

FINANCIAL REPORT  
AUDITED

**TOWN OF EAST FISHKILL, NEW YORK**

For the Year Ended December 31, 2021

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*Audited for:*

Town Board

**TOWN OF EAST FISHKILL, NEW YORK**



*Audited By:*

RBT CPAs, LLP  
4071 Route 9, STOP 1  
Hudson, New York 12534  
(518) 828-4616

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# TOWN OF EAST FISHKILL, NEW YORK

## TABLE OF CONTENTS

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<b>FINANCIAL SECTION</b>	<b><u>Page</u></b>
<b>Independent Auditor’s Report</b>	1 – 3
<b>Management’s Discussion and Analysis</b>	4 – 9
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Statement of Net Position – Proprietary Fund	16
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Fund	17
Statement of Cash Flows – Proprietary Fund	18
Statement of Fiduciary Net Position	19
Statement of Changes in Fiduciary Net Position	20
Notes to Basic Financial Statements	21 – 45

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	<u>Page</u>
<b>Required Supplementary Information</b>	
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios	46
Schedule of OPEB Contributions and Assumptions	47
Schedule of Proportionate Share of Net Pension Liability and Related Ratios	48
Schedule of Employer Contributions	49
Schedule of Revenues and Expenditures Compared to Budget – General Fund	50
Schedule of Revenues and Expenditures Compared to Budget – Highway Fund	51
Schedule of Revenues and Expenditures Compared to Budget – Water Fund	52
Schedule of Revenues and Expenditures Compared to Budget – Sewer Fund	53
<b>Other Information</b>	
Combining Balance Sheets – Non-major Governmental Funds	54
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds	55
Schedule of Indebtedness	56
<b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	57 – 58
Schedule of Findings	59





LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

## INDEPENDENT AUDITOR'S REPORT

Town Board  
Town of East Fishkill  
330 Route 376  
Hopewell Junction, New York 12533

### Report on the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of East Fishkill, New York (the "Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's 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 financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of East Fishkill as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof 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") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Town'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.

## **Auditor's Responsibility**

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 auditor's 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Town'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town'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**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and schedules of changes in the net OPEB liability and related ratios, OPEB contributions and assumptions, proportionate share of the net pension liability and related ratios, and employer contributions on pages 4 through 9 and 46 through 53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of East Fishkill's basic financial statements. The combining statements and schedule of indebtedness 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 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 statements and schedule of indebtedness are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*RBT CPAs, LLP*

Hudson, New York  
September 19, 2023

**TOWN OF EAST FISHKILL, NEW YORK  
 REQUIRED SUPPLEMENTARY INFORMATION  
 MANAGEMENT'S DISCUSSION AND ANALYSIS**

**1. Overview of the Financial Statements**

These audited financial statements consist of five parts. Management's Discussion and Analysis (this section), the Independent Auditors Report on our Financial Statements, Government-Wide Financial Statements, Fund Financial Statements and Notes to the Financial Statements.

Government-Wide Financial Statements provide both long-term and short-term information about the Town's overall financial status. They report information about the Town as a whole using accounting methods similar to private sector companies.

Fund Financial Statements focus on the individual parts of Town government, reporting the Town's operations in more detail than the Government –Wide Financial Statements. They focus on the most significant or "major" funds – not the Town as a whole. See Note 1 in the Notes to the Financial Statements for information regarding individual types of funds.

Notes to the Financial Statements provide further explanation and support for the information contained in the Financial Statements.

**2. Financial Analysis of the Town as a Whole**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**TOWN OF EAST FISHKILL'S NET POSITION**

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>
Current and Other Assets	\$ 17,882,634	\$ 10,447,721	\$ 7,434,913	71.16%
Capital Assets	<b>28,152,653</b>	28,178,947	(26,294)	-0.09%
Total Assets	<b>46,035,287</b>	38,626,668	7,408,619	19.18%
Deferred Outflows of Resources	<b>20,303,137</b>	18,005,157	2,297,980	12.76%
Other Liabilities	<b>5,921,595</b>	7,276,251	(1,354,656)	-18.62%
Long-Term Liabilities	<b>85,725,005</b>	84,828,728	896,277	1.06%
Total Liabilities	<b>91,646,600</b>	92,104,979	(458,379)	-0.50%
Deferred Inflows of Resources	<b>19,756,333</b>	14,770,775	4,985,558	33.75%
Net Position:				
Net Investment in Capital Assets	<b>3,622,942</b>	1,166,511	2,456,431	210.58%
Unrestricted	<b>(48,687,451)</b>	(51,410,440)	2,722,989	5.30%
Total Net Position	<b>\$ (45,064,509)</b>	\$ (50,243,929)	\$ 5,179,420	10.31%

The negative unrestricted net position balance of (\$46,618,117) continues to be the results of recognizing the liability for Other Post – Employment Benefits ("OPEB"), without any legal mechanism to set-aside funds for this liability.



**TOWN OF EAST FISHKILL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**TOWN OF EAST FISHKILL'S CHANGES IN NET POSITION**

	<b>2021</b>	<b>%</b>	<b>2020</b>	<b>%</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 8,313,621	25.44%	\$ 6,315,815	20.26%	\$ 1,997,806	31.63%
General Revenues:						
Real Property Taxes	16,619,499	50.86%	16,606,051	53.29%	13,448	0.08%
Real Property Tax Items	92,848	0.28%	95,295	0.31%	(2,447)	-2.57%
Non Property Taxes	3,373,995	10.33%	2,342,810	7.52%	1,031,185	44.01%
Use of Money and Property	299,999	0.92%	217,178	0.70%	82,821	38.14%
Unallocated State and Federal Aid	3,458,957	10.59%	2,113,335	6.78%	1,345,622	0.00%
Sale of Property and Compensation for Loss	156,188	0.48%	167,363	0.54%	(11,175)	-6.68%
Miscellaneous	360,977	1.10%	3,302,556	10.60%	(2,941,579)	-89.07%
Total Revenues	<b>32,676,084</b>	<b>100.00%</b>	<b>31,160,403</b>	<b>100.00%</b>	<b>1,515,681</b>	<b>4.86%</b>
<b>Expenses:</b>						
General Government	4,143,590	15.07%	4,049,502	13.10%	94,088	2.32%
Public Safety	8,768,115	31.90%	9,410,865	30.46%	(642,750)	-6.83%
Public Health	3,578	0.00%	-	0.00%	3,578	100.00%
Transportation	6,225,826	22.64%	5,403,978	17.49%	821,848	15.21%
Economic Assistance and Opportunity	100,802	0.37%	74,464	0.24%	26,338	35.37%
Culture and Recreation	2,155,906	7.84%	2,150,247	6.96%	5,659	0.26%
Home and Community Services	5,318,171	19.34%	5,791,045	18.74%	(472,874)	-8.17%
Interest on Debt	780,677	2.84%	4,021,525	13.01%	(3,240,848)	-80.59%
Total Expenses	<b>27,496,665</b>	<b>100.00%</b>	<b>30,901,626</b>	<b>100.00%</b>	<b>(3,404,961)</b>	<b>-11.02%</b>
Increase/(Decrease) in Net Position	<b>\$ 5,179,419</b>		<b>\$ 258,777</b>			

**Revenues:**

- Non Property Taxes increased by \$1,031,185 mainly due to penalties and interest.
- Miscellaneous decreased by \$2,941,579 mainly due to decreased services provided by the town in 2021 compared to 2020 due to COVID.

**Expenses:**

- Public Health increased by \$3,578 mainly due to COVID.
- Interest on Debt decreased by \$1,463,854 mainly due to refinance in 2020.

**Governmental Funds:**

**General Fund -**

The majority of activity for the Town is located in the General Fund. Fund Equity for this fund increased by \$4,329,214 in 2021. Overall expenditures increased by 8% and revenues increased by 28% as compared to 2020.

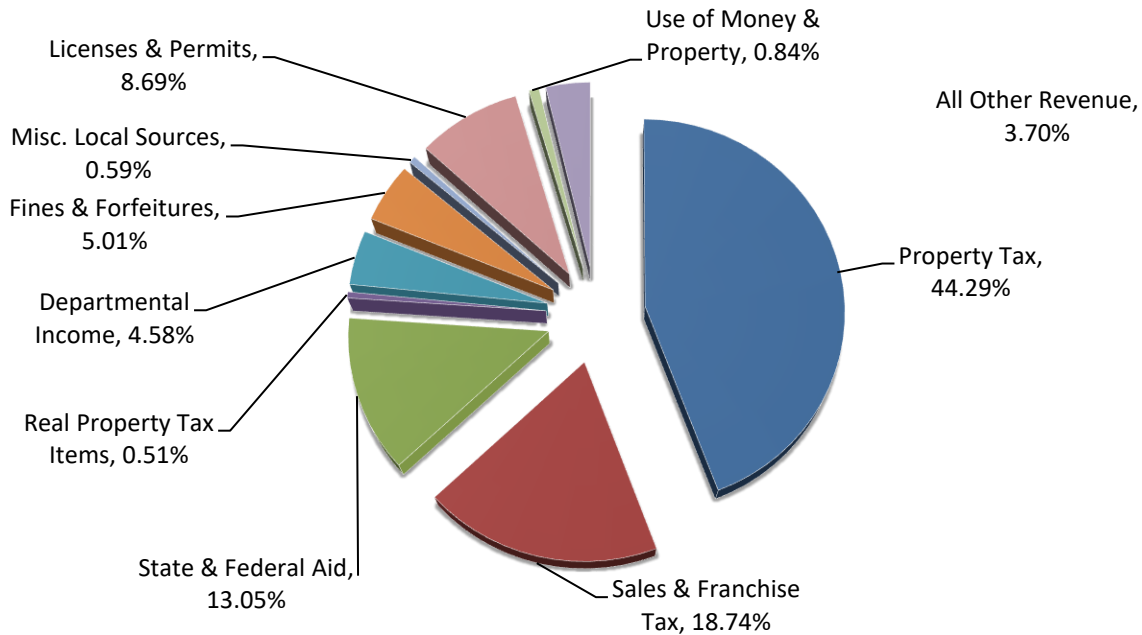
**TOWN OF EAST FISHKILL, NEW YORK  
 REQUIRED SUPPLEMENTARY INFORMATION  
 MANAGEMENT'S DISCUSSION AND ANALYSIS**

**General Fund (continued) -**

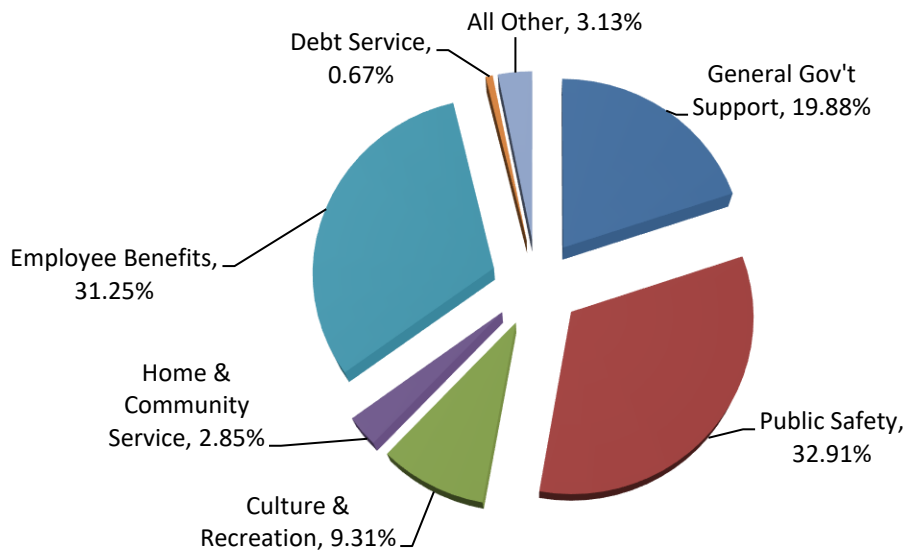
Major expenditures include payroll and payroll related items. These items comprise over 80% of total General Fund expenditures. The Town spent \$6.8 million on General Fund payroll, \$1.2 million on related retirement systems, \$2.4 million on health insurance, approximately \$485 thousand on payroll taxes and \$149 thousand on workers' compensation insurance. The majority of these expenditures are stipulated by union contracts. These figures are generally the same as in 2020.

The following charts describe significant categories of General Fund revenues and expenditures.

**General Fund Revenue 2021**



**General Fund Expenditures 2021**



**TOWN OF EAST FISHKILL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Highway Fund -**

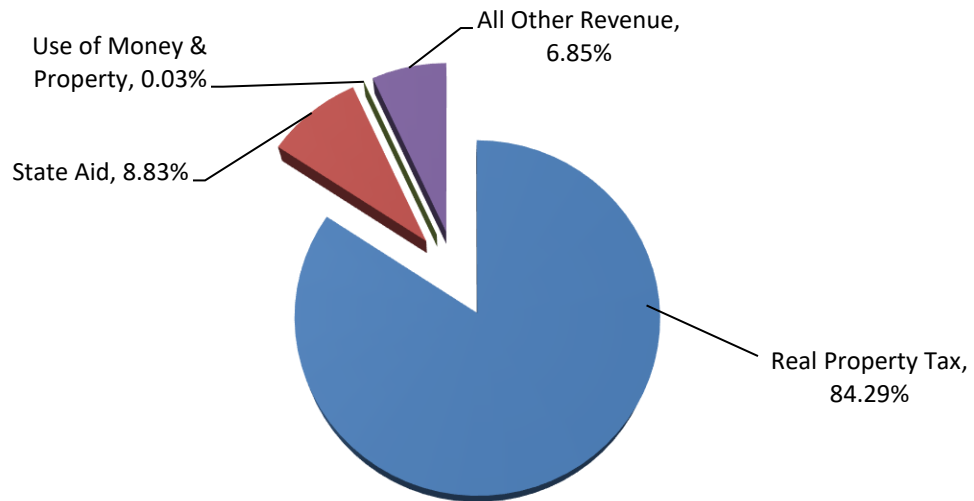
The Highway Fund ended 2021 with a fund balance of \$611,837 an increase of \$225,508 from 2020.

Highway Fund payroll and payroll related expenditures comprise 23% of total Highway Fund expenditures and are mostly stipulated by union contract. Total street maintenance costs increased about \$248 thousand to approximately \$2.3 million in 2021.

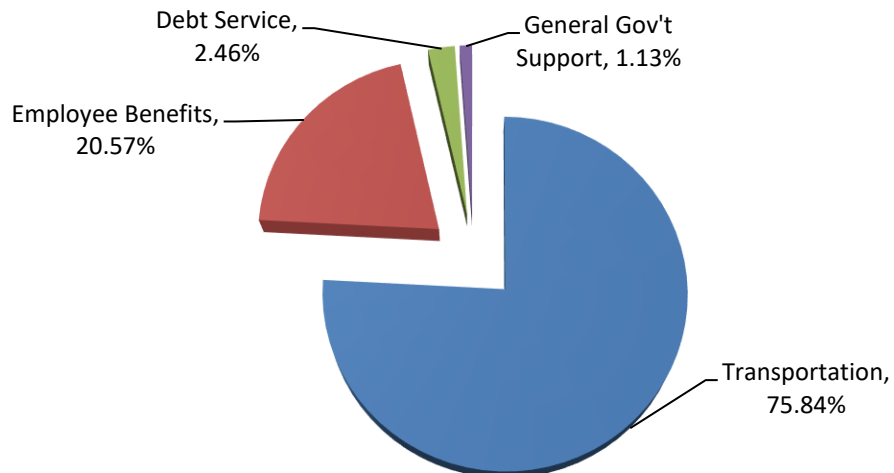
Snow removal expenditures increased about \$187 thousand in 2021 due to more active winter than the previous year.

The following charts describe the significant categories of Highway Fund revenues and expenditures.

**Highway Fund Revenues 2021**



**Highway Fund Expenditures 2021**



**TOWN OF EAST FISHKILL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Water Fund -**

The Town operated ten water districts during 2021 which had an operating surplus of \$31,133. Water rates have been increased to ensure revenues are sufficient to support annual operating expenditures. An Enterprise Water Fund was established to provide water to various Town run districts as well as outside commercial water systems and large commercial end users.

**Budgetary Highlights -**

The Town Budget is adopted in November for the following year and is modified throughout the year as necessary. The Town has a purchasing policy and a purchasing agent who enforces the Town policy.

**3. Activities Regarding Capital Projects, Long Term and Short Term Debt -**

**Long Term Debt -**

The Town's most recent Moody's rating was A1. Obligations with the A rating are judged to be of upper-medium-grade and are subject to low credit risk.

Total Serial Bonds payable at the end of 2021 were \$25,064,000. The significant majority of this balance relates to Special District Capital Projects which are water/sewer projects.

The amounts recorded for Compensated Absences, Landfill Remediation, and Other Post-Employment Benefits are \$60,619,661.

**4. Maintaining the Condition of the Town's Infrastructure**

The Town of East Fishkill maintains over 204 miles of roads. All new roads are required to meet certain standards prior to being accepted as Town roads. The Town standard includes a twelve inch sub-base consisting of bank run gravel and item four; four inches of compact binder and one and one half inches of compacted topcoat.

The Town has a fifteen year road resurfacing program. Regular road assessments are conducted. These assessments are compared to the road resurfacing program for annual paving priority. The Town needs to resurface ten to fourteen miles of roads annually to meet the fifteen year plan. That goal was not met in 2021, but efforts are being made to increase the Highway paving budget so that targeted paving mileage can routinely be achieved. The Town is committed to a strong road resurfacing and maintenance program.

**5. Currently Known Facts Bearing on the Future**

In December 2022, GlobalFoundries transitioned ownership of their Microchip fabrication facility to ON Semiconductor. The East Fishkill Fab will be ON Semiconductor's largest U.S. manufacturing site and will retain more than 1,000 jobs at the site. ON Semiconductor continues to explore opportunities to acquire additional property on the former IBM campus in order to build additional facilities to further increase production.

In 2021, Blue Water Property Group began construction on a 631,000 sq. ft. distribution center for Amazon. This distribution center is expected to be fully operational in 2023. On the adjacent property, Pepsi - Frito Lay is building a 158,000 sq. ft. distribution center which is also expected to be operational in 2023. A third distribution center was in construction as of 2022, but the operator has not yet been named.

In Residential development, four projects are continuing to progress: two single family home developments in the Stormville area totaling 300 units, an 88 unit senior housing building in the Hopewell Hamlet area, and a 50 unit multi-family development opposite the Old IBM Campus.

Sales Tax and Building/Planning Fee revenues are expected to exceed budgeted amounts in 2022 by a combined \$1,600,000 creating a significant operating surplus.

**TOWN OF EAST FISHKILL, NEW YORK  
REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Town received \$3,028,401 in Federal ARPA (SLFRF) funds during 2021 and 2022 representing "lost revenue" from COVID. \$500,000 was assigned to General Fund revenue and the remaining \$2,528,401 has been allocated to various water and sewer infrastructure projects.

**TOWN OF EAST FISHKILL, NEW YORK**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 11,794,224	\$ 579,143	\$ 12,373,367
Accounts Receivable	1,793,230	-	1,793,230
Due from State and Federal Government	606,322	-	606,322
Due from Other Governments	2,175,972	-	2,175,972
Prepaid Expenses	28,996	-	28,996
Inventories	380,530	-	380,530
Water Transmission Rights	524,217	-	524,217
	<u>17,303,491</u>	<u>579,143</u>	<u>17,882,634</u>
Capital Assets, not being depreciated	3,948,175	-	3,948,175
Capital Assets, being depreciated - net	20,761,305	3,443,173	24,204,478
Total Capital Assets, net (Note V)	<u>24,709,480</u>	<u>3,443,173</u>	<u>28,152,653</u>
Total Assets	<u>42,012,971</u>	<u>4,022,316</u>	<u>46,035,287</u>
<b>Deferred Outflows of Resources (Notes VI and VII)</b>	<u>20,303,137</u>	<u>-</u>	<u>20,303,137</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>62,316,108</u>	<u>4,022,316</u>	<u>66,338,424</u>
<b>LIABILITIES</b>			
Accounts Payable	1,396,515	5,623	1,402,138
Accrued Expenditures	2,162,009	-	2,162,009
Due to Employees Retirement System	1,138,754	-	1,138,754
Noncurrent Liabilities:			
Due and Payable Within One Year:			
Bonds Payable (Note IX)	1,170,000	-	1,170,000
Installment Purchase Obligations (Note IX)	19,994	-	19,994
Landfill Remediation Liability (Note IX)	28,700	-	28,700
Due and Payable More Than One Year:			
Bonds Payable (Note IX)	22,047,673	1,846,327	23,894,000
Installment Purchase Obligations (Note IX)	19,237	-	19,237
Landfill Remediation Liability (Note IX)	1,811,085	-	1,811,085
Compensated Absences (Note IX)	602,811	-	602,811
ERS Net Pension Liability-Proportionate Share (Note VI)	14,245	-	14,245
PFRS Net Pension Liability-Proportionate Share (Note VI)	1,206,562	-	1,206,562
Other Postemployment Benefits (Note VII)	58,177,065	-	58,177,065
Total Liabilities	<u>89,794,650</u>	<u>1,851,950</u>	<u>91,646,600</u>
<b>Deferred Inflows of Resources (Notes VI and VII)</b>	<u>19,756,333</u>	<u>-</u>	<u>19,756,333</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>109,550,983</u>	<u>1,851,950</u>	<u>111,402,933</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,452,576	2,170,366	3,622,942
Restricted	-	-	-
Unrestricted	(48,687,451)	-	(48,687,451)
Total Net Position	<u>\$ (47,234,875)</u>	<u>\$ 2,170,366</u>	<u>\$ (45,064,509)</u>

**TOWN OF EAST FISHKILL, NEW YORK**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Net (Expense) Revenue and Changes in						Total
	Program Revenues			Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b><u>FUNCTIONS/PROGRAMS</u></b>							
Primary Government:							
Governmental Activities:							
General Government	\$ (4,143,590)	\$ -	\$ -	\$ -	\$ (4,143,590)	\$ -	\$ (4,143,590)
Public Safety	(8,768,115)	3,248,978	-	-	(5,519,137)	-	(5,519,137)
Public Health	(3,578)	-	-	-	(3,578)	-	(3,578)
Transportation	(6,225,826)	-	-	-	(6,225,826)	-	(6,225,826)
Economic Assistance and Opportunity	(100,802)	-	-	-	(100,802)	-	(100,802)
Culture and Recreation	(2,155,906)	824,894	-	-	(1,331,012)	-	(1,331,012)
Home and Community Services	(5,136,758)	4,076,389	-	-	(1,060,369)	-	(1,060,369)
Interest on Debt	(780,677)	-	-	-	(780,677)	-	(780,677)
<b>Total Primary Government</b>	<b>\$ (27,315,252)</b>	<b>\$ 8,150,261</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,164,991)</b>	<b>\$ -</b>	<b>\$ (19,164,991)</b>
Business Type Activities							
Home and Community Services	\$ (181,413)	\$ 163,360	\$ -	\$ -	-	(18,053)	(18,053)
<b>Total Business Type Activities</b>	<b>\$ (181,413)</b>	<b>\$ 163,360</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>(18,053)</b>	<b>(18,053)</b>
General Revenues:							
Real Property Taxes					15,319,499	-	15,319,499
Real Property Tax Items					92,848	-	92,848
Non Property Taxes					3,373,995	-	3,373,995
Use of Money and Property					169,556	-	169,556
State and Federal Aid					3,458,957	-	3,458,957
Sale of Property and Compensation for Loss					156,188	-	156,188
Miscellaneous					360,977	-	360,977
<b>Total General Revenues</b>					<b>22,932,020</b>	<b>-</b>	<b>22,932,020</b>
Business Activities:							
Use of Money and Property					-	130,443	130,443
Real Property Taxes					-	1,300,000	1,300,000
<b>Total Business Activities</b>					<b>-</b>	<b>1,430,443</b>	<b>1,430,443</b>
Change in Net Position					3,767,029	1,412,390	5,179,419
Net Position - Beginning					(51,001,904)	757,976	(50,243,928)
<b>Net Position - Ending</b>					<b>\$ (47,234,875)</b>	<b>\$ 2,170,366</b>	<b>\$ (45,064,509)</b>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK**  
**BALANCESHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	General	Highway	Water	Sewer	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 8,330,722	\$ 1,119,008	\$ 264,356	\$ 870,596	\$ 623,205	\$ 586,337	\$ 11,794,224
Receivables	348,059	6,595	770,687	643,079	24,435	375	1,793,230
Due From State and Federal Government	606,322	-	-	-	-	-	606,322
Due from Other Funds (Note IV)	570,863	-	-	-	-	-	570,863
Due From Other Governments	2,175,972	-	-	-	-	-	2,175,972
Prepaid Expenses	21,107	-	-	7,889	-	-	28,996
<b>Total Assets</b>	<b>\$ 12,053,045</b>	<b>\$ 1,125,603</b>	<b>\$ 1,035,043</b>	<b>\$ 1,521,564</b>	<b>\$ 647,640</b>	<b>\$ 586,712</b>	<b>\$ 16,969,607</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 373,522	\$ 260,323	\$ 341,719	\$ 111,281	\$ 229,741	\$ 79,929	\$ 1,396,515
Accrued Expenditures	1,754,039	40,281	-	-	-	-	1,794,320
Due to Other Funds (Note IV)	-	-	110,748	-	460,115	-	570,863
Due to NYS Retirement Systems (Note VI)	925,592	213,162	-	-	-	-	1,138,754
Deferred Inflows of Resources	68,740	-	-	-	-	-	68,740
<b>Total Liabilities</b>	<b>3,121,893</b>	<b>513,766</b>	<b>452,467</b>	<b>111,281</b>	<b>689,856</b>	<b>79,929</b>	<b>4,969,192</b>
<b>Fund Balances:</b>							
Nonspendable	21,107	-	-	7,889	-	-	28,996
Fund Balance - Restricted							
Reserves	-	-	-	-	-	-	-
Fund Balance - Assigned							
Assigned for Subsequent Year's Budget	-	-	90,000	430,000	-	-	520,000
Assigned for Fund Purposes	-	611,837	492,576	972,394	-	530,899	2,607,706
Fund Balance - Unassigned	8,910,045	-	-	-	(42,216)	(24,116)	8,843,713
<b>Total Fund Balances</b>	<b>8,931,152</b>	<b>611,837</b>	<b>582,576</b>	<b>1,410,283</b>	<b>(42,216)</b>	<b>506,783</b>	<b>12,000,415</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,053,045</b>	<b>\$ 1,125,603</b>	<b>\$ 1,035,043</b>	<b>\$ 1,521,564</b>	<b>\$ 647,640</b>	<b>\$ 586,712</b>	<b>\$ 16,969,607</b>

See accompanying notes to basic financial statements.



**TOWN OF EAST FISHKILL, NEW YORK  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Total Governmental Funds	Long-Term Assets and Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,794,224	\$ -	\$ -	\$ 11,794,224
Receivables	1,793,230	-	-	1,793,230
Due from State and Federal Government	606,322	-	-	606,322
Due from Other Funds	570,863	-	(570,863)	-
Due from Other Governments	2,175,972	-	-	2,175,972
Prepaid Expenses	28,996	-	-	28,996
Inventories	-	380,530	-	380,530
Water Transmission Rights	-	524,217	-	524,217
Capital Assets, Net	-	24,709,480	-	24,709,480
Deferred Outflows of Resources - Pension	-	7,399,833	-	7,399,833
Deferred Outflows of Resources - OPEB	-	12,903,304	-	12,903,304
Total Assets and Deferred Outflows	<u>\$ 16,969,607</u>	<u>\$ 45,917,364</u>	<u>\$ (570,863)</u>	<u>\$ 62,316,108</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,396,515	\$ -	\$ -	\$ 1,396,515
Accrued Expenditures	1,794,320	367,689	-	2,162,009
Bond, and Installment Obligations	-	23,256,904	-	23,256,904
Due to Other Funds	570,863	-	(570,863)	-
Due to New York State Retirement Systems	1,138,754	-	-	1,138,754
Landfill Remediation Liability	-	1,839,785	-	1,839,785
Compensated Absences	-	602,811	-	602,811
ERS Net Pension Liability-Proportionate Share	-	14,245	-	14,245
PFRS Net Pension Liability-Proportionate Share	-	1,206,562	-	1,206,562
Other Postemployment Benefits	-	58,177,065	-	58,177,065
Deferred Inflows of Resources - Other	68,740	-	-	68,740
Deferred Inflows of Resources - Pension	-	8,157,242	-	8,157,242
Deferred Inflows of Resources - OPEB	-	11,530,351	-	11,530,351
Total Liabilities and Deferred Inflows	<u>4,969,192</u>	<u>105,152,654</u>	<u>(570,863)</u>	<u>109,550,983</u>
Total Fund Balances	<u>12,000,415</u>	<u>(59,235,290)</u>	<u>-</u>	<u>(47,234,875)</u>
Total Liabilities, Deferred Inflows and Fund Balances/Net Position	<u>\$ 16,969,607</u>	<u>\$ 45,917,364</u>	<u>\$ (570,863)</u>	<u>\$ 62,316,108</u>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	General	Highway	Water	Sewer	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Real Property Taxes	\$ 7,975,962	\$ 5,875,800	\$ 343,833	\$ 983,394	\$ -	\$ 140,510	\$ 15,319,499
Real Property Tax Items	91,088	-	-	-	-	1,760	92,848
Non Property Tax Items	3,373,995	-	-	-	-	-	3,373,995
Departmental Income	824,894	449,845	1,811,008	1,815,536	-	-	4,901,283
Intergovernmental Revenue	528,137	-	-	-	252,801	-	780,938
Use of Money and Property	151,771	1,887	2,877	3,664	5,180	4,177	169,556
Licenses and Permits	1,564,763	-	-	-	-	-	1,564,763
Fines and Forfeitures	903,277	-	-	-	-	-	903,277
Sale of Property and Compensation for Loss	138,914	16,899	375	-	-	-	156,188
Miscellaneous	106,863	11,076	-	19,307	212,103	11,628	360,977
State and Federal Aid	2,349,297	615,811	-	-	493,849	-	3,458,957
<b>Total Revenues</b>	<b>18,008,961</b>	<b>6,971,318</b>	<b>2,158,093</b>	<b>2,821,901</b>	<b>963,933</b>	<b>158,075</b>	<b>31,082,281</b>
<b>Expenditures:</b>							
General Government	2,711,826	75,580	-	8,842	80,747	-	2,876,995
Public Safety	4,351,449	-	-	-	-	-	4,351,449
Public Health	3,578	-	-	-	-	-	3,578
Transportation	324,061	4,985,766	-	-	404,742	157,102	5,871,671
Economic Assistance and Opportunity	100,802	-	-	-	-	-	100,802
Culture and Recreation	1,273,671	-	-	-	22,802	59,562	1,356,035
Home and Community Services	272,573	-	1,842,532	1,155,587	1,684,428	-	4,955,120
Employee Benefits	4,274,953	1,387,853	-	-	-	-	5,662,806
Capital Outlay	275,722	130,561	-	33,020	-	34,900	474,203
Debt Service	91,112	166,050	284,428	1,142,081	-	-	1,683,671
<b>Total Expenditures</b>	<b>13,679,747</b>	<b>6,745,810</b>	<b>2,126,960</b>	<b>2,339,530</b>	<b>2,192,719</b>	<b>251,564</b>	<b>27,336,330</b>
Excess/(Deficiency) of Revenues Over Expenditures	4,329,214	225,508	31,133	482,371	(1,228,786)	(93,489)	3,745,951
<b>Other Financing Sources/(Uses):</b>							
BANS Redeemed from Appropriations	-	-	-	-	15,000	-	15,000
Proceeds from Obligations	-	-	-	-	3,138,673	-	3,138,673
Operating Transfers In	-	-	-	-	220,000	-	220,000
Operating Transfers Out	-	-	-	(220,000)	-	-	(220,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(220,000)</b>	<b>3,373,673</b>	<b>-</b>	<b>3,153,673</b>
<b>Change in Fund Balances</b>	<b>4,329,214</b>	<b>225,508</b>	<b>31,133</b>	<b>262,371</b>	<b>2,144,887</b>	<b>(93,489)</b>	<b>6,899,624</b>
Fund Balances - Beginning	4,601,938	386,329	551,443	1,147,912	(2,187,103)	600,272	5,100,791
<b>Fund Balances - Ending</b>	<b>\$ 8,931,152</b>	<b>\$ 611,837</b>	<b>\$ 582,576</b>	<b>\$ 1,410,283</b>	<b>\$ (42,216)</b>	<b>\$ 506,783</b>	<b>\$ 12,000,415</b>

See accompanying notes to basic financial statements.

**TOWN OF ESAT FISHKILL, NEW YORK**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Total Governmental Funds	Long-Term Revenue, Expenses	Capital Asset Related Items	Long-Term Debt Transactions	Reclassifications and Eliminations	Statement of Activities Totals
<b>Revenues:</b>						
Real Property Taxes	\$ 15,319,499	\$ -	\$ -	\$ -	\$ -	\$ 15,319,499
Real Property Tax Items	92,848	-	-	-	-	92,848
Non Property Tax Items	3,373,995	-	-	-	-	3,373,995
Departmental Income	4,901,283	-	-	-	-	4,901,283
Intergovernmental Revenue	780,938	-	-	-	-	780,938
Use of Money and Property	169,556	-	-	-	-	169,556
Licenses and Permits	1,564,763	-	-	-	-	1,564,763
Fines and Forfeitures	903,277	-	-	-	-	903,277
Sale of Property and Compensation for Loss	156,188	-	-	-	-	156,188
Miscellaneous	360,977	-	-	-	-	360,977
State and Federal Aid	3,458,957	-	-	-	-	3,458,957
<b>Total Revenues</b>	<b>31,082,281</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,082,281</b>
<b>Expenditures:</b>						
General Government	2,876,995	-	75,950	-	1,190,645	4,143,590
Public Safety	4,351,449	-	264,871	-	4,151,795	8,768,115
Public Health	3,578	-	-	-	-	3,578
Transportation	5,871,671	164,976	11,355	-	177,824	6,225,826
Economic Assistance and Opportunity	100,802	-	-	-	-	100,802
Culture and Recreation	1,356,035	-	47,986	-	751,885	2,155,906
Home and Community Services	4,955,120	-	10,902	-	170,736	5,136,758
Employee Benefits	5,662,806	780,079	-	-	(6,442,885)	-
Capital Outlay	474,203	-	(474,203)	-	-	-
Debt Service	1,683,671	143,276	-	(1,046,270)	-	780,677
<b>Total Expenditures</b>	<b>27,336,330</b>	<b>1,088,331</b>	<b>(63,139)</b>	<b>(1,046,270)</b>	<b>-</b>	<b>27,315,252</b>
Excess/(Deficiency) of Revenues Over Expenditures	3,745,951	(1,088,331)	63,139	1,046,270	-	3,767,029
<b>Other Financing Sources/(Uses)</b>						
BANS Redeemed from Appropriations	15,000	-	-	(15,000)	-	-
Proceeds from Obligations	3,138,673	-	-	(3,138,673)	-	-
Operating Transfers In	220,000	-	-	-	(220,000)	-
Operating Transfers Out	(220,000)	-	-	-	220,000	-
<b>Total Other Financing Sources/(Uses)</b>	<b>3,153,673</b>	<b>-</b>	<b>-</b>	<b>(3,153,673)</b>	<b>-</b>	<b>-</b>
<b>Change in Fund Balances</b>	<b>\$ 6,899,624</b>	<b>\$ (1,088,331)</b>	<b>\$ 63,139</b>	<b>\$ (2,107,403)</b>	<b>\$ -</b>	<b>\$ 3,767,029</b>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUND  
 DECEMBER 31, 2021**

	<b>Water Enterprise Fund</b>
<b>ASSETS</b>	
Cash	\$ 579,143
Capital Assets, Net	3,443,173
Total Assets	<u>4,022,316</u>
<b>LIABILITIES</b>	
Accounts Payable	5,623
Bonds Payable	1,846,327
Total Liabilities	<u>1,851,950</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	2,170,366
Total Net Position	<u>\$ 2,170,366</u>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Water Enterprise Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 163,360
Use of Money and Property	130,443
Special Assessments	<u>1,300,000</u>
Total Operating Revenues	<u>1,593,803</u>
<b>OPERATING EXPENSES</b>	
Fiscal Agent Fees-Contractual	15,444
Depreciation	89,433
Administration-Contractual Expense	119
Source Supply Power & Contractual Expenses	52,616
Transportation and Distribution-Contractual Expenses	9,853
Debt Interest	<u>13,948</u>
Total Operating Expenses	<u>181,413</u>
Change in Net Position	1,412,390
Total Net Position - Beginning of Year	757,976
Total Net Position - End of Year	<u><u>\$ 2,170,366</u></u>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR THEN ENDED DECEMBER 31, 2021**

	<b>Water Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Revenues from Operating	\$ 615,138
Administration-Contractual	(175,791)
Net Cash Provided by Operating Activities	<u>439,347</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Interest Paid on Debt for Capital Purposes	<u>(13,948)</u>
Net Cash Used for Capital and Related Financing Activities	<u>(13,948)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	<u>130,443</u>
Net Cash Provided by Investing Activities	<u>130,443</u>
Net Increase in Cash and Cash Equivalents	555,842
Cash and Cash Equivalents - Beginning of Year	<u>23,301</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 579,143</u></u>
Reconciliation of Operating Income (loss) to Net Cash	
Operating Income (loss)	\$ 1,412,390
Adjustments to Reconcile Operating Income (loss) to Net Cash	
Provided by (used for) Operating Activities:	
Depreciation	89,433
Interest Received	(130,443)
Debt Service Payment of Fund	(132,264)
Change in Accounts Receivable	46,787
Accounts Payable	3,444
Interfund	<u>(850,000)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 439,347</u></u>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK  
 STATEMENT OF FIDUCIARY NET POSITION  
 DECEMBER 31, 2021**

	<u>Custodial Fund</u>
<b>ASSETS</b>	
Cash	\$ 68,570
Accounts Receivable	<u>20,418</u>
Total Assets	<u>88,988</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>85,529</u>
Total Liabilities	<u>85,529</u>
<b>NET POSITION</b>	
Net Assets - Restricted For Other Purposes	<u><u>\$ 3,460</u></u>

See accompanying notes to basic financial statements.

**TOWN OF EAST FISHKILL, NEW YORK  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Custodial Fund</u>
<b>REVENUES</b>	
Gifts and Donations	\$ 12,991
	<u>12,991</u>
<b>EXPENDITURES</b>	
Other Custodial Activities Contractual	<u>945,697</u>
	<u>945,697</u>
Change in Net Position	(932,706)
Net Position Held in Trust - Beginning	<u>936,166</u>
Net Position Held in Trust - Ending	<u><u>\$ 3,460</u></u>

See accompanying notes to basic financial statements.



**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of East Fishkill, New York (the Town) was incorporated in November 1849, under the provisions of the State of New York. The Town operates under a Town Board form of government, consisting of a Supervisor and four Councilmen/women. The Supervisor serves as the Chief Executive Officer and as the Chief Fiscal Officer of the Town.

The Town provides the following services: highway maintenance, police protection, water, planning, zoning, building and safety inspection, lighting and culture and recreation.

The financial statements of the Town have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The financial reporting entity consists of (a) the primary government which is the Town of East Fishkill, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statements, 14, 39, 61 and 80.

The decision to include a potential component unit in the Town's reporting entity is based on several criteria set forth in GASB 14, 39, 61 and 80 including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria the following is a brief review of certain entities considered in determining the Town of East Fishkill's reporting entity.

The Town is governed by the laws of New York State. The Town is an independent entity governed by an elected Town Board consisting of 5 members. The Supervisor of the Board serves as the Chief Fiscal Officer and the Chief Executive Officer. The Board is responsible for, and controls all activities related to highway maintenance, police protection, water, planning, zoning, building and safety inspection, lighting, and culture and recreation within the Town. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the Town is based upon criteria set forth by GASB Statement 14, The Financial Reporting Entity, as Amended by GASB Statement #39, Component Units, GASB 61, The Financial Reporting Entity: Omnibus an Amendment of GASB No. 14 and No. 34, and GASB 80, Blending Requirements for Certain Component Units an Amendment of GASB Statement No. 14. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the Town. No other Organizational entities were determined to be includable in the Town's financial reporting entity. The Town is not a component unit of another reporting entity.

The Town exercises no oversight over the operations of the East Fishkill Fire District and Town of East Fishkill Library District. The Town levies and collects real property taxes and turns them over to the Districts.

**B. Government-wide and Fund Financial Statements**

The Statement of Net Position and the Statement of Activities present financial information about both the Town's government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type activities.

**TOWN OF EAST FISHKILL, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**B. Government-wide and Fund Financial Statements - continued**

The Town's police and fire protection, parks and recreation, public works, and general administrative services are classified as governmental activities. The Town's water and sewer services are also classified as governmental activities since user fees are not intended to cover all costs including depreciation. The Town commenced work on a water supply service in 2013 which is classified as a business-type activity. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions.

Governmental activities generally are financed through property, sales or mortgage taxes, intergovernmental revenues, interest income, etc. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category (governmental, proprietary and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Highway Fund* is used to account for financial resources to be used for upkeep of the roads within the Town's jurisdiction.

The *Water Fund* is used to account for financial resources to be used for operation and upkeep of the water districts within the Town.

The *Sewer Fund* is used to account for financial resources to be used for operation and upkeep of the sewer facility within the Town.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities. The principal source of financing is from the sale of bonds or bond anticipation notes.

Additionally, the Town reports the following fund types:

Non-major funds:

- The *Lighting Fund* is used to record operation and maintenance transactions related to the Town's lighting district. Revenues are derived from special district assessments.

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - continued**

- The *Park Fund* is used to record operation and maintenance transactions related to Town Parks. Revenues are derived from real property taxes.
- The *Refuse Fund* is used to account for drainage operations not required to be accounted for on an enterprise basis.
- The *Miscellaneous Fund* is used to account for miscellaneous operations not required to be accounted for on an enterprise basis.
- The *Recreation Fund* is used to account for recreation operations not required to be accounted for on an enterprise basis.

The Proprietary Funds measurement is based upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles which are applicable, are those similar to businesses in the private sector. The Town reports the following proprietary fund type:

The Water Enterprise Fund operates the Town's water distribution system which primarily serves commercial entities.

Custodial Fund - Fiduciary Funds are used to report assets which are held in a custodial capacity for others and are, therefore, not available to support Town programs.

**D. Pervasiveness of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities and useful lives of long-lived assets.

**E. Budgetary Data**

The Town administration prepares a proposed budget for approval by the Town Board for the following governmental funds for which legal (appropriated) budgets are adopted: General Fund, Highway Fund, Water Fund and Sewer Fund.

Appropriations are adopted at the program line item level. Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year. Supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists, which was not determined at the time the budget was adopted.

Supplemental appropriations occurred during the year for the General Fund and Highway Fund to account for greater than budgeted expenditures in both funds. In some cases, these expenditures were covered by greater than anticipated revenues. In other cases, they were supported with reserved fund balance or unassigned fund balance.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

Budgets are established and used for individual Capital Project Fund expenditures as approved by a special referendum of the Town's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

**TOWN OF EAST FISHKILL, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**E. Property Taxes**

The Town submits an approved budget to the Dutchess County Commissioner of Finance no later than December 5. The County then establishes the warrant for the year which is due and payable on or about January 1 of each year. The Town collects the taxes on behalf of the Town and County without penalty through February 28 and with penalties and interest through May 31. The Town’s portion of the taxes is recognized and transferred prior to the County’s portion. Therefore, the Town receives its entire tax, leaving unpaid taxes to be collected by the County Commissioner of Finance.

**F. Cash and Investments**

The Town of East Fishkill’s investment policies are governed by State statutes. In addition, the Town of East Fishkill has its own written investment policy. The Town’s monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The Supervisor is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of New York State and the U.S. government.

Collateral is required for demand deposits and certificates of deposit not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

**G. Accounts Receivable**

An allowance for uncollectible accounts has been provided in the past for certain amounts that may not be collectible within 60 days, but was not considered necessary at December 31, 2021.

**H. Due To/From Other Funds**

Amounts due to and due from within the same fund type have been eliminated in the Government-wide statements. See Note IV for a schedule detailing the interfund balances.

**I. Inventories and Prepaid Items**

Inventories consist of significant expendable supplies, primarily sand and road salt, and are carried at cost in the government-wide financial statements.

Prepaid items represent payments made by the Town for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. These items are reported as assets on the Statements of Net Assets or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of purchase and an expense/expenditure is reported in the year the goods or services are consumed.

**J. Capital Assets**

Capital assets are depreciated using the straight-line method over their estimated useful lives.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	Capitalization Threshold	Estimated Useful Life
Buildings	\$ 2,500	15 years
Improvements and Infrastructure	2,500	15 years
Machinery and Equipment	2,500	3-15 years
Town Roads	2,500	15 years

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**K. Vested Employee Benefits**

The Town employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Sick leave eligibility and accumulation are specified in negotiated labor contracts, and in individual employment contracts. Sick leave use is based on a last-in first-out (LIFO) basis.

Upon retirement, resignation, or death, employees may receive a payment based upon unused accumulated sick leave, as per contractual provisions.

Consistent with GASB Statement 16, Accounting for Compensated Absences, an accrual for accumulated sick leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year end.

In the funds statements only the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you-go basis.

**L. Unemployment Insurance**

Town employees are covered by unemployment insurance. The Town has chosen to discharge its liability to the New York State Unemployment Insurance Fund by means of the benefit reimbursement method. This is a dollar-for-dollar reimbursement to the Unemployment Insurance Fund for the benefits paid to former employees and charged to the Town's account. The Town is exempt from federal unemployment insurance tax.

**M. Deferred Compensation**

The Town, through the New York State Retirement Systems, offers their employees a Deferred Compensation Plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, which is available to all eligible participants, permits participants to defer a portion of their salary (up to the IRS limits) until future years. Amounts deferred under the Plan are not available to the employee until termination, retirement, death or unforeseeable emergency. The Town does not contribute to or administer the Plan.

**N. Risk Retention**

The Town is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

**O. Equity Classification**

1. Government-wide Statements

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets

Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted Net Position

Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**P. Equity Classification - continued**

- Unrestricted Net Position

The remaining portion of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

**2. Fund Financial Statements**

Equity is defined as fund balance and displayed in five fund balance classifications, which are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds:

**Nonspendable:**

Amounts that cannot be spent in the current period either because of their form or because they must be maintained intact. Prepaid expenses are nonspendable assets because, by definition, the money has already been spent.

**Restricted:**

Amounts that are subject to externally enforceable legal purpose restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or through constitutional provisions or enabling legislation. Various New York State statutes allow local governments to establish reserve funds for various purposes. Since the State regulates the establishment, funding and use of these reserves, they are classified as restricted.

**Committed:**

Amounts that are subject to a purpose constraint imposed by a formal action of the government’s highest level of decision making authority (the Town Board) before the end of the fiscal year. The same level of formal action is required to remove the constraint.

**Assigned:**

Amounts that are subject to a purpose constraint that represents an intended use established by the government’s highest level of decision making authority or by their designated body or official. The purpose of the assignment must be narrower than the purpose of the General Fund and, in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. Included in the Assigned fund balances are amounts appropriated for the 2022 budget, representing, \$430,000 from the Sewer Fund, and \$90,000 from the Water Fund.

**Unassigned:**

Represents the residual amount of fund balance in the General Fund. In funds other than the General Fund, this classification should only be used to report a deficit balance.

**3. Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Town’s policy to apply restricted funds before unrestricted funds, unless otherwise prohibited by legal requirements. Similarly, when an expenditure is incurred for which multiple classifications of fund balance are available, the Town’s policy is to apply fund balance in the following order: restricted, committed, assigned, unassigned.

**Q. Interfund Transfers**

The operations of the Town give rise to certain transactions between funds, including transfers to provide services and construct assets. Interfund transfers within fund categories are eliminated for the Statement of Activities. A description of the individual fund transfers that occurred during the year is provided in Note IV.

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**R. Subsequent Events**

Management has evaluated subsequent events from December 31, 2021, through September 19, 2023, the date on which the financial statements were available to be issued.

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The differences result primarily from the economic focus of the government-wide statements, compared with the current financial resources focus of the governmental funds.

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:**

Total fund balances of the Town's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the Governmental Fund Balance Sheet.

The basic financial statements contain a detailed reconciliation of the items creating the differences between fund balance reported in the Governmental Fund Statements and Net Position reported on the Statement of Net Position.

- (1) Other long-term assets are reported in the Statement of Net Assets, but not in the governmental funds, because they are recorded as expenditures in the year paid.

Inventories	\$ 380,530
Water Transmission Rights	<u>524,217</u>
	<u>\$ 1,069,722</u>

- (2) The costs of building and acquiring capital assets (land, infrastructure, buildings and equipment) financed from the governmental funds are reported as expenditures in the year they are incurred and the assets do not appear on the Balance Sheet. However, the Statement of Net Position includes those capital assets among the assets of the Town as a whole, with their original costs capitalized and depreciation expensed annually.

Original Cost of Capital Assets	\$ 64,353,633
Accumulated Depreciation	<u>(39,644,153)</u>
Capital Assets, Net	<u>\$ 24,709,480</u>

- (3) Interest payable is recognized in the entity wide statements under full accrual accounting. No accrual is recognized in the governmental fund statements for interest that was not paid from current financial resources.

Interest Payable at December 31, 2021	<u>\$ 367,689</u>
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**TOWN OF EAST FISHKILL, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS - CONTINUED**

**A. Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities - Continued:**

(4) Long-term liabilities are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Bond, Installment Obligations	\$ (25,103,231)
Landfill Remediation Liability	(1,839,785)
Compensated Absences Payable	(602,811)
Net Pension Liability	(1,220,807)
Other Postemployment Benefits	(58,177,065)
	<u>\$ (86,943,699)</u>

(5) Deferred Outflows and Inflows are reported in the Statement of Net Position, but not in the governmental funds, because they are not due and payable in the current period. Balances at year-end were:

Deferred Outflows of Resources	\$ 20,303,137
Deferred Inflows of Resources	(19,687,593)
	<u>\$ 615,544</u>

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities:**

Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories.

- Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds use a current financial resource measurement focus, whereas the Statement of Activities uses an economic resource measurement focus.
- Capital asset transaction differences include the difference between recording an expenditure for the purchase of capital assets in the governmental fund statements and depreciation expense on those items as recorded in the Statement of Activities.
- Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the governmental fund statements when paid, whereas interest payments are recorded in the Statement of Activities as incurred and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

The basic financial statements contain a detailed reconciliation of the items creating the differences between the change in fund balance reported in the governmental fund statements and the change in net position reported in the Statement of Activities.

Total Revenues and Other Funding Sources

Total Revenues Reported in Governmental Funds	\$ 31,082,281
Total Revenues Reported in the Statement of Activities	\$ 31,082,281



**TOWN OF EAST FISHKILL, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS  
AND GOVERNMENT-WIDE STATEMENTS - CONTINUED**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of  
Activities – Continued:**

Total Expenditures/Expenses

Total Expenditures Reported in Governmental Funds	\$ 27,336,330
In the Statement of Activities, certain operating expenses (compensated absences) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid.) This is the amount by which the liability for compensated absences increased during the year.	37,393
In the Statement of Activities, the expenses for other postemployment benefits are measured based on the change in actuarially determined OPEB liability and related deferred inflows/outflows of resources of the Town. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially the amounts paid). This is the amount by which the OPEB expense exceeded the amount of financial resources used during the year.	1,284,641
In the Statement of Activities, pension expense related to ERS and PFRS defined benefit plans is measured as the change in the Town's proportionate shares of the net pension assets and liabilities as of the measurement dates for each plan. In the governmental funds however, these expenditures are recognized equal to the total of (1) amounts paid by the employer to the pension plan and (2) the change between beginning and ending balances of amounts normally expected to be liquidated with expendable available financial resources. This is the amount by which the amount of financial resources expended during the year exceeded pension expense.	(541,955)
Interest payable is recognized in the government-wide statements under full accrual accounting whereas it is recognized when paid in the governmental fund statements. This is the amount by which interest payable for the current year exceeded the interest payable for the prior year.	143,276
When the purchase or construction of capital assets is financed through governmental funds, the resources expended for those assets are reported as expenditures in the year they are incurred. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital expenditures of \$474,203 exceeded depreciation expense of \$411,064 in the current year.	(63,139)
Purchase of inventories are recorded as current period expenditures in the governmental funds and increase or decrease assets in the Statement of Net Position.	164,976

**TOWN OF EAST FISHKILL, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**II. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS - CONTINUED**

**B. Explanation of Differences between Governmental Funds Operating Statement and the Statement of Activities – Continued:**

Total Expenditures/Expenses (Continued)

Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the Statement of Net Position, and does not affect the Statement of Activities.

(1,046,270)

Total expenses reported in the Statement of Net Position

\$ 27,315,252

**III. CASH**

At December 31, 2021, the carrying amount of the Town’s deposits (cash, certificates of deposit and interest-bearing savings accounts) was \$13,226,807 and the bank balance was \$14,195,644. The Town’s deposits at December 31, 2021, and during the year then ended, were entirely covered by FDIC Insurance or by pledged collateral held by the Town’s agent bank

**IV. INTERFUND ACTIVITY**

Interfund receivables and payables at December 31, 2021 were as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ 570,863	\$ -
Water	-	110,748
Capital Projects	-	460,115
	<u>                    </u>	<u>                    </u>
TOTAL	<u>\$ 570,863</u>	<u>\$ 570,863</u>

Interfund transfers for the year ended December 31, 2021 were as follows:

<u>Funds</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Capital Projects	\$ 220,000	\$ -
Sewer	-	220,000
	<u>                    </u>	<u>                    </u>
TOTAL	<u>\$ 220,000</u>	<u>\$ 220,000</u>

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**V. CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2021 were as follows:

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 3,948,175	\$ -	\$ -	\$ -	\$ 3,948,175
Construction in Progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>3,948,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,948,175</u>
Capital assets, being depreciated:					
Buildings	24,170,457	-	-	-	24,170,457
Improvements and Infrastructure	5,933,357	-	-	-	5,933,357
Machinery and Equipment	9,697,444	474,203	(86,353)	-	10,085,294
Town Roads	20,216,350	-	-	-	20,216,350
Enterprise Infrastructure	3,577,323	-	-	-	3,577,323
Total capital assets being depreciated	<u>63,594,931</u>	<u>474,203</u>	<u>(86,353)</u>	<u>-</u>	<u>63,982,781</u>
Accumulated depreciation for:					
Buildings	(6,031,943)	(32,815)	-	-	(6,064,758)
Improvements and Infrastructure	(4,576,376)	(56,425)	-	-	(4,632,801)
Machinery and Equipment	(8,494,773)	(321,824)	86,353	-	(8,730,244)
Town Roads	(20,216,350)	-	-	-	(20,216,350)
Enterprise Infrastructure	(44,717)	(89,433)	-	-	(134,150)
Total accumulated depreciation	<u>(39,364,159)</u>	<u>(500,497)</u>	<u>86,353</u>	<u>-</u>	<u>(39,778,303)</u>
Total capital assets, being depreciated, net	<u>24,230,772</u>	<u>(26,294)</u>	<u>-</u>	<u>-</u>	<u>24,204,478</u>
Governmental activities capital assets, net	<u>\$ 28,178,947</u>	<u>\$ (26,294)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,152,653</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities:	
General Government	\$ 75,950
Public Safety	264,871
Transportation	11,355
Health & Community Service	10,902
Home and Community Services	<u>137,419</u>
Total Depreciation Expense	<u>\$ 500,497</u>

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS**

Plan Description

The Town of East Fishkill participates in the New York State and Local Employees’ Retirement System (“ERS”) and the New York State and Local Police and Fire Retirement System (“PFRS”). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (“NYSRSSL”). As set forth in the NYSRSSL, the Comptroller of the State of New York (“Comptroller”) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, New York 12244.

Funding Policy

The Systems are noncontributory except for Tier III, IV, V and VI employees who joined the New York State and Local Employees’ Retirement System after July 27, 1976, who contribute 3% to 6% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates, expressed as proportions of member payroll and employer contributions, used in computing the contributions required to be made by employers to the pension accumulation fund. An Eligible Tier III or IV member with ten or more years of membership, or ten years credited service, will not be required to contribute to the Retirement System. Tier V and VI members must continue to contribute throughout their employment.

The Town is required to contribute at an actuarially determined rate plus current maturities of prior unpaid amounts. The total required contributions, net of debt payments, for the current year and two preceding years were:

Plan Year Ending March 31	ERS	PFRS
2021	\$ 649,017	\$ 729,788
2020	\$ 649,860	\$ 706,786
2019	\$ 593,631	\$ 728,837

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

At December 31, 2021, the Town reported liabilities of \$14,245 and \$1,206,562 for its proportionate share of the net pension liability of the ERS and PFRS, respectively. The net pension liability was measured as of March 31, 2021 for ERS and PFRS. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the Systems relative to the projected contributions of all participating members, as actuarially determined. This information was provided by the ERS and PFRS Systems in reports provided to the Town.

At March 31, 2021, the Town's proportion of the ERS net pension liability was 0.0143057%. At March 31, 2020, the Town's proportion of the ERS net pension liability was 0.0150162%.

At March 31, 2021, the Town's proportion of the PFRS net pension liability was 0.0694914%. At March 31, 2020, the Town's proportion of the PFRS net pension liability was 0.0854010%.

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS – CONTINUED**

For the year ended December 31, 2021, the Town recognized pension expense of \$397,947 for ERS and \$543,548 for PFRS. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Differences between expected and actual experience	\$ 173,967	\$ 267,730	\$ 441,697
Changes of assumptions	2,619,151	2,964,392	5,583,543
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	181,732	54,108	235,840
Town's contributions subsequent to the measurement date	526,325	612,428	1,138,753
Total	<u>\$ 3,501,175</u>	<u>\$ 3,898,658</u>	<u>\$ 7,399,833</u>

	Deferred Inflows of Resources		
	<u>ERS</u>	<u>PFRS</u>	<u>Total</u>
Changes of assumptions	\$ 49,398	\$ -	\$ 49,398
Net difference between projected and actual earnings on pension plan investments	4,091,932	3,547,824	7,639,756
Changes in proportion and difference between the Town's contributions and proportionate share of contributions	66,674	401,414	468,088
Total	<u>\$ 4,208,004</u>	<u>\$ 3,949,238</u>	<u>\$ 8,157,242</u>

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS – CONTINUED**

Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	<u>ERS</u>	<u>PFRS</u>
2022	\$ (186,808)	\$ (233,134)
2023	(54,146)	(93,215)
2024	(200,043)	(194,158)
2025	(792,157)	(685,275)
2026	-	542,774
	<u>\$ (1,233,154)</u>	<u>\$ (663,008)</u>

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the valuations were as follows:

Measurement Date	<u>ERS</u> March 31, 2021	<u>PFRS</u> March 31, 2021
Investment Rate of Return	5.90% compounded annually net of investment expense	5.90% compounded annually net of investment expense
Projected Salary Increases	4.40%	6.20%
Cost of Living Adjustments	1.4% annually	1.4% annually
Decrement Tables	April 1, 2015 - March 31, 2020 System's Experience Study	April 1, 2015 - March 31, 2020 System's Experience Study
Inflation Rate	2.70%	2.70%
Mortality Improvement	Society of Actuaries Scale MP - 2020	Society of Actuaries Scale MP - 2020

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS – CONTINUED**

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	ERS and PFRS	
	March 31, 2021	
	Target	Long-term
	allocation	expected
Asset Class:		real rate of return
Domestic Equity	32%	4.05%
International Equity	15%	6.30%
Private Equity	10%	6.75%
Real Estate	9%	4.95%
Opportunistic/ARS Portfolio	3%	4.50%
Credit	4%	3.63%
Real Assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%
Total	<u>100%</u>	

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS – CONTINUED**

Discount Rate

The discount rate used to calculate the total pension liability was 5.90% for ERS and 5.90% for PFRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Town's proportionate share of the ERS and PFRS net pension liability calculated using the discount rates referred to above, as well as what the Town's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate referred to above:

	1% Decrease	Current Assumption	1% Increase
<b>ERS</b>	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (3,953,793)	\$ (14,245)	\$ 3,618,941
<b>PFRS</b>	4.90%	5.90%	6.90%
Employer's Proportionate Share of the Net Pension Asset/(Liability)	\$ (5,130,981)	\$ (1,206,562)	\$ 2,041,843

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2021, were as follows:

Measurement Date	(Dollars in Thousands)	
	ERS	PFRS
	March 31, 2021	March 31, 2021
Employers' total pension liability	\$ (220,680,157)	\$ (41,236,775)
Plan net position	220,580,583	39,500,500
Employers' net pension asset/(liability)	<u>\$ (99,574)</u>	<u>\$ (1,736,275)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	99.95%	95.79%



**TOWN OF EAST FISHKILL, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**VI. PENSION PLANS – CONTINUED**

Payables to the Pension Plan

For ERS, employer contributions for the plan year ended March 31, 2022 were paid to the System in January 2022. Accrued retirement contributions as of December 31, 2021 amounted to \$526,325.

For PFRS, employer contributions for the plan year ended March 31, 2022 were paid to the System in January 2022. Accrued retirement contributions as of December 31, 2022 amounted to \$612,428.

**VII. OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

The Town’s defined benefit OPEB plan, provides OPEB for all permanent full-time general and public safety employees of the Town. The plan is a single employer defined benefit OPEB plan administered by the Town. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Town Board. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of Statement 75.

Benefits Provided

The Town provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the Town offices and are available upon request.

Active Employees	87
Retired Employees	66
Total Employees Covered by Benefit Terms	153

Total OPEB Liability

The Town obtained an actuarial valuation report as of December 31, 2021. The liability for other postemployment benefits was measured as of December 31, 2021 and totaled \$58,177,065.

Inflation Rate	2.25%
Projected Salary Increases, Including Wage Inflation	3.00%
Discount Rate	1.84%
Healthcare Cost Trend Rates	7% decreasing to 3.784%
Current Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement
Future Retiree's Share of Benefit Related Costs	Retirees pay based on specific cost sharing agreement

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2021 actuarial valuation was determined used were following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Balance - Beginning	\$ 52,733,048
Changes for the Year:	
Service Cost	1,966,243
Interest	1,100,812
Differences Between Expected and Actual Experience	866,872
Changes in Assumptions or Other Inputs	2,561,178
Benefit Payments	<u>(1,051,088)</u>
Net Changes	<u>5,444,017</u>
Balance - Ending	<u>\$ 58,177,065</u>

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

The following table presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate.

	1% Decrease	Discount Rate	1% Increase
	1.25%	1.84%	3.25%
Total OPEB Liability	\$ 70,770,440	\$ 58,177,065	\$ 48,548,315

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

The following table presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the healthcare cost trend rate.

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 47,168,620	\$ 58,177,065	\$ 72,963,855

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VII. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Town recognized OPEB expense of \$2,335,729. At December 31, 2021, the Town reported the following deferred inflows/outflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 746,138	\$ (8,709,517)
Changes of assumptions or other inputs	<u>12,157,166</u>	<u>(2,820,834)</u>
Total	<u>\$ 12,903,304</u>	<u>\$ (11,530,351)</u>

Town contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended December 31, 2022. Other amounts recognized in the deferred inflows/outflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year Ending December 31,	Amount
2022	\$ (731,326)
2023	(731,326)
2024	230,807
2025	529,663
2026	1,071,963
Thereafter	1,003,172
	<u>\$ 1,372,953</u>

**VIII. SHORT-TERM DEBT**

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

The Town paid back their outstanding bond anticipation notes during 2021 and none were outstanding as of December 31, 2021.

Interest expense on short-term debt for the year was:

Interest Paid	\$ 30,704
Less: Interest accrued - prior year	-
Plus: Interest accrued - current year	<u>-</u>
	<u>\$ 30,704</u>

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**VIII. SHORT-TERM DEBT – CONTINUED**

Description	Original Borrowing	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year
Water Project	\$ 4,250,000	\$ 1,050,000	\$ -	\$ 1,050,000	\$ -
John Jay Sewer, Town Wide Water	3,395,770	3,360,770	-	3,360,770	-
	<u>\$ 7,645,770</u>	<u>\$ 4,410,770</u>	<u>\$ -</u>	<u>\$ 4,410,770</u>	<u>\$ -</u>

**IX. LONG-TERM DEBT**

The Town of East Fishkill borrows money for various purposes, including acquiring land or equipment, or constructing buildings and improvements. This borrowing enables the cost of these capital assets to be borne by the present and future taxpayers who benefit from the capital assets. The debt is backed by the full faith and credit of the Town.

At December 31, 2021, the total principal indebtedness outstanding of the Town of East Fishkill aggregated \$25,064,000.

Interest expense on long-term debt for the year was:

Interest Paid	\$ 828,614
Less: Interest accrued - prior year	(224,413)
Plus: Interest accrued - current year	<u>367,689</u>
	<u>\$ 971,890</u>

Long-term liability balances and activity for the year are summarized below:

Governmental Activities	Beginning Balance	Issued/Earned	Redeemed/Paid	Ending Balance	Current Portion
Bonds and Notes Payable:					
General Obligation Debt:					
Bond Anticipation Notes	\$ 4,410,770	\$ -	\$ 4,410,770	\$ -	\$ -
Serial Bonds	21,061,600	4,985,000	982,600	25,064,000	1,170,000
Total Bonds Payable	<u>25,472,370</u>	<u>4,985,000</u>	<u>5,393,370</u>	<u>25,064,000</u>	<u>1,170,000</u>
Other Debt:					
Installment Purchase Obligations	59,225	-	19,994	39,231	19,994
Total	<u>59,225</u>	<u>-</u>	<u>19,994</u>	<u>39,231</u>	<u>19,994</u>
Other liabilities:					
Compensated Absences	565,418	37,393	-	602,811	10,000
Landfill Remediation Liability	1,868,461	-	28,676	1,839,785	28,700
Other Post Employment Benefits	52,733,048	5,444,017	-	58,177,065	-
Total Other Liabilities	<u>55,166,927</u>	<u>5,481,410</u>	<u>28,676</u>	<u>60,619,661</u>	<u>38,700</u>
Total long-term liabilities	<u>\$ 80,639,297</u>	<u>\$ 5,481,410</u>	<u>\$ 48,670</u>	<u>\$ 85,683,661</u>	<u>\$ 58,694</u>

**TOWN OF EAST FISHKILL, NEW YORK  
NOTES TO BASIC FINANCIAL STATEMENTS**

**IX. LONG-TERM DEBT – CONTINUED**

The following is a summary of the maturity of long-term indebtedness:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,170,000	\$ 770,178	\$ 1,940,178
2023	1,175,000	739,236	1,914,236
2024	1,210,000	700,210	1,910,210
2025	1,090,000	662,446	1,752,446
2026	1,125,001	625,932	1,750,933
2027-2031	6,195,003	2,507,376	8,702,379
2032-2036	6,824,003	1,467,562	8,291,565
2037-2041	5,739,984	516,545	6,256,529
2042-2046	535,009	61,326	596,335
Total	<u>\$ 25,064,000</u>	<u>\$ 8,050,811</u>	<u>\$ 33,114,811</u>

**X. DEFICIT FUND BALANCES**

Capital Fund had deficit fund balances totaling (\$42,216) at December 31, 2021. Lighting Fund had deficit fund balances totaling (\$24,116) at December 31, 2021.

**XI. UNRESTRICTED BALANCES**

As of December 31, 2021, the Town's unrestricted net position totaled a deficit of (\$46,841,502). A primary cause of the deficit is the future liability in the amount of \$58,177,065 which has been recorded in conformity with GASB 75 to reflect postemployment retiree benefits for healthcare.

**XII. JOINT VENTURE**

The following activity is undertaken by the Town jointly with another municipality. This activity is excluded from the financial statements of the Town, although it is considered a related party. Separate financial statements are issued for joint ventures.

The Town of East Fishkill entered into an agreement with the Town of Fishkill dated May 27, 1980, to operate the Fishkill/East Fishkill Joint Landfill for a period of twenty years. All costs of operations and maintenance were borne equally by each municipality.

The joint landfill was ordered closed under a consent order signed with the NYS Department of Environmental Conservation, the latest modification date being April 1993. The landfill has not accepted waste since 1986 and was completely closed and capped by July 1997.

The following is a summary of unaudited financial information at December 31, 2021, which is included in the separate financial statements available from the Fishkill/East Fishkill Joint Landfill, c/o the Town of Fishkill, Town Hall, Fishkill, New York 12524 issued for this joint venture:

Total Assets (Excluding Fixed Assets)	\$ 8,678
Total Liabilities	\$ -
Total Venture Equity	\$ 1,335,938
Total Revenues	\$ 36,000
Total Expenditures	\$ 30,858
Total Fixed Assets	\$ 1,327,260

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**XII. JOINT VENTURE – CONTINUED**

During 2021, the Town paid \$24,000 to the joint venture which is included in the Revenues described above. The Town's liability for this future share of closure and post-closure monitoring costs are recorded in the Long-Term Debt Account Group (see Note XIII).

**XIII. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS**

As described in Note XII above, the Fishkill/East Fishkill Joint Landfill was required to be closed and capped, i.e., place a final cover on the landfill site, as well as perform certain maintenance and monitoring functions at the site for thirty years after closure.

The Joint Landfill currently estimates future post-closure care costs to be \$3,7012,922. This amount is based on what it would cost to perform post-closure care, through 2025 as required, as of December 31, 2021 assuming a 3% rate of inflation. The Town recorded its share of the Joint Landfill post-closure costs, amounting to \$1,839,785, in the government-wide financial statements.

In January 2004, the Town was notified by the New York State Department of Conservation that the former East Fishkill Landfill located on Hosner Mountain Road is subject to additional clean up activities. These additional activities include installing a passive venting system, repair erosion of the cap, construct an impervious membrane, hydro seeding and post closure monitoring and maintenance costs. The Town is currently in discussions with the DEC regarding the specific components of these activities, so cost estimates and the related provisions have not been made. The Town does consider these expenditures to be significant, if not material, to the financial statements. Current estimated future costs for post-closure monitoring and maintenance costs, also assuming a 3% inflation rate, amount to \$1,839,785 (see Note XII) and have been recorded in the government-wide financial statements. Actual costs may be higher due to changes in inflation rates, technology, or regulations.

**XIV. CONTINGENCIES**

Grant Funding

The Town has received grants which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments. Based on past audits, the Town administration believes disallowances, if any, will be immaterial.

Certiorari Proceedings

Open tax certiorari cases, which claim excessive assessed values, exist with several taxpayers. Claims allowed, if any, will result in a refund of Town taxes previously collected by the Town. Any such refunds resulting from adverse settlements will be provided for when determinable. Management does not expect that any of the tax certiorari cases will significantly impact the Town's fiscal condition.

Judgments and Claims

A few claims against the Town are presently pending for miscellaneous matters. Although final outcome of these matters is not known at this time, management of the Town does not believe that the final settlement of these matters will have a materially adverse effect on the financial condition of the Town.

**XV. SUBSEQUENT EVENTS**

On March 11, 2021, the President signed into law the American Rescue Plan Act of 2021 ("ARPA"). This stimulus package includes \$350 billion in direct relief for state and local governments. The allocation process is based on population size and it is estimated that the Town will receive \$3,028,401. The Town received \$1,514,201 in 2021 and is scheduled to receive the second half of the funding in 2022.

**TOWN OF EAST FISHKILL, NEW YORK**  
**NOTES TO BASIC FINANCIAL STATEMENTS**

**XVI. NEW ACCOUNTING PRINCIPLES**

In June 2017, GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice. This statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves note disclosures. The requirements for this statement, as delayed by GASB 95, are effective for reporting periods beginning after December 15, 2021.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses a variety of topics including leases, intra-entity transfers, fiduciary activities, public risk pools/reinsurance recoveries, fair value measurements, and derivative instrument technology. The requirements of this statement, as delayed by GASB 95, are effective for reporting periods beginning after June 15, 2021.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements ("PPPs"). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital assets (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement ("SCA"), which GASB defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

## TOWN OF EAST FISHKILL, NEW YORK NOTES TO BASIC FINANCIAL STATEMENTS

### XVI. NEW ACCOUNTING PRINCIPLES – CONTINUED

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (“SBITAs”) for government end users. This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Under this statement, a government generally should recognize a right-to-use subscription asset and corresponding subscription liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

In June 2020, GASB issued Statement 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 Supersession of GASB Statement No 32*. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit plans, and employee benefit plans other than pension plans or other postemployment benefit plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (“IRC”) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution other postemployment benefit plan, or another employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. The requirements of this statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution other postemployment benefit plans, or other employee benefit plans and (2) limit the applicability of the financial burden criteria, are effective immediately. The requirements of this statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a component unit, the requirements of this statement that provide for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym (“ACFR”). That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The requirements of this statement are effective for fiscal years ending after December 15, 2021.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. This statement addresses a variety of topics, including derivative instruments, leases, PPP arrangements, SBITAs, LIBOR, and pledges of future revenues. Many of the requirements are effective immediately. The requirements related to leases, PPPs, and SBITAs are effective for years beginning after June 15, 2022. The requirements related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. This statement provides clarification and guidance for accounting and financial reporting related to accounting changes and error corrections (“ACEC”). GASB 100 also addresses disclosure requirements for ACEC, and how these items should be presented in Required Supplementary Information and Supplementary Information. The requirements of this statement are effective for ACECs made in fiscal years beginning after June 15, 2023.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement amends the recognition, measurement, and disclosure requirements for compensated absences. The requirements of this statement are effective for fiscal years beginning after December 15, 2023.

Management has not estimated the potential impact of these statements, if any, on the Town’s financial statements.



**Required**  
**Supplementary**  
**Information**

**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS**

<u>Total OPEB Liability</u>	12/31/21	12/31/20	12/31/19	12/31/18
Service Cost	\$ 1,966,243	\$ 1,635,622	\$ 1,398,367	\$ 2,175,364
Interest	1,100,812	1,233,324	1,500,350	1,816,681
Change of Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	866,872		(14,647,822)	-
Changes in Assumptions or Other Inputs	2,561,178	7,132,199	7,959,402	(7,864,790)
Benefit Payments	(1,051,088)	(961,277)	(906,172)	(894,973)
Net Change in Total OPEB Liability	5,444,017	9,039,868	(4,695,875)	(4,767,718)
Total OPEB liability - beginning	52,733,048	43,693,180	48,389,055	53,156,773
Total OPEB liability - ending (a)	\$ 58,177,065	\$ 52,733,048	\$ 43,693,180	\$ 48,389,055
<u>Plan Fiduciary Net Position</u>				
Contributions - Employer	\$ 1,051,088	\$ 961,277	\$ 906,172	\$ 894,973
Benefit Payments	(1,051,088)	(961,277)	(906,172)	(894,973)
Net Change in Plan Fiduciary Net Position	-	-	-	-
Plan Fiduciary net position - beginning	-	-	-	-
Plan Fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -
District's net OPEB liability - ending (a) - (b)	\$ 58,177,065	\$ 52,733,048	\$ 43,693,180	\$ 48,389,055
Plan Fiduciary Net position as a percentage of the total OPEB liability	0%	0%	0%	0%
Covered Payroll	\$ 7,855,527	\$ 7,322,833	\$ 7,853,173	\$ 7,403,617
Total OPEB Liability as a percentage of covered payroll	740.59%	720.12%	556.38%	653.59%

Notes to Schedule:

Changes of Benefit Terms:

None

Changes in Assumptions:

Changes in Assumptions and other inputs reflect the effects of changes in the discount rate each period.

The following are the discount rates used in each period:

12/31/21	1.84%
12/31/20	2.00%
12/31/19	2.75%
12/31/18	3.71%

No assets are accumulated in a Trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2018 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF OPEB CONTRIBUTIONS AND ASSUMPTIONS**

	2021	2020	2019	2018
Actuarial determined contribution (SC + 20 year amort NOL)	\$ 1,051,088	\$ 961,277	\$ 906,172	\$ 894,973
Contributions relating to the actuarially determined contribution	(1,051,088)	(961,277)	(906,172)	(894,973)
Contribution Excess/(Deficiency)	\$ -	\$ -	\$ -	\$ -
Covered - employee Payroll	\$ 7,855,527	\$ 7,322,833	\$ 7,858,173	\$ 7,403,617
Contributions as a percentage of covered - employee payroll	740.59%	720.12%	556.38%	653.59%

Notes to Schedule:

Valuation date:	1/1/2021	1/1/2020	1/1/2019	1/1/2018
Census date:	12/31/2021	12/31/2020	12/31/2018	12/31/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percentage	Level Percentage	Level Percentage	Level Percentage
Amortization period	7.180 years	7.460 years	7.400 years	6.237 years
Asset valuation method	N/A	N/A	N/A	N/A
Inflation	2.25%	2.25%	2.25%	2.25%
Healthcare cost trend rates	7% decrease to 3.784%	7% decrease to 3.784%	7% decrease to 3.784%	7% decrease to 3.784%
Salary increases	3%	3%	3%	3%
Retirement age	Rates start at 20 years, or age 55 and 10 years			
Mortality	Pub-2010 w/ MP2021			
Investment rate of return	1.84%	2.00%	2.75%	3.71%
<u>Other Information:</u>				
Participation at Retirement	100%	100%	100%	100%

GASB 75 requires that the past 10 years of information be presented. Due to the fact that 2018 was the year of implementation, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 75.

**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND RELATED RATIOS**

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>ERS</b>					
3/31/2021	0.0143057%	\$ (14,245)	\$ 4,603,161	-0.31%	99.95%
3/31/2020	0.0150162%	\$ (3,976,366)	\$ 4,688,743	-84.81%	86.39%
3/31/2019	0.0138014%	\$ (977,870)	\$ 4,738,401	-20.64%	96.27%
3/31/2018	0.0139202%	\$ (449,268)	\$ 4,248,020	-10.58%	98.24%
3/31/2017	0.0130027%	\$ (1,221,760)	\$ 4,309,763	-28.35%	94.70%
3/31/2016	0.0141737%	\$ (2,274,924)	\$ 4,044,594	-56.25%	90.70%
3/31/2015	0.0150162%	\$ (478,530)	\$ 4,006,152	-11.94%	97.95%

Plan Year Ended	Proportion of the Net Pension Asset (Liability)	Proportionate Share of the Net Pension Asset (Liability)	Actual Covered Member Payroll	Net Pension Asset (Liability) as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
<b>PFRS</b>					
3/31/2021	0.06949140%	\$ (1,206,562)	\$ 2,830,546	-42.63%	95.79%
3/31/2020	0.0854010%	\$ (4,564,611)	\$ 2,929,627	-155.81%	84.86%
3/31/2019	0.0864600%	\$ (1,449,990)	\$ 2,967,712	-48.86%	95.09%
3/31/2018	0.0971700%	\$ (982,153)	\$ 3,080,161	-31.89%	96.93%
3/31/2017	0.0949180%	\$ (1,967,313)	\$ 3,298,886	-59.64%	93.50%
3/31/2016	0.0974550%	\$ (2,885,424)	\$ 3,116,297	-92.59%	90.20%
3/31/2015	0.1013410%	\$ (278,949)	\$ 2,947,612	-9.46%	99.00%

\*GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not available for 10 years. The data will be accumulated over time and presented according to GASB 68.

**TOWN OF EAST FISHKILL, NEW YORK  
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
<b>ERS</b>					
12/31/2021	\$ 649,017	\$ 649,017	\$ -	4,603,161	14.10%
12/31/2020	\$ 649,860	\$ 649,860	\$ -	4,668,743	13.92%
12/31/2019	\$ 593,631	\$ 593,631	\$ -	4,738,401	12.53%
12/31/2018	\$ 612,821	\$ 614,821	\$ -	4,248,020	14.43%
12/31/2017	\$ 747,404	\$ 747,404	\$ -	4,309,763	17.34%
12/31/2016	\$ 698,012	\$ 698,012	\$ -	4,044,594	17.26%
12/31/2015	\$ 775,771	\$ 775,771	\$ -	4,006,152	19.36%

Fiscal Year Ended	Contractually Required Contribution	Actual Employer Contribution	Contribution (deficiency) excess	Covered Employee Payroll	Required Contributions as a Percentage of Covered Payroll
<b>PFRS</b>					
12/31/2021	\$ 729,788	\$ 729,788	\$ -	2,830,546	25.78%
12/31/2020	\$ 706,786	\$ 706,786	\$ -	2,929,627	24.13%
12/31/2019	\$ 728,837	\$ 728,837	\$ -	2,967,712	24.56%
12/31/2018	\$ 804,899	\$ 804,899	\$ -	3,080,161	26.13%
12/31/2017	\$ 747,404	\$ 747,404	\$ -	3,298,886	22.66%
12/31/2016	\$ 637,130	\$ 637,130	\$ -	3,116,297	20.45%
12/31/2015	\$ 935,642	\$ 935,642	\$ -	2,947,612	31.74%

\*GASB 68 requires that the past 10 years of information be presented. Due to the fact that GASB 68 was recently implemented, prior year information is not fully available for 10 years. The data will be accumulated over time and presented according to GASB 68.

**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 7,970,562	\$ 7,970,562	\$ 7,975,962	\$ 5,400
Real Property Tax Items	100,396	100,396	91,088	(9,308)
Non Property Tax Items	1,975,000	1,975,000	3,373,995	1,398,995
Departmental Income	39,500	39,500	824,894	785,394
Intergovernmental/Grant Income	582,500	582,500	528,137	(54,363)
Use of Money and Property	71,089	71,089	151,771	80,682
Licenses and Permits	736,000	736,000	1,564,763	828,763
Fines and Forfeitures	805,000	805,000	903,277	98,277
Sale of Property and Compensation for Loss	10,000	118,000	138,914	20,914
Miscellaneous	477,000	593,000	106,863	(486,137)
State and Federal Aid	1,088,890	1,203,890	2,349,297	1,145,407
Total Revenues	13,855,937	14,194,937	18,008,961	3,814,024
<b>Expenditures:</b>				
General Government	2,461,075	2,604,725	2,711,826	(107,101)
Public Safety	4,164,894	4,454,276	4,351,449	102,827
Health	3,850	3,850	3,578	272
Transportation	254,580	247,080	324,061	(76,981)
Economic Assistance and Opportunity	134,400	134,400	100,802	33,598
Culture and Recreation	1,331,710	1,333,810	1,273,671	60,139
Home and Community Services	389,900	390,084	272,573	117,511
Employee Benefits	4,679,600	4,562,100	4,274,953	287,147
Capital Outlay	344,644	584,506	275,722	308,784
Debt Service	91,284	91,284	91,112	172
Total Expenditures	13,855,937	14,406,115	13,679,747	726,368
Excess/(Deficiency) of Revenues Over Expenditures	-	(211,178)	4,329,214	4,540,392
Net Change in Fund Balance	-	(211,178)	4,329,214	4,540,392
Appropriated Fund Balance	-	211,178	-	(211,178)
Total Change in Fund Balance	\$ -	\$ -	\$ 4,329,214	\$ 4,329,214

**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**HIGHWAY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 5,875,800	\$ 5,875,800	\$ 5,875,800	\$ -
Departmental Income	7,550	1,257,550	449,845	(807,705)
Use of Money and Property	-	-	1,887	1,887
Sale of Property and Compensation for Loss	-	-	16,899	16,899
Miscellaneous	-	-	11,076	11,076
State and Federal Aid	550,000	800,000	615,811	(184,189)
<b>Total Revenues</b>	<b>6,433,350</b>	<b>7,933,350</b>	<b>6,971,318</b>	<b>(962,032)</b>
<b>Expenditures:</b>				
General Government	-	-	75,580	(75,580)
Transportation	3,498,500	3,768,500	4,985,766	(1,217,266)
Employee Benefits	1,668,800	1,453,800	1,387,853	65,947
Capital Outlay	1,100,000	2,545,000	130,561	2,414,439
Debt Service	166,050	166,050	166,050	-
<b>Total Expenditures</b>	<b>6,433,350</b>	<b>7,933,350</b>	<b>6,745,810</b>	<b>1,187,540</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>-</b>	<b>225,508</b>	<b>225,508</b>
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 225,508</b>	<b>\$ 225,508</b>

**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**WATER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
Real Property Taxes	\$ 343,833	\$ 343,833	\$ 343,833	\$ -
Departmental Income	1,415,906	1,415,906	1,811,008	395,102
Use of Money and Property	671	671	2,877	2,206
Sale of Property and Compensation for Loss	-	-	375	375
<b>Total Revenues</b>	<b>1,760,410</b>	<b>1,760,410</b>	<b>2,158,093</b>	<b>397,683</b>
Expenditures:				
Home and Community Services	1,417,337	1,417,337	1,842,532	(425,195)
Debt Service	343,073	343,073	284,428	58,645
<b>Total Expenditures</b>	<b>1,760,410</b>	<b>1,760,410</b>	<b>2,126,960</b>	<b>(366,550)</b>
Excess/(Deficiency) of Revenues Over Expenditures	-	-	31,133	31,133
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,133</b>	<b>\$ 31,133</b>



**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF REVENUES AND EXPENDITURES COMPARED TO BUDGET**  
**SEWER FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final
	Original	Final	GAAP Basis	Budget
<b>Revenues:</b>				
Real Property Taxes	\$ 983,394	\$ 983,394	\$ 983,394	\$ -
Departmental Income	1,370,250	1,370,250	1,815,536	445,286
Use of Money and Property	3,100	3,100	3,664	564
Miscellaneous	-	-	19,307	19,307
<b>Total Revenues</b>	<b>2,356,744</b>	<b>2,356,744</b>	<b>2,821,901</b>	<b>465,157</b>
<b>Expenditures:</b>				
General Government	-	-	8,842	(8,842)
Home and Community Services	1,155,638	1,155,638	1,155,587	51
Capital Outlay	64,462	64,462	33,020	31,442
Debt Service	1,186,644	1,186,644	1,142,081	44,563
	<b>2,406,744</b>	<b>2,406,744</b>	<b>2,339,530</b>	<b>67,214</b>
<b>Excess/(Deficiency) of Revenues Over Expenditures</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>482,371</b>	<b>532,371</b>
<b>Other Financing Sources/(Uses):</b>				
Net Operating Transfers In/(Out)	-	-	(220,000)	(220,000)
<b>Total Other Financing Sources/(Uses)</b>	<b>-</b>	<b>-</b>	<b>(220,000)</b>	<b>(220,000)</b>
<b>Net Change in Fund Balance</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>262,371</b>	<b>312,371</b>
<b>Appropriated Fund Balance</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	<b>(50,000)</b>
<b>Total Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 262,371</b>	<b>\$ 262,371</b>

# **Other Information**

**TOWN OF EAST FISHKILL, NEW YORK  
 COMBINING BALANCE SHEETS  
 NON-MAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2021**

	Miscellaneous	Drainage	Recreation	Park	Lighting	Total Non-Major Governmental Funds
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 9,217	\$ 9,217	\$ 546,300	\$ 8,703	\$ 12,900	\$ 586,337
Receivables	-	-	-	375	-	375
<b>Total Assets</b>	<b>\$ 9,217</b>	<b>\$ 9,217</b>	<b>\$ 546,300</b>	<b>\$ 9,078</b>	<b>\$ 12,900</b>	<b>\$ 586,712</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ -	\$ 41,776	\$ 1,137	\$ 37,016	\$ 79,929
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>41,776</b>	<b>1,137</b>	<b>37,016</b>	<b>79,929</b>
<b>FUND BALANCES</b>						
Fund Balance - Assigned						
Assigned for Fund Purposes	9,217	9,217	504,524	7,941	-	530,899
Fund Balance - Unassigned	-	-	-	-	(24,116)	(24,116)
<b>Total Fund Balances</b>	<b>9,217</b>	<b>9,217</b>	<b>504,524</b>	<b>7,941</b>	<b>(24,116)</b>	<b>506,783</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 9,217</b>	<b>\$ 9,217</b>	<b>\$ 546,300</b>	<b>\$ 9,078</b>	<b>\$ 12,900</b>	<b>\$ 586,712</b>

**TOWN OF EAST FISHKILL, NEW YORK**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	Miscellaneous	Refuse	Recreation	Park	Lighting	Total Non-Major Governmental Funds
Revenues:						
Real Property Taxes	\$ 1,000	\$ 1,000	\$ -	\$ 7,110	\$ 131,400	\$ 140,510
Non Property Taxes	-	-	-	1,760	-	1,760
Use of Money and Property	23	23	1,364	2,647	120	4,177
Miscellaneous	-	-	11,628	-	-	11,628
Total Revenues	1,023	1,023	12,992	11,517	131,520	158,075
Expenditures:						
Transportation	-	-	-	-	157,102	157,102
Culture and Recreation	-	-	48,440	11,122	-	59,562
Capital Outlay	-	-	34,900	-	-	34,900
Total Expenditures	-	-	83,340	11,122	157,102	251,564
Excess/(Deficiency) of Revenues Over Expenditures	1,023	1,023	(70,348)	395	(25,582)	(93,489)
Other Financing Sources/(Uses):						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	-	-	-	-	-	-
Change in Fund Balances	1,023	1,023	(70,348)	395	(25,582)	(93,489)
Fund Balances - Beginning	8,194	8,194	574,872	7,546	1,466	600,272
Fund Balances - Ending	\$ 9,217	\$ 9,217	\$ 504,524	\$ 7,941	\$ (24,116)	\$ 506,783

**TOWN OF EAST FISHKILL, NEW YORK**  
**SCHEDULE OF INDEBTEDNESS**  
**DECEMBER 31, 2021**

	Date of Issue	Date of Final Maturity	Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Amount of Interest Paid During Fiscal Year	Amount of Interest Accrued at 12/31/2021	Due Within the Next Year
<b><u>BOND ANTICIPATION NOTES</u></b>										
Water Project	07/23/19	07/23/21	2.00%	\$ 1,050,000	\$ -	\$ 1,050,000	\$ -	\$ 7,350	\$ -	\$ -
John Hay Sewer, Town Wide Water	12/17/19	12/17/21	2.35%	3,360,770	-	3,360,770	-	23,354	-	-
Total Bond Anticipation Notes				4,410,770	-	4,410,770	-	30,704	-	-
<b><u>SERIAL BONDS</u></b>										
Brettview Water District	3/21/2006	6/21/2021	4.61%	17,600	-	17,600	-	811	-	-
Four Corner's Water	9/29/2011	9/1/2041	2.0-5.0%	712,040	-	24,660	687,380	27,840	8,983	24,659
Four Corner's Sewer	9/29/2011	9/1/2041	2.0-5.0%	442,960	-	15,340	427,620	17,320	589	15,341
Wildflower Sewer	12/18/2013	12/15/2043	5.30%	520,000	-	15,000	505,000	27,326	1,173	15,000
Beekman Water District	6/30/2016	6/30/2046	4.00%	868,000	-	33,000	835,000	34,720	21,962	33,000
Beekman Sewer District	6/30/2016	6/30/2046	4.00%	1,496,000	-	57,000	1,439,000	59,840	59,840	57,000
Cannon Land	6/1/2017	6/1/2032	2.50%	840,000	-	60,000	780,000	21,000	1,929	60,000
Refinance Bond	6/8/2017	3/15/2041	2.0-3.25%	16,165,000	-	760,000	15,405,000	475,032	206,374	785,000
Capital Bond	07/20/21	07/20/41	1.4-5%	-	4,985,000	-	4,985,000	164,725	66,839	180,000
Total Serial Bonds				21,061,600	4,985,000	982,600	25,064,000	828,614	367,689	1,170,000
<b><u>INSTALLMENT PURCHASE OBLIGATION</u></b>										
Installment Purchase Obligation	Various	Various	Various	59,225	-	19,994	39,231	-	-	19,994
Total Installment Purchase Obligations				59,225	-	19,994	39,231	-	-	19,994
<b>TOTAL DEBT</b>				<b>\$ 25,531,595</b>	<b>\$ 4,985,000</b>	<b>\$ 5,413,364</b>	<b>\$ 25,103,231</b>	<b>\$ 859,318</b>	<b>\$ 367,689</b>	<b>\$ 1,189,994</b>



LIMITED LIABILITY PARTNERSHIP  
CERTIFIED PUBLIC ACCOUNTANTS BUSINESS DEVELOPMENT CONSULTANTS

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

The Town Board  
Town of East Fishkill  
330 Route 376  
Hopewell Junction, New York 12533

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of East Fishkill (the "Town"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated September 19, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RBT CPAs, LLP*

Hudson, NY  
September 19, 2023





**TOWN OF EAST FISHKILL, NEW YORK  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**SCHEDULE OF AUDIT FINDINGS**

A. Financial Statement Findings

None noted.

B. Compliance Findings

None noted.

