE # 4</b>			
To record accrued ERS payment for 12/31/2019.			
A9010.8	STATE RETIREMENT	21,218	-
DA9010.8	STATE RETIREMENT	7,073	-
A601	ACCRUED LIABILITIES	-	21,218
DA601	ACCRUED LIABILITIES	-	7,073
<b>Total</b>		<b><u>28,291</u></b>	<b><u>28,291</u></b>
<b>Adjusting Journal Entries JE # 5</b>			
Reporting entry only: to reclass USDA loan payments to a debt principal and interest account line.			
SW1-9710.6	USDA Loan Principal	21,000	-
SW1-9710.7	USDA Loan Interest	19,819	-
SW1-9730.6	BAN PRINCIPAL PAYMENT	-	21,000
SW1-9730.7	BAN PRINCIPAL PAYMENT - INTEREST	-	19,819
<b>Total</b>		<b><u>40,819</u></b>	<b><u>40,819</u></b>
<b>Adjusting Journal Entries JE # 6</b>			
To correct beginning fund balance for the Water Fund.			
SW909	FUND BALANCE - UNRESERVED	130,000	-
SW909	FUND BALANCE - UNRESERVED	150,000	-
SW626	BOND ANTICIPATION NOTE PAYABLE	-	130,000
SW9730.6	BAN PRINCIPAL PAYMENT	-	150,000
<b>Total</b>		<b><u>280,000</u></b>	<b><u>280,000</u></b>

**Exhibit I**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b>Adjusting Journal Entries JE # 7</b>			
To adjust AR/DFOG at YE.			
A440	DUE FROM OTHER GOVERNMENTS	87,611	-
DA3501A	NYS DEPARTMENT OF TRANSPORTATION	63,151	-
DA380	ACCOUNTS RECEIVABLE	425	-
A380	ACCOUNTS RECEIVABLE	-	87,611
DA380	ACCOUNTS RECEIVABLE	-	63,151
DA5142.4	SNOW REMOVAL - CONTRACTUAL	-	425
<b>Total</b>		<b><u>151,187</u></b>	<b><u>151,187</u></b>
<b>Adjusting Journal Entries JE # 8</b>			
Reporting entry only: to reclass payroll items to General Fund for GASB 84.			
A200	CASH - CHECKING	3,224	-
TA18	STATE RETIREMENT	1,140	-
TA21	NY STATE INCOME TAX	432	-
TA22	FEDERAL INCOME TAX	142	-
TA23	INCOME EXECUTIONS	1,085	-
TA26	SOCIAL SECURITY TAX	425	-
A602	ACCRUED PAYROLL	-	3,224
TA200	CASH - CHECKING	-	3,224
<b>Total</b>		<b><u>\$ 6,448</u></b>	<b><u>\$ 6,448</u></b>