

TOWN OF HILLSDALE SEWER FUND DEBT 2008 – 2021

The numbers presented here are from Openbook New York, the website of the New York State Comptroller, where state and local government financial records are posted. Each year's data in Openbook is from Annual Update Documents filed by the town after the end of the town's fiscal year and so have been approved by the Town Board at the time. Bob Patterson, the town's current CPA and Nelson Furlano, the town's CPA prior to July 2021 provided assistance in understanding the numbers.

Hillsdale's Sewer Fund debt falls into two categories: operating deficits incurred since the system started operating and monies spent when the system was being built that was never repaid to the town

The Sewer Fund ran a deficit in early years, amounting to \$76,552 payable to the town as of 2012. (See "Due to Other Funds" on Balance Sheets on Openbook NY.) As of 2017, surpluses had reduced the balance to \$60,741 but substantial deficits in 2019 and 2020 because of payments to engineers and a grant writer brought the amount payable to the town to \$118,914 as of end of 2021.

The town incurred expenses of \$70,057 during the building of the sewer system due to additional requirements imposed by DEC. On the 2010 Balance Sheet this appears as "Due to Other Funds" in the Capital Projects budget. It is there until 2019, when the debt was apparently written off, though no mention of this has been found in Town Board minutes. Writing off a loan such as this is not allowed by law so the Sewer Fund still owes this amount to the town.

The sewer fund is not only responsible for the principal portion of the debt but should pay an interest rate imputed by federal standards. The current rate for long term borrowing is 2.14%. This rate should be compounded over the life of the loan. This will add an estimated \$13-15k to the overall debt.

The estimated total debt owed to the general fund from the sewer fund including interest is approximately \$203,971.

SEWER FUND LOAN HISTORY 2009 – 2021

Year	Due to General Fund
2009*	\$ 53
2010*	53
2011*	53
2012	76,552
2013	61,668
2014	50,976
2015	60,741
2016	60,741
2017	60,741
2018	60,741
2019	76,471
2020	115,265
2021	118,914**

* in 2009 – 2011 the Openbook Balance Sheet shows a negative cash balance rather than Due to Other Funds

** The 2021 Openbook Balance Sheet shows 2021 balance of \$137,964 because interest has been imputed

LOAN IMPROPERLY WRITTEN OFF \$ 70,057

TOTAL DUE \$ 188,971 *plus interest*

SEWER DISTRICT DEBT REPAYMENT OPTIONS PER EDU

These payments do not include interest, which will have to be calculated and added to the payments. Interest will depend on repayment schedule.

Repayment Schedule	Per Year/EDU	Per Quarter/EDU
Over 1 Year	\$1,219	\$304.79
Over 2 Years	\$ 610	\$152.50
Over 3 Years	\$ 406	\$101.60
Over 5 Years	\$ 244	\$ 60.96

These charges are in addition to the current \$600 per EDU/year fee.